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XtalPi Holdings Limited
晶泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2228)

**PROPOSED ISSUE OF HK\$2,866,000,000 ZERO COUPON
CONVERTIBLE BONDS DUE 2027**

Sole Global Coordinator
J.P.Morgan

Joint Bookrunners

J.P.Morgan

**Goldman
Sachs**

BofA SECURITIES 

On 7 January 2026 (after trading hours), the Company and the Managers entered into the Subscription Agreement pursuant to which the Company has agreed to issue, and the Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in an aggregate principal amount of HK\$2,866,000,000, subject to certain conditions set out in the Subscription Agreement.

A book-building exercise has been conducted by the Managers, after which the terms of the Bonds, including but not limited to, the principal amount and the initial Conversion Price, have been determined.

The Bonds are convertible in the circumstances set out in the Terms and Conditions into Shares at an initial Conversion Price of HK\$13.85 per Share (subject to adjustments).

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$13.85 per Share, the Bonds will be convertible into approximately 206,931,407 Shares, representing approximately 4.81% of the total issued share capital of the Company as at the date of this announcement, and approximately 4.59% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and in all respects rank *pari passu* with the Shares then in issue on the relevant Registration Date.

Subject to completion of the issue of the Bonds, the Company intends to apply the net proceeds from the issue of the Bonds: (1) to enhance the Company's domestic and international research and development capabilities and one-stop-solution provision capabilities; (2) to enhance domestic and international commercialisation capabilities and expand business development and marketing teams; (3) to expand domestic and international delivering and research and development capabilities through site construction; and (4) for working capital and general corporate purposes.

The Conversion Shares will be allotted and issued by the Company pursuant to the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 29 April 2025. The subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds and the Conversion Shares to be allotted and issued upon conversion of the Bonds.

Completion of the transactions under the Subscription Agreement is subject to the satisfaction and/or waiver of certain conditions precedents therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed "Subscription Agreement" in this announcement for further information.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, and the Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED ISSUE OF HK\$2,866,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2027

The Board announces that on 7 January 2026 (after trading hours), the Company and the Managers have entered into the Subscription Agreement whereby, subject to the terms and conditions of the Subscription Agreement, the Managers have conditionally agreed to subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in an aggregate principal amount of HK\$2,866,000,000. The issue price of the Bonds shall be 100.00% of the aggregate principal amount of the Bonds and the denomination of each Bond shall be HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof. It is intended that the Bonds will be listed on the Hong Kong Stock Exchange.

SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised as follows:

Date: 7 January 2026 (after trading hours)

Parties: (1) the Company, as the issuer

(2) the Managers

Subscription: The Company has agreed to issue, and the Managers have agreed to severally and not jointly subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds, on the Closing Date on the terms of the Subscription Agreement.

The Bonds are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Managers and their respective ultimate beneficial owner(s) is a third party independent from the Company and is not a connected person of the Company.

Listing: The Company confirms that it will make, or cause to be made, an application for the Bonds and the Conversion Shares to be listed on the Hong Kong Stock Exchange in accordance with the terms of the Subscription Agreement.

Conditions Precedent to the Subscription:

The obligations of the Managers to subscribe and pay for the Bonds or to procure subscribers to subscribe and pay for the Bonds are conditional on:

- (1) **Due Diligence and Offering Circular:** the Managers being satisfied with the results of their due diligence investigations with respect to the Company and its subsidiaries and the offering circular in connection with the issue of the Bonds shall have been prepared in form and content satisfactory to the Managers;
- (2) **Other Contracts:** the execution and delivery on or before the Closing Date of the other Contracts, each in a form satisfactory to the Managers, by the respective parties;
- (3) **Comfort Letters:** on the Publication Date and on the Closing Date, there having been delivered to the Managers comfort letters, each in form and substance reasonably satisfactory to the Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Managers from PricewaterhouseCoopers, Certified Public Accountants to the Company;
- (4) **Officer Certificate:** on the Publication Date and on the Closing Date, there having been delivered to the Managers an officer certificate, each substantially in the form attached to the Subscription Agreement, dated as of such date, signed by an authorised officer of the Company;
- (5) **Compliance:** at the Closing Date:
 - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (iii) there having been delivered to the Managers a certificate in the form attached to the Subscription Agreement, dated as of such date, of a duly authorised officer of the Company to such effect;

- (6) **Material Adverse Change:** from the date of the Subscription Agreement, or if earlier, the dates as of which information is given in the offering circular in connection with the Bonds, up to and at the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the condition (financial or otherwise), properties, business, prospects or results of operations of the Company or of the Group, which, in the reasonable opinion of the Managers, is material and adverse in the context of the issue, offering, distribution, sale and marketing of the Bonds;
- (7) **Other consents:** on or prior to the Closing Date there shall have been delivered to the Managers all consents and approvals required in relation to the issue of the Bonds and the performance of the Company's obligations under the Trust Deed, the Agency Agreement and the Bonds (including the consents and approvals required from all lenders);
- (8) **Listing:** the Hong Kong Stock Exchange having agreed to list the Conversion Shares upon conversion of the Bonds and subject to any conditions satisfactory to the Managers, to list the Bonds (or, in each case, the Managers being satisfied that such listing will be granted);
- (9) **Legal Opinions:** on or before the Closing Date, there having been delivered to the Managers opinions, in form and substance satisfactory to the Managers, dated the Closing Date the requisite legal opinions issued by the respective legal advisers of the Managers, the Trustee and the Company;
- (10) **Legal Memorandum:** on or before the Closing Date, there having been addressed to the Company and delivered to the Managers the requisite legal memorandum issued by the relevant legal adviser of the Company, in form and substance satisfactory to the Managers, dated the Closing Date; and

(11) **CSRC Filing:** on or prior to the Closing Date, the final draft or substantially complete draft of the following documents in relation to the CSRC Filings, in form and substance satisfactory to the Managers, having been delivered to the Managers:

- (i) the CSRC Filing Report (including the letter of undertaking from the Issuer Company);
- (ii) legal opinions of the legal advisers to the Company as to PRC law, to be submitted to the CSRC (including the letter of undertaking from such legal advisers); and
- (iii) any other CSRC Filings required by the CSRC,

and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Managers may require.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above conditions precedent (other than condition (2) above).

As at the date of this announcement, certain of the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). It is the intention of the Company to satisfy or procure the satisfaction of all of the above conditions by the Closing Date.

Termination:

Notwithstanding anything contained in the Subscription Agreement, the Managers may, by written notice to the Company given at any time prior to payment of the gross subscription monies for the Bonds to the Company, in their sole discretion terminate the Subscription Agreement in any of the following circumstances:

- (1) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;

- (2) if any of the conditions precedent in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
- (3) if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in their view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
- (4) if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, and/or the Hong Kong Stock Exchange, and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC, the European Union, Australia, Singapore and/or the United Kingdom declared by the relevant authorities or a disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, the European Union, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds and the Conversion Shares or the transfer thereof; or
- (5) if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

**Company Lock-up
Undertaking:**

Neither the Company nor any person acting on its behalf will:

- (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

in any such case without the prior written consent of the Managers between the date hereof and the date which is 90 days after the Closing Date (both dates inclusive), except for (i) the Bonds, (ii) the issuance of the Conversion Shares as a result of conversion of the Bonds, or (iii) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Company pursuant to any employee share scheme or plan existing as at the date of the Subscription Agreement.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer:	the Company
Bonds:	HK\$2,866,000,000 zero coupon convertible bonds due 2027, convertible at the option of the holder thereof into fully paid Shares at the initial Conversion Price of HK\$13.85 per Share
Maturity Date:	26 January 2027
Issue Price:	100.00% of the principal amount of the Bonds
Interest:	The Bonds are zero coupon and do not bear interest.
Status:	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the negative pledge as set out in the Terms and Conditions) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge as set out in the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.
Form and Domination:	<p>The Bonds will be issued in registered form in the specified denomination of HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof.</p> <p>Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A..</p>

Negative Pledge:

So long as any Bond remains outstanding (as defined in the Trust Deed), the Company shall not, and the Company shall procure that none of its Principal Subsidiaries (as defined in the Terms and Conditions) (other than Listed Subsidiaries) will, create or permit to subsist any Security Interest (other than Permitted Security Interest) (each as defined in the Terms and Conditions) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith, or (ii) providing such other security for the Bonds as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

CSRC Post-Issuance Filings

The Company undertakes to file or cause to be filed with the CSRC within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (the “**CSRC Post-Issuance Filings**”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined below)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

The Company shall (i) file or report or cause to be filed or reported the CSRC Filing Report and other requisite information and documents in respect of the Bonds that are required to be filed with the CSRC within three PRC Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”), and (ii) shall within ten PRC Business Days after the submission of the Initial CSRC Post-Issuance Filing provide the Trustee with a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory (as defined in the Trust Deed) confirming (I) the submission of the Initial CSRC Post-Issuance Filing; and (II) no Relevant Event, Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred (the “**Registration Certificate**”). In addition, the Company shall, within ten PRC Business Days after the Registration Certificate is delivered to the Trustee, give notice to the Bondholders confirming the submission of the Initial CSRC Post-Issuance Filing.

Conversion Right: Subject to and upon compliance with the Terms and Conditions, each Bondholder has the right to convert its Bond(s) into the Conversion Share(s).

The number of Conversion Shares shall be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect on the relevant Conversion Date.

Conversion Period: Subject to, and upon compliance with, the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after 10 March 2026: (A) up to the close of business (at the place where the Certificate representing such Bond is deposited for conversion) on the seventh working day prior to the Maturity Date (both days inclusive) (but, except as provided in the Terms and Conditions, in no event thereafter); (B) if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof; or, (C) if notice requiring redemption has been given by the holder of such Bond pursuant to the Terms and Conditions, then up to the close of business (at the place aforesaid) on the business day (in the place aforesaid) prior to the giving of such notice.

Conversion Price: The price at which Shares will be issued upon conversion will initially be HK\$13.85 per Share but will be subject to adjustments for: (i) consolidation, subdivision, or re-classification of Shares; (ii) capitalisation of profits or reserves; (iii) distributions to the Shareholders; (iv) rights issues of Shares or options over Shares at less than 95 per cent. of the Current Market Price (as defined in the Terms and Conditions) per Share; (v) rights issues of other securities; (vi) issues at less than 95 per cent. of the Current Market Price per Share; (vii) other issues at less than 95 per cent. of the Current Market Price per Share; (viii) modification of rights of conversion etc. at less than 95 per cent. of the Current Market Price per Share; (ix) other offers to Shareholders; and (x) other events, as further described in the Terms and Conditions.

**Adjustment upon
Change of Control:**

If a Change of Control shall have occurred, the Company shall give notice of that fact to the Bondholders (“**Change of Control Notice**”) in accordance with the Terms and Conditions within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times \text{c}/\text{t}))$$

Where:

“**NCP**” means the Conversion Price after such adjustment;

“**OCP**” means the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this paragraph shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion to which this paragraph is applicable;

“**CP**”, or conversion premium, means 25 per cent. expressed as a fraction;

“**c**” means the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced below the level permitted by the Listing Rules or applicable laws and regulations from time to time (if any).

No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered, or granted to employees (including directors) of the Company or any Subsidiary (as defined in the Terms and Conditions) of the Company pursuant to any share option, share award, restricted share or employee incentive scheme or plan (and which such scheme or plan is in compliance with the Listing Rules or, if applicable, the listing rules of an Alternative Stock Exchange) (“**Share Scheme Shares/Options**”), unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to the Terms and Conditions) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during any 12-month period, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds three per cent. of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining adjustment of the Conversion Price pursuant to the Terms and Conditions.

Ranking of Conversion Shares: The Conversion Shares will be fully paid and in all respects, subject to mandatory provisions of applicable law, rank *pari passu* with the Shares in issue on the relevant Registration Date.

Redemption at Maturity: Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Bond at 101.76% of its principal amount on the Maturity Date.

**Redemption for
Taxation Reasons:**

The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with the Terms and Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, at the Early Redemption Amount (as defined in the Terms and Conditions) on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") if immediately prior to the giving of such notice the Company satisfies the Trustee that (A) the Company has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations or rulings (including a holding by a court of competent jurisdiction) of any Relevant Tax Jurisdiction (as defined in the Terms and Conditions), or any change in the general application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after 7 January 2026, and (B) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

If the Company gives a Tax Redemption Notice pursuant to the Terms and Conditions, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of the Terms and Conditions in connection with taxation shall not apply in respect of any payment to be made in respect of such Bond(s), whereupon no additional amounts shall be payable in respect thereof pursuant to the Terms and Conditions and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

**Redemption at
the Option of the
Company:**

On giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with the Terms and Conditions (which notice will be irrevocable) and in writing to the Trustee and the Principal Agent, the Company may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount provided that prior to the date upon which notice of such redemption is published the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further bonds issued pursuant to the Terms and Conditions and consolidated and forming a single series with the Bonds).

**Redemption for
Delisting, Suspension
of Trading or Change
of Control:**

Following the occurrence of a "Relevant Event", being:

- (a) when the Shares cease to be listed or admitted to trading or are suspended (other than for a temporary suspension) for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or
- (b) when there is a Change of Control,

the holder of each Bond will have the right, at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date (as defined below) at the Early Redemption Amount as at the Relevant Event Redemption Date.

The "**Relevant Event Redemption Date**" shall be the 14th day after the expiry of such period of (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with the Terms and Conditions.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK\$13.85 per Share (subject to adjustments), which represents:

- (a) a premium of approximately 20.0% over the closing price of HK\$11.54 per Share as quoted on the Hong Kong Stock Exchange on 7 January 2026 (being the day on which the Subscription Agreement was entered into); and
- (b) a premium of approximately 31.7% over the average closing price of approximately HK\$10.516 per Share, as quoted on the Hong Kong Stock Exchange for the last five consecutive Trading Days up to and including 7 January 2026.

The Conversion Price was determined with reference to the prevailing market price of the Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm's length basis between the Company and the Managers after a book-building exercise. The Directors consider that the Conversion Price is fair and reasonable based on current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$13.85 per Share, the Bonds will be convertible into approximately 206,931,407 Shares, representing:

- (a) approximately 4.81% of the total issued share capital of the Company as at the date of this announcement, and
- (b) approximately 4.59% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds.

The Conversion Shares will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. The number of Shares that would be issued pursuant to the Bonds is within the maximum number of Shares that the Company can issue under the General Mandate (as defined and detailed in the section headed "General Mandate" in this announcement).

SUBSCRIBERS

The Managers have informed the Company that the Bonds will be offered to no less than six independent subscribers (who will be independent individual, corporate and/or institutional professional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the subscribers (and their respective ultimate beneficial owners) is not a connected person of the Company before and immediately after the completion of the issuance of the Bonds.

EFFECT ON SHAREHOLDING STRUCTURE

The table below sets out a summary of the shareholdings in the Company (i) as at the date of this announcement, and (ii) upon the exercise in full of the Conversion Rights attached to the Bonds, on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the conversion of the Bonds in full, save for the issue of Conversion Shares as a result of the conversion of the Bonds in full; and (b) the Bondholders do not and will not hold any Shares other than the Conversion Shares.

Shareholder	As at the date of this announcement		Upon full conversion of the Bonds into Conversion Shares	
	<i>Number of Shares</i>	<i>Approximate percentage of the total issued Shares (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage of the total issued Shares (%)</i>
<i>Non-public Shareholders</i>				
QuantumPharm Holdings Limited ⁽¹⁾	222,126,400	5.16	222,126,400	4.92
QuantumPharm Roc Holdings Limited ⁽²⁾	234,083,018	5.44	234,083,018	5.19
QuantumPharm RSU Holdings Limited ⁽³⁾	225,000	0.01	225,000	0.01
Crete Helix Ltd. ⁽⁴⁾	122,908,500	2.86	122,908,500	2.73
SeveningBAlpha Limited ⁽⁴⁾	87,814,140	2.04	87,814,140	1.95
Mr. Law Cheuk Kin Stephen ⁽⁵⁾	225,000	0.01	225,000	0.01
Sub-total	667,382,058	15.51	667,382,058	14.80
<i>Public Shareholders</i>				
Other Shareholders	3,635,989,703	84.49	3,635,989,703	80.62
Bondholders	–	–	206,931,407	4.59
Sub-total	3,635,989,703	84.49	3,842,921,110	85.20
Total:	4,303,371,761	100.00	4,510,303,168	100.00

Notes:

- (1) QuantumPharm Holdings Limited is held as to 99% by WSH Family Holdings, which is a holding vehicle wholly owned by TMF (Cayman) Ltd.. TMF (Cayman) Ltd. is the trustee of the WSH Family Trust, a discretionary trust established by Dr. Wen Shuhao, an executive Director, as settlor. Under the SFO, Dr. Wen Shuhao is deemed to have a long position in 222,126,400 Shares that were held by QuantumPharm Holdings Limited.
- (2) QuantumPharm Roc Holdings Limited, being the shareholding platform for the Pre-IPO ESOP which holds the Shares underlying the options granted thereunder for the benefit of the grantees, is wholly owned by QuantumPharm Holdings Limited. Under the SFO, QuantumPharm Holdings Limited is deemed to be interested in the 234,083,018 Shares in which QuantumPharm Roc Holdings Limited is interested.
- (3) QuantumPharm RSU Holdings Limited, being the shareholding platform for the Post-IPO RSU Scheme which holds the Shares underlying the options granted thereunder for the benefit of the grantees, is wholly owned by QuantumPharm Holdings Limited. Under the SFO, QuantumPharm Holdings Limited is deemed to be interested in the 225,000 Shares in which QuantumPharm RSU Holdings Limited is interested.
- (4) Crete Helix Ltd. is held as to 99% by MH International Holdings Limited, which is the holding vehicle of TMF (Cayman) Ltd.. TMF (Cayman) Ltd., being the trustee of the MH Fund Trust, a discretionary trust established by Dr. Ma Jian as settlor. Under the SFO, each of Dr. Ma Jian, MH International Holdings Limited and TMF (Cayman) Ltd. is deemed to be interested in the Shares in which Crete Helix Ltd. is interested.

SeveningBAlpha Limited is held as to 99% by LPHappy Holding Limited, which is the holding vehicle of TMF (Cayman) Ltd.. TMF (Cayman) Ltd., being the trustee of the LPHappy Family Trust, a discretionary trust established by Dr. Lai as settlor. Under the SFO, each of Dr. Lai, LPHappy Holding Limited and TMF (Cayman) Ltd. is deemed to be interested in the Shares in which SeveningBAlpha Limited is interested.

Pursuant to the powers of attorney executed by (i) Dr. Ma Jian and Crete Helix Ltd.; and (ii) Dr. Lai Lipeng and SeveningBAlpha Limited in favor of Dr. Wen Shuhao and QuantumPharm Holdings Limited, QuantumPharm Holdings Limited is authorized to exercise all the voting rights attached to the Shares held by Crete Helix Ltd. and SeveningBAlpha Limited. Under the SFO, QuantumPharm Holdings Limited is deemed to be interested in the 122,908,500 Shares in which Crete Helix Ltd. is interested and the 87,814,140 Shares in which SeveningBAlpha Limited is interested.

- (5) Mr. Law Cheuk Kin Stephen is the Company's independent non-executive Director.
- (6) The percentage of total Shares in issue may not add up to 100% due to rounding.

REASONS FOR THE ISSUE OF THE BONDS AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the provision of intelligent robotics solutions and drug discovery solutions.

The Company has been actively pursuing its vision to become the global leader in quantum physics-based, AI-powered drug and material science research and development.

Several recent business development highlights as announced by the Company in the past few months include: (1) definitive agreement with DoveTree Medicines LLC and its affiliates with potential regulatory and commercial milestone payments of up to US\$5.99 billion to the Group, where the Group will use its end-to-end AI drug discovery platform through integrated “AI + robotics” technology to discover and develop small molecule and antibody drug candidates for multiple targets selected by DoveTree primarily in the fields of oncology, immunologic and inflammatory diseases, neurological disorders and metabolic dysregulation; (2) strategic platform-based collaboration with Eli Lilly and Company with development, regulatory and commercial milestone payments of up to US\$345 million, to accelerate the discovery and development of bispecific antibodies for the treatment of various diseases; and (3) formally entering the consumer healthcare sector with enormous potential, via the successful development and validation of two innovative topical efficacy ingredients for hair loss prevention and hair growth, the small-molecule Remeanagen™ (XTP-118) and the peptide AquaKine™ (XTP-016), leveraging the Group’s industry leading AI molecular discovery platform. The combined formula of such “Gemini” molecules has been proven in rigorous human trials to significantly outperform existing similar products in terms of hair growth and hair loss prevention, safety, and speed of onset of action. Both molecules have successfully passed the INCI (International Nomenclature Cosmetic Ingredient) registration for new cosmetic ingredients in the U.S., and their combined formulated product, Groland, has also been approved for cosmetic product filing by the U.S. FDA (Food and Drug Administration).

The Group’s continual efforts have been reflected in its financial results, with revenue for the six months ended 30 June 2025 of RMB517.1 million representing a year-on-year growth of 403.8%, and having achieved profitability for the first time on a half-year basis with adjusted net profit of RMB141.6 million for the six months ended 30 June 2025. This milestone is a testament to the Group’s collective effort and innovation, signalling its entry into a new phase of large-scale growth and strengthening the foundation for its long-term strategy, and ultimately, the right direction.

In view of the strong performance of the Company and the optimistic market outlook and prospects, the Company believes that it is an opportune timing to raise additional capital. Subject to completion of the issue of the Bonds, the net proceeds from the offering of the Bonds, after deduction of fees and commissions and other estimated expenses, are estimated to be approximately HK\$2,836.6 million, representing a net issue price of approximately HK\$13.71 per Conversion Share based on the initial Conversion Price.

The Group plans to apply such net proceeds primarily towards the following purposes:

1. to enhance the Company's domestic and international research and development capabilities and one-stop-solution provision capabilities, including: (a) upgrading and optimising the end-to-end/closed loop integrated technology platform based on quantum physics, continuing to invest in generative AI technology, continuously accumulating data to develop large models in the field of chemistry, and train these large models based on AI algorithms and automation platforms; (b) improving the capability to develop solutions in the fields of biotechnology, pharmaceuticals, and materials science (including agricultural technology, energy and new chemicals, as well as cosmetics); and (c) investing in or acquiring startups in AI-driven pharmaceuticals and AI-assisted science (including related venture capital funds), promoting ecosystem development, and investing in upstream and downstream segments of the relevant industrial chain;
2. to enhance domestic and international commercialisation capabilities and expand business development and marketing teams;
3. to expand domestic and international delivering and research and development capabilities through site construction (including but not limited to construction, furnishing or renovation of office buildings); and

The remaining portion of the net proceeds will be allocated for working capital and general corporate purposes.

The Company currently expects to utilize such net proceeds for the above intended uses in the coming five to ten years, save for the intended use of working capital and general corporate purposes which is expected to be used in the next two years. Such allocation and expected time frame are based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group, the market conditions and availability of business (including technical) development and investment opportunities.

To the extent that the net proceeds from the Bonds are not immediately used for the purposes described above, the Company may hold such proceeds in short-term deposits or purchase short-term wealth management products so long as it is deemed to be in the best interests of the Company.

The Directors consider that apart from being an opportunity for the Company to raise further capital, the Bonds can also if converted bring about further broadening of its Shareholder base. The Directors are of the view that the Bonds would further strengthen the financial position of the Group and provide further working capital to the Group.

The Directors consider that the terms and conditions of the Subscription Agreement and the issue of the Bonds are made on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE

At the annual general meeting of the Company held on 29 April 2025 (the “AGM”), a resolution was passed to grant a general mandate (the “**General Mandate**”) to the Board to allot additional Shares not exceeding 20% of the total number of Shares of the Company in issue as at the date of the AGM. As at the date of this announcement and immediately prior to the entering into of the Subscription Agreement, the Company has issued 285,920,000 Shares under the General Mandate. The Conversion Shares to be issued upon the conversion of the Bonds will be allotted and issued pursuant to the General Mandate. The subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders’ approval.

EQUITY FUND-RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

The 2025 January Placing

On 19 January 2025, the Company announced the 2025 January Placing of up to 264,000,000 new Shares to not less than six placees at the placing price of HK\$4.28 per share, which was completed on 24 January 2025. The gross proceeds from the 2025 January Placing amounted to approximately HK\$1,130 million, and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the 2025 January Placing amounted to approximately HK\$1,125 million. As at 30 September 2025, approximately HK\$652.4 million of the proceeds have been utilized, details of which are set out below:

Use of proceeds	Utilised net proceeds as of 30 September 2025 <i>(approx. HK\$ million)</i>	Expected timeline for utilising the remaining balance of net proceeds
(i) continuous product iterations and upgrades to enhance its research and development technological capabilities and solution capabilities	247.5	End of 2027
(ii) facilitating the commercialization of the Company, strengthening external collaborations, and expanding the scale and market share of the Company	33.7	End of 2027
(iii) investing in potential opportunities, talent attraction and introduction, working capital replenishment and general corporate purposes	371.2	End of 2027
Total amount utilised	652.4	

The 2025 February Placing

On 19 February 2025, the Company announced the 2025 February Placing of up to 342,288,000 new Shares to not less than six placees at the placing price of HK\$6.10 per share, which was completed on 25 February 2025. The gross proceeds from the 2025 February Placing amounted to approximately HK\$2,088 million, and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the placing amounted to approximately HK\$2,080 million. As at 30 September 2025, approximately HK\$750.4 million of the proceeds have been utilized, details of which are set out below:

Use of proceeds	Utilised net proceeds as of 30 September 2025 (approx. HK\$ million)	Expected timeline for utilising the remaining balance of net proceeds
(i) continuous product iterations and upgrades to enhance its research and development technological capabilities and solution capabilities, and data generation and model building	189.0	End of 2034
(ii) product commercialisation and business development, strengthening business collaborations with external parties and partners which are engaged in similar and mutually beneficial industries as the Group, and expanding the scale and market share of the Company	–	End of 2034
(iii) acquisitions and investing in potential opportunities, talent attraction and introduction, working capital replenishment and general corporate purposes	561.4	End of 2034
Total amount utilised	750.4	

The 2025 August Placing

On 29 August 2025, the Company announced the 2025 August Placing of up to 285,920,000 new Shares to not less than six placees at the placing price of HK\$9.28 per share, which was completed on 4 September 2025. The gross proceeds from the 2025 August Placing amounted to approximately HK\$2,653.3 million, and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the placing amounted to approximately HK\$2,629.8 million. As at 30 September 2025, the proceeds had not yet been utilized.

Save as disclosed above, the Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

APPLICATION FOR LISTING

A formal application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Listing Rules) only. The Company will also make an application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange.

Completion of the transactions under the Subscription Agreement is subject to the satisfaction and/or waiver of certain conditions precedents therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed “Subscription Agreement” above for further information.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, and the Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agency Agreement”	the paying, conversion and transfer agency agreement to be dated on or about 28 January 2026 (as amended and/or supplemented from time to time) relating to the Bonds and made between the Company, the Trustee, the Principal Agent as principal paying agent and principal conversion agent, the Registrar, the Transfer Agent and the other paying agents, conversion agents and transfer agents appointed therein
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the Board of Directors of the Company
“Bondholder(s)”	the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof)
“Bonds”	HK\$2,866,000,000 zero coupon convertible bonds due 2027 of the Company
“Certificate”	means a bond certificate
“Change of Control”	<p>the occurrence of one or more of the following events:</p> <ul style="list-style-type: none">(i) any Person or Persons, acting together, acquires Control of the Company provided that such person or persons does not or do not have, and would not be deemed to have, Control on the Issue Date; or(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other Person or Persons acting together, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity
“Closing Date” or “Issue Date”	28 January 2026, or such later date as the Company and the Managers may agree or as they may direct

“Closing Price”	means in relation to the Shares for any Trading Day, the price published in the Daily Quotation Sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day
“Company”	XtalPi Holdings Limited 晶泰控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 28 April 2017 and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2228)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contracts”	the Subscription Agreement, the Trust Deed and the Agency Agreement
“Control”	(i) the acquisition or holding of legal or beneficial ownership or control of more than 50.0 per cent. of the Voting Rights of the issued share capital of the Company, or (ii) the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise
“Conversion Date”	the conversion date in respect of a Bond
“Conversion Price”	the price at which Conversion Shares will be issued which will initially be HK\$13.85 per Share, but will be subject to adjustments in the manner described in the Terms and Conditions
“Conversion Right(s)”	the right of a Bondholder to convert any Bond into Shares
“Conversion Share(s)”	the Share(s) to be issued by the Company upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
“CSRC”	the China Securities Regulatory Commission and/or its local branches or offices
“CSRC Archive Rules”	the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) issued by the CSRC on 24 February 2023, as amended, supplemented or otherwise modified from time to time

“CSRC Filing(s)”	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the issuance of the Bonds pursuant to the CSRC Filing Rules (including, without limitation, the CSRC Filing Report)
“CSRC Filing Report”	the filing report of the Company in relation to the issuance of the Bonds which will be submitted to the CSRC within three PRC Business Days after the Closing Date pursuant to Articles 13 and 16 of the CSRC Filing Rules
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplement-ed or otherwise modified from time to time
“CSRC Rules”	the CSRC Filing Rules and the CSRC Archive Rules
“Group”	the Company and its consolidated subsidiaries taken as a whole
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listed Subsidiary”	with respect to any Person (as defined in the Terms and Conditions), any Subsidiary with any class of shares carrying Voting Rights of which is listed, whether on the Issue Date or in the future, on any nationally or internationally recognised stock exchange and any Subsidiary of a Listed Subsidiary
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Managers”	J.P. Morgan Securities (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited
“Maturity Date”	26 January 2027
“Person”	any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Board or any other governing board and does not include the Company’s direct or indirect Subsidiaries
“Post-IPO RSU Scheme”	the restricted share unit scheme adopted by an ordinary resolution of the Shareholders on 28 May 2024
“PRC”	the People’s Republic of China, which shall for the purpose of this announcement only, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Business Day”	a day, other than a Saturday, Sunday or public holiday, on which commercial banks are open for business in Beijing, the PRC
“Pre-IPO ESOP”	the QuantumPharm Inc. 2021 Omnibus Incentive Plan as adopted by the Shareholders on 14 July 2021 and amended on 5 August 2021
“Principal Agent”	The Bank of New York Mellon, London Branch
“Publication Date”	the date of publication of the offering circular in connection with the issue of the Bonds, being such date that is not later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Managers
“Registrar”	The Bank of New York Mellon SA/NV, Dublin Branch
“Registration Date”	the date on which the person or persons specified for that purpose in the relevant Conversion Notice (as defined in the Terms and Conditions) will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the register of members of the Company

“Relevant Indebtedness”	any future or present indebtedness (incurred outside the PRC) which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market but not any non-tradeable securities) (which shall not include any indebtedness under any bilateral loans or syndicated bank loans or club deal loans of the Company or any of the Company’s Subsidiaries)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription Agreement”	the subscription agreement dated 7 January 2026 entered into between the Company and the Managers in relation to the issue and subscription of the Bonds
“subsidiary”	in relation to any person, (i) any company or other business entity of which that person owns or controls (either directly or through one or more other subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees or equivalent body of such company or other business entity or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles from time to time of Hong Kong, should have its accounts consolidated with those of that person
“Terms and Conditions”	the terms and conditions of the Bonds
“Trading Day”	a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for the business of dealing in securities, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days
“Transfer Agent”	The Bank of New York Mellon SA/NV, Dublin Branch

“Trust Deed”	the trust deed (as amended and/or supplemented from time to time) constituting the Bonds and made between the Company and the Trustee to be dated on or about 28 January 2026
“Trustee”	The Bank of New York Mellon, London Branch
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“Voting Rights”	the right generally to vote at a general meeting of shareholders of the Company (including, at the time, stock of any other class or classes which shall have, or might have, voting power by reason of the happening of any contingency)
“%”	per cent.

By order of the Board
XtalPi Holdings Limited
Dr. Wen Shuhao
Chairman of the Board and Executive Director

Hong Kong, 8 January 2026

As at the date of this announcement, the Board comprises Dr. Wen Shuhao, Dr. Ma Jian, Dr. Lai Lipeng and Dr. Jiang Yide Alan as executive Directors, and Mr. Law Cheuk Kin Stephen, Ms. Chan Wing Ki and Mr. Chow Ming Sang as independent non-executive Directors.