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Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the prospectus dated Tuesday, June 4, 2024 (the “**Prospectus**”) issued by QuantumPharm Inc. (the “**Company**”).

This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not a prospectus. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Offer Shares. Any investment decision in relation to the Offer Shares should be taken solely in reliance on the information provided in the Prospectus.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not, and is not intended to, constitute or form a part of any offer to sell or solicitation to purchase or subscribe for any securities in the United States. The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or securities law of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There will be no public offer of the Offer Shares in the United States. The Offer Shares are being offered and sold solely (1) in the United States to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act pursuant to Rule 144A or another available exemption from registration under the U.S. Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.



PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on Sunday, July 7, 2024, in respect of an aggregate of 8,796,000 Shares, representing approximately 4.69% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option.

The Over-allotment Shares will be issued by the Company at HK\$5.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), being the Offer Price under the Global Offering. The Over-allotment Shares will be used to facilitate the return to QuantumPharm Holdings of part of the 28,105,000 Shares borrowed by CLSA Limited (the Stabilizing Manager) under the Stock Borrowing Agreement which were used to cover over-allocations in the International Offering.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

Pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the Company announces that the stabilization period in connection with the Global Offering ended on Sunday, July 7, 2024, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

Further information in relation to the stabilizing actions undertaken by the Stabilizing Manager, or its affiliates or any person acting for it, during the stabilization period, is set out in this announcement.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on Sunday, July 7, 2024, in respect of an aggregate of 8,796,000 Shares (the “**Over-allotment Shares**”), representing approximately 4.69% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option.

The Over-allotment Shares will be issued by the Company at HK\$5.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), being the Offer Price under the Global Offering. The Over-allotment Shares will be used to facilitate the return to QuantumPharm Holdings of part of the 28,105,000 Shares borrowed by CLSA Limited (the Stabilizing Manager) under the Stock Borrowing Agreement which were used to cover over-allocations in the International Offering.

APPROVAL FOR LISTING

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on Wednesday, July 10, 2024 (Hong Kong time).

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The shareholding structure of the Company immediately before and after completion of the partial exercise of the Over-allotment Option is as follows (assuming that no Shares are issued under the ESOPs):

	Immediately before completion of the partial exercise of the Over-allotment Option		Immediately after completion of the partial exercise of the Over-allotment Option	
	Number of issued Shares	Approximate % of the Company's issued share capital	Number of issued Shares	Approximate % of the Company's issued share capital
Non-public Shareholders				
QuantumPharm Holdings ⁽¹⁾	222,126,400	6.52%	222,126,400	6.50%
QuantumPharm Roc ⁽²⁾	298,041,143	8.75%	298,041,143	8.73%
Crete Helix ⁽³⁾	122,908,500	3.61%	122,908,500	3.60%
SeveningBAlpha ⁽⁴⁾	87,814,140	2.58%	87,814,140	2.57%
Image Frame	439,866,580	12.91%	439,866,580	12.88%
Sub-total	<u>1,170,756,763</u>	<u>34.37%</u>	<u>1,170,756,763</u>	<u>34.28%</u>
Public Shareholders				
Pre-IPO Investors				
(except Image Frame) ⁽⁵⁾	2,048,642,998	60.13%	2,048,642,998	59.98%
Cornerstone Investors ⁽⁶⁾	63,923,000	1.88%	63,923,000	1.87%
Other Public Shareholders	123,450,000	3.62%	132,246,000	3.87%
Sub-total	<u>2,236,015,998</u>	<u>65.63%</u>	<u>2,244,811,998</u>	<u>65.72%</u>
Total	<u>3,406,772,761</u>	<u>100%</u>	<u>3,415,568,761</u>	<u>100%</u>

Notes:

- (1) QuantumPharm Holdings is held as to 99% by WSH Family Holdings, which is the holding vehicle of TMF (Cayman) Ltd. TMF (Cayman) Ltd., being the trustee of the WSH Family Trust, a discretionary trust established by Dr. Wen as settlor. Under the SFO, each of Dr. Wen, WSH Family Holdings and TMF (Cayman) Ltd. is deemed to be interested in the 222,126,400 Ordinary Shares in which QuantumPharm Holdings is interested.
- (2) QuantumPharm Roc is the shareholding platform for the Pre-IPO ESOP which holds the Shares underlying the options granted thereunder for the benefit of the grantees, being wholly owned by QuantumPharm Holdings; and the details of which are set out in the sections headed "History, Development and Corporate Structure – Share Incentive Schemes" and "Statutory and General Information – D. Share Incentive Schemes – 1. Pre-IPO ESOP" in Appendix IV to the Prospectus.
- (3) Crete Helix is held as to 99% by MH International Holdings, 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 as settlor. Under the SFO, each of Dr. Ma, MH International Holdings and TMF (Cayman) Ltd. is deemed to be interested in the Shares in which Crete Helix is interested.

- (4) SeveningBAlpha is held as to 99% by LPHappy Holding, 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 and TMF (Cayman) Ltd. is deemed to be interested in the Shares in which SeveningBAlpha is interested.
- (5) See the sections headed “History, Development and Corporate Structure – Pre-IPO Investments” and “ – Capitalization” in the Prospectus for details of the Pre-IPO Investors.
- (6) This refers to the Cornerstone Investors as set out in the section headed “Cornerstone Investors” of the Prospectus. The shareholding of the Cornerstone Investors immediately before the allotment of the Over-allotment Shares has been set out in the Company’s announcement of final Offer Price and allotment results dated June 12, 2024. The Over-allotment Shares to be issued by the Company will not affect the number of Shares held by the Cornerstone Investors, but will have a dilutive effect on the shareholding of the Cornerstone Investors on a *pro rata* basis.

USE OF PROCEEDS

The Company will receive additional net proceeds of approximately HK\$45.82 million (after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the partial exercise of the Over-allotment Option) for the 8,796,000 Shares to be issued and allotted following the partial exercise of the Over-allotment Option. The additional net proceeds will be allocated by the Company on a *pro rata* basis to the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

Pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the Company announces that the stabilization period in connection with the Global Offering ended on Sunday, July 7, 2024, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilizing actions undertaken by CLSA Limited, the Stabilizing Manager, or any person acting for it, during the stabilization period are set out below:

- (i) over-allocations of an aggregate of 28,105,000 Shares under the International Offering, representing approximately 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (ii) the borrowing of an aggregate of 28,105,000 Shares from QuantumPharm Holdings pursuant to the Stock Borrowing Agreement to cover over-allocations under the International Offering;

- (iii) successive purchases of an aggregate of 19,309,000 Shares in the price range of HK\$5.05 to HK\$5.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the market during the stabilization period, representing approximately 10.31% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The last purchase made by the Stabilizing Manager, or any person acting for it, on the market during the course of the stabilization period was on Friday, July 5, 2024 at the price of HK\$5.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%); and
- (iv) the partial exercise of the Over-allotment Option by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on Sunday, July 7, 2024 in respect of an aggregate of 8,796,000 Shares, representing approximately 4.69% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at HK\$5.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), being the Offer Price under the Global Offering, to facilitate the return to QuantumPharm Holdings of the remaining part of the 28,105,000 borrowed Shares under the Stock Borrowing Agreement which were used to cover the over-allocations under the International Offering.

The portion of the Over-allotment Option which has not been exercised by the Overall Coordinators on behalf of the International Underwriters lapsed on Sunday, July 7, 2024.

PUBLIC FLOAT

Immediately after the end of the stabilization period and the completion of the partial exercise of the Over-allotment Option, the Company continues to comply with the minimum public float requirement of 25.0% as prescribed in Rule 8.08(1)(a) of the Listing Rules.

By order of the Board

QuantumPharm Inc.

Dr. Wen Shuhao

Chairman of the Board and Executive Director

Hong Kong, July 7, 2024

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