FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies" in this document.

[REDACTED]

We estimate that the [**REDACTED**] from this [**REDACTED**] will be approximately HK$[**REDACTED**] million after deducting [**REDACTED**] and estimated [**REDACTED**], paid and payable by us in the [**REDACTED**] taking into account any additional discretionary [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the [**REDACTED**] range of HK$[**REDACTED**] per Share to HK$[**REDACTED**] per Share. We intend to use the [**REDACTED**] we will receive from this [**REDACTED**] for the following purposes:

Allocation	Details
1. Mufemilast (Core Product) — R&D and Commercialization	
Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for the research and development and commercialization of our Core Product, Mufemilast, including:	
(a) BD Clinical Trials Approximately [**REDACTED**]% or HK$[**REDACTED**] million	of which, (i) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase III clinical trial in China, which is expected to be completed by the end of 2026, and (ii) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase III clinical trial in the United States, which is expected to commence in 2026 and complete by 2029.
(b) UC Clinical Trials Approximately [**REDACTED**]% or HK$[**REDACTED**] million	to be used to fund the Phase III clinical trial in China, which is expected to complete by end of 2029.
(c) COPD Clinical Trials Approximately [**REDACTED**]% or HK$[**REDACTED**] million	of which, (i) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase II clinical trial in China, which is expected to complete by the end of 2027, and (ii) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase III clinical trial in China, which is expected to commence by the end of 2027.
(d) CD Clinical Trial Approximately [**REDACTED**]% or HK$[**REDACTED**] million	to be used to fund the Phase II clinical trial in China, which is expected to commence in 2026 and complete by the end of 2028.
(e) Mufemilast Commercialization Approximately [**REDACTED**]% or HK$[**REDACTED**] million	of which: **(i) Manufacturing Capacity:** approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used for the purchase and installation of production equipment for the Xiajiang Manufacturing Facility dedicated to Mufemilast API manufacturing, increasing the annual production capacity of Mufemilast API; **(ii) Team Building:** approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used for building dedicated teams for sales, business development, chemistry, manufacturing and controls (CMC), and quality management. We plan to expand our internal sales team in China within one year after product launch; and

Allocation	Details
	(iii) Market Access & Sales: approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used for expanding sales channels, which include building our direct sales network as well as collaborating with contract sales organizations, and support initial overseas market access through regional agents or direct collaborations with local hospitals. See "Business — Our Clinical-Stage Drug Candidate — Mufemilast — Commercialization" for details.
2. Hemay022 (Core Product) — R&D and Commercialization Approximately [**REDACTED**]%, or HK$[**REDACTED**] million to be used for the research and development and commercialization of Hemay022 for BC:	
(a) Clinical Trial Approximately [**REDACTED**]% or HK$[**REDACTED**] million	to be used to fund the Phase III clinical trial in China through, which is expected to complete by the end of 2027.
(b) Commercialization Approximately [**REDACTED**]%, or HK$[**REDACTED**] million	to be used to fund the NDA registration filings and other regulatory submissions; purchasing and upgrading production equipment; building sales, business development, CMC, and quality management teams; and expanding sales channels and overseas markets.
3. Hemay181 (Key Product) — R&D Approximately [**REDACTED**]% or HK$[**REDACTED**] million	of which, (i) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase II clinical trial in China, which is expected to complete by the end of 2027, (ii) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase II clinical trial in the United States, which is expected to commence in 2026 and complete by 2029; and (iii) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase III clinical trial in the United States, which is expected to commence in 2029.

4. Other Pipeline Products — R&D

Approximately [**REDACTED**]% or HK$[**REDACTED**] million will be used to (i) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase IIb clinical trial of Hemay808 in China, which is expected to commence in the second half of 2026, pending receipt of [**REDACTED**] from the [**REDACTED**]; (ii) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase I clinical trial of Hemay5087 in China, which is expected to commence in 2027; and (iii) approximately [**REDACTED**]% or HK$[**REDACTED**] million to be used to fund the Phase II clinical trial of Hemay5087 in China.

5. General Corporate & Working Capital: approximately [**REDACTED**]%, or HK$[**REDACTED**] million, for our general corporate and working capital purposes

Notes:

- We pursue an adaptive clinical development strategy for Mufemilast, Hemay022 and Hemay181, which means we may periodically evaluate and adjust our priorities and allocation of funds for different indications based on trial results, regulatory feedback, and development progress. As such, the specific allocation of [**REDACTED**] described above is subject to adjustments depending on future developments and strategic considerations.
- In respect of all [**REDACTED**] on clinical trials, the [**REDACTED**] will be used for the costs of raw materials and consumables used in clinical trials, salaries of the clinical trial team, expenses for patient enrollment, and engagement of external consultants.
- Total estimated R&D expense refers to the total expected expense attributable to such clinical trials between the period from 2025 to completion.
- For any deficit between the total estimated R&D expense and the [**REDACTED**] amount allocated, we intend to seek equity financing or cooperation with external partners.

- More funds have been allocated to Hemay181 than to Hemay022, primarily because Hemay022 has already entered Phase III clinical trials, while Hemay181 is still in Phase I. It is expected that the funds required for the upcoming Phase I or Phase II clinical trials of Hemay181 will exceed the amount needed for Hemay022 to complete its Phase III clinical trial. See "Business — Our Product Pipeline — Our Clinical-Stage Candidates" for details of our clinical development plan for Hemay181.

If the [**REDACTED**] is exercised in full, the [**REDACTED**] of the [**REDACTED**] would increase to approximately HK$[**REDACTED**] million (based on the mid-point [**REDACTED**] of HK$[**REDACTED**] per Share). We intend to apply the additional [**REDACTED**] to the above uses in the proportions stated above.

The allocation of the [**REDACTED**] used for the above will be adjusted in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the estimated [**REDACTED**] range. If the [**REDACTED**] is fixed at HK$[**REDACTED**] per Share, being the high end of the stated [**REDACTED**] range, our [**REDACTED**] will (i) assuming the [**REDACTED**] is not exercised, be increased by approximately HK$[**REDACTED**] million, or (ii) assuming the [**REDACTED**] is exercised in full, be increased by approximately HK$[**REDACTED**] million. In such circumstances, we currently intend to use such additional [**REDACTED**] to increase the [**REDACTED**] applied for the same purposes as set out above on a pro rata basis. If the [**REDACTED**] is fixed at HK$[**REDACTED**] per Share, being the low end of the stated [**REDACTED**] Share range, our [**REDACTED**] will (i) assuming the [**REDACTED**] is not exercised, be decreased by approximately HK$[**REDACTED**] million, or (ii) assuming the [**REDACTED**] is exercised in full, be decreased by approximately HK$[**REDACTED**] million. In such circumstances, we currently intend to reduce the [**REDACTED**] applied for the same purposes as set out above on a pro rata basis.

To the extent that our [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations and borrowings.

If the [**REDACTED**] are not immediately applied to the above purposes, we will only deposit those [**REDACTED**] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed [**REDACTED**].