
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Strategies” for more details of our future business plans.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], and fees and estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] stated in this document, and assuming the [REDACTED] is not exercised.

We currently intend to apply these [REDACTED] from the [REDACTED] for the following purposes:

- (a) Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the expansion of our product portfolio, of which:
 - (i). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used for strengthening our in-house R&D capabilities and continuously expanding our product mix, including:
 - o Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to accelerate the R&D progress of our existing pipeline of drug candidates including: (i) [REDACTED]% for the clinical trial of ZYG24002 for the treatment of seborrheic dermatitis; (ii) [REDACTED]% for the clinical trial of ZYG24012 for the treatment of onychomycosis; (iii) [REDACTED]% for the clinical trial of ZYG24004 for the treatment of tinea pedis; (iv) [REDACTED]% for our other drug candidates;
 - o Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to initiating new product development projects to enhance the construction of a tiered R&D pipeline and further optimize our product structure system, based on our diversified innovation strategy.
 - (ii). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to rapidly expand our product portfolio through business collaborations. In addition to in-house development, we will leverage precise insights into user needs to identify unmet niches in segmented markets, and seek licensing and cooperation opportunities with domestic and overseas partners that possess high-quality and well-matched products, especially products that can effectively complement our product matrix, thereby building a more competitive branded product portfolio.
- (b) Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the upgrades of our manufacturing platform and intelligence infrastructures, of which:
 - (i). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the upgrade of our product manufacturing platform, including [REDACTED]% for the intelligent infrastructure development of our new production base to be constructed in Wuxi; [REDACTED]% for the construction of new intelligent manufacturing workshops in our established production base; and [REDACTED]% for the retrofitting and upgrading of existing equipment, to enhance the overall intelligent manufacturing capabilities of our production lines and to support the commercial-scale production of an expanded product portfolio;

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- (ii). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the development of our digital and AI infrastructure. In addition, we intend to strengthen the development of AI-driven services and demand analysis at the consumer level, and through in-depth insights into the needs of end-users of dermatological pharmaceutical products, allowing us to precisely capture and align with the rapidly changing consumer needs efficiently.
- (iii). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the construction and upgrading of our technology platform, as well as the design and optimization of our product manufacturing processes. This includes research into emerging therapeutic mechanisms, manufacturing process bridging, and upgrading of formulation conversion technologies, to support the overall enhancement of our technical capabilities in product R&D.
- (c) Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the enhancement of brand and market influence, of which:
 - (i). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund the expansion of our sales network and distribution channels, to grow our sales team, and to implement an omnichannel marketing strategy encompassing both online and offline channels, ultimately broadening the reach and coverage of our market presence.
 - (ii). Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund our market penetration through a range of marketing initiatives, including the ongoing conduct of systematic training programs, the strengthening of brand promotional activities, and the establishment of collaborations with well-recognized institutions, to broaden our market outreach, enhance our competitive position and increase our brand recognition.
- (d) Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used to fund potential strategic acquisitions and investments in China and overseas. In the future, we may selectively acquire peer companies with complementary product portfolios or upstream and downstream enterprises in the industry to expand our product matrix. We may also pursue acquisitions or collaborations with companies possessing proprietary technology platforms to further strengthen our technological development capabilities.
- (e) Approximately [REDACTED]%, or approximately HK\$[REDACTED], will be used for working capital and general corporate purposes.

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the [REDACTED] stated in this document. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the [REDACTED], the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the [REDACTED], the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED].

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED]). In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit the [REDACTED] in 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 issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].