

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see the section headed “Business — Our Strategies” of this document for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the aggregate net [REDACTED] to our Company from the [REDACTED] (after deducting underwriting fees and estimated expenses in connection with the [REDACTED] payable by us, and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] stated in this document) will be approximately HK\$[REDACTED]. We currently intend to apply such net [REDACTED] for the following purposes:

- a. approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for expanding our current life sciences research and application service and product portfolio. We intend to apply the net [REDACTED] to this purpose in 2016 and 2017. The intended allocation of this portion of the net [REDACTED] is primarily as follows:

Intended Applications	Percentage of [REDACTED]
i. Research and development in life sciences research services	[REDACTED]
ii. Research and development in life sciences research catalog products	[REDACTED]
iii. Research and development in preclinical drug development services	[REDACTED]
iv. Research and development in industrial synthetic biology products	[REDACTED]

We intend to apply approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, and HK\$[REDACTED] million in 2016, and approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, and HK\$[REDACTED] million in 2017, for the research and development of our life sciences research services, life sciences research catalog products, preclinical drug development services, and industrial synthetic biology products, respectively.

- b. approximately [REDACTED], or HK\$[REDACTED] million, will be used for expanding production capacity. We intend to apply the net [REDACTED] to this purpose in 2016 and 2017. The intended allocation of this portion of the net [REDACTED] is primarily as follows:

Intended Applications	Percentage of [REDACTED]
i. Invest in existing production facilities and build more laboratories and production facilities to expand the production capacity of our business segments:	
– life sciences research services	[REDACTED]
– life sciences research catalog products	[REDACTED]
– preclinical drug development services	[REDACTED]

FUTURE PLANS AND USE OF PROCEEDS

Intended Applications	Percentage of [REDACTED]
<p>ii. Expand the fermentation capacity in order to expand production capacity of industrial synthetic biology products</p> <p>We intend to apply approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, and HK\$[REDACTED] million in 2016, and approximately HK\$[REDACTED] million, HK\$[REDACTED] million, HK\$[REDACTED] million, and HK\$[REDACTED] million in 2017, for expanding the production capacity of our life sciences research services, life sciences research catalog products, preclinical drug development services, and industrial synthetic biology products, respectively, which we believe will become one of the growth factors of our revenue in future.</p>	[REDACTED]
c. approximately [REDACTED], or HK\$[REDACTED] million, will be used for enhancing our information technology capability. We intend to apply the net [REDACTED] to this purpose in 2015 and 2016.	
d. approximately [REDACTED], or HK\$[REDACTED] million, will be used for reinforcing the sales and marketing team. We intend to apply the net [REDACTED] to this purpose from 2016 to 2018. The intended allocation of this portion of the net [REDACTED] is as follows:	
Intended Applications	Percentage of [REDACTED]
i. Strengthen sales and marketing team and expand sales coverage in the PRC market	[REDACTED]
ii. Strengthen sales and marketing team and expand sales coverage in overseas market	[REDACTED]
e. approximately [REDACTED], or HK\$[REDACTED] million, will be used for potential acquisition of interests in or business of companies to complement our existing operations, to align those acquisitions with our expansion strategies, and to increase our revenues and profits. There are significant acquisition opportunities in the life sciences research service and industrial synthetic biology product segments. Among these opportunities, we will focus on products and technologies that would complement our existing service and product portfolio. We will also consider opportunities outside our current portfolio if the growth prospects and profitability are sufficiently attractive.	
<p>Our key selection criterion is whether the acquisitions would strengthen our world market leadership in gene synthesis and in the overall field of synthetic biology. We will also select acquisition targets based on each candidate's respective market share, research and development capabilities, and reputation in the markets that we seek to enter or where we have not yet established a strong presence. We plan to leverage the strengths of potential targets to underline our existing market position or establish a presence in a new market.</p> <p>As of the Latest Practicable Date, we were not in negotiation with any specific acquisition targets and had not identified any such targets.</p>	
f. approximately [REDACTED], or HK\$[REDACTED] million, will be used to supplement our working capital and for general corporate purposes. We intend to apply the net [REDACTED] to this purpose from 2016 to 2018.	

FUTURE PLANS AND USE OF PROCEEDS

If the [REDACTED] is exercised in full, the net proceeds 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 net [REDACTED] to the above uses in the proportions stated above.

If the [REDACTED] is determined at the highest point of the stated range, the net [REDACTED] to our Company would be increased by approximately HK\$[REDACTED] million. If the [REDACTED] is determined at the lowest point of the stated range, the net [REDACTED] to our Company would be decreased by approximately HK\$[REDACTED] million. The above allocation of the net [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 indicative [REDACTED] stated in this document.

To the extent that our net [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, bank loans and other borrowings.

In the event that any of our projects do not proceed as planned, including as a result of circumstances such as changes in government policies that would render any of our plans not commercially viable, or force majeure, our Directors will carefully evaluate the situation and may reallocate such funds for other purposes.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short term demand deposits with banks in Hong Kong or the PRC and/or through money market instruments.

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

As of the Latest Practicable Date, we had not identified any potential acquisition targets or entered into any definitive agreement with any party to acquire any business or entity.