FUTURE PLANS

For a detailed description of our future plans, please refer to the paragraphs headed "Business – Our Strategies" in this document.

USE OF [REDACTED]

We estimate that the aggregate net [**REDACTED**] to our Company from the [**REDACTED**] (after deducting [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**] paid and payable by us taking into account any additional discretionary incentive fee and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share) will be approximately HK$[**REDACTED**]. We currently intend to apply such net [**REDACTED**] we will receive from this [**REDACTED**] for the following purposes:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used primarily for the research and development, regulatory filings and commercialization of our product and drug candidates:

    (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our Core Product envafolimab, including:

        (a) approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for ongoing and planned clinical trials to evaluate envafolimab for the treatment of EC;

        (b) approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for ongoing and planned clinical trials to evaluate envafolimab for the treatment of TMB-H advanced solid tumors;

        (c) approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for ongoing and planned clinical trials to evaluate envafolimab as combinational therapies for the treatment of BTC and other solid tumors; and

        (d) approximately [**REDACTED**]% or HK$[**REDACTED**], will be used for expanding our production-lines, including procurement of production equipment, procurement of active pharmaceutical ingredients, procurement of pre-filled syringe, packing materials accessory ingredients, commissioning and production debugging, and setting up of personnel and quality management system.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our other drug candidates, including:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for ongoing and planned clinical trials and the preparation for registration filings of 3D229. We completed the Phase I clinical trial in May 2022, and have expanded the Phase III pivotal trial to China;

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials for the treatment of advanced malignant solid tumors and the preparation for registration filings of 3D011 in China. We received the IND approval from the NMPA in January 2021 and initiated a Phase I clinical trial in February 2022, and we plan to enroll the first patient for this trial in the third quarter of 2022. The site for this clinical trial was activated in first quarter of 2022; and

(c) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for ongoing and planned clinical trials for the treatment of cholangiocarcinoma, UC and other tumors with FGFR genetic alterations and the preparation for registration filings of 3D185 in China. We completed the Phase I clinical trial in August 2021 and plan to further explore the clinical potential for the treatment of cholangiocarcinoma, UC and other tumors with FGFR genetic alterations. We received the IND approval from the FDA in September 2019 and submitted a protocol to FDA in September 2021 for a Phase II clinical trial, which we withdrew later as we decided to establish a RP2D first before we start the Phase II clinical trial.

(iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to fund the following:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the construction of our in-house production facilities in Xuzhou, Jiangsu province (and for more information, please refer to the paragraphs headed "Business – Production and Quality Control" in this document), including the construction of our infrastructure and decoration of facilities in compliance with cGMP standards, and we expect to complete such construction of infrastructure and decoration by 2023. As of the Latest Practicable Date, our manufacturing facilities in Xuzhou did not have production capacity as we are still in the process of construction. We expect that their total production capacity will reach 6,000 L (3x2,000 L); and

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the procurement of new machineries, instruments and equipment, including approximately HK$[**REDACTED**] for API (Active Pharmaceutical Ingredients) production machineries and equipment (e.g. bioreactors, filters, centrifuges, sterilization cabinet and their ancillary equipment), approximately HK$[**REDACTED**] for drug production machineries and equipment (e.g. bioreactors, filters and isolators, visual inspection and leak detection systems and packaging systems), and approximately HK$[**REDACTED**] for engineering equipment (e.g. water distribution systems, distilled water machines and sewage treatment equipment), and we expect to complete such procurement by 2023; and

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our general corporate and working capital purposes.

None of the net [**REDACTED**] will be applied for discharging our payment obligations under the Co-Development Agreements, the 3D Alphamab TRACON Agreement, or the 3D Alphamab Simcere Agreements.

The table below specifies the further breakdown for net [**REDACTED**] to be allocated to different indications of our Core Product envafolimab for the R&D (i.e. approximately [**REDACTED**]%, or HK$[**REDACTED**] will be used for research and development of multiple indications).

	Net [REDACTED] to Be Allocated		
Indications	**R&D**	**Latest Development Stage[(1)]**	**Future Development Plan[(1)] and Expected Timetable**
EC	[**REDACTED**]%, or approximately HK$[**REDACTED**]	• We submitted IND for a Phase II clinical trial in June 2021 and received the IND approval in September 2021	• Q2 2022: Expected FPI • Q4 2023: Expected full enrollment • Q4 2024: Expected NDA submission
TMB-H advanced solid tumors	[**REDACTED**]%, or approximately HK$[**REDACTED**]	• We enrolled the first patient for a Phase II clinical trial in August 2021	• Q1 2023: Expected full enrollment • Q1 2024: Expected NDA submission
Other solid tumors	[**REDACTED**]%, or approximately HK$[**REDACTED**]	–	–
BTC (combinational therapy)	[**REDACTED**]%, or approximately HK$[**REDACTED**]	• We enrolled the first patient for a Phase III clinical trial in April 2018	• Q4 2022: Expected NDA submission
Total	**[REDACTED]%, or approximately HK$[REDACTED]**		

Abbreviations: EC = endometrial cancer; BTC = biliary tract cancer; TMB-H = tumor mutational burden-High Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; FPI = first patient-in.

Note:

(1) For more details on the latest development stage and future development plan, please refer to the paragraphs headed "Business – Our Core Product – Envafolimab – Clinical Development Plan."

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

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$[**REDACTED**] per Share, being the high end of the stated [**REDACTED**] range, our net [**REDACTED**] will (i) assuming the [**REDACTED**] is not exercised, be increased to approximately HK$[**REDACTED**], or (ii) assuming the [**REDACTED**] is exercised in full, be increased to approximately HK$[**REDACTED**]. In such circumstances, we currently intend to use such additional [**REDACTED**] to increase the net [**REDACTED**] applied for the same purposes as set out above on a pro rata basis. If the [**REDACTED**] is fixed at HK$[**REDACTED**] per Share, being the low end of the stated [**REDACTED**] range, our net [**REDACTED**] will (i) assuming the [**REDACTED**] is not exercised, be decreased to approximately HK$[**REDACTED**], or (ii) assuming the [**REDACTED**] is exercised in full, be decreased to approximately HK$[**REDACTED**]. In such circumstances, we currently intend to reduce the net [**REDACTED**] applied for the same purposes as set out above on a pro rata basis.

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 but not limited to cash generated from operations, equity and equity-linked instruments, bank loans and other borrowings.

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 licensed banks or authorised financial institutions.