
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For more details of our future plans, see “Business – Strategies.”

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], assuming no exercise of the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] in this Document.

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used for our Core Product CU-20401:
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used to fund the continuing clinical development activities as well as registration filings, post-approval studies and costs and expenses of R&D staff and activities of our Core Product CU-20401. We expect to initiate a Phase II clinical trial for submental adipose accumulation in the third quarter of 2023. We also expect to initiate a Phase II and Phase III trials for abdominal adipose accumulation and submit registration filings. CU-20401 has the potential to become the first localized adipose accumulation management medication launched in China;
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used to enable the local production of CU-20401 in Mainland China;
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used for the commercial launch of CU-20401.
- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used to fund the continuing research and development activities of our Key Products, CU-40102 and CU-10201, including the planned clinical trials and the preparation of registration filings:
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used to fund the continuing clinical development activities and future milestone payments of CU-40102,

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- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used to fund the continuing clinical development activities and future milestone payments of CU-10201,
- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used to fund the continuing R&D activities of the other candidates in our pipeline, including the planned clinical trials and the preparation of registration filings:
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for other scalp disease treatment and scalp care products,
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for other skin disease treatment and skin care products,
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for topical anesthesia products,
- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for the continued expansion of our commercial and manufacturing capabilities in preparation for potential launches of our non-Core products:
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for commercialization spending related to non-Core Products and continuing to enhance our omni-channel sales and distribution network, and implementing our science- and knowledge-driven marketing activities to raise our brand recognition:
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for expanding our sales and marketing team and channel coverage by: (i) recruiting sales representative to cover more reputable Class III Grade A dermatology hospitals in China; (ii) hosting academic conferences in China to promote our products and brand recognition among physicians, and (iii) conducting online and offline promotion and educational activities such as product demonstrations and physicians training programs;
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for expanding our sales and marketing team and channel coverage by: (i) investing online content platforms; (ii) conducting online and offline promotion events and activities; (iii) expansion of distributor network.
- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for construction of our manufacturing facilities and continue to enhance our production capacities in line with the expansion of our product pipeline.

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- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for technology development and business development for pipeline expansion:
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for expansion of our CATAME™ platform and explore other potential innovative platform technology;
 - Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], for strategically in-license potential market-leading and differentiated candidates with a focus in assets that fulfill market unmet needs and are complementary to our candidate portfolio.
- Approximately HK\$[REDACTED], representing [REDACTED]% of the [REDACTED], will be used for working capital and other general corporate purposes.

The above allocation of 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 estimated [REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED], the net [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 indicative [REDACTED], the net [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED].

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

To the extent that the net [REDACTED] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as it is deemed to be in the best interests of the Company, we may hold such funds in short-term deposits with licensed banks or authorized financial institutions in Hong Kong. We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED].