FUTURE PLANS

Please see "Business – Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming no [**REDACTED**] is exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document.

Assuming an [**REDACTED**] at the mid-point of the indicative [**REDACTED**] range, we intend to use the net [**REDACTED**] we will receive from this [**REDACTED**] for the following purposes:

(i) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for rapidly advancing the clinical development and approval of one of our Core Products, LAE001:

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for advancing our Phase II clinical trial in China to assess the safety and efficacy of LAE001 as a monotherapy at recommended Phase II dose (RP2D) in mCRPC patients. We expect to complete the Phase II study with preliminary results in the third quarter of 2023. We are planning to initiate a Phase III global MRCT registrational trial for metastatic hormone-sensitive prostate cancer (mHSPC) in the fourth quarter of 2023;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for advancing Phase II clinical trial in the U.S. to treat second-generation A/AR drug-resistant mCRPC patients as a combination therapy with LAE002. We plan to reach the preliminary clinical results of such trial by the second quarter of 2023. We also received IND approval in March 2022 to initiate the Phase II study in South Korea. Further, we expect to initiate a Phase III registrational trial in the second half of 2023;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for the potential R&D of LAE001 in Japan and EU, as well as recruiting additional research and development and clinical personnel for LAE001; and

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for the pharmacological development and drug production for the clinical studies and NDA submissions, as well as preparation for registration filing of LAE001 in China, Japan and EU.

(ii) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for advancing the clinical development and approval of the other Core Product of the Company, LAE002:

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for advancing the MRCT Phase II registrational trial in both the U.S. and China to treat PROC as a combination therapy with chemotherapy paclitaxel. We aim to have NDA submissions in the fourth quarter of 2023;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for advancing Phase II clinical trial in the U.S. and South Korea to treat second-generation A/AR drug-resistant mCRPC patients as a combination therapy with LAE001, and we split and assign the estimated costs of such trials equally under LAE001 and LAE002 for use of [**REDACTED**] purposes. We plan to reach the preliminary clinical results of such trial in the U.S. by the second quarter of 2023. We also received IND approval in March 2022 to initiate the Phase II study in South Korea;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for advancing the Phase Ib/III trial in China for the treatment of locally advanced or metastatic HR+/HER2- breast cancer with LAE002, in a combination therapy with fulvestrant. We plan to initiate the MRCT Phase III study in the second half of 2023;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for the pharmacological development and drug production for the clinical studies and NDA submissions, as well as preparation for registration filing of LAE002 in the U.S. and China;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for advancing the Phase I/II trial in China for the treatment of TNBC with LAE002, in a combination therapy with LAE005. We aim to obtain the preliminary clinical results in the first quarter of 2023. We plan to initiate the Phase II study in the first quarter of 2024; and

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for the potential R&D, registration and commercialization of LAE002 in Japan and EU, as well as establishing our commercialization capabilities, including building our commercialization team.

We plan to use a larger amount of existing working capital to support the clinical studies of LAE002 in addition to the [**REDACTED**] from the [**REDACTED**], resulting in a significantly less proposed [**REDACTED**] allocation to LAE002, which have more planned clinical trials, compared with that of LAE001.

(iii) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for accelerating the research and development of other existing pipeline products and continuously advancing and improving innovative pipeline products:

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for further exploration and research of pre-clinical stage assets. We plan to seek more innovative solutions in the field of cancer and liver fibrosis, by focusing on immune cells that are key to immune surveillance in both cases. These innovative assets such as LAE102 and LAE104 are in various drug discovery stages, and we plan to advance at least one drug candidate into IND submission each year starting from 2023; and

- approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for ongoing development, planned clinical trials, preparation for registration filings related to existing clinical stage assets, including potential R&D, registration and commercialization of LAE005 in Japan and EU. We also have independent R&D programs for LAE005. In particular, subject to our future R&D strategy, we plan to further evaluate LAE005's *in vitro* and *in vivo* activity, favorable safety profile, and ability to promote adaptive immune responses for anti-tumor effects in pre-clinical studies. We also plan to evaluate LAE005's potential in combination with other self-developed or licensed drug candidates, such as a Phase I study of LAE005 in combination with LAE102 for solid tumors and a Phase I study of LAE005 in combination with LAE001 for solid tumors, over a three-year period. We may also collaborate with other potential partners to conduct studies of LAE005 in combination with other oncology drugs.

(iv) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for improving our production capabilities and developing our manufacturing capacities. We plan to construct a cGMP compliant manufacturing facility in eastern China for the manufacturing of our products;

(v) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for business development activities and enhancing our global reach. We plan to capture the underlying value of our assets through global collaboration including but not limited to merger and acquisition, as well as licensing opportunities, especially of assets with proven efficacy and safety profiles, validated mechanism of action, large addressable unmet medical needs and co-development partnerships, which strategy shall complement and diversify our pipeline to increase our competitiveness globally; and

(vi) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for our working capital and other general corporate purposes.

If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the high end of the indicative [**REDACTED**] range, the net [**REDACTED**] from the [**REDACTED**] will increase by approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the low end of the indicative [**REDACTED**] range, the net [**REDACTED**] from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**]. 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**] range stated in this document.

If the [**REDACTED**] is exercised in full, the 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**] range). 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 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. 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 authorized financial institutions (as defined under the SFO for Hong Kong based deposits or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits) so long as it is deemed to be in the best interests of our Company. We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].