
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For further details of our future plans, see “Business – Our Strategies” in this Document.

[REDACTED]

The table below sets forth the estimated aggregate [REDACTED] which we will receive after deduction of [REDACTED] and [REDACTED] and [REDACTED] payable by us in connection with the [REDACTED]:

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this Document)	HK\$[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the high end of the [REDACTED] range stated in this Document)	HK\$[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low end of the [REDACTED] range stated in this Document)	HK\$[REDACTED]

We intend to use the [REDACTED] from the [REDACTED] over the next three years as follows, assuming the [REDACTED] is not exercised and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] range stated in this document:

- approximately HK\$[REDACTED] (representing [REDACTED]% of the [REDACTED]) for strengthening our routine and esoteric testing capabilities, including research and development and sales and marketing capabilities. We intend to (i) enhance our in-house R&D capabilities and external R&D collaboration in routine and esoteric testing in various disciplines, primarily focusing on OB-GYN/infertility, solid tumor, hematology, infectious disease and other related categories, and will recruit and expand R&D teams and relevant supporting staff. These identified areas, we believe, present strong growth opportunities in the near future, and are areas over which we have competitive advantage in the ICL market; (ii) purchase new and advanced esoteric technologies in areas such as NGS testing modalities, mass spectrometry, and flow cytometry and enhance our laboratory capacity; and (iii) expand our sales and marketing team and strengthen our sales and marketing initiatives, including building more extensive network, hosting and participating in academic forums and seminars;
- approximately HK\$[REDACTED] (representing [REDACTED]% of the [REDACTED]) for network expansion through establishing new laboratories, partnership investments and development of new channels. We intend to (i) establish new laboratories on our own or through collaborating with local partners in untapped provincial capitals and lower-tier cities; and (ii) enhance technical cooperation with Class I and Class II medical institutions to capture the patient flow and address demand from lower-tier cities and rural areas. Specifically, we plan to more than double our laboratory count over the next five years and will include approximately one third of these new laboratories to be provincial level laboratories to provide primary coverage across China, and approximately two thirds of these new laboratories will be located in tier-two cities to deepen our service penetration within local geographic markets. The overall market penetration of the ICL industry in China was only approximately 6% in 2021, according to Frost & Sullivan, significantly less than 60% for Japan, 44% for Germany and 35% for the United States. By the end of 2021, there were over 2,100 ICLs in China, whereas there were over 7,500 ICLs in the United States according to Frost & Sullivan. China’s ICL market is still in its infancy and has great growth potential, which is expected to grow at a CAGR of 18.2% by 2026, according to Frost & Sullivan. Our Directors believe that such growth momentum will support our laboratory expansion plans;

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- approximately HK\$[REDACTED] (representing [REDACTED]% of the [REDACTED]) for business development activities to form strategic collaborations with industry participants as well as strategic and bolt-on acquisitions. We intend to (i) enhance our industry resources and collaborations with In Vitro Diagnostic (IVD) companies on reagents to enrich our testing modalities; (ii) further build up our CRO sales team to capture the opportunities in clinical studies driven by strong demand from biopharmaceutical companies and CROs; (iii) acquire established regional laboratories. According to Frost & Sullivan, there were over 2,100 ICLs in China by the end of 2021, however, less than 30% of these were chain network companies. The majority of these ICLs, according to Frost & Sullivan are single laboratory facilities, which could be a potential takeover target for us; and (iv) expand our business development team to actively pursue strategic collaborations and investment opportunities for inorganic growth. When selecting acquisition targets, we look into a multitude of factors, including the local market dynamics, competitive dynamics, competitive positioning, history and development of the target company, shareholder of the target company, valuation of the target company, potential synergies able to be realized under our ownership, ability to retain key employees, ability to maintain customer relationships, likelihood of achieving earn-out targets, if any, among others;
- approximately HK\$[REDACTED] (representing [REDACTED]% of the [REDACTED]) for upgrade and expansion of our existing laboratories. We intend to (i) upgrade the equipment and strengthen the testing capabilities of our existing laboratories; (ii) expand the facilities of our existing laboratories; and (iii) expand our laboratory operation team;
- approximately HK\$[REDACTED] (representing [REDACTED]% of the [REDACTED]) for investment in operating infrastructure including logistics facilities, artificial intelligence technologies and IT infrastructure. We intend to (i) invest in our cold-chain logistics infrastructure, in particular vehicles and storage and related technologies; (ii) invest in data-mining technologies and data infrastructure to help us discover new information from our existing database of anonymized test results to provide better diagnostic insights to our customers; (iii) invest in the development of proprietary artificial intelligence technologies that could further enhance our analytical capabilities and enable the digitalization of pathology framework, in particular, we plan to invest into AI technologies that will provide assisted diagnosis for our pathology tests, as pathology testing is an area that is ready for AI based assisted diagnosis. Pathology slides are generally two-dimensional images which allow for easier processing by AI based assisted diagnosis based on two-dimensional image recognition algorithms and correlation analysis; and (iv) expand our in-house team dedicated to IT management and logistics; and
- approximately HK\$[REDACTED] (representing [REDACTED]% of the [REDACTED]) for working capital and general corporate purposes.

The above allocation of use of [REDACTED] is projected based on our current business plan and the amount of [REDACTED] that we expect to receive from the [REDACTED]. If we are unable to raise the expected amount of [REDACTED] from the [REDACTED], we expect to adjust the allocation of the [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is set at the high end or low end of the proposed [REDACTED] range, the [REDACTED] of the [REDACTED] (assuming that the [REDACTED] is not exercised) will increase to HK\$[REDACTED] or decrease to HK\$[REDACTED], respectively. In this event, we will increase or decrease the allocation of the [REDACTED] to the above purposes on a pro-rata basis.

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If the [REDACTED] is fully exercised by the Joint Sponsors, we will receive [REDACTED] of HK\$[REDACTED] for a total of [REDACTED] Shares to be sold and transferred upon the full exercise of the [REDACTED], respectively, based on the [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range, and after deducting the [REDACTED] fees and [REDACTED] payable by us. We intend to apply the additional [REDACTED] to the above uses in the proportions stated above.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we will only place such [REDACTED] into short-term interest-bearing accounts with licensed banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance). We will issue an appropriate announcement if there is any material change to the above proposed [REDACTED].

[We will not receive any of the [REDACTED] from the sale of the [REDACTED] by the [REDACTED] in the [REDACTED]. The [REDACTED], after deduction of [REDACTED] fees, discretionary incentive fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee for the [REDACTED] payable by it in the [REDACTED] which equals to an aggregate amount of approximately HK\$[REDACTED] (based on the mid-point of the indicative price range for the [REDACTED]) and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range), will receive aggregate [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED].]