FUTURE PLANS

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

USE OF [REDACTED]

We estimate that the aggregate [**REDACTED**] to our Company from the [**REDACTED**] will be approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and other estimated expenses in connection with the [**REDACTED**] paid and payable by us taking into account any additional discretionary incentive fee and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share.

We intend to apply such [**REDACTED**] from the [**REDACTED**] for the following purposes:

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials, preparation for registration filings, and the planned commercial launch (including sales and marketing activities) of M701, our Core Product, of which

    (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials of M701 for the treatment of MA. We plan to commence a pivotal/Phase III trial for M701 in treating MA in China in the first quarter of 2024.

    (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials of M701 for the treatment of MPE. We plan to commence a pivotal/Phase III trial for M701 for the treatment of MPE in China in the third quarter of 2024.

    (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the preparation for registration filings with the NMPA, planned commercial launch (including sales and marketing activities), and other regulatory matters for M701. We plan to submit the BLAs for M701 with the NMPA for the treatment of MA and MPE in the first quarter of 2025 and the fourth quarter of 2025, respectively. In addition, we plan to file the IND application for M701 with the NMPA for the treatment of solid tumor in the first quarter of 2024. In preparation for the commercial launch of M701, we will build an in-house commercialization team with medical and scientific background to maximize the reach of our product offering and expedite market acceptance of our products in China. We plan to market M701 through a physician-targeted marketing strategy, focusing on direct and interactive communication with key opinion leaders and physicians to promote the clinical use of M701. For more details, please refer to the paragraphs headed "Business – Commercialization" in this document. We also plan to make preparation for the commercial manufacturing of M701, which includes process transfer, sample production, process characterization and validation, and quality control.

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials of Y101D, of which

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials of Y101D in combination therapy in treating pancreatic cancer. We commenced a Phase Ib/II clinical trial of Y101D in combination with gemcitabine and albumin paclitaxel as the first-line treatment for pancreatic cancer patients in China in February 2023, commenced patient enrollment for the Phase II portion of this trial in July 2023, and expect to complete this trial by the third quarter of 2024. Following the completion of this Phase Ib/II clinical trial, we also plan to commence a Phase III clinical trial in the fourth quarter of 2024 and expect to complete this trial by the second quarter of 2026.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for planned clinical trials of Y101D in combination therapy in treating HCC and other advanced solid tumors. We commenced a Phase Ib/II clinical trial of Y101D in combination with bevacizumab in treating HCC and other advanced solid tumors in China in March 2023 and expect to complete this trial by the second quarter of 2025. Following the completion of this Phase Ib/II clinical trial, we also plan to commence a Phase III clinical trial.

We have executed an adaptive clinical development strategy and may evaluate and adjust our priorities and funding allocations for different indications or other aspects of our clinical trials for each drug candidate from time to time based on the status and results of ongoing clinical trials, while the percentages of [**REDACTED**] allocated to each drug candidate will generally remain stable. Therefore, the percentages and amounts of [**REDACTED**] allocated to each indication, clinical trial and/or commercialization plan of each drug candidate may be subject to change.

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

We determine the above allocation of the [**REDACTED**] for our planned clinical trials based on the anticipated expenses of these trials. We estimate such expenses based on the number of subjects expected to be enrolled and the average expense per subject expected to be incurred.

The number of subjects to be enrolled for our clinical trials is determined based on the anticipated trial designs, as well as various factors influencing these designs. For more details of the methodologies for determining the number of subjects to be enrolled for different types of our clinical trials, please refer to the paragraphs headed "Business – Our R&D Platform – Clinical Development – Clinical Trial Design and Implementation" in this document.

Based on the historical expenses of our completed clinical trials and costs of comparable clinical trials of our industry peers, we estimate the average expense per subject for our cancer clinical trials to be ranging from HK$400 thousand to HK$633 thousand. The estimated average expenses per subject for clinical trials consist of six components, including CRO fees, clinical trial center fees, SMO fees, subject recruitment fees, drug costs, and testing fees. Among these six components, (a) CRO fees, clinical trial center fees, and SMO fees are primarily influenced by the rarity of the indication, treatment difficulty, and follow-up duration, (b) subject recruitment fees are mainly affected by the difficulty of enrolling subjects, (c) testing fees are primarily influenced by the testing items, (d) drug costs are mainly affected by drug production volume, transportation and storage difficulties, as well as the effects of economies of scale.

The estimated average expense per subject for our clinical trials is in line with that of similar drug candidates in similar clinical stages developed by the industry peers in China.

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**] range. If the [**REDACTED**] is set at HK$[**REDACTED**] per H Share, being the high end of the indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] to our Company will be increased to approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per H Share, being the low end of the indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] to our Company will be decreased to approximately HK$[**REDACTED**].

If the [**REDACTED**] is fully exercised, we will receive additional net [**REDACTED**] of approximately HK$[**REDACTED**] for [**REDACTED**] H Shares to be [**REDACTED**] and [**REDACTED**] upon the full exercise of the [**REDACTED**] based on the [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range, and after deducting the [**REDACTED**] and [**REDACTED**] payable by us. The additional amount raised will be applied to the above areas of use of [**REDACTED**] on pro-rata basis.

If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes, we will only deposit those [**REDACTED**] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the applicable laws in the relevant jurisdictions).

To the extent that our [**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.

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