FUTURE PLANS

For further disclosure of our business objectives and strategies, see "Business — Our Strategies."

[REDACTED]

We estimate that the [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the indicative range of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), without the exercise of the [**REDACTED**].

We currently intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts as set out below:

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to further expand our service capability and capacity by (i) constructing our facilities in Singapore and (ii) expanding our service capability and capacity in China. The rationale behind our strategic choice to expand our service capability and capacity rests on the following factors: (i) the worldwide footprint of an expanding customer base, with 69.1% of our revenue originating from international clients beyond China in 2022, (ii) the escalating number of ongoing projects, notably our ongoing post-IND bioconjugate projects, which reached 43 as of June 30, 2023, and (iii) the tremendous industry growth potential. We anticipate substantial market potential for our integrated CRDMO services going forward, as supported by the historical rapid growth of the global ADC outsourcing services market from US$0.5 billion in 2018 to US$1.5 billion in 2022 at a CAGR of 34.5% and the continual increase in our global market share by revenue from 1.8% in 2020 to 4.6% in 2021 and 9.8% in 2022, which evidences our competitive edge over other industry peers. We expect the projected growth of the global ADC outsourcing services market, combined with the benchmark effect of our industry leadership, will further drive the market demand for our integrated CRDMO services. As we plan to lower outsourcing and procurement of antibody intermediates and payload-linkers from our Controlling Shareholders going forward so as to improve our margin profile, it is pivotal for us to strengthen our service capabilities and scaling up production capacity in advance so as to continue to provide high-quality services and successfully accommodate the surge in demand for our services. More specifically:

  (1) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to construct our facilities at our Singapore site;

    - o approximately [**REDACTED**]%, or HK$[**REDACTED**], to be used for the establishment of our facilities at the Singapore site, with a total site area of approximately 18,500 sq.m. to meet the growing demand from customers worldwide for end-to-end bioconjugate CRDMO services and implement a "global dual sourcing" strategy.

      We selected Singapore site as the location of our new manufacturing facility because, (i) Singapore is a vibrant hub of the global biopharmaceutical industry, and its pro-business environment and thriving research ecosystems attract top pharmaceutical companies to build their operation and manufacturing facilities,

which may bring us significant opportunities in brand promotion and customer acquisition; (ii) in addition to its open and liberal trade region and low corporate tax rates, Singapore launched favorable policies in recent years, such as the Pharma Innovation Programme Singapore, launched in 2017, which brings together researchers in the public sector and key global players to help improve manufacturing operations and technologies, as well as substantial government investment to further health and biomedical sciences research, to support the development of its pharmaceutical industry, and has attracted worldwide talents and strengthened its manufacturing capabilities; (iii) its proximity to our current facilities in China enables us to better coordinate the day-to-day operations of our various sites; and (iv) constructing and maintaining operations in Singapore require less capital investment than operations in North America and Europe would otherwise require, and we also expect to incur less operating expenses such as labor cost with operations in Singapore. Therefore, we believe Singapore will be a suitable location for us to expand our operations and access the global market.

As of the Latest Practicable Date, the WXB Group had secured a land offer from the relevant authority in Singapore for its Singapore expansion as well as our Singapore site. Such arrangements with the Remaining WXB Group was primarily because (i) the WXB Group contemplated and engaged in discussion for expansion in Singapore well before the proposed [**REDACTED**]; (ii) it is easier for government authorities in Singapore to deal with the WXB Group as a whole instead of separately engaging with the Remaining WXB Group and us; and (iii) leveraging the industry leadership and worldwide reputation of the WXB Group, we expect to gain more access to favorable local government policies and expedite the application process for regulatory approval. The Remaining WXB Group will not participate in the operation of our Singapore site. We have entered into strategic collaboration agreement with suppliers for the modularized construction of our Singapore facility and commenced concept design, and we expect to commence construction of our Singapore site by January 2024. Our Directors currently do not expect any impediment in obtaining all requisite regulatory approvals for the commencement of the construction and on any other material aspects, and nothing has come to the attention of the [**REDACTED**] to disagree with the above view of the Directors. We expect to complete and commence GMP-compliant operation of our Singapore site by 2026. See "Business — Facilities — Our Facility Expansion Plans — Singapore Site."

Our Singapore facility will be primarily used to serve overseas customers, in particular, customers with demands for CRDMO services at late-stage clinical and commercial phases, while services for projects at discovery and preclinical stages will be provided from our headquarters in China. Once projects for overseas customers progress into late-stage clinical and commercial phases and need to be transferred to our Singapore site, our facilities in China will provide necessary technical support, and will, in particular, transfer relevant technologies and data to our Singapore site for further provision of CRDMO services. Moreover, our facilities in China will supply the payload-linkers needed for the operations at our Singapore site. We do not expect the transport of such payload-linkers will significantly increase the operating costs of our facilities, as the transportation of payload-linkers is generally uncomplicated, and we plan to utilize bulk shipment to lower potential transportation and logistics expenses. Our fully integrated service offering platform, single-source solution, and extensive experience enable us to conduct multiple steps in parallel and run iterations seamlessly to improve the overall productivity and efficiency.

Both the global and China's ADC and broader bioconjugates markets are expected to grow rapidly in the near future. According to Frost & Sullivan, the global market for ADC outsourcing services reached US$1.5 billion in 2022, at a CAGR of 34.5% from 2018 and 2022, and is expected to expand significantly to reach US$11.0 billion by 2030, at a CAGR of 28.4% from 2022 to 2030. The ADC outsourcing services market in China will reach an estimated value of RMB16.5 billion by 2030, at a CAGR of 35.9% from 2022 to 2030. See "Industry Overview." We believe that companies possessing competitive strengths in technology, operational and cost efficiency and can seamlessly meet customer demands, including clinical and commercial manufacturing demands, will set themselves apart from competitors and acquire a larger market share. As an increasing number of our projects are expected to progress into the clinical and commercial stage, we expect our existing manufacturing capacity will not be sufficient to satisfy growing demands from both domestic and overseas customers for clinical and commercial manufacturing. Our Singapore site will focus on serving overseas customer demands for clinical-stage and commercial manufacturing, while our domestic facilities will be used primarily for manufacturing for customers in China. Our Singapore site and domestic facility will be under the vertical management of the same management team to ensure coordinated and uniform management throughout the organization; and

- approximately [**REDACTED**]%, or HK$[**REDACTED**], to be used to purchase manufacturing and R&D equipment and systems and recruit manufacturing, R&D and management personnel for the operation of our Singapore site;

  We plan to deploy four production lines in our Singapore site, including a dual-function production line for antibody intermediates for bioconjugates and drug substance ("**XBCM3**") which will focus on commercial manufacturing, a production line for drug substance ("**XBCM4**") which will focus on clinical-stage manufacturing, as well as two drug product manufacturing lines ("**DP3**" and "**DP4**"), each focusing on commercial and clinical-stage manufacturing, respectively. We plan to recruit a total of 592 employees and management personnel for our Singapore site, including 163 personnel for the R&D and production work for XBCM3, 127 personnel for the R&D and production work for XBCM4, 147 personnel for the R&D and production work for DP3, 132 personnel for the R&D and production work for DP4, and 23 management personnel. We plan to recruit approximately 100, 60 and 100 personnel in 2024, 2025 and 2026 for our Singapore site, respectively, and we will formulate recruitment plan for 2027 and onward based on the ramp-up status of the production capacity for our Singapore site. According to Frost & Sullivan, Singapore has sufficient talent supply for our recruitment plan set out above. We may also relocate certain employees in China to Singapore to implement our expansion plan. Singapore imposes certain restrictions on a local company's foreign employee quota, and we will ensure compliance with such requirements when formulating and implementing our recruitment plan. We plan to initiate staff recruiting for our Singapore site in 2024, who will provide facility construction support and perform the validation work for our Singapore site prior to the commencement of operations, as typically required for construction of drug manufacturing facilities;

We expect to incur approximately US$[**REDACTED**] in implementing our expansion plan for the Singapore site, approximately [**REDACTED**]% of which will be funded by the [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of our indicative [**REDACTED**] range; and

(2) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to expand our production capacity in China;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], to be used to purchase manufacturing and R&D equipment and systems, such as bioreactors, steam sterilizers, capillary electrophoresis instrument and enzyme labeling apparatus, among others;

- approximately [**REDACTED**]%, or HK$[**REDACTED**], to be used for the establishment, maintenance and improvement of our manufacturing plants at our Wuxi site, including building up a kilogram-scale payload-linker production line. We have recently commenced GMP-compliant operations of a newly established dual-function production line for antibody intermediates and drug substance, which has a designed capacity of 200 liters to 2,000 liters per batch for monoclonal antibody intermediate productions and up to 2,000 liters per batch for bioconjugate drug substance production. As our business continues to grow, we will plan and build additional manufacturing facilities at our Wuxi site. See "Business — Facilities — Our Facility Expansion Plans — Wuxi Site";

  We expect to incur approximately US$[**REDACTED**] in completing our expansion plan for our production capacity in China, approximately [**REDACTED**]% of which will be funded by the [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of our indicative [**REDACTED**] range.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be used to selectively pursue strategic alliances, investment and acquisition opportunities primarily to enrich our technology platform and service offerings and capabilities.

  We plan, in part, to invest in or acquire unique technologies that we perceive to be not only innovative within the bioconjugate industry, but also complementary to our existing capabilities. When evaluating target companies, we will take into consideration (i) their potential to generate effective synergy with our existing platform, (ii) their technology and expertise, (iii) their operating history, (iv) their ability to bring in new business opportunities, and (v) their financial performance. We plan to seek acquisition and investment opportunities with companies specializing in various fields of conjugation technologies, such as enzyme conjugation, self immolation linkers and linker modification technologies. We expect to establish a conjugation drug development platform through such acquisition and investment, as well as external technology collaboration, technology license-in and internal development, to bring customers a greater selection of drug components and promote their project progression. We plan to acquire or invest in target companies with a valuation ranging from US$[**REDACTED**] to US$[**REDACTED**]. Based on our industry intelligence and concurred by Frost & Sullivan, our Directors believe that we will be able to identify suitable acquisition

targets that satisfy our selection criteria. As advised by Frost & Sullivan, there are a sufficient number of suitable acquisition targets in the relevant markets. We will leverage our industry resources and network and continue to monitor the market conditions and engage financial and legal advisors to explore and evaluate, from time to time, potential acquisition opportunities when they arise. As of the Latest Practicable Date, we had not identified any investment or acquisition target or enter into any definitive investment or acquisition agreement.

We expect to incur approximately US$[**REDACTED**] in completing our expansion plan for the pursuit of strategic alliances, investment and acquisition opportunities, approximately [**REDACTED**]% of which will be funded by the [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of our indicative [**REDACTED**] range.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], 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 below or above the mid-point of the indicative [**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, which is the high end of our indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] will increase by approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, which is the low end of our indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**]. Any additional [**REDACTED**] received from the exercise of the [**REDACTED**] will also be allocated to the above purposes on a pro rata basis. In the event that the [**REDACTED**] is exercised in full, we will receive [**REDACTED**] of HK$[**REDACTED**] (after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**] and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of our indicative [**REDACTED**] range).

To the extent that the [**REDACTED**] are not immediately applied to the above purposes, we intend to deposit the [**REDACTED**] into short-term demand deposits with one or more licensed banks or financial institutions so long as it is deemed to be in the best interests of our Company.