FUTURE PLANS AND PROSPECTS

See "Business—Business Strategy" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$2,247.5 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$11.65 per Share, which is the mid-point of the indicative Offer Price range stated in this prospectus. If the Offer Price is set at HK$12.20 per Share, which is the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$108.6 million. If the Offer Price is set at HK$11.10 per Share, which is the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$108.6 million.

Assuming an Offer Price at the mid-point of the indicative Offer Price range, we currently intend to apply these net proceeds for the following purposes:

- 30.0%, or approximately HK$674.2 million, will be allocated to our Core Product, namely VitaFlow™ II including:
  - 15.6% of the net proceeds, or approximately HK$350.6 million, will be used for the ongoing R&D activities, clinical trial and product registration of VitaFlow™ II for the next five years in Europe, China and emerging markets, including (i) 4.6% of the net proceeds will be used to advance our global strategies in Europe. As part of our global strategies, we plan to complete the clinical trial of VitaFlow™ II in Europe, seek CE Mark registration and conduct post-marketing clinical trials in Europe; (ii) 8.2% of the net proceeds will be used for product registration and post-marketing clinical trials in China as well as five-year follow-up evaluations in relation to the Registration Clinical Trial for VitaFlow™ II; and (iii) 2.8% of the net proceeds will be used for product registration of VitaFlow™ II in Argentina, Thailand, India, Russia and South Korea;
  - 14.4% of the net proceeds, or approximately HK$323.6 million, will be used for the ongoing sales and marketing activities of VitaFlow™ II in China and overseas, in order to expand our sales channels, continue patient education and clinical knowledge of physicians and increase the penetration rate of VitaFlow™ II;
- 3.4%, or approximately HK$76.4 million will be allocated to our first commercialized TAVI product, namely, VitaFlow™, including:
  - 1.7% of the net proceeds will be used for ongoing R&D activities. We plan to source raw materials (including bovine pericardium, nitinol component and catheter) from more suppliers and continue our R&D efforts in valve processing technique that is the most suitable for new raw material. We also plan to conduct other R&D activities to improve our manufacturing technique and the performance of the loading and delivery system;

- 0.8% of the net proceeds will be used for the commercialization of VitaFlow™ in China to enhance patient education and clinical knowledge of physicians of VitaFlow™;

- 0.7% of the net proceeds will be used to complete the five-year follow-up evaluations of the pre-approval clinical trial and the post-approval clinical trial, which are prerequisite for the renewal of the marketing approval of VitaFlow™ in 2024;

- 0.2% of the net proceeds will be used for product registration in other emerging markets, such as Russia;

- 27.0%, or approximately HK$606.8 million, will be allocated to the remaining products in our current product pipeline including:

  - 7.0%, or approximately HK$157.3 million, will be used to fund the research, pre-clinical, clinical trial and commercialization of our third-generation self-expanding TAVI product, namely VitaFlow™ III, and balloon-expandable TAVI product, namely VitaFlow™ Balloon Expandable, for the next five years. Currently, we are conducting early-stage design realization and design verification for our third-generation self-expanding TAVI product and balloon-expandable TAVI product. Our third-generation self-expanding TAVI product will adopt a novel valve design and our upgraded anti-calcification technology. Such technologies will further enhance the durability of the TAVI product. We consider our third-generation self-expanding TAVI product will be a competitive TAVI product. In addition, we are also conducting design realization of our balloon-expandable TAVI product, which is expected to compete with other balloon-expandable TAVI product in China if receiving the NMPA marketing approval. We plan to initiate clinical trial in China for the third-generation self-expanding TAVI product and balloon-expandable TAVI product by the end of 2023;

  - 11.5%, or approximately HK$258.5 million, will be used to fund the ongoing and planned R&D of our TMV product candidates for the next five years, including our self-developed replacement product and edge to edge - repair product, as well as AltaValve, Corona and Amend. For our self-developed replacement product and edge to edge - repair product, we are currently conducting design realization and verification and we plan to initiate clinical trial in China by the end of 2023. We will also advance product registration in China with respect to other product candidate namely AltaValve, Corona and Amend we are collaborating on with our business partners;

  - 6.0%, or approximately HK$134.8 million, will be used to fund the ongoing and planned R&D of our TTVR product candidates, surgical valves and procedural accessories, including our edge to edge TTV repair product, surgical valve replacement product, Alwide™ balloon catheter II, Alwide™ balloon catheter III, Alpass™ catheter sheath II, expandable sheath and embolic protection device. For these products, we are currently conducting design realization and design

verification. With respect to our edge to edge TTV repair product, surgical valve replacement product and embolic protection device, we plan to initiate clinical trial in China by the end of 2023. With respect to the remaining procedural accessories, we plan to submit the registration material by the end of 2022;

- 2.5%, or approximately HK$56.2 million, will be used to fund the planned commercialization activities after receiving the relevant regulatory approvals;

- 15.0%, or approximately HK$337.1 million, will be allocated to fund the expansion of our product portfolio through collaboration with global enabler, including medical device companies and research institutes through merger and acquisition, in-licensing or equity investments, among others;

- 14.6%, or approximately HK$328.1 million will be used to expand our production capacity and strengthen our manufacturing capabilities for VitaFlow™ and VitaFlow™ II;

- 10.0%, or approximately HK$224.7 million, will be used for our working capital and general corporate purposes.

The above allocation of the net proceeds from the Global Offering will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range stated in this prospectus. If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK$2,592.4 million, assuming an Offer Price of HK$11.65 per Share (being the mid-point of the indicative Offer Price range). In the event that the Over-allotment Option is exercised in full, we intent to apply the additional net proceeds to the above purposes in the proportions stated above.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable 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 demand deposits with licensed banks or authorized financial institutions in Hong Kong.