
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For details of our future plans, see “Business—Our Strategies.”

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK\$278.1 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no exercise of the Over-allotment Option and assuming an Offer Price of HK\$24.64 per Offer Share. We intend to use the net proceeds from the Global Offering for the following purposes:

- Approximately HK\$83.4 million (representing 30.0% of the estimated net proceeds) will be used for the research and development of therapeutic and access products for hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS. We expect to utilize 30.0% of the estimated net proceeds in the next two years:
 - Approximately HK\$41.7 million (representing 15.0% of the net proceeds) will be used to offer total solutions for hemorrhagic stroke. Specifically, we will (i) develop upgraded generations of *NUMEN*, such as *NUMEN Biodegradable*; (ii) develop *Tubridge*’s next-generation product, *Tubridge Plus*, which is now in the design validation stage; and (iii) move forward with the clinical trials and registration approval process of *Rebridge*;
 - Approximately HK\$22.2 million (representing 8.0% of the net proceeds) will be used to fund the research and development of cerebral atherosclerotic stenosis products, including preclinical studies, clinical trial and commercialization of large-size *Bridge (Bridge 4.5/5.0)*;
 - Approximately HK\$19.5 million (representing 7.0% of the net proceeds) will be used for research and development of AIS products to establish a comprehensive portfolio. Specifically, we will (i) develop *Neurohawk*’s next-generation, *Neurohawk 2*, with wider applicability in procedures; and (ii) increase investments in the development of aspiration catheters and balloon guiding catheters;
- Approximately HK\$55.6 million (representing 20.0% of the estimated net proceeds) will be used for the commercialization of our products for hemorrhagic stroke, cerebral atherosclerotic stenosis and AIS. We expect to utilize 20.0% of the estimated net proceeds in the next two years:
 - Approximately HK\$30.6 million (representing 11.0% of the net proceeds) will be used for the expansion of our sales and marketing team to accommodate our continuous product commercialization and regional expansion. Specifically, we plan to expand team members in our Eagle & Swallows (神雕飛燕) program to promote our products in lower-tier cities and counties;
 - Approximately HK\$25.0 million (representing 9.0% of the net proceeds) will be used for sales and marketing activities to enhance our brand awareness and promote our new products. Specifically, we intend to (i) increase our presence in academic conferences to enhance our brand awareness; (ii) introduce our new products to key

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opinion leaders to enhance product recognition; and (iii) provide training sessions to physicians for them to familiarize with our new products and practice patterns;

- Approximately HK\$41.7 million (representing 15.0% of the estimated net proceeds) will be used for the expansion of our manufacturing facility to increase the scale of our production. We expect to utilize 15.0% of the estimated net proceeds in the next two years:
 - Approximately HK\$31.3 million (representing 11.3% of the net proceeds) will be used for the expansion of the manufacturing facility in accordance with GMP standards in Zhangjiang, Shanghai, to increase our production capacity;
 - Approximately HK\$10.4 million (representing 3.8% of the net proceeds) will be used for establishing an overseas R&D and production center in Irvine, California, the United States in accordance with FDA standard. We plan to complete its construction by 2023, obtain FDA registration by 2024 and commence production thereafter. As of the Latest Practicable Date, we did not see any material impediment in relation to the establishment of the R&D and production center. The California production center is expected to have a production capacity of up to 40,000 units per year;
- Approximately HK\$55.6 million (representing 20.0% of the estimated net proceeds) will be used for the expansion of our global presence. We expect to utilize 20.0% of the estimated net proceeds in the next two years:
 - Approximately HK\$27.8 million (representing 10.0% of the net proceeds) will be used advancing the research and development, registration approval and commercialization of our products in overseas market, including the Americas, Europe, the Middle East, Africa and Asia Pacific. We plan to establish research and development team in the United States to carry out clinical trials in the United States. We also plan to improve our product quality control system to meet the registration requirement in overseas market. To effectively commercialize our products, we will continue to expand our international sales and marketing team in overseas markets;
 - Approximately HK\$27.8 million (representing 10.0% of the net proceeds) will be used for establishing our international sales and marketing team to cover the Americas, Europe, the Middle East and Africa and expanding our sales and marketing team in Asia Pacific;
- Approximately HK\$27.8 million (representing 10.0% of the estimated net proceeds) will be used for advancing our product portfolio through strategic acquisitions, investment, cooperation or a combination of these tactics. We will consider a variety of factors when selecting acquisition targets. We plan to select targets that (i) have leading neuro-interventional technologies and innovative product portfolio or provide upstream and downstream services or materials, including distributors. In particular, we look for companies who have products and resources that are complementary to ours to expand our

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product portfolio, enhance our research and development capabilities and penetrate into new regions and countries more efficiently; (ii) have an experienced management team with strong execution ability and in-depth understanding of neuro-interventional industry; and (iii) hold all necessary permits, licenses and approvals for the research, development and sale of neuro-interventional products. We look for targets in the PRC and in the global market. We are open to acquiring majority equity stake or minority equity interest in acquisition targets. According to CIC, there are hundreds of acquisition targets that meet the above criteria in the PRC and the global market. We currently plan to acquire acquisition targets that satisfy the aforesaid criteria within the next five years, and may adjust our acquisition plans based on our business needs and market conditions. As of the Latest Practicable Date, we had not identified any investment or acquisition target; and

- Approximately HK\$13.9 million (representing 5.0% of the net proceeds) will be used for working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, and net proceeds that we will receive will be approximately HK\$326.7 million, assuming an Offer Price of HK\$24.64 per Offer Share. In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as it is deemed to be in the best interests of the Company, we will only hold such funds in short-term deposits with licensed banks or authorized financial institutions. We will make an appropriate announcement if there is any change to the above proposed use of proceeds.