

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies.”

[REDACTED]

We estimate that the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] range of HK\$[REDACTED] per Share to HK\$[REDACTED] per Share, after deducting [REDACTED] and estimated [REDACTED] expenses paid and payable by us in the [REDACTED], taking into account any additional discretionary incentive fee.

We intend to use the [REDACTED] from the [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to the research, development, and commercialization of our Core Product, the GBS. These funds will be primarily allocated to:
 - a) approximately [REDACTED]%, or HK\$[REDACTED] million, will be dedicated to the continued research and development of the GBS. We plan to invest in the continual iteration and enhancement of the product. Specifically, we intend to use these funds to: (i) conduct necessary type-testing and biological evaluations for product iterations, as well as conducting small-scale exploratory clinical studies to support registration amendments and product upgrades with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years; (ii) advance the clinical trial aimed for indication extension of the GBS to broader patient populations. This includes costs for patient enrollment, clinical operations, and subsequent registration filings and technical dossier updates, as required by the NMPA with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years; and (iii) pursue and maintain overseas regulatory approvals to support our international expansion strategy, particularly CE marking in Europe. We submitted our application for CE marking under the Medical Device Regulation (MDR) in July 2024 and expect to obtain the approval in the third quarter of 2026. Key expenditures will cover regulatory and compliance costs, such as technical file preparation and testings, notified body audit fees, and engagement of authorized representatives, with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years. We believe the allocated budget is fully adequate to support our CE marking process. Based on our conformity analysis and communications with our notified body, the clinical data obtained from our pivotal clinical trials in China is accepted for the purpose of CE marking. Therefore, no separate local clinical trials or additional substantial R&D work are required within the EU, significantly reducing the capital required for this regulatory pathway. We also plan to allocate the remaining [REDACTED] in this aspect to cover salaries and benefits for our R&D staff, as well as other R&D-related expenses in support of the continued research and development of the GBS.
 - b) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to accelerate the commercialization and marketing efforts for our Core Product. We plan to enhance brand visibility through comprehensive advertising and promotional campaigns. Specifically, we will: (i) engage in comprehensive academic marketing strategies, including sponsoring established industry conferences in digestive and bariatric surgery, and hosting academic seminars and forums of our own. We aim to expand our academic outreach to also include endocrinology and nutrition departments, thereby raising awareness of the GBS. We estimate expenditures in relation to these activities to be approximately RMB[REDACTED] million over the next three to five years; (ii) recruit and retain talent for our in-house sales and marketing team to support growing operational scale and sales targets. We plan to rapidly expand hospital coverage of our Core Product, targeting to reach a cumulative coverage of over 1,000 hospitals, mainly Tier-2 and above hospitals, over the next three to five years. We estimate expenditures in relation to our efforts of expanding hospital coverage to be approximately RMB[REDACTED] million over the next three to five years. To support this, we aim to expand our sales team to approximately 60 members by 2029. These new hires are

FUTURE PLANS AND [REDACTED]

generally required to hold a bachelor’s degree or above with two to four years of relevant experience and a proven track record in sales. We estimate expenditures in relation to our efforts of expanding hospital coverage and talent recruiting to be approximately RMB[REDACTED] million over the next three to five years; and (iii) continue to invest in professional training programs covering implantation of GBS and integrated management for physicians. Our goal is to expand the base of qualified practitioners to ensure the safe and standardized application of our therapy, thereby driving widespread clinical adoption and accelerating market penetration. We estimate expenditures in relation to these training programs to be approximately RMB[REDACTED] million over the next three to five years. We also plan to allocate the remaining [REDACTED] in this aspect to cover other related operational expenses.

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to the research, development, and commercialization of our Key Products, including the GBS-SH, GBS-DM, and our intragastric balloon portfolio of DIGB and RIGB. These funds are primarily designated for:
 - a) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to the research and development of our pipeline products. We plan to advance the clinical development and global regulatory approvals for our diversified product portfolio: (i) for GBS-SH, we plan to fund exploratory clinical studies, pilot studies and pivotal clinical trials in Europe to validate preliminary safety and efficacy. Funds will also cover other testing, such as type testing and biological evaluation and testing with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years; (ii) for GBS-DM, we plan to fund small-scale feasibility studies to accumulate core clinical data, followed by pivotal registration clinical trials. The allocated funds will support the entire trial execution, necessary bio-compatibility and performance testing, and the preparation of regulatory filings with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years; (iii) for our intragastric balloon products, we plan to fund the regulatory path of: (A) the DIGB in Europe, in relation to the requisite compliance testing and technical dossier preparation to support its CE marking application; (B) the RIGB in Europe, in relation to necessary preclinical verifications and regulatory submission process for CE marking application; and (C) both intragastric balloon products in the domestic market. The expenditures in relation to our intragastric balloon products is expected to be approximately RMB[REDACTED] million over the next three to five years. We also plan to allocate the remaining [REDACTED] in this aspect to cover salaries and benefits for our R&D staff, as well as other R&D-related expenses in support of the research and development of our pipeline products;
 - b) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the initial commercialization activities for our intragastric balloon products. We plan to allocate these funds to pre-launch market readiness initiatives, such as conducting health economics and outcomes research, while simultaneously laying the groundwork for market access pathways and conducting early-stage academic education to build clinical awareness, with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years.
- approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to the research, development, and commercialization of our other product and product candidates. These funds are primarily designated for:
 - a) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to the research and development of other pipeline products and product candidates. We aim to continuously enrich our portfolio of compatible devices for metabolic disease treatment: (i) for SOC, we plan to validate core technologies. Funds will support design verification and animal studies to validate performance and safety, among others, with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years; (ii) for RAC, we intend to advance this candidate through early feasibility clinical studies and type testing, with estimated expenditures totalling approximately RMB[REDACTED] million over the next three to five years; (iii) for other candidates, we aim to allocate resources to the continual iteration, type testing, and preparation of molds and tooling for our broad pipeline to ensure they meet technical and regulatory standards.

FUTURE PLANS AND [REDACTED]

- b) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the commercialization of our other products, such as GA, and our digital health management platform, Dtx, to create integrated management for metabolic disease treatment: (i) for GA, we plan to (A) leverage the strong synergies with our existing sales infrastructure. We intend to invest resources to launch product trials and market promotion, thereby driving the installed base of our capital equipment efficiently; (B) establish production capabilities domestically; and (C) pursue CE marking to access the European market. Funds will cover fees related to audits, and compliance; (ii) for Dtx, we will invest in its continual optimization, specifically focusing on function enhancements and version upgrades to improve user experience; and (iii) for CNT, we plan to advance both foods for special medical purpose products, and general nutritional food products. Funds will be primarily invested in the continued development and clinical trial for our special medical purpose products, as well as the commercial launch of our nutritional product portfolio.

To support the comprehensive research and development activities across our Core Product, Key Products, and other pipeline products as detailed above, we plan to expand our research and development, quality control, and other R&D supporting teams by recruiting approximately [REDACTED] additional personnel over the next three to five years. These new hires will primarily consist of senior and mid-level professionals, including but not limited to R&D directors, project managers, structural and process engineers, software managers, and quality engineers. We generally require these candidates to hold a bachelor’s degree or above, with certain key positions requiring a master’s degree, along with three to over twelve years of relevant industry experience. We estimate the total annual salary expenditure for these new personnel to be approximately RMB[REDACTED] million. The related recruitment and payroll expenses will be funded by the [REDACTED] allocated to the research and development of our respective products and product candidates as described above.

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

If the [REDACTED] is exercised in full, the [REDACTED] of the [REDACTED] would increase to approximately HK\$[REDACTED] million (based on the mid-point [REDACTED] of HK\$[REDACTED] per Share). We intend to apply the additional [REDACTED] to the above uses in the proportions stated above.

The allocation of the [REDACTED] used for the above will be adjusted 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 fixed at HK\$[REDACTED] per Share, being the high end of the stated [REDACTED] range, our [REDACTED] will (i) assuming the [REDACTED] is not exercised, be increased by approximately HK\$[REDACTED] million, or (ii) assuming the [REDACTED] is exercised in full, be increased by approximately HK\$[REDACTED] million. In such circumstances, we currently intend to use such additional [REDACTED] to increase the [REDACTED] applied for the same purposes as set out above on a pro rata basis.

If the [REDACTED] is fixed at HK\$[REDACTED] per Share, being the low end of the stated [REDACTED] range, our [REDACTED] will (i) assuming the [REDACTED] is not exercised, be decreased by approximately HK\$[REDACTED] million, or (ii) assuming the [REDACTED] is exercised in full, be decreased by approximately HK\$[REDACTED] million. In such circumstances, we currently intend to reduce the [REDACTED] applied for the same purposes as set out above on a pro rata basis.

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.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.