FUTURE PLANS

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

[REDACTED]

Assuming the [**REDACTED**] is not exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative range of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share, we estimate that the [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**] million.

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

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to fund our research and development activities within the next five years, including:

  (1) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for development and expansion of our product pipeline, including advancing the development and registration of our product candidates, and conducting clinical trials for a period of up to five years for certain products and product candidates upon commercialization as required by relevant regulations. Specifically, we intend to allocate the [**REDACTED**] to material and equipment procurement, animal study, type inspection, clinical trial, registration, sampling and clinical trial upon commercialization for continued evaluation of efficacy and safety of our marketed products. As of the Latest Practicable Date, we had 30 major product candidates in our pipeline, of which one was in the clinical trial preparation stage, two in the registration process with the NMPA, two in the registration preparation process with the NMPA, seven in clinical trials, eight in the type inspection stage, and 10 in the product design stage. We expect to continue to expand our product pipelines. See "Business — Growth Strategy — Promote the development and clinical trial progress of our product candidates" and "Business — Growth Strategies — Expand our global footprint by increasing product development and commercialization and broadening overseas sales channels." Our product candidates and research and development activities have focused, and will continue to focus, mainly on various kinds of valvular product candidates or biodegradable materials for occluder product candidates, which involve more advanced or innovative technologies and more complex processes, and therefore require higher research and development investments. The following sets forth our usage of such [**REDACTED**] divided by product types:

(a) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for the research and development material procurement and related experiments, clinical trial prior to commercialization, clinical trial upon commercialization for continued evaluation of efficacy and safety, and registration for our valvular product candidates, mainly including our TAVR system, TMVCRS, and TMVr systems. Set forth below is the current development stage and next milestone of our major valvular product candidates.

(i) *TAVR system*. As of the Latest Practicable Date, we had initiated the clinical trial and expect to submit registration application for our TAVR system with the NMPA in the fourth quarter of 2023. We are also evaluating the opportunities to market our TAVR system overseas, especially in emerging markets that recognize the CE Mark. We plan to initiate the clinical trial for TAVR system in the European Union in the fourth quarter of 2024.

(ii) *TMVCRS*. As of the Latest Practicable Date, we had initiated the clinical trial for TMVCRS in China and expect to submit the registration application with the NMPA in the third quarter of 2024.

(iii) *TMVr-A system*. As of the Latest Practicable Date, our TMVr-A system was at the clinical trial stage. We plan to submit the registration application with the NMPA in the fourth quarter of 2023.

(iv) *TMVr-F system*. As of the Latest Practicable Date, our TMVr-F system was in the type inspection stage. We plan to commence the clinical trial for TMVr-F in China in the fourth quarter of 2022 and submit registration application with the NMPA in the fourth quarter of 2024. See "Business — Our Products — Heart Valve Product Candidates."

According to the F&S Report, the market size of the global valvular disease interventional device market is expected to increase from US$7.1 billion in 2021 to US$14.5 billion in 2025 at a CAGR of 19.7%, and further to US$39.7 billion in 2030 at a CAGR of 22.3% from 2025 to 2030. The market size of China's valvular disease interventional device market is expected to increase from RMB1.0 billion in 2021 to RMB7.9 billion in 2025 at a CAGR of 69.8%, and further to RMB41.9 billion in 2030 at a CAGR of 39.6% from 2025 to 2030, according to the same source. Heart valve products primarily include aortic valve products and mitral valve products. TAVR system is a major aortic valve product and mitral value products primarily include the TMVCRS and TMVr systems;

(b) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for research and development material procurement and related experiments, clinical trial prior to commercialization, clinical trial upon commercialization for continued evaluation of efficacy and safety, and registration for our occluder product and product candidates, mainly including our MemoSorb® ASD Occluder IV, MemoSorb® VSD Occluder IV, MemoSorb® PFO Occluder II, and LAA Closure Occluder II. Set forth below is the current development stage and next milestone of our major occluder product and product candidates.

(i) *MemoSorb® ASD Occluder IV*. As of the Latest Practicable Date, our MemoSorb® ASD Occluder IV was in the clinical trial process, and we expect to submit application to the NMPA in the second quarter of 2023 and receive approval in the second quarter of 2024. We plan to commence clinical trial for MemoSorb® ASD Occluder IV in the European Union and the United States in the fourth quarter of 2024.

(ii) *MemoSorb® VSD Occluder IV*. We obtained the NMPA approval for our MemoSorb® VSD Occluder IV in February 2022. We plan to commence clinical trial for MemoSorb® VSD Occluder IV in the European Union and the United States in the fourth quarter of 2022 and the fourth quarter of 2023, respectively.

(iii) *MemoSorb® PFO Occluder II*. As of the Latest Practicable Date, our MemoSorb® PFO Occluder II was in the registration preparation process with the NMPA, which is expected to submit the application in the fourth quarter of 2022 and receive the approval in the fourth quarter of 2023. We plan to commence clinical trial for MemoSorb® PFO Occluder II in the European Union and the United States in the fourth quarter of 2024.

(iv) *LAA Closure Occluder II*. As of the Latest Practicable Date, our LAA Closure Occluder II was at the stage of clinical trial preparation. We plan to commence the clinical trial for LAA Closure Occluder II in China in the fourth quarter of 2022 and in the European Union and the United States thereafter. See "Business — Our Products — Occluder Products."

According to the F&S Report, there are approximately 150,000 newborns with CHD in China each year. However, compared with the high treatment rate of CHD in Europe and the United States, the current treatment of CHD patients in China is low, and so is the penetration rate of CHD occluder products in China. The domestic market for CHD occluder devices is expected to proliferate in the future.

According to the F&S Report, in 2021, the penetration rate of PFO occluder products in China was approximately 42.4%, which is expected to grow to 59.9% by 2025. According to the same source, in 2021, the penetration rate of LAA occluder products in China was approximately 5.9%, as compared to 44.9% in the United States and 14.6% in Europe, respectively. The penetration rate of LAA occluder products in China is expected to grow to 19.4% by 2025.

Our design for biodegradable occluder product and product candidates not only ensures effective autologous tissue closure but also minimizes potential compression and wear on surrounding tissues caused by metal implants, which lowers the risk of long-term complications. In addition, we believe it leaves available for patients additional future treatment options, especially transseptal procedures, as the biodegradable occluders would not be a permanent implant in the human body, benefiting all patients receiving occluder implants, and in particular, to children who constitute the majority of patients suffering from CHD and also expect a significantly longer remaining life span and better life quality. According to the F&S Report, the emergence of biodegradable occluder products provides an alternative option for patients with lower risk and flexibility for future treatment. Therefore, it is foreseeable that biodegradable occluder products will gain market prevalence and become a future trend in the occluder product market.

The manufacturing of biodegradable occluders is expected to produce waste similar to that was produced when manufacturing our marketed products. We will closely follow our established environmental protection policies and waste reclamation and disposal standards to ensure ongoing compliance with applicable PRC environmental laws and regulations. See "Business — Environmental, Social and Corporate Governance."

(c) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for research and development material procurement and related experiments, clinical trial prior to commercialization, clinical trial upon commercialization for continued evaluation of efficacy and safety, and registration for our occluder product and product candidates, mainly including our MemoFlex® Plug

III, MemoPart® Snare II, Interatrial Shunt Device II, and Interatrial Shunt Device III. Set forth below is the current development stage and next milestone of our major other products.

(i) *MemoFlex® Plug III*. As of the Latest Practicable Date, we had initiated the clinical trial for MemoFlex® Plug III in China, and expect to submit the registration application with the NMPA in the fourth quarter of 2023 and receive approval in the fourth quarter of 2024.

(ii) *MemoPart® Snare II*. As of the Latest Practicable Date, MemoPart® Snare II was in the registration process with the NMPA, which is exempted from clinical trial requirements in accordance with the Catalogues of Medical Devices Exempted from Clinical Trials. We submitted our registration application with the NMPA in September 2022 and expect its approval in the third quarter of 2023.

(iii) *Interatrial Shunt Device II (IASD II)*. As of the Latest Practicable Date, our IASD II was in the design stage. We plan to initiate the clinical trial for IASD II in China in the third quarter of 2023, and in the European Union and the United States thereafter.

(iv) *Interatrial Shunt Device III (IASD III)*. As of the Latest Practicable Date, our IASD III was in the type inspection stage. We plan to initiate the clinical trial for IASD III in China in the fourth quarter of 2023. See "Business — Our Products — Other Products."

As part of the total solutions offered by our occluder products and heart valve product candidates, our procedural accessories and other ancillary products are designed to deliver and deploy our products and product candidates. Accordingly, we expect these products to witness proportional genuine market demand as those for our products and product candidates.

(2) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for recruiting approximately 70 to 100 research and development and registration personnel within next five years.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used for our sales and marketing activities within the next five years. For instance, we plan to participate in live broadcasting of medical and surgical procedures of the administration of our occluder and heart valve products and case report meetings, organized by hospitals, to promote the application of our products. In addition, we plan to circulate patient manuals and

education videos at our product display and training center to educate end users on our products. We also plan to organize regular training sessions at our product display and training center to introduce our new products to physicians, and familiarize them with the structures and materials of our products, to assist smooth administration of our products. Specifically, our [**REDACTED**] for sales and marketing activities include (1) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for recruiting approximately 100 to 150 sales and marketing personnel to expand our sales team for our CHD, LAA occluder products, and valvular products. We plan to continue to expand our sales and marketing team for both domestic and overseas distribution. Specifically, we plan to establish overseas sales offices and recruit sales and marketing personnel located in key overseas markets in the future to facilitate our overseas distribution. In addition, we plan to further develop our sales and marketing training system to provide training sessions to all of our existing and newly recruited sales and marketing personnel. The training sessions will include basic knowledge of structural heart disease related surgery and interventional medical device, industry knowledge of domestic and interventional medical device targeting structural heart diseases, knowledge of our products, and sales skills, especially targeting the cardiology departments in hospitals, where our products are mostly deployed; (2) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for conducting more marketing activities to promote the general market awareness and acceptance of our products, such as industry conferences and academic promotion activities both in China and overseas markets. Specifically, we will continue to participate in or organize medical conferences and industry exhibitions to circulate marketing and education materials describing the benefits and functions of our products to introduce our products to potential customers of hospitals and distributors, as well as physicians who may administer our products. We plan to hold more trainings and seminars to communicate with physicians and hospitals that already used our products, in order to monitor the actual usage of our products and to collect feedback on our products. In overseas markets, we plan to attend international medical conferences, industry exhibitions and trade fairs to meet existing and potential customers, enhance our brand recognition and introduce our products to overseas physicians and hospitals; (3) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for traveling and office expenses incurred in connection with our daily sales activities that aim to facilitate our sales growth, such as expanding our customer base, maintaining customer relationship and monitoring the sales performance of our products; (4) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for establishing a product display and training center at our headquarters to offer clinical education and showcase products to physicians and hospitals. At such center, we plan to deploy heart models to demonstrate implantation procedures of our products in surgical environment to offer both online and offline clinical education for physicians. After the COVID-19 subsides, we also plan to invite overseas physicians and distributors to attend the

offline clinical education at the center to showcase our products and the implantation procedures; and (5) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for miscellaneous fees incurred in connection with our daily sales and marketing activities, such as rental and depreciation and amortization.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to expand our production capacity and strengthen our manufacturing capabilities within the next five years, including (1) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used for expanding our manufacturing facilities, physics laboratories, chemistry laboratories, and micro-biology laboratories and purchasing additional equipment, such as clean air-conditioning and purified water systems, within the next five years; and (2) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, to be used to build up new production lines for pipeline products, including the production lines for biodegradable occlude product candidates with expected annual production capacity of approximately 8,000 to 10,000 units of occluder products, and the production lines for heart valve product candidates with expected annual production capacity of approximately 3,000 to 5,000 units of heart valve products, within the next five years. Utilizing the new production lines to be built for the heart valve product candidates which is designed to have the flexibility to manufacture all of our heart valve product candidates upon commercialization, we plan to manufacture all of our heart valve product candidates, including our Entrusted Products, with (i) TMVCRS and balloon dilatation catheter for aortic valve that we are not restricted for manufacturing, and (ii) TAVR system upon the regulatory changes lifting the restriction on commercial manufacturing for us. Specifically, we intend to purchase relevant machinery and equipment, and recruit and train production workers. See "Business — Our Products — Heart Valve Product Candidates — Entrusted Products — Future Plan for the Entrusted Products and the Entire Heart Valve Product Candidates." In addition, we also plan to expand the production capacity of our marketed products, including purchasing additional machinery and equipment. We also intend to recruit and train approximately 30 to 50 production workers, within the next five years. In 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, our cost of sales was RMB13.6 million, RMB15.1 million, RMB25.0 million, RMB11.9 million and RMB15.3 million, respectively, representing costs incurred during our manufacturing procedures. As we continue to expand our business and advance the development and commercialization of our product candidates, we expect to further enhance our manufacturing capabilities.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to fund potential strategic investment and acquisitions within the next five years that could complement and expand our product portfolio and technologies. The types of opportunities on which we intend to focus include, among others, (1) companies that offer products or product candidates which complement our product portfolio and that we do not currently produce; (2) companies that manufacture product components for occluder or heart valve products which can enhance our upstream supply, strengthen our bargaining power, and achieve potential synergies along the industry value chain; and (3) companies with advanced technologies or research and development capabilities that represent significant future growth opportunities, with which we can collaborate on technology and product development, registration and commercialization. For investments and acquisitions related to products and product components, we intend to primarily consider domestic companies leveraging our in-depth understanding of China's interventional medical device market targeting structural heart diseases, which we believe will enable us to effectively identify suitable targets and execute our investment and acquisition strategies. For investments and acquisitions related to advanced technologies or strong research and development capabilities primarily in the field of biodegradable materials, we expect to focus mainly on overseas opportunities in countries and regions such as the United States and Europe, where more cutting-edge technologies and products related to interventional medical devices are under development, according to the F&S Report. As advised by our industry consultant based on its industry research as of the Latest Practicable Date, there were more than 40 companies in China and overseas markets which may be considered as potential targets for investment and acquisition, subject to further commercial consideration and assessment. See "Business — Growth Strategies." As of the Latest Practicable Date, we had not identified any specific acquisition targets, formed any specific acquisition plans or entered into any agreements with potential targets; and

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

The above allocation of the [**REDACTED**] from 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 indicative [**REDACTED**] stated in this document.

To the extent that the [**REDACTED**] from the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will deposit the [**REDACTED**] into short-term demand deposits with licensed banks or authorized financial institutions in Hong Kong or China (as defined under SFO or applicable laws and regulations in the PRC). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.