

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

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

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED].

We currently intend to apply these [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED], will be used within two years from the [REDACTED] to improve our research and development capability and accelerate the commercialization of our patents. We strive to enhance our market position through continuous efforts in broadening our product portfolio by introducing additional Proprietary Products and improving their revenue contribution. We understand that in-house R&D capabilities are essential to our sustainable development, domestic substitution has become a trend in the ophthalmic medical device market in China. According to the Law of Science and Technology Advancement of the PRC (《中華人民共和國科學技術進步法》), promulgated by the SCNPC on July 2, 1993, and latest amended on December 24, 2021, the PRC government encouraged the procurement of domestic products with scientific and technological innovation by government. Investments in new technologies and talent would be necessary to take on such trend. The acquisitions of Roland and Teleon have expanded our team of R&D talents with the required technologies and we are now in the position to significantly increase our R&D expenses in the future to further strengthen our R&D capabilities in the next two years. In addition, our future acquisitions will also drive the escalation of our R&D expenses after we complete such transactions and consolidate the R&D expenses thereof.

In particular, we plan to, but are not limited by:

- dedicating approximately [REDACTED]%, or HK\$[REDACTED], to upgrade our R&D capability of IOL products and hydrophobic and hydrophilic materials used in the manufacturing of IOLs to build our in-house R&D teams and facilities to localize the manufacturing of IOL products in light of the trend of domestic substitution. The PRC government has instituted policies to encourage the development of domestically developed and manufactured medical devices. In addition, the Measures for Management of Medical Consumables in Medical Institutions (Trial Implementation) (醫療機構醫用耗材管理辦法(試行)) released by National Health Commission of the PRC and National Administration of Traditional Chinese

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Medicine became effective since September 2019 and requires medical institutions to give sufficient consideration of the cost of medical consumables and take pricing as an important reference factor in their procurement process. Specifically,

- * we plan to invest approximately [REDACTED]%, or HK\$[REDACTED], in expanding the leased area of and upgrading the leasehold facilities of our R&D centers adjacent to our manufacturing facilities in Shenzhen and Netherlands, the aggregate gross floor area of which under lease is expected to be up to 3,000 sq.m. in total, to improve the efficiency of processing and modeling the hydrophobic and hydrophilic materials and facilitate the production of our IOL products;
- * we will invest approximately [REDACTED]%, or HK\$[REDACTED], in the procurement of the machinery and equipment for the R&D of our IOL products in Shenzhen and the Netherlands; and
- * we will also invest approximately [REDACTED]%, or HK\$[REDACTED], in recruiting more than 35 R&D staff with academic and industry background as to mechanical engineering, electronic engineering, optical science, material science, chemistry and biology in Shenzhen and Netherlands in the next two years to enhance our in-house R&D brain power and empower our intellectual property profiles relating to IOLs.

We believe our investment in IOLs products and hydrophobic and hydrophilic materials will solidify and improve our position in IOLs market;

- dedicating approximately [REDACTED]%, or HK\$[REDACTED], to the R&D of ophthalmic diagnosis products to further upgrade our equipment product portfolio relating to ophthalmic diagnostic and screening. Specifically,
 - * we plan to invest approximately [REDACTED]%, or HK\$[REDACTED], in expanding the leased area of and upgrading the leasehold facilities of our R&D centers adjacent to our manufacturing facilities in Shenzhen, the aggregate gross floor area of which under lease would be expected to be up to 1,000 sq.m.;
 - * we will invest approximately [REDACTED]%, or HK\$[REDACTED], in the procurement of the machinery and equipment for the R&D of our ophthalmic diagnosis products; and
 - * we will also invest approximately [REDACTED]%, or HK\$[REDACTED], to recruit more than 12 R&D staff with academic and industry background including electronic engineering, optical science, software engineering, material science and biology in the next two years in Shenzhen to lay a solid foundation for the improvement of our ophthalmic diagnosis products.

We believe our investment in ophthalmic diagnosis products will accelerate the timeline of the development of our next generation of ophthalmic diagnosis products including electrophysiology products to enter the PRC market; and

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- dedicating approximately [REDACTED]%, or HK\$[REDACTED], to the R&D of optometric products in order to broaden our product offering with optometric products in light of the industry trend driven by myopia prevention and domestic substitution. In August 2018 and April 2021, the PRC government published the Implementation Plan for Comprehensively Controlling and Preventing Myopia among Children and the Youth (《綜合防控兒童青少年近視實施方案》) and the Working Plan for Brightness Campaign to Prevent and Control Myopia among Children and the Youth (2021-2025) (《兒童青少年近視防控光明行動工作方案(2021-2025年)》), which encouraged the development for optometric products including orthokeratology lens. Specifically,
 - * we plan to invest approximately [REDACTED]%, or HK\$[REDACTED], in expanding the leased area of and upgrading the leasehold facilities of our R&D centers adjacent to our manufacturing facilities in Suzhou, the aggregate gross floor area of which under lease would be expected to be up to 1,000 sq.m.;
 - * we will invest approximately [REDACTED]%, or HK\$[REDACTED], in the procurement of the machinery and equipment for the R&D of our future optometric products including orthokeratology lens, Rigid Gas Permeable lenses (RGP) and scleral lenses and eye care solutions; and
 - * we will also invest approximately [REDACTED]%, or HK\$[REDACTED], to build our robust R&D team with 9 to 12 talents having academic and industry background as to mechanical engineering, electronic engineering, optical science, material science, chemistry and biology to be recruited in the next two years in Suzhou and expedite the completion of our established R&D projects and our relevant intellectual properties applications.

We believe our investment in optometric products will diversify our product portfolio to cater the needs of myopia patients.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used within two years from the [REDACTED] to improve our production capacity and strengthen our manufacturing capabilities. Capitalizing on our expanded product portfolio and enhanced capabilities, and to support our future sales growth, we intend to increase our production capacity and strengthen our manufacturing capabilities. We intend to optimize our production techniques and processes, and construct new manufacturing facilities in the PRC and the Netherlands. We expect the enhanced manufacturing capacity will enable us to meet the anticipated sales growth while achieving greater economies of scale. The planned allocations are illustrated as below:
 - * approximately [REDACTED]%, or HK\$[REDACTED], will be used to (i) upgrade and renovate our existing manufacturing facilities in the Netherlands, Shenzhen and Suzhou to enhance our manufacturing capabilities and processes; and (ii) expand our manufacturing facilities in Shenzhen and Suzhou primarily to produce ophthalmic medical consumables and ophthalmic equipment domestically. The aggregate gross floor area of the four

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manufacturing facilities, after renovation and expansion, is expected to reach approximately 9,000 sq.m. According to Frost & Sullivan, China’s intraocular lens market is expected to reach the market size of RMB6.2 billion in 2025, representing approximately 150% of the market size in 2021 at a CAGR of 10.3% from 2021 to 2025. Given that the Company would endeavor to improve the penetration of its intraocular lens products in the growing market and to meet (i) the expected increase in demand for domestically produced intraocular lens driven by the trend of domestic substitution and centralized procurement as well as (ii) the need for manufacturing capacity once our pipeline products obtained regulatory registration, the Company intends to upgrade and expand its domestic manufacturing capacity in China and Europe;

- * approximately [REDACTED]%, or HK\$[REDACTED], will be used to purchase the machinery, equipment and raw materials;
- * approximately [REDACTED]%, or HK\$[REDACTED], will be used to recruit and train approximately 70 additional manufacturing personnel in the next two years. We intend to recruit sophisticated manufacturing personnel in terms of automated machinery operation, product sterilization and telescope operation for product inspection;

The planned allocations of [REDACTED] and corresponding production facilities are illustrated as below. After the completion of our acquisitions of Teleon and Roland in January 2021 and November 2020, our production capacity of intraocular lens increased from nil to 603,016 units of products and our production capacity of electrophysiology equipment increased from nil to 163 units of products. For details of our existing manufacturing capacities, see “Business — Manufacturing — Manufacturing Facilities and Production Capacity”.

Planned Allocation	Objective for the Allocation
[REDACTED]%, or HK\$[REDACTED] to establish manufacturing plant for intraocular lens in Shenzhen with approximate GFA being 3,000 sq.m.	We expect to expand our manufacturing capacity of IOL to 800,000 pieces per annum, upon completion of the establishment of the manufacturing plant.
[REDACTED]%, or HK\$[REDACTED] to establish manufacturing plant for diagnostic equipment in Shenzhen with approximate GFA being 2,000 sq.m.	We expect to expand our manufacturing capacity of electrophysiological products to 150 pieces per annum upon completion of the establishment of the manufacturing plant.
[REDACTED]%, or HK\$[REDACTED] to establish manufacturing plant for optometric device in Suzhou with approximate GFA being 2,000 sq.m.	We expect our initial production capacity to reach 150,000 pieces per annum upon completion of the establishment of the manufacturing plant.

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Planned Allocation	Objective for the Allocation
<p>[REDACTED]%, or HK\$[REDACTED] to renovate the production lines and manufacturing facilities of our IOL products in Netherlands with approximate GFA being 2,000 sq.m.</p>	<p>Upon completion of the renovation of the manufacturing facilities, we expect the manufacturing capacity of IOL in Europe to increase by 20% to 30% to further our market expansion in Europe.</p>
<ul style="list-style-type: none">• approximately [REDACTED]%, or HK\$[REDACTED], will be used within two years from the [REDACTED] to expand the size of our sales and marketing team, by recruiting ophthalmic medical device specialized sales and marketing personnel, including:<ul style="list-style-type: none">* approximately [REDACTED]%, or HK\$[REDACTED], will be used to recruit approximately 45 additional sales and marketing personnel in support of our sales and marketing activities in China in the next two years;* approximately [REDACTED]%, or HK\$[REDACTED], will be used to recruit approximately 20 additional sales and marketing personnel in support of our sales and marketing activities outside China (primarily in Europe) in the next two years;• approximately [REDACTED]%, or HK\$[REDACTED], will be used for our working capital and general corporate purposes; and• approximately [REDACTED]%, or HK\$[REDACTED], will be used to repay the Mezzanine Facility Loan at an interest rate of 5% that we incurred for the acquisition of Teleon. We plan to prioritize the repayment of the Mezzanine Facility Loan because it carries higher finance costs and has been secured with share encumbrances over our assets. For details of our indebtedness, see “Financial Information — Indebtedness.”	

We will not receive any [REDACTED] from the sale of the [REDACTED] by the [REDACTED] in the [REDACTED]. We estimate that the [REDACTED] will receive [REDACTED] of approximately HK\$[REDACTED] from the sale of the [REDACTED] (representing approximately [REDACTED]% of total [REDACTED] from the [REDACTED]), after deducting the [REDACTED] and commissions payable by the [REDACTED].

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share.

To the extent that the [REDACTED] that we will receive from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term demand deposits with licensed banks or financial institutions in Hong Kong. We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].