
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see “Business — Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$5.35 per Share, being the mid-point of the indicative Offer Price range) will be approximately HK\$1,246.9 million, assuming the Over-allotment Option is not exercised. We currently intend to apply such net proceeds in the following manner:

- approximately 50%, or HK\$623.4 million, to expand our product offerings, including enhancing our research and development (including conducting clinical trials and obtaining both domestic and international regulatory approvals), with a particular focus on new product lines to diversify our business, as well as acquiring businesses or acquiring or licensing products and technologies that we believe could complement our existing capabilities; in this regard, we expect to invest approximately HK\$100 million to finance the ongoing clinical trials of our third generation drug-eluting stent, Firehawk, and ongoing research of our fourth generation drug-eluting stent as well as several other cardiovascular and other vascular products. As of the Latest Practicable Date, our Directors confirm that our Company has not entered into any agreement nor do we have any definite plans at present in relation to any potential acquisitions of businesses or potential acquisitions or licensing of products and technologies;
- approximately 25%, or HK\$311.7 million, to expand our production facilities, including approximately HK\$250.0 million for completion of a new office complex for our headquarters and principal manufacturing facilities which is expected to be completed in 2012 and have an estimated annual production capacity of approximately 700,000 to 1,000,000 units of stents and catheters, and purchase of production and testing equipment;
- approximately 20%, or HK\$249.4 million, to expand our sales, marketing and distribution activities in China and worldwide in particular the Asia Pacific region (excluding China) and Europe, including expanding and enhancing our sales, marketing and distribution network by adding more staff and hiring more distributors and performing multi-center post-launch clinical studies on our principal products such as drug-eluting stents, enhancing our brand name and market position and increasing training and education of physicians regarding our products by establishing training and education centers in China and other activities such as promoting public awareness and early detection of chronic diseases and post-procedure patient care and services; and
- approximately 5%, or HK\$62.3 million, to fund working capital and for other general corporate purposes.

To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If the Over-allotment Option is exercised in full, the additional net proceeds of approximately HK\$194.1 million, assuming an Offer Price of HK\$5.35 per Share, being the mid-point of the indicative Offer Price range, will be applied in the manner and the proportions stated above.

Pending use of the net proceeds, we intend to invest our net proceeds in short-term, interest-bearing debt instruments or bank deposits.