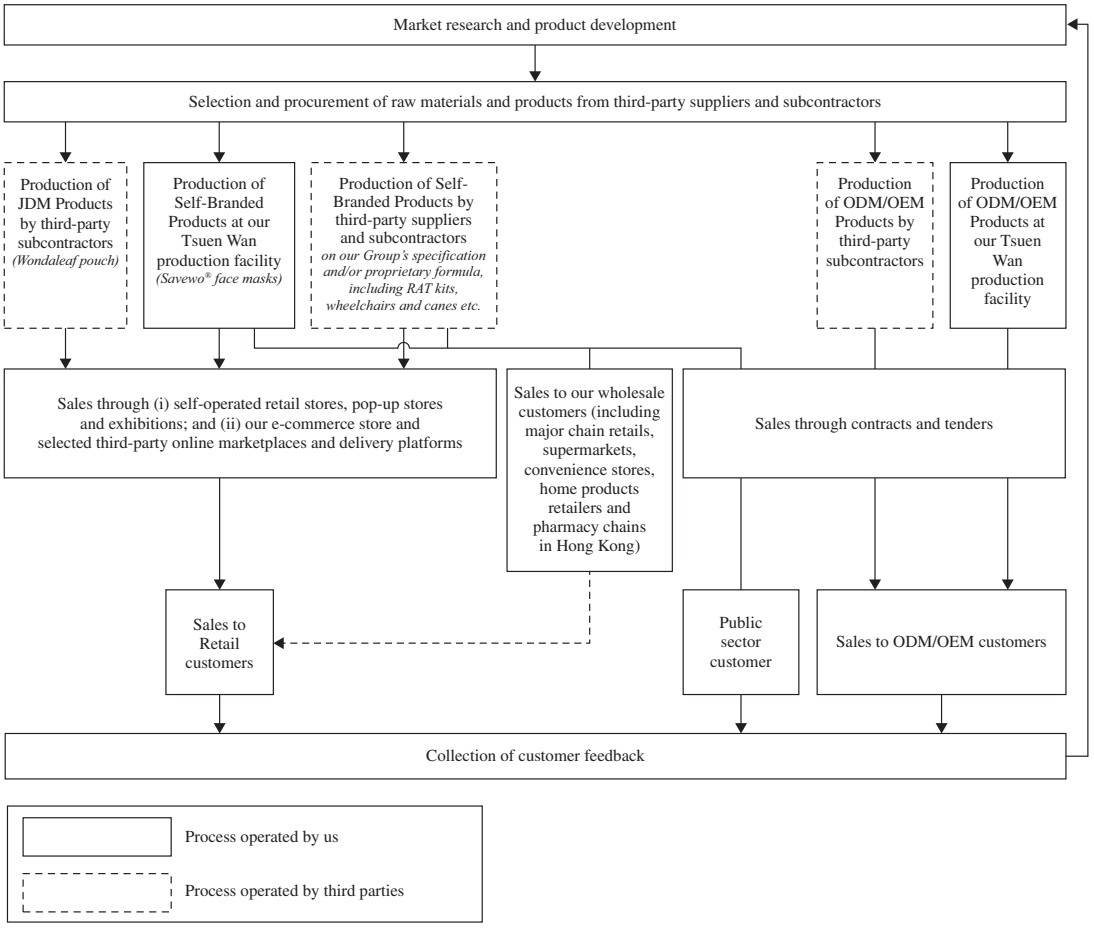
## OVERVIEW

We are a Hong Kong-based, R&D-driven manufacturer and multi-channel distributor of personal protective and healthcare products. Our principal product segments comprise (i) face masks, RAT kits and consumables, (ii) healthcare equipment and complementary accessories and (iii) others. During the Track Record Period, we generated revenue of approximately HK$73.2 million in FY2025 and approximately HK$75.5 million in FY2026. Our name "Savewo" is derived from "Save the World" (救世), reflecting our founding aspiration to alleviate suffering and protect health through innovation in personal protective and healthcare products.

Our Group was founded in Hong Kong on 22 April 2020 in response to the shortage of personal protective equipment in Hong Kong arising from the COVID-19 outbreak. Since our incorporation, we have transitioned from a single-product disposable face mask manufacturer into a multi-category manufacturer and multi-channel distributor of personal protective and healthcare products, supported by our investment in proprietary formulae (including our TypeCool+ filtration technology, which is incorporated into the non-woven filter fabric used in our face masks and is produced by qualified third-party suppliers in accordance with our proprietary formulae and specifications), as well as by our automated production lines and our portfolio of international product certifications.

Our business operations involve the key stages of (i) market research and product development, (ii) procurement, (iii) manufacturing, (iv) sales, and (v) the collection of customer feedback.

The following diagram illustrates the key stages of our business model:



We derived a substantial portion of our revenue from the design, manufacture and sale of disposable face masks under our proprietary Savewo® brand during the Track Record Period. Leveraging our integrated R&D, design and manufacturing platform together with our product commercialisation and scale-up capabilities, we have since extended our product reach into RAT kits (under our Savewo® brand), electric wheelchairs (Healthchair series), carbon fibre folding canes (MasterCane) and oxygen generator (Savewo Oxygen).

According to the Frost & Sullivan Report, we ranked first in the Hong Kong face masks and respirators market by revenue for FY2026, with estimated market share of approximately 14.1%, as compared to estimated segment revenue of approximately HK$58.0 million and market share of approximately 12.2% for FY2025. In addition, we ranked third in the Hong Kong self-test respiratory RAT kits market by revenue for FY2026, with estimated market share of approximately 11.4%, as compared to approximately 4.5% for FY2025.

Our face masks, RAT kits and consumables category remained the largest revenue contributor during the Track Record Period, contributing approximately 87.0% and 79.7% of our total revenue in FY2025 and FY2026, respectively. Our healthcare equipment and complementary accessories category contributed approximately 11.2% and 15.5% of our total revenue in FY2025 and FY2026, respectively, while our others category contributed approximately 1.8% and 4.8% of our total revenue in FY2025 and FY2026, respectively. This reflects the diversification of our product **[REDACTED]** beyond disposable face masks during the Track Record Period. Our Directors are of the view that our diversified product portfolio, supported by a common product development, commercialisation and manufacturing platform, mitigates our exposure to any single product cycle and positions us to capture growth across multiple healthcare-related categories.

**Sales channels and geographical reach**

We sell our products through a multi-channel distribution network comprising (i) our self-operated retail stores and exhibition channels in Hong Kong; (ii) our own e-commerce platform (operated on a third-party e-commerce platform) and selected third-party online marketplaces and delivery platforms; (iii) our wholesale channel partners, including major chain retailers, supermarkets, convenience stores, home products retailer and pharmacy chains in Hong Kong; and (iv) government and institutional tender channels. Our wholesale, online, self-operated retail stores and exhibition, and government and tender channels contributed approximately 37.8%, 31.2%, **[REDACTED]** and 5.0%, respectively of our revenue in FY2025, and approximately 49.0%, 23.1%, 22.1% and 5.8%, respectively in FY2026.

Our products are sold primarily in Hong Kong. Revenue derived from customers in Hong Kong amounted to approximately HK$72.2 million in FY2025 and HK$71.3 million in FY2026, representing approximately 98.6% and 94.4% of our revenue during the Track Record Period, respectively. Overseas revenue amounted to approximately HK$1.0 million in FY2025 and HK$4.2 million in FY2026. Although we have begun developing export sales, Hong Kong remained our principal market during the Track Record Period.

**Hong Kong production base**

Our Directors are of the view that maintaining a significant part of our manufacturing operations in Hong Kong supports our premium pricing strategy. We conduct our in-house manufacturing and warehousing operations at our principal production facility located at Texaco Road, Tsuen Wan in Hong

Kong, with a total floor area of approximately 79,000 square feet. As at the Latest Practicable Date, we operated 13 active automated production lines at the facility. Our Directors believe that the "Made in Hong Kong" positioning of our face mask products enhances consumer confidence in product quality, supports the perceived value and credibility of such products and contributes to market differentiation in Hong Kong.

We manufacture certain Self-Branded Products at our production facility in Tsuen Wan, Hong Kong, and source certain Self-Branded Products from third-party suppliers. For our electric wheelchairs, MasterCane folding canes and wound care dressings, we conduct R&D, design, prototyping and trial production in Hong Kong, while mass production is outsourced to qualified manufacturers. Our Directors are of the view that this approach supports product quality and cost efficiency while allowing us to compete against regional and global peers in the Hong Kong market.

## OUR COMPETITIVE STRENGTHS

We have grown from a single-product disposable face mask manufacturer into a multi-category manufacturer and multi-channel distributor of personal protective and healthcare products in Hong Kong. Our Directors are of the view that the following competitive strengths have contributed to our success during the Track Record Period and will continue to underpin our growth following the **[REDACTED]**:

### Our "Made in Hong Kong" positioning and automated production base in Hong Kong support product quality, brand differentiation and operational efficiency

We believe that our Hong Kong production base and locally coordinated supply arrangements support our "Made in Hong Kong" positioning and our ability to maintain product quality and brand differentiation in the Hong Kong market.

In addition, our Directors believe that operating our face mask production in Hong Kong, in close proximity to our principal market, enhances our operational efficiency by enabling shorter lead times, prompt responsiveness to changes in local market demand and direct oversight of our production processes and quality control. Together with our automated production lines, this supports the consistency and reliability of our face mask products and reinforces our "Made in Hong Kong" positioning, which differentiates our products in the Hong Kong market.

### Our commercialisation capabilities and integrated research and development, design and manufacturing platform support a diversified product portfolio across personal protective, healthcare and eldercare categories

We are a research and development-driven manufacturer with an integrated platform spanning product development, design, supplier coordination, manufacturing and quality control. Our research and development, product design and automated manufacturing operations are integrated, which supports our ability to translate market insight and customer feedback into commercially viable products under our proprietary brands through technical assessment, prototyping, testing, certification and scale-up to mass production. Our commercialisation capabilities are applied across our product platform through supplier and subcontractor qualification, control over key specifications, production planning, incoming inspection and release checks for face masks, and through design, prototyping and trial production in Hong Kong with qualified manufacturers supporting mass production of selected products. Building on

our in-house R&D, design and production capabilities, we are also able to identify suitable and capable subcontractors for subcontracted manufacturing in a timely manner, enabling selected products to obtain third-party testing or international professional certifications and to be commercialised efficiently.

In particular, for our face mask products, we retain oversight over critical manufacturing inputs and processes by providing proprietary specifications to qualified suppliers and by managing key quality control and production stages through our automated production platform in Hong Kong.

Our Directors are of the view that these capabilities have enabled us to commercialise and scale products in a controlled manner identify suitable manufacturing partners, support products in obtaining third-party or international professional recognition, and support the development of a diversified product portfolio across personal protective, healthcare and eldercare categories in the future.

As at the Latest Practicable Date, our research and development team comprised 15 personnel led by Mr. Ding. During the Track Record Period, our R&D expenses amounted to approximately HK$3.5 million for FY2025 and HK$3.6 million for FY2026, representing approximately 4.7% and 4.8% of our total revenue respectively. Our annual expenditure on certifications is no less than approximately HK$0.5 million during the Track Record Period, reflecting our continuing commitment to product quality and regulatory compliance.

Our Directors are of the view that the integration of our material science expertise with our automated manufacturing platform, supported by our investment in specialised R&D equipment and our portfolio of international certifications, collectively differentiate us from our peers and enable us to capture cross-category growth opportunities.

**We have established brand recognition under our Savewo® brand and a market presence in the personal protective and diagnostics equipment market**

We have established brand recognition under our Savewo® brand and market presence in the personal protective and diagnostics equipment market in Hong Kong. According to the Frost & Sullivan Report, we ranked first in Hong Kong's face masks and respirators market by revenue in FY2026, with an estimated market share of approximately 14.1 per cent. Our Savewo® face mask range covers major user segments, including specialised products for infants and young children (such as 3DMEOW and 3DBEAR) and products designed for the hearing-impaired community (i.e. 3DMask Smile face mask), which allows us to cater to varied-application scenarios, technical requirements and customer preference within our target markets.

We also established brand recognition by perfecting our production process and ensuring timely delivery of our face masks. To achieve this end, we have 2 back up production lines to support urgent order production, this allowing us to make timely delivery and winning the confidence of our customers in our brand.

Our brand strength is also evidenced by the depth of our sales channels and customer reach. We have established stable supply relationships with major chain retailers and pharmacies in Hong Kong, and we also sell through our own retail and online channels. According to the Frost & Sullivan Report, our Group ranked third in the self-test respiratory RAT kits market in Hong Kong for FY2026, with an estimated market share of approximately 11.4 per cent.

Our Directors believe that our brand recognition and established extensive sales channels also contribute to the rapid sales and promotion of our new products other than face masks and RAT kits.

**Most of our products are certified to multiple international standards, which supports our product quality and market positioning**

Most of our products have obtained certifications, registrations and test results under multiple international standards and jurisdiction-specific regimes. For example, our flagship respirator Savewo® 3DMask Extreme Pro, including EN149:2001+A1:2009 FFP3 (EU), KMOEL-2017-64 KF99 (Korea), and GB 19083-2010 Level 3 (China). Certain products have also obtained FDA 510(k) **[REDACTED]**, and have undergone biocompatibility and chemical compliance testing, including ISO 10993.

At the manufacturing level, our production facility has obtained ISO 13485:2016, and ISO 14644-1:2015 Class 7 cleanroom certification, as well as CE-related manufacturing certificates and factory registration.

**Our diversified multi-channel distribution network reduces our reliance on any single channel and supports stable revenue across market cycles**

Our distribution network in Hong Kong comprises (i) our self-operated retail stores and exhibition channels; (ii) our own e-commerce platform on the e-commerce software platform used for our online store, supplemented by selected third-party online marketplaces and delivery platforms; (iii) our wholesale channel partners (major chain retailers, supermarkets, convenience stores, home products retailer and pharmacy chains in Hong Kong); and (iv) government and institutional tender channels. Our Directors are of the view that our channel mix provided sales channel diversification during the Track Record Period.

Our relationships with our channel partners are conducted on a seller/buyer basis and not on a principal/agent basis. Save as disclosed in the sub-section headed "Overlapping customers and suppliers" below, we do not have any other affiliation or business interaction with our channel partners during the Track Record Period, and our channel partners do not hold equity in, or serve as Directors or senior management of, any member of our Group, nor do they share any corporate, shareholding or family relationship with our shareholders, Directors or senior management.

**Our stable supply chain and prudent inventory management mitigate our exposure to raw material cost volatility and supply disruptions**

We have maintained relationships with our core raw material suppliers for approximately four years and have established two to three alternative qualified suppliers for our core mask materials, mitigating the risk of single-source dependency. During the Track Record Period, we typically maintained approximately four months of raw material inventory and approximately two months of finished face mask inventory, which we believe provides an adequate buffer against potential supply disruptions and short-term raw material price volatility.

We have also implemented a supplier and subcontractor penalty mechanism, allowing us to claim triple (or, in certain cases, tenfold) compensation for non-conforming materials. During the Track Record Period, we did not experience any material production delays attributable to supplier issues.

**Our experienced management team brings deep industry expertise and operational continuity**

Our management team is led by our co-founders and Controlling Shareholders, Mr. Ding Zhen (executive Director) and Ms. Choi Sze Man (executive Director).

Mr. Ding holds a Bachelor of Science degree in Mathematics from the City University of Hong Kong, where he initially studied materials science before transferring to the mathematics programme. Prior to founding our Company, Mr. Ding accumulated extensive experience in product design, materials **[REDACTED]** and manufacturing processes through his involvement in consumer electronics trading and product development. He is responsible for leading our research and development team and overseeing our overall business strategy, product development and operations.

Ms. Choi holds an Executive MBA from The Chinese University of Hong Kong, the Chartered Financial Analyst (CFA) designation. Prior to co-founding our Company, Ms. Choi gained institutional experience in financial services. She is responsible for our overall financial management and corporate strategy. Our management team is further supported by Mr. Wong (who oversees day-to-day operational matters), Mr. Chung Pui Sei Best (Accounting) and Mr. Cheuk Anthony (Certification and Compliance), each of whom holds the relevant professional qualifications and has significant experience in his respective function.

## OUR BUSINESS STRATEGIES

Our overall objective is to consolidate our leading position in the Hong Kong personal protective and healthcare products market and to leverage our integrated product development, commercialisation and manufacturing platform to expand into adjacent healthcare and eldercare categories and selected overseas markets. We intend to pursue the following strategies, which are also reflected in our intended use of the **[REDACTED]** from the **[REDACTED]** as further described in the section headed "**[REDACTED]** and **[REDACTED]**" in this document.

**We intend to continue investing in market-driven research and development to expand our product development and commercialisation platform and product pipeline**

Our research and development activities are market-driven and continuous. A research project is initiated upon identification of market opportunities or customer requirements. We evaluate the technical feasibility, commercial viability, certification pathway and production economics of relevant project prior to formal mass production deployment. We intend to continue investing in strengthening our R&D, certification and commercialisation capabilities, with a particular focus on next-generation filtration technologies, advanced wound care products, carbon fibre based consumer healthcare products, medical support devices, personal care products and battery technology applications, as well as high-performance superabsorbent polymer (SAP) base formulations and related medical and healthcare product series, including hypertonic wound dressings, medical absorbent pads, medical absorbent bed mats and adult diapers. In developing and expanding our product pipeline, we align with broader market trends, including the rising demand for lightweight, portable and intelligent healthcare and wellness products, as well as the growing market preference for improved charging compatibility across personal healthcare products. In particular, we intend to progressively adopt the USB-C universal interface across our applicable electronic medical products, in order to improve user convenience, enhance charging compatibility and support compliance with applicable regulatory requirements in overseas markets. We

intend to apply approximately 30% of the **[REDACTED]** from the **[REDACTED]** to support our research and development activities, including refining our existing projects and product lines, developing new projects and expanding our product pipeline.

**We intend to broaden our product portfolio across personal protective and healthcare and eldercare categories**

Building on our existing portfolio of disposable face masks, RAT kits, wound care products, electric wheelchairs, MasterCane walking canes, UV-protection umbrellas and other healthcare products, we intend to introduce additional personal protective and healthcare products in categories that leverage our existing product development, production, certification and commercialisation capabilities, production know-how and distribution network. TPU-based technologies have multi-purpose **[REDACTED]** and a broad range of potential uses and, when combined with our other technologies and product development capabilities, represent a product area with potential for further development by our Group. We will continue to place strategic importance on obtaining and renewing relevant international product certifications, including CE MDR, FDA 510(k), ASTM F2100, EN14683, GB19083, EN149, ISO10993, ISO7176, EN12184 and IEC 60601, as well as medical sterilisation standards ISO 11135 and ISO 11137. This strategy is supported principally by the portion of the **[REDACTED]** from the **[REDACTED]** allocated to research and development.

**We intend to strengthen our multi-channel distribution network, including through selective downstream expansion opportunities**

We will continue to develop our self-operated retail and e-commerce channels in Hong Kong while pursuing selective downstream expansion opportunities to enhance our downstream sales channels in Hong Kong. Our Directors are of the view that selective acquisitions, if pursued, may provide a more efficient means of expanding our downstream sales channels than organic development, as the latter would be time-consuming and inefficient given the relatively low per-order purchase value of individual healthcare service providers, whereas acquisitions would allow us to integrate recurring downstream sales channels and capture staple demand for face masks and medical consumables from such customers. This strategy forms part of the **[REDACTED]** described in the section headed "**[REDACTED]** and **[REDACTED]**" in this document.

As at the Latest Practicable Date, we had not identified any specific acquisition target and had not entered into any definitive agreement in relation to any such opportunity. We intend to apply approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]** to strengthen our sales channels and market development efforts, including selective downstream expansion opportunities.

**We intend to optimise our manufacturing footprint by maintaining our core operations in Hong Kong while pursuing selective overseas production**

We intend to maintain our research and development and our core manufacturing operations in Hong Kong, in line with our "Made in Hong Kong" positioning. We are concurrently evaluating selected overseas mass-production arrangements for products that require equipment or medical sterilisation standard conditions (ISO 11135 & ISO 11137) not currently available in Hong Kong. In particular, mass production of our wound care products requires medical-grade sterilisation equipment that is not currently approved for installation in Hong Kong; we are accordingly evaluating mass production in Malaysia, where the necessary sterilisation conditions are available, in collaboration with our Malaysian partner under a signed licensing agreement (with existing purchase orders and shipment records available). We are also monitoring opportunities under the Hong Kong Government's "Industry 4.0" initiative and the development of the Northern Metropolis. We intend to apply approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]** to investment in our production facility, including expansion, upgrade and equipment investment, in order to improve our operational efficiency, strengthen our manufacturing capabilities and increase our production capacity and capabilities.

**We intend to strengthen our sales and operation capabilities through exhibition participation, overseas market development and hiring**

We intend to strengthen our sales and operation capabilities through exhibition participation, overseas market development and recruitment of additional personnel. We will continue expanding selectively into overseas markets, including the Middle East and South America. We are pursuing Saudi Arabia SFDA certification to support delivery of orders from Saudi Arabia and Brazil. We have also participated in three core overseas exhibitions, namely Medica (Germany), Arab Health (Middle East) and the Hong Kong International Medical and Healthcare Fair, for a total of ten times in aggregate during the Track Record Period. We also intend to recruit additional personnel to support our business expansion, including in areas such as sales and operation, overseas market development, quality assurance, certification and compliance, to support the implementation of our sales and market development initiatives in Hong Kong and selected overseas markets. We intend to apply approximately 15% of the **[REDACTED]** from the **[REDACTED]** to exhibition participation, overseas market development and recruitment of additional personnel to support our business expansion.

The implementation of the strategies set out above will involve expenditure on, among others, R&D, capacity expansion, equipment investment, downstream channel development, selected acquisitions, overseas certification, exhibition participation and recruitment of additional personnel. For details of our expansion plans, including the capital expenditure requirements, the expected breakeven, the implementation timeline and the **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, please refer to the section headed "**[REDACTED]** and **[REDACTED]**" in this document. For risks relating to our expansion plans, including the potential cost of market penetration into new geographies, the regulatory certification timelines for new markets, raw material supply and competition in our targeted markets, please refer to the section headed "Risk Factors" in this document.

## OUR PRODUCTS AND BRANDS

We design, manufacture or source and distribute a multi-category portfolio of Self-Branded Products under our proprietary brands. The table below summarises our principal brands and the respective product categories of those products considered by our Company to be our major products:

### Face masks, RAT kits and consumables

Our face masks, RAT kits and consumables category generated approximately HK$63.7 million and HK$60.2 million of revenue, representing approximately 87.0% and 79.7% of our revenue, for FY2025 and FY2026, respectively. This segment comprises (i) our proprietary Savewo® brand of disposable face masks (including the 3DMASK Ultra, 3DMASK Smile, 3DMASK Extreme Pro, 3DMEOW, 3DBEAR and ClassicMask families; (ii) our range of RAT kits; and (iii) our TRANSKIN® TPU dressings, which were at sample testing stage as at the Latest Practicable Date). During the Track Record Period, the retail selling prices of products under this category generally ranged from approximately HK$6 to HK$398, depending on product type, packaging specifications and features. Products at the lower end of the price range generally comprised RAT kit, while products at the higher end of the price range generally comprised premium face mask products. The table below set out some of our major products under this category:

| | Product family | Category and description | Key features and specifications | Certifications | Standard Retail price as at the Latest Practicable Date *(HK$)* |
|---|---|---|---|---|---|
|  | **Savewo® 3DMASK Ultra family (S/R/M/L sizes; and Carbon variants)** | Disposable face mask — adult and adolescent, premium tier | • Three-dimensional contoured construction with TypeCool+ non-woven filter fabric<br>• Breathing resistance < 2.4 $mmH_2O$<br>• BFE/PFE≥99.9 per cent (fabric-sample)<br>• TYPECOOL+ filtration technology with ultra-high breathability and effective for 24 hours<br>• Carbon variant adds an activated-carbon adsorption layer<br>• Special water-resistant ESPP smooth skin-friendly inner layer protects the skin and does not cause linting | • EN149:2001 + A1:2009 FFP2 (EU) respirator standards<br>• KMOEL-2017–64 KF94 (Korea) respirator standards<br>• ASTM F2100–19 Level 3 (US) standards<br>• EN14683:2019 Type IIR (EU) standards<br>• GB2626–2019 KN95 (China) respirator standards<br>• CE Marking Certification (EU)<br>• FDA (US), Registration Number: 3017178899 | HK$189/box |
|  | **Savewo® 3DMASK Smile** | Disposable face mask with transparent window for lip-reading | • Anti-fog transparent window across the mouth area<br>• One-size design fitting approximately 90 per cent of adult face shapes<br>• Breathing resistance < 2.8 $mmH_2O$<br>• BFE/PFE≥ 99.9 per cent (fabric-sample)<br>• TYPECOOL+ filtration technology with ultra-high breathability and effective for 24 hours | • EN149:2001 + A1:2009 FFP2 (EU) respirator standards<br>• KMOEL-2017–64 KF94 (Korea) respirator standards<br>• ASTM F2100–19 Level 3 (US) standards<br>• EN14683:2019 Type IIR (EU) standards<br>• CE Marking Certification (EU)<br>• FDA (US), Registration Number: 3017178899 | HK$99/box |
|  | **Savewo® 3DMASK Extreme Pro** | FFP3-equivalent disposable respirator | • TypeCool+EX filtration fabric; ultra-low breathing resistance, which is less than half of that of most FFP3 respirators<br>• One-size design fitting approximately 90 per cent of adult face shapes<br>• BFE/PFE≥ 99.9 per cent (fabric-sample)<br>• Breathing resistance < 3.9 $mmH_2O$<br>• Special water-resistant ESPP smooth skin-friendly inner layer protects the skin and does not cause linting | • EN149:2001 + A1:2009 FFP3 (EU) respirator standards<br>• KMOEL-2017–64 KF99 (Korea) respirator standards<br>• GB 19083–2010 Level 3 (China) respirator standards<br>• CE Marking Certification (EU)<br>• FDA (US), Registration Number: 3017178899 | HK$149/box |

| | Product family | Category and description | Key features and specifications | Certifications | Standard Retail price as at the Latest Practicable Date *(HK$)* |
|---|---|---|---|---|---|
|  | **Savewo® 3DMEOW and Savewo® 3DBEAR** | Children's disposable face mask | • Sized for paediatric faceshape (KS ages 2–6; KL ages 7–13; KDT transitional; ADT adult)<br>• Colour masterbatch dyeing rather than surface print<br>• BFE/PFE≥ 99.9 per cent (fabric-sample)<br>• The fabric used for the face masks has been tested and is compliant with the relevant SVHC and AZO dye restrictions<br>• TYPECOOL+ filtration technology with ultra-high breathability and effective for 24 hours<br>• Special water-resistant ESPP smooth skin-friendly inner layer protects the skin and does not cause linting | • KMOEL-2017–64 KF94 (Korea) respirator standards<br>• ASTM F2100–19 Level 3 (US) standards<br>• EN14683:2019 Type IIR (EU) standards<br>• JIS T 9001:2021 Class III (Japan) standards<br>• CE Marking Certification (EU)<br>• FDA (US), Registration Number: 3017178899 | HK$149/box |
|  | **Savewo® Classic Mask** | FDA 510K Clearance Disposable face mask | • Three-folded flat mask with TypeCool+ non-woven filter fabric<br>• Breathing resistance < 3.4 $mmH_2O$<br>• Fluid Resistance: Resists Synthetic Blood @ 160 mmHg of pressure<br>• BFE/PFE≥ 99.9 per cent (fabric-sample)<br>• TYPECOOL+ filtration technology with ultra-high breathability and effective for 24 hours<br>• Special water-resistant ESPP smooth skin-friendly inner layer protects the skin and does not cause linting | • ASTM F2100–19 Level 3 (US) standards<br>• EN14683:2019 Type IIR (EU) standards<br>• ISO10993–5 cytotoxicity<br>• ISO10993–10 skin irritation and sensitization biocompatibility tests for medical materials<br>• CE Marking Certification (EU)<br>• FDA (US), Registration Number: 3017178899<br>• FDA 510K (K221957) | HK$45/box |
|  | **SAVEWO® Antigen Rapid Test Kit family (SARS-CoV-2 single-analyte; 3/5/6/9/10/11-in-1 multi-analyte panels)** | In vitro diagnostic test kit — lateral flow rapid antigen (sourced from a qualified third-party manufacturer under SAVEWO® branding) | • Sample matrix: anterior nasal swab<br>• Time to result: approximately 15 minutes<br>• Detection targets: refer to IFU per kit<br>• Sensitivity/specificity: refer to clinical-validation report per kit | • EU CE-IVDR marking<br>• EU-QMS<br>• EU DECLARATION OF CONFORMITY WITH NOTIFIED BODY | HK$6 to HK$35/pcs |
|  | **SAVEWO® TRANSKIN® Hydrocolloid Waterproof Bandages** | TPU-based hydrocolloid wound dressing (joint development with the Group's Singapore and Malaysia partners). | • Hydrocolloid wound contact layer with TPU backing film<br>• Transparent for healing progress monitoring<br>• Waterproof/breathable<br>• optimal, moist environment that accelerates healing and prevents scarring | • ISO10993–5 cytotoxicity<br>• ISO10993–10 skin irritation and sensitization biocompatibility tests for medical materials<br>• CE-MDR class IIa<br>• FDA (US), Registration Number: 3010370474 | HK$29/box |
|  | **SAVEWO® TRANSKIN® Waterproof Transparent Film Flat-Dressing (W10cm)** | Waterproof transparent film; durable, breathable, skin-friendly material | • Transparent for healing progress monitoring<br>• Waterproof/breathable<br>• Active Fitness Enthusiasts & Athletes<br>• Skincare & Acne-Prone Consumers (Spot Treatment) | • ISO10993–5 cytotoxicity<br>• ISO10993–10 skin irritation and sensitization biocompatibility tests for medical materials<br>• ISO 10993–11 Acute Systemic Toxicity Test<br>• ISO 11737–1 Cleanliness Microbial<br>• CE Marking Certification (EU)<br>• FDA (US), Registration Number: 3017178899 | HK$180/box to HK$380/box |

### Healthcare equipment and complementary accessories

Our healthcare equipment and complementary accessories category comprises a range of healthcare equipment products, including our HEALTHCHAIR electric wheelchair series, our MasterCane forged carbon fibre folding cane, and our portable sterilisation devices (FreshQ). In addition to our wheelchairs, mobility aids and other healthcare products, we **[REDACTED]** a range of complementary accessories for use with such products to enhance user experience, including rechargeable batteries, phone/device holders and other add-on accessories. During the Track Record Period, the retail selling prices of products under this category generally ranged from approximately HK$138 to HK$17,980, depending on the product type, specifications, functions and features. Products at the lower end of the price range generally comprised complementary accessories and certain portable healthcare products, while products at the higher end of the price range generally comprised electric wheelchairs. The table below set out some of our major products under this category:

| | Product family | Category and description | Key technology and specifications | Certifications | Standard Retail price as at the Latest Practicable Date *(HK$)* |
|---|---|---|---|---|---|
|  | **SAVEWO® HEALTHCHAIR Z ALUMINUM (model ZA1)** | Aluminium frame Folding electric wheelchair — entry tier | • Frame: aluminium alloy<br>• Folded volume: 41 cm (D) x 60 cm (W) x 88 cm (H)<br>• Operating volume: 93 cm (D) x 60 cm (W) x 93 cm (H)<br>• Maximum user weight: 100kg | • CE marking (EU MDR Class I) | HK$4,990/each |
|  | **SAVEWO® HEALTHCHAIR Carbon family (Z CARBON ZC1 — mid tier; X CARBON XC1 — premium tier)** | Carbon-fibreframe folding electric wheelchair | • Frame: carbon-fibre composite<br>• XC1 (premium) folded: 86.5 cm (D) x 27 cm (W) x 78 cm (H);<br>• Operating: 86.5 cm (D) x 55 cm (W) x 78 cm (H);<br>• Shortest turning radius: 75cm<br>• Maximum user weight: 100kg<br>• ZC1 (mid) folded: 33 cm (D) x 63 cm (W) x 93 cm (H);<br>• Operating: 90 cm (D) x 63 cm (W) x 97 cm (H)<br>• Shortest turning radius: 75cm<br>• Maximum user weight: 150kg | • CE marking (EU MDR Class I) | ZCI HK$11,800/ each<br>XCI HK$12,800/ each |
|  | **Portable electrolytic hypochlorous-acid (HOCl) sterilisation device for surface and air disinfection** | A rechargeable HOCl generator | • Active agent: hypochlorous acid (HOCl) generated by in-situ electrolysis of saline water | • CE marking<br>• EMC; FCC<br>• IEC 60335–1 (household electrical appliances)<br>• RoHS | $298 |
|  | **Rainec® performance umbrellas (Air Plus/miniPro/ Pro/Ultra)** | UV-protective performance umbrellas. | • Materials: carbon-fibre frame<br>• Quick-dry coating<br>• UV protection: UP to UPF 2000<br>• Heat-shielding properties<br>• Light Blocking | • AATCC TM183–2020e<br>• AATCC 203–2016<br>• AATCC TM22–2017e<br>• JIS L1092<br>• JIS L1925<br>• JIS L 1055<br>• JIS L 1951 | HK$138 (Air)/ HK$198 (miniPro)/ HK$168 (Slim)/ HK$338 (Ultra)] |

## OTHERS

Our others category comprises a range of products, including our AirFlow portable fan family, together with certain other personal care products and promotional products **[REDACTED]** by us from time to time. During the Track Record Period, the retail selling prices of products under this category generally ranged from approximately HK$69 to HK$498 depending on product type, specifications and features. Products at the lower end of the price range generally comprised certain personal care products, while products at the higher end of the price range generally comprised portable fan products. The table below set out our major product under this category:

| | Product family | Category and description | Key technology and specifications | Certifications | Standard Retail price as at the Latest Practicable Date *(HK$)* |
|---|---|---|---|---|---|
|  | **SAVEWO® AirFlow Portable Fan family (Jet Fan; Cool Fan; Cool Fan 2; Neck Fan; Multi-Functional Clip Fan)** | Battery-powered personal cooling fans | • Shared rechargeable battery platform across the five fan SKUs.<br>• Cool Fan & Cool Fan 2: Instant cooling function<br>• Neck Fan/Clip Fan: Free your hands and stop sweating profusely while working<br>• Jet Fan: adjustable wind speed up to Wind speed (with 12mm nozzle installed) battery life: 2.5 hrs (max speed) — 12 mins (jet mode), variant-dependent | • CE; FCC; PSE<br>• UN 38.3<br>• (lithium battery transport); RoHS | HK$269 (Jet)/ HK$168 (Cool)/ HK$198 (Cool 2)/ HK$168 (Neck)/ HK$89 (Clip)] |

### Pricing Strategy

We adopted a flexible pricing approach in determining the selling prices of our products during the Track Record Period, taking into account product categories, product characteristics and market demand. As many of our products, including certain healthcare products, have comparable substitutes available in the market, customer demand is generally price-sensitive. Accordingly, we considered market conditions and profitability in determining the prices of our products. In setting our standard retail prices, we considered a combination of factors, including raw material costs, production and labour costs, packaging and logistics costs, expected gross margin, prices charged by comparable competitor products in the Hong Kong market, prevailing demand and market sentiment and, for products that were sourced or imported, prevailing foreign exchange rates.

During the Track Record Period, the standard retail prices of our face masks and RAT kits remained generally stable. The prices of our healthcare equipment and accessories generally showed a downward trend in order to remain competitive in the market and increase our market share. In addition, following the launch of a new model, the selling price of the existing model generally decreased. Where upfront payment was received prior to the launch of the new model, the applicable pre-launch price was generally lower and was adjusted upwards upon launch.

We regularly reviewed and adjusted our prices with reference to market conditions, promotional needs and customer demand. The range of standard retail prices of our major products during Track Record Period are set out in the column headed "Standard retail price as at the Latest Practicable Date" in the tables under the sub-section headed "Our Products and Brands" in this section above.

During the Track Record Period, we ran promotional campaigns on selected product families primarily through our direct-to-consumer online channel (operated on the Shopline platform). The principal form of promotional pricing was a "buy 2 get 1 free" **[REDACTED]** on selected face mask and consumer healthcare product families, which represented an effective discount of approximately 33% off standard retail price. Promotional pricing was a long-standing feature of our direct-to-consumer online channel during the Track Record Period.

Details of revenue analysis by segment and sales channel and the period-on-period commentary on our revenue trends during the Track Record Period are set out in the section headed "Financial Information" in this document.

**Product life cycle and shelf life**

Our disposable face mask products have a shelf life of approximately three years from the date of manufacture when stored in accordance with our recommended storage conditions (i.e. in a cool, dry environment away from direct sunlight). Our RAT kit products have a shelf life of approximately two to three years, depending on the product type. Our electric wheelchairs and MasterCane folding canes are durable goods and do not have a defined shelf life, although we recommend periodic maintenance for our wheelchair products as described in the sub-section headed "After-sales services" above. Our Rainec umbrellas are likewise durable consumer goods without a defined expiry period.

With respect to product life cycle, our face mask products are subject to ongoing design iteration and certification renewal. During the Track Record Period, we periodically introduced updated models (such as new colourways, co-branded editions and design refinements) while maintaining our core product lines. Our Directors are of the view that demand for disposable face masks is recurrent in nature and not subject to technological obsolescence, although consumer preferences for design, comfort and filtration performance continue to evolve.

**Changes to our product portfolio during the Track Record Period**

During the Track Record Period, we expanded our product portfolio by launching the major new products set out below. The following table sets out the major new products launched during the Track Record Period and their respective months of launch:

| Month of launch | New product |
|---|---|
| May 2024 | SAVEWO 6-in-1 Antigen Rapid Test Kit |
| August 2024 | SAVEWO OXYGEN portable oxygen concentrator |
| November 2024 | SAVEWO TranSkin WaterProof & Transparent Film Dressing |
| May 2025 | SAVEWO 5-in-1 Antigen Rapid Test Kit |
| | SAVEWO MasterCane Ultra Light Carbon Fibre Folding Cane |
| July 2025 | SAVEWO Rainec® Prime Full Carbon fibre U-Handle Long Umbrella |
| September 2025 | SAVEWO TranSkin® Hydrocolloid Waterproof Bandages |
| December 2025 | SAVEWO 11-in-1 Antigen Rapid Test Kit |
| | SAVEWO Regal Mask |

During the Track Record Period, we launched various new products, and the table above sets out the major new products launched during the Track Record Period. Other than the launch of such new products, there were no material changes to our product portfolio during the Track Record Period, and none of our products were discontinued during the Track Record Period.

## OUR PRODUCT PIPELINE

We have a number of products under development that are scheduled for launch following the end of the Track Record Period. The following table sets out a summary of our product pipeline as at the Latest Practicable Date:

| Product | Category | Development Stage | Expected launch timeline | Certifications required/ status |
|---|---|---|---|---|
| SAVEWO FreshQ FQ200 Portable Electrolytic Sterilisation Device | Healthcare equipment | Pre-mass Production | June 2026 | CE<br>EN1276 |
| SAVEWO PressPro Medical Grade Rechargeable Intelligent Blood Pressure Monitor<br>1. Wrist<br>2. Integrated Cuff<br>3. Cuff | Healthcare equipment | In Commercial Production | June 2026 | CE<br>FDA 510(K)<br>EU-EDR |
| TempPro Medical Grade 3-in-1 Non-Contact Infrared Thermometer | Healthcare equipment | In Commercial Production | June 2026 | CE<br>EU-EDR<br>FDA 510(K) |
| AirPresso Deep Sleep Air-Pressure Massage Eye Mask (model AP-C60) (深眠氣壓按摩眼罩) | Healthcare equipment | Pre-mass Production | 3rd quarter 2026 | CE |
| SAVEWO HEALTHCHAIR X ALUMINUM (model XA1) (鋁合金製對摺型電動輪椅) | Healthcare equipment | Pre-mass Production | 4th quarter 2026 | CE |
| SAVEWO Oxygen Pro 5L — Medical-Grade Oxygen Concentrator (醫療級氧氣機) | Healthcare equipment | Design and Prototyping | 4th quarter 2026 | CE<br>FDA 510(K) |
| SAVEWO Pulse Ultra — Professional Telescopic Massage Gun (伸縮按摩槍) | Healthcare equipment | Pre-mass Production | 4th quarter 2026 | CE |
| SAVEWO TensPro Wireless TENS + EMS Neuromuscular Electrical Stimulation & Low-Frequency Therapy Device — 4 Modes | Healthcare equipment | Design and Prototyping | 4th quarter 2026 | CE<br>FDA 510(K) |
| SAVEWO ROYALMASK PRO — Dual-Use (Ear Loop and Headband) FFP3 Medical Respirator (model RM-PRO) (ROYALMASK耳帶及頭帶兩用FFP3醫用呼吸器) | Face mask | Sample testing and Certification | 1st quarter 2027 | CE<br>EN149:2001 + A1:2009<br>FFP3 (EU) |
| SAVEWO Advanced Wound Dressings | Consumable | Research and feasibility assessment | 2027–2028 | CE<br>EU-MDR |

## SALES AND MARKETING

### Our sales channels

We have established a multi-channel sales and distribution network comprising the following three principal channels during the Track Record Period:

| Channel | Approx. % of revenue in FY2025 | Approx. % of revenue in FY2026 | Description |
|---|---|---|---|
| Self-operated retail stores, pop-up stores and exhibition channels (offline) | **[REDACTED]** | 22.1% | Ten physical stores in Hong Kong, together with pop-up stores and exhibitions; sells our healthcare products and complementary daily necessities (including umbrellas) to enhance store revenue. Sales costs primarily comprise credit card and PayMe transaction fees; no slotting fees apply. |
| Online channels | 31.2% | 23.1% | Our own e-commerce store platform plus third-party platforms operated by selected third-party online marketplaces and delivery service providers. Service fees charged by third-party online platforms vary depending on the platform and commercial arrangement. Certain online marketplaces charge service fees of approximately **[REDACTED]**, while certain other platforms charge service fee of approximately a few percentage points, and certain delivery platforms operate on a buyout model. |
| Wholesale channels | 37.8% | 49.0% | Major chain retailers and pharmacies including major chain retailers, supermarkets, convenience stores, home products retailers and pharmacy in Hong Kong. We do not generally pay slotting fees (other than for vending machines) and bear logistics costs only. |
| Government and institutional tenders | 5.0% | 5.8% | Includes participation in tenders by individual hospitals (e.g. a public hospital in Hong Kong). We secured approximately five to six face mask and RAT kits tender contracts during the Track Record Period. |

Our relationships with our wholesale customers and third-party online platform operators are conducted on a seller/buyer basis rather than a principal/agent basis. We do not have any exclusive sales agreements with such parties. Save as disclosed in the sub-section headed "Overlapping customers and suppliers" above, we do not have any other affiliation or business relationship with such parties. In particular, such parties do not hold equity in, or serve as Directors or senior management of, any member of our Group, and have no corporate, shareholding or family relationship with our shareholders, Directors or senior management.

**Movement of self-operated retail stores during the Track Record Period**

| | Stores at beginning of period | Opened during period | Closed during period | Stores at end of period | Reasons for closure |
|---|---|---|---|---|---|
| **FY2025** | 9 | 4 | 3 | 10 | Expiry of the relevant lease term |
| **FY2026** | 10 | 1 | 1 | 10 | Expiry of the relevant lease term |
| **From 1 April 2026 to Latest Practicable Date** | 10 | 0 | 0 | 10 | Expiry of the relevant lease term |

The following pictures show our self-operated Retail Stores:


1. **Wan Chai Store**
2. **Tuen Mun Store**
3. **Kwun Tong Store**
4. **Tsuen Wan Store**
5. **Shatin Store**
6. **Sham Shui Po Store**
7. **Mongkok Store**
8. **Tsim Sha Tsui Store**
9. **Causeway Bay Store**
10. **Kwai Fong Store**

### Allocation policy during periods of constrained supply

During the Track Record Period, there were instances in which distributors competed for limited supply of our products. Our allocation principle is to allocate based on distributors' historical purchase records, with the objective of meeting the needs of the largest possible number of customers.

### Government tenders

We participate in selected government and institutional tenders. Historically, we have focused on products with higher gross margin and have participated less in government channels, which typically **[REDACTED]** lower gross margin. To increase overall revenue scale, we intend to selectively increase our participation in government channels going forward, while maintaining our premium positioning and capacity flexibility.

### Marketing initiatives

Our marketing initiatives during the Track Record Period included (i) multi-channel digital and offline campaigns highlighting the differentiated technical features of our products (such as our 24-hour effective filtration performance and our portfolio of international certifications); (ii) strategic licensing collaborations (for example, with internationally recognised consumer brands for co-branded or themed face masks); (iii) participation in three core overseas exhibitions on about ten occasions (Medica in Germany, Arab Health in the Middle East, and the Hong Kong International Medical and Healthcare Fair); and (iv) pursuit of overseas certifications (including Saudi Arabia SFDA certification) to support delivery of orders into Saudi Arabia and Brazil.

## OUR CUSTOMERS

### Our customer base

Our customers vary by sales channel and can be broadly categorised into three principal types: (i) public sector customers (including hospitals, clinics and government departments served via tender or framework supply arrangements, such as a public hospital in Hong Kong); (ii) wholesale customers (including chain retailers such as major retailer chains, supermarkets, convenience stores, home products retailers and pharmacy chains); and (iii) individual customers (purchasing through our self-operated retail stores and online channels).

The table below sets out a breakdown of our revenue by customer type during the Track Record Period:

| | FY2025 | | FY2026 | |
|---|---|---|---|---|
| **Customer type** | *Revenue (HK$,000)* | *%* | *Revenue (HK$,000)* | *%* |
| Public sector customers | 3,682 | 5.0 | 4,409 | 5.8 |
| Wholesale customers | 27,698 | 37.8% | 37,026 | 49.0% |
| Individual customers (through our e-commerce store, pop-up stores, exhibitions and retail stores) | 41,833 | 57.2% | 34,108 | 45.2% |
| **Total** | 73,213 | 100.0 | 75,543 | 100.0 |

**Our top five customers**

The following table sets out the top five customers of our Group for each of FY2025 and FY2026. To the best of our Directors' knowledge and belief, save as disclosed in the sub-section headed "Overlapping customers and suppliers" below in respect of Zeta, none of our Directors, their respective close associates or any Shareholder (who, to the best knowledge of our Directors, owns more than 5% of the issued share capital of our Company as at the Latest Practicable Date) had any interest in any of our top five customers during the Track Record Period. All of our top five customers during the Track Record Period were Independent Third Parties.

***For FY2025***

| **Customer (customer type)** | **Background** | **Length of business relationship with our Group as at the Latest Practicable Date** | **Principal product category(ies) supplied** | **Revenue derived from the customer** *(HK$'000)* | **Approximate % to the total revenue of our Group for the year** | **Credit period** |
|---|---|---|---|---|---|---|
| Customer A (wholesale customer) | A company in a retail group principally engaged in the operation of supermarkets, convenience stores and other consumer retails in Hong Kong | 4 years | Face masks, RAT kits and consumables | 7,381 | 10.1 | 30 to 60 days |
| Customer B (**[REDACTED]** sector customer) | A government department in Hong Kong responsible for executing healthcare policies and statutory functions | 3 years | Face masks, RAT kits and consumables | 3,479 | 4.8 | 30 to 60 days |
| Customer C (wholesale customer) | A private company incorporated in Hong Kong which is principally engaged in department stores, distribution and retail business | 4 years | Face masks, RAT kits and consumables | 1,739 | 2.4 | 30 to 60 days |
| Customer D (wholesale customer) | A company **[REDACTED]** on the Main Board of the Stock Exchange and principally engaged in the operation of retail pharmacy chain stores in Hong Kong | 3 years | Face masks, RAT kits and consumables; Healthcare equipment and complementary accessories | 1,278 | 1.7 | 30 to 60 days |
| Customer E (wholesale customer) | A wholly-owned subsidiary of a company **[REDACTED]** on the Stock Exchange, which is a retailer of furniture and household products | 4 years | Face masks, RAT kits and consumables; Healthcare equipment and complementary accessories | 1,185 | 1.6 | 30 to 60 days |
| **Top 5 customers in aggregate** | | | | 15,062 | 20.6 | |

***For FY2026***

| **Customer (customer type)** | **Background** | **Length of business relationship with our Group as at the Latest Practicable Date** | **Principal product category(ies) supplied** | **Revenue derived from the customer** *(HK$'000)* | **Approximate % to the total revenue of our Group for the year** | **Credit period** |
|---|---|---|---|---|---|---|
| Customer A (wholesale customer) | A company in a retail group principally engaged in the operation of supermarkets, convenience stores and other consumer retails in Hong Kong | 5 years | Face masks, RAT kits and consumables | 6,725 | 8.9 | 30 to 60 days |
| Zeta (wholesale customer) | A company wholly owned by Mr. Ding, our executive Directors and one of our Controlling Shareholders, which is incorporated in Hong Kong and is principally engages in the operation of an online retail store, and procurement and resale of electronics and consumer products | 5 years | Face masks, RAT kits and consumables; Healthcare equipment and complementary accessories | 3,749 | 5.0 | 30 to 60 days |
| Customer B ([**REDACTED**] sector customer) | A government department in Hong Kong responsible for executing healthcare policies and statutory functions | 4 years | Face masks, RAT kits and consumables | 3,626 | 4.8 | 30 to 60 days |
| Customer D (wholesale customer) | A company **[REDACTED]** on the Main Board of the Stock Exchange and principally engaged in the operation of a retail pharmacy chain stores in Hong Kong | 4 years | Face masks, RAT kits and consumables | 2,417 | 3.2 | 30 to 60 days |
| Customer C (wholesale customer) | A private company incorporated in Hong Kong which is principally engaged in department stores, distribution and retail business | 5 years | Face masks, RAT kits and consumables | 1,822 | 2.4 | 30 to 60 days |
| **Top 5 customers in aggregate** | | | | 18,339 | 24.3 | |

### Major terms of our agreements with customers

During the Track Record Period and up to the Latest Practicable Date, we generally did not enter into long-term framework agreements with our customers in the ordinary and usual course of business. Save for bulk order by certain retailer chains, sales of our products were generally effected on a transaction-by-transaction basis through our retail stores and online shop or pursuant to purchase orders, order instructions or other customer-specific arrangements, as applicable.

In respect of the retailer chains, our arrangements were generally governed by customer-specific trading terms agreements, supplier information forms and other vendor documentation, which set out the relevant commercial and operational terms applicable to the supply of our products to the relevant retailer chain. Such terms generally include payment and settlement terms, order and delivery arrangements, discount, product compliance obligations and other matters incidental to the supply of goods.

In respect of our retail and online channels, customers generally settled payment immediately in Hong Kong dollars and no credit period was generally granted. We generally did not allow product returns or **[REDACTED]** any warranty, except for product quality reasons, and product exchange requests were generally handled in accordance with our relevant policy.

### Credit terms and payment methods

Depending on the nature of our customers, our credit assessment and sales channel, credit terms for our wholesale channel partners are generally 60 days. We generally allowed credit periods ranging from 0 days to 90 days during the Track Record Period, depending on the specific payment terms in each contract. In some cases, we received advance payments from customers prior to delivery, which represented receipts in advance from customers for sales of our products. Pharmacies generally do not have fixed credit terms; some pharmacies operate on shorter terms (around seven days) or settle on a cash-on-delivery basis. Our online and offline retail sales are settled at the point of sale, with credit card and PayMe being the principal payment methods.

### Credit assessment

Our finance and administration department is responsible for monitoring the credit risks of our customers and conducting relevant credit assessment procedures. Monthly trade receivables aging reports are prepared by the finance and administration department to update the management team on the overdue status of our customers. Reviews of customers' payments are conducted on a regular basis and revisions to customers' credit limit amounts may be made accordingly. Where payments from customers are long overdue, demand letters will be sent on a case-by-case basis taking into consideration of potential future sales. The write-off of any trade receivables is subject to the approval of our financial controller.

### Third-party payment arrangements

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group did not have any third-party payment arrangements with our customers (being arrangements under which a customer's payment obligation to our Group was settled by a third party other than the customer itself), and all payments received from our customers were settled by the customers themselves through bank transfer, credit card, electronic payment (including PayMe), cash or cash-on-delivery.

### Customer reliance and concentration

Our Directors are of the view that we do not have material financial reliance on any single customer having regard to (i) our diversified customer base across **[REDACTED]** sector customers, corporate customers (including chain retailers and pharmacies) and individual customers, as set out under the paragraph headed "Our customer base" above; (ii) our multi-channel distribution network comprising our self-operated retail stores, our own e-commerce store, third-party online platforms and wholesale channel partners, as set out in the sub-section headed "Sales and Marketing — Our sales channels" above; and (iii) the absence of any individual customer accounting for more than 30 per cent of our total revenue in any year of the Track Record Period. Our top customer accounted for approximately 10.1% in FY2025 and 8.9% in FY2026 of our total revenue during the Track Record Period, and our top five customers in aggregate accounted for approximately 20.6% in FY2025 and 24.3% in FY2026 of our total revenue.

### Returns and warranty

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any large-scale product recalls due to product quality issues. Products with quality defects identified at pre-shipment inspection are scrapped and not released for sale. We generally do not accept returns for non-quality-related reasons; exceptions are handled on a discretionary basis.

### Customer complaints

We have established internal procedures for the handling of customer complaints. Our customer service team receives and logs complaints from all channels (including our retail stores, online platforms and wholesale partners). Complaints relating to product quality are escalated to our quality control team for investigation and, where warranted, remedial action. Our customer service team compiles periodic reports on complaint and return/exchange data and passes them to our quality management team for review.

During the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaints from consumers that resulted in regulatory penalties, product recall orders or material financial liability.

### Allocation of liability for product defects

For products manufactured in-house (being our disposable face masks), we bear primary responsibility for any product defects. For products supplied from third-party suppliers (including our test kits and oxygen concentrators), our purchase agreements generally provide for the supplier and subcontractors to bear liability for defects attributable to manufacturing or raw material quality, and we maintain the right to claim compensation from the relevant supplier and subcontractors.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product liability claims.

### After-sales services

In addition to our product sales, we provide after-sales services for certain of our products. For our face masks, RAT kits and consumables, we generally handle customer enquiries and product exchange requests in accordance with our relevant policies. During the Track Record Period, we did not receive any material product exchange requests in relation to our face masks, RAT kits and consumables. We also provide after-sales maintenance services for our electric wheelchair products, including customer drop-off and on-site collection arrangements. For unit dropped off by customers or collected and returned to our factory, if a repair cannot be completed on the same day, we **[REDACTED]** wheelchair loan services free of charge upon customer request. During the Track Record Period, we handled approximately 42 and 49 after sales maintenance service cases for FY2025 and FY2026, respectively.

## PRODUCTION

### Our production facility

Our Savewo® face masks are manufactured at our Tsuen Wan production facility on an automated production line which operates within an ISO 14644-1:2015 Class 7 certified cleanroom environment. The production line comprises six integrated stages: (i) raw-material inbound and batch-traceability logging; (ii) automated conveying, cutting and ultrasonic welding; (iii) synchronised multi-station stacking and compression for three-dimensional mask forming; (iv) automated ear-loop welding; (v) automated bagging and sealing; and (vi) finished-goods batch linkage, boxing and outbound dispatch. Production is conducted in accordance with our ISO 13485:2016 medical devices quality management system, with cleanroom protocols, gowning, environmental monitoring and in-process quality control applied at each stage. Our face masks manufactured at our Tsuen Wan facility are entitled to the "Made in Hong Kong" designation, our other product lines are supplied from third-party manufacturers or subcontractors as further described in the sub-section headed "OEM, ODM and JDM Services" below.

### Production process of our face masks

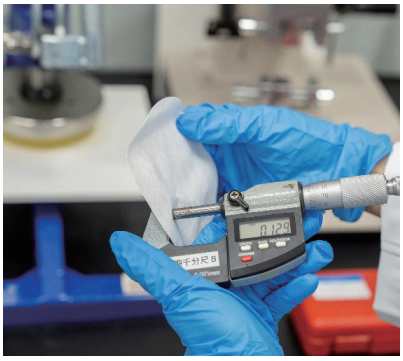
Our production process for disposable face masks may be summarised at a high level as comprising raw material procurement, incoming inspection, material preparation, automated forming and assembly, finished goods inspection, and packaging and warehousing.

### Raw material procurement

In the raw material procurement stage, we procure the principal materials used in mask production, including outer non-woven fabric, meltblown fabric, inner-layer fabric, elastic earloops, malleable nose strips and packaging materials. Suppliers provide accompanying testing or factory reports in relation to the delivered materials.

### Incoming inspection

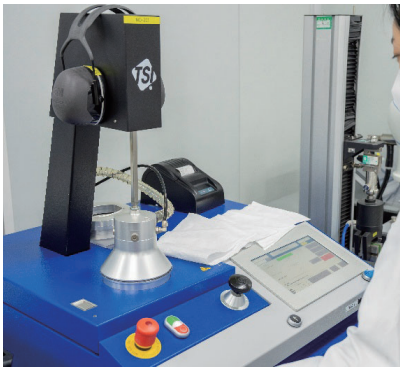
In the incoming inspection stage, raw materials received from suppliers are checked before being released for production use. These checks include appearance inspection and selected physical or performance-related checks. Materials that pass inspection are warehoused and recorded for traceability purposes, while materials that do not pass inspection are isolated from production use.



*Thickness test*

*Weight test*

*Earloops elongation test*



*Filtration efficiency test*

*Breathability test*

### Material preparation

In the material preparation stage, materials are prepared prior to entering the production area. Before entry into the cleanroom production environment, outer packaging is removed and the materials undergo preparatory handling before transfer into the production area.

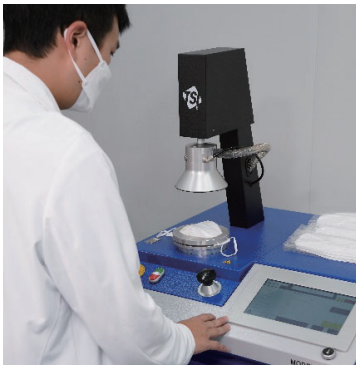
*Clean material area*

### Automated forming and assembly

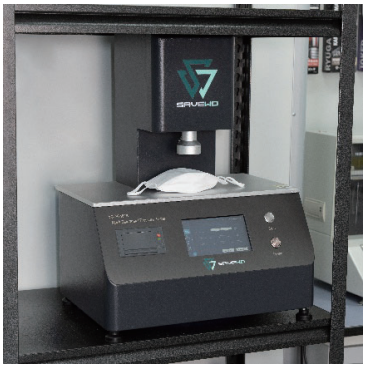
In the automated forming and assembly stage, production materials are loaded into the relevant equipment and proceed through the principal assembly stages of mask formation. These stages include material loading, layer alignment and handling, nose-strip feeding, welding, cutting, folding, earloop attachment, in-line monitoring and individual packaging. Parts of the production process also include ultraviolet disinfection and visual inspection procedures.


## Finished goods inspection

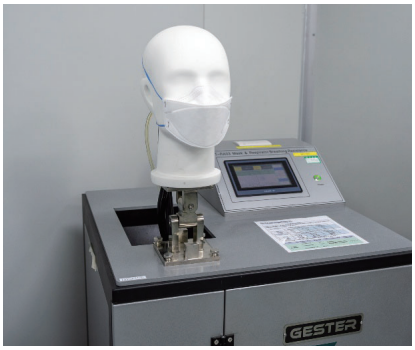
In the finished goods inspection stage, completed masks are subject to inspection and testing before release for packaging and storage. These checks include testing relating to filtration efficiency, breathability, respiratory resistance, synthetic blood penetration resistance testing, earloop-related performance and microbiological cleanliness.



*Filtration efficiency testing*

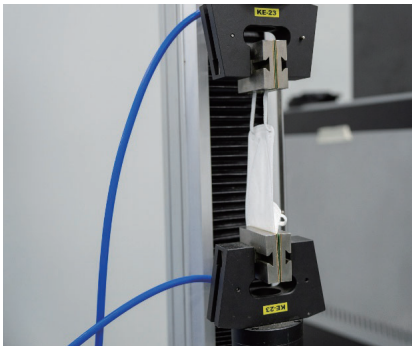


*Breathability testing*




*Respiratory resistance testing*


*Synthetic blood penetration resistance testing*



*Earloops elongation and weld strength testing*

*Microbiological cleanliness testing*

### Packaging and warehousing

In the packaging and warehousing stage, masks that pass inspection are packed, stored and prepared for dispatch. Individual masks may be packaged and coded before being boxed, warehoused and checked prior to shipment.


*Packaging*


*Warehousing*

### Production capacity and utilisation

The following table sets out the production capacity, actual production volume and utilisation rate of our principal product lines during the Track Record Period:

| | For FY2025 | | | For FY2026 | | |
|---|---|---|---|---|---|---|
| | **Production capacity[(1)]** *(units)* | **Production volume** *(units)* | **Utilisation rate[(2)]** *(%)* | **Production capacity[(1)]** *(units)* | **Production volume** *(units)* | **Utilisation rate[(2)]** *(%)* |
| Disposable face masks | 29,250,000 | 24,350,735 | 83.3 | 29,250,000 | 20,653,863 | 70.6 |

*Notes:*

(1) Production capacity refers to the theoretical maximum units of products that our manufacturing facility in production can produce. During the Track Record Period, we operated 13 active automated production lines. For our disposable face masks, we estimated that the theoretical maximum units that could be produced assuming that our production line is operating 6 hours each day, output of 1,500 pcs per hour, the applicable number of production lines, and 250 working days per year.

(2) Utilisation rate refers to the approximate percentage of the production volume to production capacity during the period.

Our production workers were trained to be able to produce different products. Our production workers were allocated to produce different products based on our production plan, which we design with reference to the market demands for the relevant product. If the demand for a certain product increases, we would allocate more working hours of our production workers on such product.

During the Track Record Period, the production capacity for our disposable face masks was generally stable. We closely monitor the utilisation rates of our production lines on an ongoing basis.

To the best knowledge of our Directors, there has been no material disruption of operations with our production facilities during the Track Record Period.

**Major production equipment**

As at the Latest Practicable Date, we owned a variety of production equipment and machineries which are material to our production process. In particular, our automated face mask production machinery supports key functions such as material loading and layer alignment, automated conveying, cutting and ultrasonic welding, three-dimensional mask forming, ear-loop attachment, individual packaging, ultraviolet disinfection and in-line visual inspection. Some of our major production equipment and machinery include:

| Major production equipment and machinery | Main functions |
|---|---|
|  | Automatic RoyalMask Series mask making machine |
|  | Automatic ClassicMask Series mask making machine |
|  | Automatic 3DMask Series mask making machine |
|  | Automatic 3DMEOW Series mask making machine |

Our major production equipment and machineries generally have useful lives of approximately 5 to 10 years. Based on our experience, such useful lives may be extended for longer period with appropriate repair and maintenance. In determining the useful life and residual value of our production equipment and machineries, we consider various factors, such as changes in market demand, production process and techniques and expected usage of the production equipment and machineries. The estimation of the useful life of production equipment and machineries is generally based on our experience with similar

production equipment and machineries that are used in a similar way. We shall replace the production equipment and machineries when we deem appropriate, taking into account the condition and efficiency of the equipment and machineries and whether new equipment and machineries are required in view of new technology. We did not experience any material or prolonged interruptions to our production process during the Track Record Period and up to the Latest Practicable Date. Our Group conducts regular maintenance on our machinery and equipment, including checking for normal wear and tear, and proper functioning of the machinery and equipment. We incurred maintenance cost of HK$87,567 and HK$42,831 for each of FY2025 and FY2026, respectively. For details of the depreciation policy, please refer to Note 4 of the Accountant's Report as set out in Appendix I to this document.

## OEM, ODM AND JDM SERVICES

In addition to manufacturing products under our own brands, we also provided OEM supply arrangements and ODM services for certain customers, and maintain collaboration arrangements in relation to selected products.

Under our OEM arrangements, we may provide one-stop development and manufacturing services to our customers and, in particular, manufacture products in accordance with the designs and specifications provided by our customers, and the relevant products are marketed and sold under the customers' own brand names. Under such arrangements, our role is confined to manufacturing, production scheduling and quality control in accordance with the customers' requirements, and the relevant customers retain control over, and responsibility for, the product design and specifications.

Under our ODM services, we may supply products in accordance with customer requirements and generally retain substantial control over product design, specifications, manufacturing production processes and quality management, and we remain the primary developer of the relevant product.

As to JDM, during the Track Record Period and up to the Latest Practicable Date, we had collaboration with our Malaysia partner in relation to Wondaleaf TPU products.

### Subcontracting

During the Track Record Period, we subcontracted certain manufacturing work to third-party manufacturers. This comprised principally the manufacture of certain of our Self-Branded Products on our Group's specifications and/or proprietary formulae, including our RAT kits, and the outsourcing arrangement principally involves manufacturers based in Mainland China. For FY 2025 and FY2026, we incurred approximately HK$5.3 million and HK$**[REDACTED]**, respectively, for subcontracted services. All of our subcontractors were Independent Third Parties. None of our Directors, their respective associates, or Shareholders who, to the knowledge of our Directors, own 5% or more of our issued share capital had any interest in any of our subcontractors during the Track Record Period.

We carefully select our subcontractors based on a variety of factors, including their qualifications, reputation, pricing and overall service capabilities. We perform thorough due diligence on our subcontractors, regularly monitor and review their performance and conduct annual on-site audits.

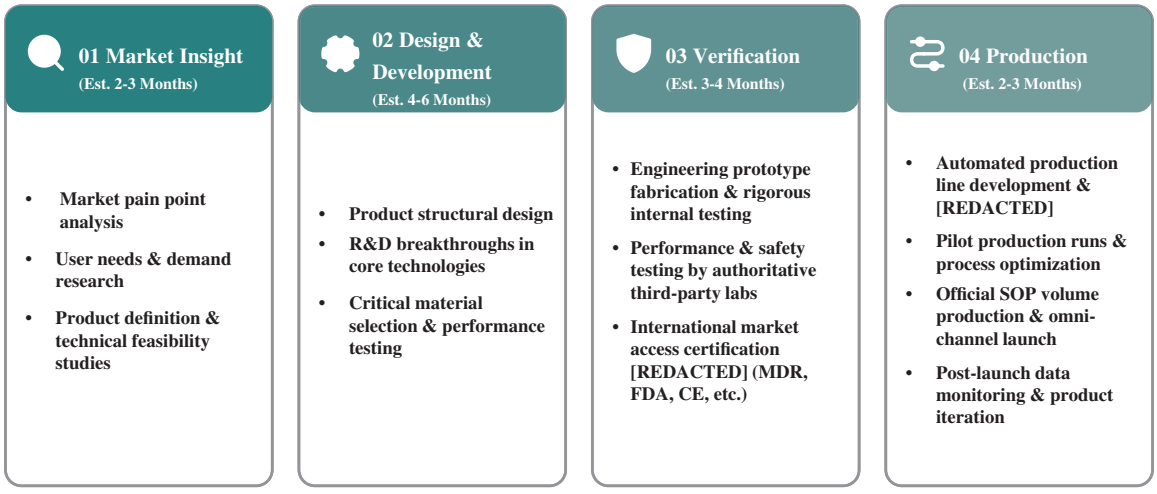
We generally engaged our subcontractors on an order-by-order basis, with the relevant commercial terms agreed under purchase orders, work orders or other transaction-specific arrangements. We require our subcontractors to deliver their services in an efficient and cost-effective manner and comply with relevant laws and professional standards. Typically, payments are made to our subcontractors in accordance with the pricing terms and payment schedule set out in the relevant purchaser orders, work orders or other arrangements.

## RESEARCH AND DEVELOPMENT

Our research and development efforts are centred on product development, testing and commercialisation, which form the technical foundation of our face mask business and our broader product platform. We have accumulated core competencies in face masks, air purifiers, TPU dressing and carbon fibre canes, as well as non-woven fabrics related products, enabling us to extend our product development capabilities to a diverse range of products. For example, our TPU-based technologies expertise is applied to wound care products, our carbon fibre expertise to wheelchair frames and MasterCane folding canes and Rainec umbrellas.

### Our research and development process

Our research and development activities are not governed by rigid quantitative key performance indicators but are continuous and market-driven. Our research and development process is structured into four stages, from market insight through to production and post-market iteration, set out below:




For those of our products developed jointly with our manufacturing or material partners, the design and development, verification and certification, and production stages above are conducted jointly with the relevant partner in accordance with the terms of our cooperation arrangements.

### Our R&D team

As at the Latest Practicable Date, our R&D team comprised 15 personnel led by Mr. Ding, our co-founder and executive Director. For Mr. Ding's qualifications, biographical details and experience, please refer to the section headed "Directors and Senior Management" in this document. The team includes personnel involved in product design, structural design, testing, prototype making, sample assembly, quality control and related administrative support.

To attract and retain employees, we provide remuneration packages and benefits to our employees in line with market practice. Our employees' remuneration generally consists of base salary, performance-based bonuses, discretionary allowances (such as transportation and meal allowances), mandatory provident fund contributions, medical benefits and other statutory welfare entitlements.

Upon **[REDACTED]**, our Company will be able to grant share options under the **[REDACTED]** to incentivise and recognise the contribution of eligible participants. We have entered into confidentiality agreements with certain employees, pursuant to which all intellectual properties developed by our staff during their employment with us belong to the Company and are treated as trade secrets. These agreements also prohibit our employees from disclosing any trade secrets or confidential information to third parties. In addition, we enter into non-competition agreements with selected key employees.

We do not have any labour union within our Group. We believe that we maintain good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, save as disclosed in the sub-paragraph headed "The Work Injury Matter" described below, we did not experience any material labour disputes, strikes or other labour-related incidents that had a material impact on our business, financial condition or results of operations.

**R&D investment**

During the Track Record Period, our R&D expenses amounted to approximately HK$7.0 million for FY2025 and HK$5.9 million for FY2026, representing approximately **[REDACTED]** and **[REDACTED]** of our total revenue respectively. Our R&D expenditure consists primarily of specialised equipment acquisition, equipment maintenance and labour costs. Such expenditure is recognised as expenses or capitalised in our financial statements in accordance with our applicable accounting policies, as further described in the section headed "Financial Information" in this document.

**R&D collaborations with third parties**

As at the Latest Practicable Date, our Group had commenced certain third-party R&D collaboration activities and was in discussions with certain third parties regarding potential collaboration opportunities, including in relation to aspects of machinery design used in production processes. In addition, our Group has entered into collaboration arrangements with third parties in relation to the development of selected healthcare-related materials and products, including wound care materials and TPU-based materials. Such collaboration arrangements are intended to complement our in-house R&D capabilities and broaden our access to technical expertise and product development support. Our Group may from time to time continue to explore collaboration opportunities with third parties in support of its R&D activities.

**Our future research and development focus**

Our future research and development focus remains on the refinement of existing products and the development of new products under our proprietary brands. A portion of the **[REDACTED]** from the **[REDACTED]** is allocated to refining and enhancing our existing product lines, with the majority allocated to the development of new products under our proprietary brands. For further details of the use of the **[REDACTED]** from the **[REDACTED]**, please refer to the section headed "**[REDACTED]** and **[REDACTED]**" in this document.

### Tax incentive — enhanced tax deduction for qualifying R&D expenditure

We have applied for the enhanced tax deduction for qualifying research and development expenditure in respect of our R&D expenses, and the audited tax reconciliation reflects a deduction for qualified R&D expenses. The **[REDACTED]** is currently under review by the Inland Revenue Department of Hong Kong. We have engaged tax advisers in connection with the **[REDACTED]**.

## QUALITY CONTROL

Our quality control framework covers all stages of our production process, from incoming raw material inspection through to finished goods release. Relevant personnel involved in the manufacturing process are equipped with quality control skills and conduct checks throughout the manufacturing process from time to time. Our quality control procedures include incoming-material checks, in-process monitoring and finished-goods inspection and testing. As at the Latest Practicable Date, our quality control function was overseen by one quality control manager and two supervisors. Defective products identified at pre-shipment inspection are scrapped and not released for sale. Our annual expenditure on certifications during the Track Record Period was approximately HK$0.4 million and HK$0.4 million for FY2025 and FY2026 respectively, reflecting our commitment to product quality and regulatory compliance. For details of our certifications, please refer to the sub-section headed "Awards and Certifications" below.

## RAW MATERIALS AND SUPPLIERS

### Our raw materials and sources of supply

We source our raw materials primarily from suppliers based in Mainland China. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, the sources of our raw material supply complied with all relevant laws and regulations, and that we did not procure raw materials from any sanctioned or restricted jurisdictions.

### Geographical breakdown of purchases

| **Country/region** | **FY2025** | **FY2025** | **FY2026** | **FY2026** |
|---|---|---|---|---|
| | *HK$'000* | *%* | *HK$'000* | *%* |
| Shenzhen | 2,244 | 24.1 | 3,027 | 29.5 |
| Dongguan | 2,161 | 23.2 | 2,116 | 20.6 |
| Hong Kong | 1,706 | 18.3 | 2,740 | 26.7 |
| Yong Kang | 1,304 | 14.0 | 945 | 9.2 |
| Yiwu | 636 | 6.8 | 339 | 3.3 |
| Others | 1,281 | 13.6 | 1,083 | 10.7 |
| **Total** | 9,332 | 100.0 | 10,250 | 100.0 |

## Our top five suppliers and subcontractors

The following table sets out the top five suppliers and subcontractors of our Group for each of FY2025 and FY2026. To the best of our Directors' knowledge and belief, none of our Directors or Shareholders who held more than 5 per cent of our issued share capital, nor any of their respective associates, had any interest in any of our top five suppliers and subcontractors, and all top five suppliers and subcontractors during the Track Record Period were Independent Third Parties.

### *For FY2025*

| Supplier and subcontractors | Background | Length of business relationship with our Group as at the Latest Practicable Date | Principal product/ material category(ies) procured | Purchase amount *(HK$'000)* | Approximate % to the total purchase contribution for the year | Payment terms |
|---|---|---|---|---|---|---|
| Supplier A | A company established in the PRC which is principally engaged in R&D, production, and domestic/international trade of biotechnology detection kits and Class II/III medical devices, distribution of laboratory equipment, consumer electronics, and general commercial goods | 2 years | Healthcare equipment | 1,448 | 9.9% | 50% deposit upon order confirmation; 50% payable prior to shipment |
| Supplier B | A company established in the PRC which is principally engaged in manufacturing and sales of Class II medical devices and production and import/export of diverse consumer and industrial goods | 2 years | Healthcare equipment | 1,304 | 8.9% | Full payment payable within 30 days after shipment |
| Supplier C | A company established in Hong Kong which is principally engaged in manufacturing of packaging material | 2 years | Packaging materials and raw material for face masks | 991 | 6.8% | 50% deposit upon order confirmation; 50% payable prior to shipment |
| Supplier D | A company established in Hong Kong which is principally engaged in manufacturing of plastic products | 5 year | Raw materials for face masks | 750 | 5.1% | 30% deposit upon order confirmation; 70% payable prior to shipment |
| Supplier E | [A company principally engaged in foreign trade, conducting the import and export of various goods and technologies on its own account and as agent; its products include medical-grade non-woven materials such as PP spunbond, PET polyester spunbond, SMS, meltblown, spunlace, needle-punched, through-air bonded and hot-rolled fabrics.] | 2 years | Raw materials for face masks | 583 | 4.0% | Full payment payable before shipment |
| **Top 5 suppliers and subcontractors in aggregate** | | | | 5,076 | 34.7% | |

***For FY2026***

| Supplier and subcontractors | Background | Length of business relationship with our Group as at the Latest Practicable Date | Principal product/ material category(ies) procured | Purchase amount *(HK$'000)* | Approximate % to the total purchase contribution for the year | Payment terms |
|---|---|---|---|---|---|---|
| Supplier A | A company established in the PRC which is principally engaged in R&D, production, and domestic/international trade of biotechnology detection kits and Class II/III medical devices, distribution of laboratory equipment, consumer electronics, and general commercial goods | 2 years | Healthcare product | 4,428 | 22.6% | 50% deposit upon order confirmation; 50% payable prior to shipment |
| Supplier F | A company established in the PRC which is principally engaged in R&D, manufacturing, and domestic/international trade of pharmaceuticals, veterinary drugs, medical services, and Class I/II/III medical devices | 4 years | Healthcare product | 3,415 | 17.4% | 50% deposit upon order confirmation; 50% payable prior to shipment |
| Supplier C | A company established in Hong Kong which is principally engaged in manufacturing of packaging material | 2 years | Packaging material and raw materials for face masks | 978 | 5.0% | 50% deposit upon order confirmation; 50% payable prior to shipment |
| Supplier G | A company established in the PRC which is principally engaged in R&D, sales, and domestic/international trade of household appliances, electronics, and Class II medical devices (including rentals) and the provision of online retail and non-clinical health consulting services | 2 years | Raw materials for face masks | 974 | 5.0% | Full payment payable before shipment |
| Supplier B | A company established in the PRC which is principally engaged in manufacturing and sales of Class II medical devices and production and import/export of diverse consumer and industrial goods | 2 years | Healthcare equipment | 945 | 4.8% | Full payment payable within 30 days after shipment |
| **Top 5 suppliers and subcontractors in aggregate** | | | | 10,740 | 54.8% | |

### Supplier and subcontractor selection and qualification


We adopt a structured supplier and subcontractor evaluation and selection process to maintain the quality and consistency of our raw material and subcontracted production inputs. The process comprises (i) identification of potential suppliers through multi-channel sourcing and the establishment of an initial sourcing pool; (ii) initial screening covering business licence verification, financial condition review and regulatory and compliance review; (iii) on-site factory inspection covering production equipment, environmental controls and management systems; (iv) sample testing for functional and performance compliance; (v) commercial negotiation covering pricing, delivery and payment terms and execution of cooperation agreements; and (vi) registration into our approved supplier and subcontractor list, with periodic performance reviews and re-evaluation. Suppliers and subcontractors who fall below our standards on subsequent re-evaluation will be removed from our approved supplier and subcontractor list.

### Reliance and concentration risk

We rely on two long-term core suppliers for meltblown fabric used in our face mask production. We have established two to three alternative qualified third-party suppliers for our core mask materials, mitigating the risk of single-source dependency. We also source our TPU-based materials from a single supplier, deliberately maintained as a single-source arrangement in order to protect the core formulation from potential leakage and on the basis that the procurement volume has not yet reached a threshold that would require an additional supplier. Our Directors are of the view that our overall supplier concentration risk is manageable, having regard to the availability of substitute sources for standardised materials and the resilience of our inventory buffer described below.

### Supply continuity and contingency measures

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material production delays attributable to supplier issues. Our supply continuity measures include: (i) maintaining approximately four months of raw material inventory; (ii) dynamic inventory adjustment based on market forecasting (for example, increasing inventory of relevant materials by an additional one to two months when anticipating a rise in raw material prices, including in response to oil price increases); (iii) locking in prices through advance procurement (for example, completing the procurement of all necessary materials two weeks ahead of an anticipated raw material price increase); and (iv) a contractual penalty mechanism with our suppliers, allowing for triple (or, in certain cases, tenfold) compensation for non-conforming materials.

**Pricing trends and cost pass-through**

Our principal cost components are labour, rent and electricity. The relatively low proportion of raw material costs is a key factor enabling our sustainable operation in Hong Kong, and also means that we generally do not pass on raw material price increases to consumers. Our "Made in Hong Kong" positioning for our disposable face mask products further enhances the value perception of those products. We generally do not enter into long-term fixed-price agreements with our suppliers. Instead, we procure raw materials on a purchase order basis and negotiate favourable terms based on our understanding of market prices and core cost components.

We adopt a mixed-based approach in determining our selling prices. In doing so, we take into account a range of factors, including production costs, market demand, competitive conditions and product positioning. Historically, we have been able to manage raw material price fluctuations through a combination of cost control measures, product mix optimisation and selective price adjustments.

Further details of **[REDACTED]** analysis and sensitivity to raw material price changes are set out in the section headed "Financial Information — Significant Factors Affecting Our Results of Operations and Financial Condition" in this document.

**Inventory management — raw materials and finished goods**

During the Track Record Period, we typically maintained approximately four months of raw material inventory to support production stability. Inventory levels are dynamically adjusted based on market forecasting, with designated personnel responsible for forecasting and inventory decisions. We rely on safety-stock levels to manage supply chain volatility rather than a back-to-back procurement model. During the Track Record Period, we typically maintained approximately two months of finished facemask inventory.

The following table sets out the breakdown of our inventories (stated net of provision) as at the end of each financial year during the Track Record Period.

| **Item** | **FY2025** | **FY2026** |
|---|---|---|
| | *(HK$'000)* | *(HK$'000)* |
| Raw material | 2,986 | 2,831 |
| Work in progress | 1,568 | 1,318 |
| Finished goods | 7,191 | 9,313 |
| **Total inventories** | **11,745** | **13,462** |

Our average inventory turnover days were approximately 114 days and 118 days for FY2025 and FY2026 respectively. During the Track Record Period, our Group did not make any write-down or provision in respect of damaged or unsold inventory.

### Inventory provision and ageing

Our inventory provision policy is to assess the net realisable value of our inventories at each reporting date. A provision is made when the carrying amount of inventory exceeds its estimated net realisable value, having regard to the age, condition and saleability of the inventory. For our disposable face mask products, we assess saleability by reference to remaining shelf life, market demand and any changes in certification status. For our raw materials, we assess recoverability by reference to current replacement cost and anticipated usage based on production forecasts.

During the Track Record Period, no write-down or provision was recognised, as the net realisable value of our inventories was not lower than their carrying amount.

The following table sets out the ageing analysis of our inventories (net of any loss allowance) as at the end of each year of the Track Record Period:

| Ageing | As at 31 March 2025 | As at 31 March 2026 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Within 3 months | 7,877 | 8,566 |
| 3 to 6 months | 1,925 | 2,418 |
| 6 to 12 months | 1,389 | 1,772 |
| Over 12 months | 554 | 706 |
| Total | 11,745 | 13,462 |

## OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, Zeta, a company wholly owned by Mr. Ding (our executive Director and Controlling Shareholder), and Customer F, a company incorporated in Hong Kong and principally engaged in trading of licensed products, were each both a supplier and a customer of our Group.

### Nature of the arrangement

During the Track Record Period, each of Zeta and Customer F was both a customer and a supplier of our Group. In the ordinary and usual course of our business, we supplied certain of our personal protective and healthcare products to Zeta. We also procured certain non-core products, such as electronic items and suitcases, from Zeta for resale through our sales channels. Separately, we sourced licensed products from Customer F, while Customer F sourced electronic appliance products and face mask products from us.

As Zeta is an authorised distributor for the relevant products in Hong Kong, we elected to source such products from Zeta for resale. We sourced licensed products from Customer F for our marketing campaign. In turn, Customer F purchased face mask products from us, in the ordinary and usual course of business. Our Directors are of the view that the transactions with each of Zeta and Customer F were

entered into in the ordinary course of business and on normal commercial terms, based on the complementary business needs of the parties and the fact that the relevant products are different in nature.

**Quantum and proportion of transactions with Zeta**

| | **FY2025** | **FY2025** | **FY2026** | **FY2026** |
|---|---|---|---|---|
| | *HK$'000* | *%* | *HK$'000* | *%* |
| Revenue derived from sales of products to Zeta | — | — | 3,749 | 5.0 |
| Costs of purchases from Zeta | 445 | 1.1 | 536 | 1.4 |

**Quantum and proportion of transactions with Customer F**

| | **FY2025** | **FY2025** | **FY2026** | **FY2026** |
|---|---|---|---|---|
| | *HK$'000* | *%* | *HK$'000* | *%* |
| Revenue derived from sales of products to Customer F | 215 | 0.3 | 250 | 0.3 |
| Cost of purchases from Customer F | 869 | 2.2 | 1,135 | 2.9 |

**Pricing**

Our Directors confirm that all transactions with these overlapping customers and suppliers were conducted in the ordinary course of business, on normal commercial terms, and that the pricing of such transactions was determined with reference to our standard wholesale price list. Our Directors are of the view that the pricing of the transactions with each of Zeta and Customer F was fair and reasonable and on terms no less favourable to our Group than those available from Independent Third Parties.

During the Track Record Period and as at the Latest Practicable Date, Mr. Ding was interested in the entire issued share capital of Zeta, and Zeta is therefore a connected person of our Company under Chapter 20 of the GEM Listing Rules. For details of these connected transactions, including historical transaction amounts and proposed annual caps, please refer to the section headed "Connected Transactions" in this document.

## MARKET POTENTIAL AND COMPETITIVE LANDSCAPE

The personal protective and healthcare products markets in which we operate are competitive. We compete on the basis of product quality, technical performance, the breadth of our international certifications, brand recognition and the depth of our distribution network.

According to the Frost & Sullivan Report, we ranked first in the Hong Kong face masks and respirators market by revenue for FY2026, with an estimated market share of approximately 14.1%. We also ranked third in the Hong Kong self-test respiratory RAT kits market by revenue for FY2026, with an estimated market share of approximately 11.4%, as compared to approximately 4.5% for FY2025.

The Frost & Sullivan Report indicates that the Hong Kong personal protective and diagnostics equipment market and the Hong Kong personal healthcare products market are expected to continue to grow through 2030. The report also identifies industry trends directly relevant to our business, including premiumisation in personal protective equipment, growing demand for multiplex and all-in-one diagnostic kits, increasing interest in broader personal health and wellness products, and the adoption of advanced localised manufacturing techniques, including automated cleanroom production and AI-assisted quality control.

Our Directors believe that these trends are consistent with our product development and commercialisation strategy, including our focus on filtration technologies, advanced wound care products, mobility products and broader healthcare-related products. Please refer to the section headed "Industry Overview" in this document for further details of the relevant market sizes, projections and competitive landscape.

## SEASONALITY

Our business is subject to industry cyclicality, particularly the peak and trough cycles of respiratory diseases such as seasonal influenza. Demand for our face mask and RAT kit products typically increases during annual flu seasons, while off-peak periods see lower demand. This is an inherent characteristic of the industry. Sudden public health events or other incidents raising health concerns may also significantly increase demand.

Our Directors are of the view that our overall business is not dependent on any single exceptional event. We are able to achieve stable revenue under normal market conditions and significant growth during exceptional events. Our supply chain is stable, our channels are diversified, and the relatively low proportion of raw material costs to retail prices supports our ability to remain competitive in Hong Kong despite higher labour and rental costs.

## AWARDS AND CERTIFICATIONS

We conduct quality control and product validation with reference to applicable international standards and customer specifications. In particular, we have obtained certifications and testing reports relating to key raw materials, finished products, cleanroom environment and quality management systems. A summary of our principal certifications, qualifications and testing reports is set out below.

| Category | Certification/report | Issuing/testing institution | Scope/subject matter | Key details | Date/validity |
|---|---|---|---|---|---|
| Company-level certification | EN ISO 13485:2016 | SGS United Kingdom Ltd | Medical devices Quality management system for Savewo Limited | Manufacture of single use non-sterile surgical mask and single use non-sterile medical wound dressing [certificate HK21/42013] | 29 March 2025 to 19 April 2027 |
| Facility certification | BS EN ISO 14644–1:2015 Class 7 | The Lab (Asia) Ltd. | Cleanroom at our Tsuen Wan factory | The cleanroom was certified as complying with Class 7 ambient particle concentration criteria (Test Report RP2600094) | 16 February 2026 to 16 February 2027 (issued 23 February 2026) |

| Category | Certification/report | Issuing/testing institution | Scope/subject matter | Key details | Date/validity |
|---|---|---|---|---|---|
| Finished product/ market authorisation | FDA 510(k) (United States; Class II) | U.S. Food and Drug Administration | Savewo ClassicMASK | Determined to be substantially equivalent and cleared for marketing in the United States as a Class II medical device (510(k) No. K221957) | Per FDA letter dated 2 September 2022 |
| Finished product/ market authorisation | Health Canada COVID-19 medical device authorisation (Class 1) | Health Canada, Medical Devices Directorate | 3DMASK ULTRA | Authorised for sale or importation in Canada as a Class 1 COVID-19 medical device (Authorisation No. IO332997) | Issued 18 August 2021 |
| Finished product/ market authorisation | Certificate of Free Sale | Ministry of Food and Drug Safety, Korea (Gyeongin Regional Office) | SAVEWO® 3DMASK | Approved to be imported and freely sold in the Korean domestic market under the Pharmaceutical Affairs Act (Certificate No. 2022-D1–1053) | Issued 20 June 2022 |
| Material/product biocompatibility | ISO 10993–5 (cytotoxicity) | SGS-CSTC (Shanghai) | Savewo ClassicMask | Cytotoxicity assessed by the MEM elution method ASH 24-CO260A-01 | 15 May 2024 |
| Material/ sterilisation | ISO 10993–7:2008 +A1:2019 (EO residuals); ISO 11737–2:2019 (sterility) | Shanghai Sungo Medical Technology Co. Ltd | Waterproof Breathable PU Film With Pad (Class I, EO-sterilised) | The EO residuals test (ISO 10993–7) and the sterility test (ISO 11737–2) each passed (Report SGT-202511009–02) | Report dated 2 December 2025 |
| Material/product biocompatibility | ISO 10993–10:2021 (skin sensitisation) | Suda (sudatest.com) | Savewo ClassicMask | No sensitisation reaction was observed and the positive sensitisation rate was 0%; the test article was not considered to cause skin sensitisation (Reports SDWH-M202402309–1 (polar) and -2 (non-polar)) | 28 June 2024 to 1 July 2024 |
| Material/product biocompatibility | ISO 10993–11:2017 (acute systemic toxicity) | Weihai Desheng Technology Testing Co., Ltd. | (a) Waterproof Breathable PU Film (TranSkin® Roll); (b) Waterproof Breathable PU Film With Pad (TranSkin® Pad Dressing) | Tested for acute systemic toxicity (Reports M2025112109E-04 and M2025112110E-04) | 26 January 2026 |
| Finished product testing | ASTM F2100–2023 Level 3 | SGS-CSTC (Shanghai) | Regal Mask | Passed the ASTM F2100–2023 Level 3 requirements (Report SL52515314340001TX) | Report dated 15 July 2025 |

| Category | Certification/report | Issuing/testing institution | Scope/subject matter | Key details | Date/validity |
|---|---|---|---|---|---|
| Finished product testing | EN 14683:2025 Type IIR | SGS-CSTC (Shanghai) | Regal Mask | Met the EN 14683:2025 Type IIR requirements (Report SL52515339632901TX) | Report dated 5 September 2025 |
| Finished product testing | KF94 (MFDS authorisation) | KOTITI Testing & Research Institute | SAVEWO® 3DMASK Ultra (sizes M/L/S) | Tested for MFDS KF94 authorisation in three sizes (KOTITI Nos. 82211509103922–001 (M), 103923–001 (L), 103924–001 (S)) | Issued 1 September 2021 |
| Finished product testing | KN95 | SGS-CSTC (Shanghai) | 3DMASK | Passed the KN95 requirements (Report SL52215314010601TX) | Report dated 29 September 2022 |
| Finished product testing | JIS T 9001 (BFE, VFE, PFE, differential pressure, synthetic-blood penetration, flammability, formaldehyde, aromatic amines) | KAKEN Test Center (Osaka) | 3DMEOW 3D BEAR | EB-21-007472-1 | 22 February 2022 |
| Finished product testing | EN 149:2001+A1:2009 | (a)-(b) SGS-CSTC (Shanghai); (c) SGS Fimko Ltd (Notified Body 0598) | (a)-(b) 3DMASK ULTRA; (c) 3DMASK SMILE | The tested samples met the EN 149 criteria, with conclusions of FFP2 NR (Report SL52115283820301TX, which supersedes SL52035298282101TX) and FFP2 NR D (Report SL52215339443301TX); EU type-examination as FFP2 NR (Certificate 0598/PPE/22/4304) | (a) 16 July 2021; (b) 30 December 2022; (c) issued 11 November 2022, valid to 11 November 2027 |
| Finished product testing | EN 149:2001+A1:2009 FFP3 | SGS-CSTC (Shanghai) | SAVEWO® EXTREME PRO | The tested sample met the EN 149 criteria with a conclusion of FFP3 NR (Report SL52105232542501TX) | Report dated 2 March 2021 |
| Finished product testing | AATCC TM183–2020e | Intertek (Hong Kong) | RAINEC ULTRA | Ultraviolet protection factor (UPF) of the dry textile determined (Report HKGT05491161) | Dated 24 July 2024 |
| Finished product testing | MVTR (EM13726–2023) | SGS-CSTC (Qingdao) | TranSkin® (Waterproof Breathable PU Film) | Moisture vapour transmission rate determined (Report QDHL2407010735MD) | 31 July 2024 |

### Awards and recognitions

| Award | Awarding body | Year | Recipient/product |
|---|---|---|---|
| **Red Dot Award 2026** | Red Dot GmbH & Co. KG | 2026 | MasterCane |
| **Hong Kong Smart Design Awards 2025 — Gold** | The Hong Kong Exporters' Association | 2025 | MasterCane |
| **Golden Pin Design Award** | Taiwan Design Research Institute | 2025 | MasterCane |
| **DFA Design for Asia Awards 2025 — Merit Award** | Hong Kong Design Centre | 2025 | MasterCane |
| **HKMPPE — Top Sales Champion** | Hong Kong Mask & PPE Organization | 2023–2025 | Face masks |

## INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we owned a portfolio of patents, patent **[REDACTED]**, registered trademarks and trademark **[REDACTED]** that we consider material to our business. Particulars of our principal patents and trademarks are set out in the section headed "Statutory and General Information — Further information about our business — Intellectual property rights" in Appendix IV to this document.

### Intellectual property disputes and infringement

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material claim by any third party that we have infringed any of their intellectual property rights, nor were we party to any material dispute regarding intellectual property rights.

## INFORMATION TECHNOLOGY, DATA PRIVACY AND CYBERSECURITY

### Information technology systems

Our IT infrastructure is principally limited to a custom-built Enterprise Resource Planning (ERP) system, which we use to manage our procurement, production scheduling, inventory and sales order workflow. Our other systems are off-the-shelf and not custom-built. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material malfunctions or operational disruptions of our IT systems.

### Data privacy

We collect personal data of our online customers in connection with online sales transactions through our own e-commerce store (operated on the Shopline platform) and through third-party platforms (HKTVmall and Foodpanda). Our handling of personal data is governed by, and we comply with, the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage incidents or receive any material complaints relating to data privacy.

## LICENCES, PERMITS AND APPROVALS

Our principal licences, permits and approvals in connection with our operations as at the Latest Practicable Date are set out below.

| Licence/permit | Issuing authority | Holder entity | Grant date | Expiry date | Renewal status |
|---|---|---|---|---|---|
| Medical Device Authorization for Importation or Sale (COVID-19) — 3DMASK ULTRA | Health Canada | Savewo International Limited | 18 August 2021 | N/A | N/A |
| Facility Registration and Device Listing | U.S. FOOD & DRUG ADMINISTRATION | Savewo Limited | 01 January 2026 | 31 December 2026 | N/A |
| Declaration of Conformity (MDR) — TranSkin WaterProof & Transparent Film Dressing | Manufacturer (Savewo Limited) with EU Representative SUNGO Europe B.V. | Savewo Limited | March 2025 | N/A | N/A |
| EC REP MDR Notification — Adhesive pouch | Obelis Group | Savewo Limited | 12 December 2023 | N/A | N/A |
| Listing Certificate (MDACS) — COVID-19 Antigen Test Kit | Department of Health, Hong Kong | Savewo Distribution Limited | April 2022 | 20 April 2027 | N/A |
| Listing Certificate (MDACS) — Influenza A+B & COVID-19 Antigen Test Kit | Department of Health, Hong Kong | Savewo Distribution Limited | 2 October 2025 | 1 October 2030 | N/A |
| Listing Certificate (MDACS) — SARS-CoV-2 & Flu A+B & RSV & ADV Combo Test Kit | Department of Health, Hong Kong | Savewo Distribution Limited | 5 September 2025 | 4 September 2030 | N/A |
| Authorized Representative License — Single-use devices (Adhesive Pouch/Wound Dressing) | Saudi Food and Drug Authority (SFDA) | Beauty and Innovation trading est (on behalf of Twin Catalyst Sdn Bhd) | 28 August 2024 | 27 August 2027 | N/A |

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we held all material licences, permits and approvals required for our operations, we did not experience any material impediment to the renewal of any such licence, permit or approval.

## PROPERTIES

As at the Latest Practicable Date, we did not own any properties. As at the Latest Practicable Date, we leased a total of [11] properties in Hong Kong, comprising [10] self-operated retail stores and our principal production and warehousing facility located at Texaco Road, Tsuen Wan. Particulars of which are set out below. The landlords of all of our leased properties are Independent Third Parties.

| | Address | Use | Lease term | Monthly rent *(HK$)* |
|---|---|---|---|---|
| **Production and warehousing facility** | | | | |
| **1a.** | 1/F, Gunzetal Ind. Bldg Block C, 19–31 Ma Tau Pa Rd, Tsuen Wan, New Territories | Industrial/ Warehouse | 1 December 2020– 28 February 2025, extended to 30 April 2028 | 26,000 |
| **1b.** | 1/F, 266–270 Texaco Road, Tsuen Wan, New Territories | Industrial/ Warehouse | 29 July 2020– 28 July 2025, extended to 30 April 2028 | 208,000 |
| **1c.** | 2/F, 266–270 Texaco Road, Tsuen Wan, New Territories | Industrial/ Warehouse | 1 May 2021– 28 February 2025, extended to 30 April 2028 | 208,000 |
| **1d.** | 2/F & 3/F, Gunzetal Ind. Bldg Block C, 19–31 Ma Tau Pa Rd, Tsuen Wan, New Territories | Industrial/ Warehouse | 1 September 2021– 28 February 2025, extended to 30 April 2028 | 42,000 |
| **Self-operated retail stores** | | | | |
| **2.** | Shop No. 22 on Ground Floor, Excelsior Plaza, Chee On Building, No.24 East Point Road, Hong Kong | Retail Shop | 5 May 2026– 4 August 2026 | 70,000 |

| | Address | Use | Lease term | Monthly rent *(HK$)* |
|---|---|---|---|---|
| **3.** | Shop on G/F,<br>LE DIAMANT,<br>No.703&705<br>Nathan Road,<br>Kowloon<br>(with accessible toilet) | Retail Shop | 30 March 2026–<br>29 June 2026 | 50,000 |
| **4.** | Shop M21A,<br>Mezzanine Floor,<br>Kwun Tong Plaza,<br>No.68 Hoi Yuen Road,<br>Kowloon | Retail Shop | 1 March 2026–<br>28 February<br>2027 | 30,000 |
| **5.** | Shop 8U on Level 3,<br>Waldorf Avenue,<br>No.1 Tuen Lee Street,<br>Tuen Mun,<br>New Territories | Retail Shop | 4 August 2025–<br>3 August 2026 | 19,000 |
| **6.** | Unit A020, 1/F,<br>Nan Fung Centre,<br>264–298 Castle Peak Road,<br>Tsuen Wan | Retail Shop | 14 June 2026–<br>14 December<br>2026 | 36,000 |
| **7.** | Shop 6B (portion of shop No.6),<br>G/F, Southorn Centre,<br>No.113 Johnston Road,<br>Wan Chai | Retail Shop | 19 April 2026–<br>18 July 2026 | 30,000 |
| **8.** | Shop B01a, 1/F,<br>Kwai Chung Plaza,<br>7–11 Kwai Fuk Road,<br>Kwai Chung,<br>New Territories | Retail Shop | 25 March 2026–<br>24 March 2028 | 31,000 |
| **9.** | ALL THAT SHOP C<br>on the GROUND FLOOR of<br>NO. 39 CARNARVON ROAD,<br>KOWLOON | Retail Shop | 22 September 2025<br>to 21 September<br>2026 | 33,000 |
| **10.** | Shop B2, G/F,<br>262 Cheung Sha Wan Road | Retail Shop | 1 April 2026–<br>31 March 2028 | 25,000 |
| **11.** | Shop No.24A, Level 3,<br>Shatin Centre, Shatin,<br>N.T., STTL 16 | Retail Shop | 15 June 2026–<br>14 September<br>2026 | 24,000 |

### Compliance with Land Registration Ordinance

Under Land Registration Ordinance (Cap. 128 of the Laws of Hong Kong), instruments in writing affecting land in Hong Kong (including leases) are generally required to be registered with the Land Registry of Hong Kong, save for bona fide leases at rack rent for a term not exceeding three years which are exempt from registration. Our Directors confirm that, as at the Latest Practicable Date, we had [complied] with the registration requirements of the Land Registration Ordinance in respect of each of our lease agreements.

## EMPLOYEES

### Employee headcount and breakdown

As at the Latest Practicable Date, we had 86 full-time employees, all based in Hong Kong. The following table sets out a breakdown of our employees by function as at the Latest Practicable Date:

| Function | As at Latest Practicable Date |
|---|---|
| Senior management | 5 |
| Production and procurement | 17 |
| Sales and marketing | 33 |
| R&D and quality control | 14 |
| Finance and accounting | 5 |
| Certification and compliance | 1 |
| Administration and human resources | 4 |
| Warehousing and logistics | 7 |
| **Total** | 86 |

### Departments and key personnel

In addition to our core management, our principal functional departments are headed by Mr. Anthony Cheuk (Certification and Compliance Department), our Chief Technology Officer, a material science and engineering specialist primarily responsible for liaison with regulatory bodies, including the Hong Kong Department of Health and the U.S. FDA, and with third-party certification organisations), and Mr. Chung Pui Sei Best (Accounting Department), a member of the Hong Kong Institute of Certified Public Accountants with over 18 years of experience in the medical, toy and semiconductor industries, responsible for financial accounting, tax filing and related matters).

## Recruitment, training and remuneration

### *Recruitment*

We recruit our employees primarily through online recruitment platforms, employee referrals and direct **[REDACTED]**. Our recruitment process generally involves an initial screening of **[REDACTED]**, followed by interviews conducted by the relevant department head and, for senior positions, by our management. We select candidates based on their qualifications, relevant experience and suitability for the position.

### *Training*

We provide induction training to new employees covering our company policies, product knowledge, quality control standards and occupational safety procedures. For our production staff, we provide on-the-job training on the operation of our automated production lines and cleanroom protocols. We also arrange periodic training on regulatory compliance, workplace safety and product certification requirements.

### *Remuneration*

Our employees' remuneration packages generally comprise basic salary, discretionary bonuses and statutory benefits (including mandatory provident fund contributions under the Mandatory Provident Fund Schemes Ordinance (Cap. 485)). We determine remuneration by reference to market conditions, individual performance and our overall financial performance. We review the remuneration packages of our employees periodically.

The following table sets out our total staff costs for each year of the Track Record Period:

| | **FY2025** | **FY2026** |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Salaries and wages | 20,062 | 20,181 |
| Mandatory Provident Fund contributions | 1,981 | 1,907 |
| Provision for long service payment obligation | 40 | 62 |
| Total staff costs | 22,083 | 22,150 |

## Outsourced labour and employment agents

We have not engaged any employment agents or outsourced labour providers during the Track Record Period and up to the Latest Practicable Date.

### Work injury matter

During the Track Record Period, an employee filed a claim approximately six months after an alleged workplace incident. We had purchased work injury insurance, and the compensation matter has been referred to the insurance company for handling. The law firm originally engaged by the employee is no longer representing the case, and the employee currently has no legal representation. Our Directors are of the view that the matter did not have any material impact on our production or operations, and that, having since refined our internal procedures for handling such matters, we are appropriately equipped to handle similar matters in the future.

### Reliance on key personnel

Our reliance on any single key person is limited. There are no management functions that can only be performed by a particular individual, and our research and development activities and production operations would not cease if any member of our core management were to leave.

## INSURANCE

Our Group maintains insurance policies covering (i) employees' compensation; (ii) public liability; and (iii) property all risks. We do not currently maintain standalone product liability insurance, business interruption insurance, key-man insurance or marine cargo insurance. Our Directors are of the view that our existing insurance coverage is adequate, having regard to the size, nature and operations of our business and is in line with industry practice in Hong Kong for manufacturers of similar products. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims. Any uninsured material product liability claim, business disruption or other uninsured occurrence could have a material adverse effect on our financial condition and results of operations. For further details of these risks, please refer to the section headed "Risk Factors" in this document.

## OCCUPATIONAL HEALTH AND SAFETY

We have implemented occupational safety policies and procedures at our production facility. Our cleanroom is maintained in compliance with the ISO 14644-1 Class 7 standard (Class 10,000), and we have implemented strict cleanroom access, monitoring and gowning protocols. Our mask production equipment is fitted with safety guards and undergoes regular maintenance and calibration. We also maintain procedures for the safe handling, storage and disposal of chemicals used in our operations, together with appropriate ventilation and fire prevention measures. In addition, we conduct noise level assessments in accordance with the Factories and Industrial Undertakings (Noise at Work) Regulation, provide hearing protection where necessary, and maintain fire safety systems, emergency evacuation routes, and accident reporting and investigation procedures. During the Track Record Period and up to the Latest Practicable Date, save for the work injury matter disclosed in the sub-section headed "Employees — Work injury matter" above, we were not subject to any material claim or penalty in relation to occupational health, work safety, social or environmental protection.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We recognise the importance of ESG matters to our operations. Our Board is responsible for overseeing the ESG matters of our Group. ESG matters are incorporated into our overall corporate strategy, and significant ESG topics are reviewed periodically through a process involving risk evaluation and stakeholder engagement. Progress against ESG objectives is monitored on a recurring basis, and senior management is responsible for the implementation, monitoring and reporting of ESG-related matters.

### ESG governance

The Board holds ultimate accountability for ESG oversight, risk management and disclosure, including approval of ESG policy and review of the adequacy of resources allocated to ESG functions. Senior management is responsible for implementing ESG initiatives, monitoring compliance with environmental, social and governance requirements, reporting periodically to the Board on ESG performance and system effectiveness, evaluating the ESG framework, reviewing ESG strategies and performance against ESG targets and considering stakeholder feedback, materiality assessments and significant sustainability risks and opportunities.

We have established an ESG assessment framework comprising (i) stakeholder and issue identification, (ii) issue prioritisation and (iii) validation and integration. We engage with stakeholders including shareholders, employees, customers, suppliers, regulators and policymakers, industry partners, local communities and non-governmental organisations through appropriate communication channels.

### Identification and evaluation of ESG risks

Based on our Directors' understanding of our operations, the ESG matters relevant to our Group principally include product responsibility, workplace health and safety, supply chain management, anti-corruption, energy consumption, greenhouse gas emissions, waste management and climate-related risks.

The following table sets forth a summary of ESG-related risks that we consider relevant to our Group and their potential impact:

| ESG-related risks | Potential impacts |
|---|---|
| Regulatory and compliance risk | Increased compliance costs, operational disruption and regulatory exposure in the event of non-compliance |
| Pollution and emissions risk | Environmental impact arising from electricity consumption, fuel consumption, air emissions and waste generated from operations |
| Production and occupational safety risk | Personal injury, lost working time, project disruption and increased compliance costs |
| Product safety and quality risk | Customer complaints, recalls, claims, regulatory action and reputational impact |
| Climate-related risk | Operational disruption from typhoons and flooding, increased cooling requirements and supply chain changes affecting raw material cost and availability |

**Measures to address ESG risks**

We have adopted measures to address ESG-related risks, including Board oversight, management reporting, compliance monitoring, energy-saving controls, regular vehicle maintenance, route planning, responsible driving practices, waste segregation and recycling, workplace safety protocols, product labelling and quality controls, customer complaint handling procedures and climate-related risk monitoring.

**Consumption of resources**

Our Group consumes energy, water and packaging materials in the course of its operations. Electricity is used across operations, fuel is used for the truck and van fleet, water is used mainly in office and staff facilities and packaging materials are used in connection with finished goods.

To enhance resource efficiency, we have adopted energy-saving measures including zoning of production areas so that lighting and air-conditioning are operated only in designated active areas, removal of excess lighting in certain public areas where safety permits, shutdown of lighting, air-conditioning and electrical appliances in rest areas during non-use periods and closure of non-essential power sources after 6:00 p.m. daily, except where operational requirements require continued use. New employees receive induction training on energy-saving principles and related measures.

We also promote water conservation through reminders at taps and reinforcement of prudent water-use behaviour in daily staff conduct.

**Emission**

Our greenhouse gas emissions arise principally from diesel used in the truck and van fleet and electricity consumption across operations. We also operate a small fleet of trucks and vans and seek to reduce the related environmental impact through regular maintenance, route planning and responsible driving behaviour.

We have also adopted non-hazardous waste handling measures including source segregation, labelled bins, daily collection by licensed contractors and recycling of suitable materials such as paper, plastics and cardboard.

Our Directors confirm that, during FY2025 and FY2026, our Group generated hazardous waste in immaterial amount only.

**Climate change**

We have identified climate-related risks including typhoons and flooding that may disrupt factory operations and logistics, increased cooling requirements in cleanrooms resulting from higher temperatures and longer-term supply chain changes affecting the availability and cost of raw materials. To address such risks, we have implemented energy-saving measures, strengthened resource efficiency and promoted water conservation.

The following table sets forth a summary of climate-related risks and our response measures:

| Type of risk | Potential impact | Response measures |
|---|---|---|
| Acute physical risk | Disruption to factory operations and logistics arising from typhoons and flooding | We have implemented energy-saving measures and strengthened resource efficiency and water conservation. |
| Chronic physical risk | Increased operating expenditure due to higher cooling requirements in cleanrooms | We monitor electricity consumption and have adopted operational energy-saving measures. |
| Transition risk | Increased compliance and disclosure costs resulting from evolving ESG and climate-related disclosure requirements | Senior management reviews annual ESG disclosures and reports periodically to the Board. |

**Employee management**

We believe that employees are important to the operation and development of our Group. We maintain employment policies covering compensation and dismissal procedures, merit-based recruitment and promotion, standard working hours, rest periods, complaint handling and non-discrimination. Our Directors believe that such policies support fair and orderly management of our workforce.

We also provide onboarding and other training programmes and conduct performance evaluations to identify skill gaps and support employee development. During FY2025 and FY2026, the percentage of employees trained was 100% and 100%, respectively, and the average training hours per employee were 12.8 hours and 12.0 hours, respectively.

In relation to labour standards, our Directors confirm that, during FY2025 and FY2026 and up to the Latest Practicable Date, save as disclosed in this document, our Group was not aware of any material breaches or non-compliance with applicable labour-related laws and regulations. We prohibit child labour and forced labour and conduct regular compliance assessments and relevant training in relation to labour practices.

The information of our workforce and employee turnover rate by different categories is set out in the table below:

| Category | FY2025 | FY2026 |
|---|---|---|
| Total workforce | 72 | 84 |
| **By gender** | | |
| Male | 30 | 38 |
| Female | 42 | 46 |
| **By employment type** | | |
| Full time | 69 | 81 |
| Part time | 3 | 3 |
| **By age group** | | |
| Below 31 | 12 | 14 |
| Between 31 and 50 | 41 | 48 |
| Above 50 | 19 | 22 |
| **By geographical region** | | |
| Hong Kong | 72 | 84 |
| **Employee turnover rate (%)** | | |
| **By gender** | | |
| Male | 52 | 38 |
| Female | 59 | 36 |
| **By age group** | | |
| Below 31 | 60 | 54 |
| Between 31 and 50 | 38 | 29 |
| Above 50 | 91 | 44 |
| **By geographical region** | | |
| Hong Kong | 56 | 37 |

**Occupational health and safety**

We place emphasis on the health and safety of our employees. We maintain workplace safety protocols, conduct regular workplace assessments and provide training to staff. Our operating environment is also supported by ISO 13485:2016 certification, ISO 14644-1:2015 Class 7 cleanroom certification and compliance with the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong.

During FY2025 and FY2026, there were no work-related fatalities, although lost work days due to injuries were recorded. Our Directors are of the view that such matter did not have any material impact on our production or operations.

**Supply chain management**

We have established a procurement framework under which suppliers are identified, assessed and selected having regard to operational requirements, supplier and subcontractor background, capabilities, compliance benchmarks and environmental and sustainability considerations. We also conduct periodic evaluations of supplier and subcontractor performance and engage suppliers and subcontractor through assessments, searches and scheduled check-ins.

### Product responsibility

We place emphasis on product quality and product safety. We have adopted policies and procedures relating to product responsibility, including product labelling controls, employee training, risk assessments and customer redress mechanisms. During FY2025 and FY2026 our Group did not experience any material product recall attributable to product safety issues.

### Anti-corruption

We are committed to integrity and honest business conduct. We prohibit bribery, extortion, fraud and money laundering, provide anti-corruption training to employees and maintain confidential whistleblowing channels. During FY2025 and FY2026 and up to the Latest Practicable Date, our Directors were not aware of any concluded legal cases regarding corrupt practices involving our Group.

### Social responsibility

We recognise the importance of contributing to the wider community. During the reporting period, our Group supported universities, research initiatives, mental health organisations, industry associations and community funds. Donation amounts recorded for FY2025 and FY2026 were HK$110,000 and HK$64,000, respectively.

### Environmental protection performance

The following table sets forth selected ESG metrics for FY2025 and FY2026:

| Category | Unit | FY2025 | FY2026 |
|---|---|---|---|
| Scope 1 greenhouse gas emissions | kg | 26,972.4 | 27,051.3 |
| Scope 2 greenhouse gas emissions | kg | 352,514.0 | 326,372.7 |
| Total greenhouse gas emissions | kg | 379,486.4 | 353,424.0 |
| Nitrogen oxides ($NO_x$) | kg | 130.6 | 126.9 |
| Sulphur oxides ($SO_x$) | kg | 0.16 | 0.16 |
| Particulate matter (PM) | kg | 7.2 | 6.7 |
| Non-hazardous waste | kg | 177,840.0 | 178,560.0 |
| Non-hazardous waste intensity | per production unit | 0.01 | 0.01 |
| Total energy consumption | kWh | 601,601.7 | 565,090.4 |
| Energy intensity | per production unit | 0.02 | 0.03 |
| Water consumption | litres | 576,000.0 | 570,000.0 |
| Water intensity | per production unit | 0.02 | 0.03 |
| Packaging material | grams | 1,249,317.9 | 1,055,930.0 |
| Total workforce | number of employees | 72 | 84 |
| Employee turnover rate | % | 56 | 37 |
| Employees trained | % | 100 | 100 |
| Average training hours per employee | hours | 12.8 | 12.0 |
| Products and services related complaints received | number | 14 | 11 |

## ESG TARGETS

Our Group has adopted the following ESG targets:

- to reduce total greenhouse gas emissions by 3% every three years using FY2026 as the baseline year; and
- to reduce total non-hazardous waste generation by 3% over the next three years using FY2026 as the baseline year.

## LEGAL PROCEEDINGS AND COMPLIANCE

### Legal proceedings

Save for the work injury matter described under "Employees" above, as at the Latest Practicable Date, there were no material litigation, arbitration or administrative proceedings pending or threatened against our Group or any of our Directors that could have a material adverse effect on our financial condition or results of operations. We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business.

### Compliance with laws and regulations

Our Directors confirm that we have not experienced any material non-compliance with applicable laws and regulations during our operating history. A previously raised fire safety concern was unrelated to our Group, the relevant matter being the responsibility of the landlord of the affected leased premises.

## RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for establishing and maintaining our risk management and internal control systems and reviewing their effectiveness. Following the **[REDACTED]**, we will continue to enhance our risk management and internal control systems through the following measures:

Independent oversight by our three Independent Non-executive Directors, who provide independent advice and oversight on our governance, risk management and internal controls.

An Audit Committee comprised of our Independent Non-executive Directors, with responsibility for overseeing the financial reporting process, the internal control and risk management systems and the audit process.

Written internal control policies and procedures covering corporate governance, finance and accounting, internal approval and review, with periodic review and Board approval.

Engagement of external professional advisers, including our Compliance Adviser (with effect from the **[REDACTED]**), Hong Kong legal advisers, tax advisers and internal control consultants, to support our compliance and risk management framework and to provide regular training to our employees.