OVERVIEW

Our Group has principally engaged in the manufacturing and sales of hygienic disposables and the sales of hygienic disposable materials for over ten years. The history of our Group traces back to 2014 when Mr. Zhou and Ms. He established our first operating subsidiary, Jiaodian, in February 2014 initially as an OEM of hygienic disposables for local brands of overseas countries. In January 2021, Jiaodian acquired 30.0% equity interest in Yuejian with an aim to engage in the manufacturing and sales of hygienic disposables. In May 2023, Yuejian became a wholly-owned subsidiary of Jiaodian.

After a decade of development, we are positioned as an hygienic disposables manufacturer and sales enterprise that integrates R&D, manufacturing, sales and marketing services. Under the leadership of Mr. Zhou and Ms. He, our Group has expanded the geographical coverage of our products through diversified channels which expanded end-customers reach and strengthened our brand image.

Mr. Zhou and Ms. He have been participating in the day-to-day management and operation of our Group since the establishment of Jiaodian. See "Directors and Senior Management" for details.

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 5 January 2023. Pursuant to the Reorganisation as more particularly described in the paragraph headed "Reorganisation" in this section, our Company has become the holding company of our Group for the purpose of the **[REDACTED]** and holds the entire interest of six subsidiaries, namely, Focus Global, Focus Technology, Happy Medicine Care, HK Yueda, Jiaodian and Yuejian.

Our Directors are of the view that the **[REDACTED]** is strategically beneficial to the long-term development of our Group by enabling us to capture more business opportunities, providing additional avenues to raise capital in the long run and reinforcing our corporate recognition and image. See "Future Plans and **[REDACTED]**" for details.

OUR BUSINESS MILESTONES

The following table sets forth a summary of the major business milestones in our Group's business development:

Year	Event
2014	Jiaodian was established in Quanzhou, Fujian Province, the PRC on 21 February 2014 with its business scope including the sales of baby diapers, baby pull-ups, menstrual pads, adult diapers, adult pull-ups and hygienic disposable materials.
2021	Jiaodian acquired 30% equity interest in Yuejian, and as a result, our Group expanded our business in manufacturing of baby diapers, baby pull-ups, menstrual pads, adult diapers, adult pull-ups and sanitary products materials.
	Yuejian obtained the disinfection product manufacturing enterprises hygiene permit (消毒產品生產企業衛生許可證) for feminine sanitary napkins, urinary pads and diapers, which were issued by Fujian Provincial Health and Family Planning Commission (福建省衛生和計劃生育委員會).
2021 to 2023	Jiaodian acquired the remaining 70.0% equity interest in Yuejian from other shareholders and Yuejian became our wholly-owned subsidiary in May 2023.
2023	Yuejian was recognised as a High and New Technology Enterprise (高新技術企業) by Fujian Provincial Department of Science and Technology (福建省科學技術廳), Fujian Provincial Department of Finance (福建省財政廳), and Fujian Provincial Taxation Bureau of the State Taxation Administration (國家税務總局福建省税務局).

Year	Event
	Yuejian obtained the "Certificate of Medical Devices – Quality Management System" (醫療器械質量管理體系認證) for its medical device quality management system compliance with YY/T 0287–2017 idt ISO 13485:2016, to produce medical sanitary napkins (menstrual pants), diapers, diaper pads, and Class I medical underpads (within the scope of administrative licencing), which was granted by Zhonggan International Certification Co., Ltd. (中贛國際認證有限公司).
	We began to market and sell our feminine care products under our own brand "Veermoon" (薇月) and baby care products under our own brands "Bemoe" (貝姆樂) and "Focus Baby" (焦點寶貝).
2024	Yuejian obtained the certificates of "Medical-Grade Product Certificate" (醫護級產品認證證書) for Blue Cotton (藍棉花) sanitary napkins and Blue Cotton (藍棉花) feminine sanitary pants (super leakage protection period panty (特護抱抱褲)), which were issued by Zhongweian (Beijing) Certification Centre (中衛安(北京)認證中心).
	We began to market and sell our feminine care products under our own brand "Blue Cotton" (藍棉花) and baby care products under our own brands "Cotton Sun" (全棉小時光).
2025	Yuejian obtained the "Certification of Environmental Management System" (環境管理體系認證證書) and "Certification of Quality Management System" (質量管理體系認證證書) from Universe International certification (Shenzhen) Co., Ltd. (寰宇國際認證(深圳)有限公司) for its sales and relevant management activities involving the production of menstrual pads (menstrual pants), diapers conforming with GB/T24001–2016/ISO14001:2015 standard and GB/T19001-2016/ISO9001:2015 standard, respectively.

OUR PRINCIPAL OPERATING ENTITIES

The following table contains brief information of our Company and principal operating subsidiaries as at the Latest Practicable Date:

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Principal business activities
Our Company	Cayman Islands	5 January 2023	Investment holding
Jiaodian	PRC	21 February 2014	Sales of baby diapers, baby pull-ups, menstrual pads, adult diapers, adult pull-ups and hygienic disposable materials
Yuejian	PRC	1 December 2020	Manufacturing and sales of baby diapers, baby pull-ups, menstrual pads, adult diapers, adult pull-ups and hygienic disposable materials

Establishment and shareholding changes of our Company and principal operating subsidiaries before the Reorganisation

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 January 2023 with an authorised share capital of US$10,000 divided into 50,000 ordinary Shares of US$0.20 each. On 29 May 2025, the authorised share capital of our Company was re-denominated and increased from US$10,000 of 50,000 ordinary Shares of US$0.20 each to HK$380,000 of 3,800,000,000 ordinary Shares of HK$0.0001 each. Our Company was registered in Hong Kong under Part 16 of the Companies Ordinance as a non-Hong Kong company on 11 February 2025. Upon completion of the Reorganisation, it became the holding company of our Group with the business conducted through the operating subsidiaries of our Group. See "History, Reorganisation And Corporate Structure – Reorganisation" for details.

Jiaodian

Establishment of Jiaodian

Jiaodian was established as a limited liability company in the PRC on 21 February 2014 with an initial registered capital of RMB1.0 million, which were owned as to RMB0.6 million by Mr. Zhou and RMB0.4 million by Ms. He, representing 60% and 40% of the equity interest in Jiaodian, respectively. The principal business of Jiaodian upon establishment was sales of baby diapers, baby pull-ups, menstrual pads, adult diapers, adult pull-ups and hygienic disposable materials.

Increase in registered capital in 2023

To align the business development of Jiaodian, on 21 December 2023, Jiaodian increased its registered capital from RMB1.0 million to RMB20.0 million and the additional capital contributions of RMB11.4 million and RMB7.6 million were subscribed by Mr. Zhou and Ms. He respectively in proportion to their then respective shareholding. The registered capital in Jiaodian after the increase in registered capital was owned as to RMB12.0 million and RMB8.0 million by Mr. Zhou and Ms. He respectively, representing 60% and 40% of the equity interest in Jiaodian.

Yuejian

Establishment of Yuejian

Yuejian was established as a limited liability company in the PRC on 1 December 2020 with an initial registered capital of RMB30.0 million, which were owned as to RMB18.78 million, RMB7.2 million, RMB2.01 million, RMB1.71 million and RMB0.3 million by Mr. Zhuang Yongfeng (莊永烽), Mr. Huang Zhiqiang (黃志强), Mr. Su Wangsong (蘇旺松), Mr. Li Mujin (李木金) and Mr. Wu Youshui (吳游水), who are all Independent Third Parties (the "**Then Shareholders of Yuejian**"), representing 62.6%, 24.0%, 6.7%, 5.7% and 1.0% of the equity interest in Yuejian, respectively. According to the then applicable Company Law of the PRC and the then articles of association of Yuejian, shareholders can make capital contribution to Yuejian within 20 years after the establishment of Yuejian, thus there were certain then shareholders who had not made any capital contribution to Yuejian. Yuejian and certain of the Then Shareholders of Yuejian were the OEM partners of Jiaodian. Save as disclosed above, to the best knowledge of our Directors, none of the Then Shareholders of Yuejian has any past or present relationships (including, without limitation, business, employment, family, trust, financing, fund flow or otherwise) with our Group, its shareholders, directors, senior management or any of their respective associates. The business scope of Yuejian upon establishment included the manufacturing and sales of sanitary products and disposable medical supplies.

Equity interest transfer in January 2021

In or about 2020, with an aim to establish its own brand, Jiaodian sought to integrate production and sales in order to control product quality by acquiring its then manufacturer, Yuejian. Since (i) the Then Shareholders of Yuejian intended to gradually withdraw from Yuejian; (ii) Mr. Zhou intended to gain full control of Yuejian; (iii) shareholders could make capital contribution to Yuejian within 20 years after its establishment according to the Company Law of the PRC and the articles of association of Yuejian; and (iv) Yuejian had readily available production facilities and manpower, Mr. Zhou decided to invest in Yuejian and was then appointed as the sole director of Yuejian, despite some of the Then Shareholders of Yuejian had not made any capital contribution to Yuejian. Therefore, on 27 January 2021, Jiaodian entered into an equity transfer agreement with Mr. Zhuang Yongfeng, pursuant to which Jiaodian acquired 30% of the equity interest in Yuejian from Mr. Zhuang Yongfeng at nil consideration as (i) Mr. Zhuang Yongfeng has not made any capital contribution to Yuejian for the portion of the equity to be transferred up to the date of transfer; (ii) Yuejian was suffering from an operating loss; and (iii) a result of arm's length negotiations between the parties. Our Directors take the view that such transfers with nil consideration (i) would not cause any material adverse impact on our business, financial condition and results of operations; and (ii) are in compliance with the PRC laws and regulations. Such transfer was registered on 28 January 2021. The registered capital in Yuejian after the above equity interest transfer was owned as to RMB9.78 million, RMB9.0 million, RMB7.2 million, RMB2.01 million, RMB1.71 million and RMB0.3 million by Mr. Zhuang Yongfeng, Jiaodian, Mr. Huang Zhiqiang, Mr. Su Wangsong, Mr. Li Mujin and Mr. Wu Youshui, representing 32.6%, 30.0%, 24.0%, 6.7%, 5.7% and 1.0% of the equity interest in Yuejian, respectively.

On 27 January 2021, the Then Shareholders of Yuejian passed the resolutions to approve the change of sole director of Yuejian from Mr. Wu Youshui to Mr. Zhou.

Equity interest transfers in October 2021

Since Yuejian had an operating loss, Mr. Li Mujin decided to withdraw from Yuejian, while Mr. Su Wangsong decided to reduced his equity stake in Yuejian. On 28 October 2021, Jiaodian entered into an equity transfer agreement with Mr. Li Mujin, pursuant to which Jiaodian acquired 5.7% of the equity interest in Yuejian at a consideration of RMB1.71 million. The consideration was determined with reference to the registered capital already paid up by Mr. Li Mujin in Yuejian at the time of transfer. On the same day, Mr. Su Wangsong entered into an equity transfer agreement with Mr. Zhuang Yongfeng pursuant to which Mr. Zhuang Yongfeng acquired 3.33% of the equity interest in Yuejian at nil consideration as (i) Mr. Su Wangsong has not made any capital contribution to Yuejian up to the date of transfer; (ii) Yuejian was suffering from an operating loss; and (iii) a result of arm's length negotiations between the parties. Our Directors take the view that such transfers with nil consideration (i) would not cause any material adverse impact on our business, financial condition and results of operations; and (ii) are in compliance with the PRC laws and regulations. Such transfers were registered on 29 October 2021. The registered capital in Yuejian after the above equity interest transfers was owned as to RMB10.779 million, RMB10.71 million, RMB7.2 million, RMB1.011 million and RMB0.3 million by Mr. Zhuang Yongfeng, Jiaodian, Mr. Huang Zhiqiang, Mr. Su Wangsong and Mr. Wu Youshui, representing 35.93%, 35.7%, 24.0%, 3.37% and 1.0% of the equity interest in Yuejian, respectively.

Equity interest transfers in May 2022

In 2022, Mr. Huang Zhiqiang, Mr. Su Wangsong and Mr. Wu Youshui decided to withdraw from Yuejian completely as they were looking for other business developments. On 20 May 2022, Jiaodian entered into several equity transfer agreements with Mr. Zhuang Yongfeng, Mr. Huang Zhiqiang, Mr. Su Wangsong and Mr. Wu Youshui, respectively, pursuant to which Jiaodian acquired an aggregate of 3.43%, 24.0%, 3.37% and 1.0% of the equity interest in Yuejian from Mr. Zhuang Yongfeng, Mr. Huang Zhiqiang, Mr. Su Wangsong and Mr. Wu Youshui at a consideration of nil, RMB1.4 million, nil and RMB0.3 million respectively, as (i) Mr. Zhuang Yongfeng has not made any capital contribution for the portion of the equity to be transferred, and Mr. Su Wangsong has not made any actual contribution to Yuejian up to the date of transfer; and (ii) a result of arm's length negotiations between the parties. Our Directors take the view that such transfers with nil consideration (i) would not cause any material adverse impact on our business, financial condition and results of operations; and (ii) are in compliance with the PRC laws and regulations. With the exception of these two people, the consideration was determined with reference to the registered capital already paid up by the transferors to Yuejian in respect of such equity interest up to the date of transfer. Such transfers were registered on 20 May 2022. The registered capital in Yuejian after the above equity interest transfers was owned as to RMB20.25 million and RMB9.75 million by Jiaodian and Mr. Zhuang Yongfeng, representing 67.5% and 32.5% of the equity interest in Yuejian, respectively.

Equity interest transfer in May 2023

As Mr. Zhuang Yongfeng was mindful of the costs needed for overseas **[REDACTED]**, Mr. Zhuang Yongfeng decided to withdraw from Yuejian. On 29 May 2023, Jiaodian entered into an equity transfer agreement with Mr. Zhuang Yongfeng pursuant to which Jiaodian acquired remaining 32.5% of the equity interest in Yuejian from Mr. Zhuang Yongfeng at a consideration of approximately RMB3.52 million. Such transfer was registered on 30 May 2023. The consideration was determined after arm's length negotiation between the parties with reference to the paid-up capital in Yuejian at the time of transfer. The registered capital in Yuejian after the above equity interest transfers was owned as to RMB30.0 million by Jiaodian, representing 100% of the equity interest in Yuejian.

On 5 July 2024, all RMB30.0 million share capital of Yuejian was paid up. As advised by our PRC Legal Advisers, the various transfers of equity interests in Yuejian have complied with the applicable PRC laws and regulations.

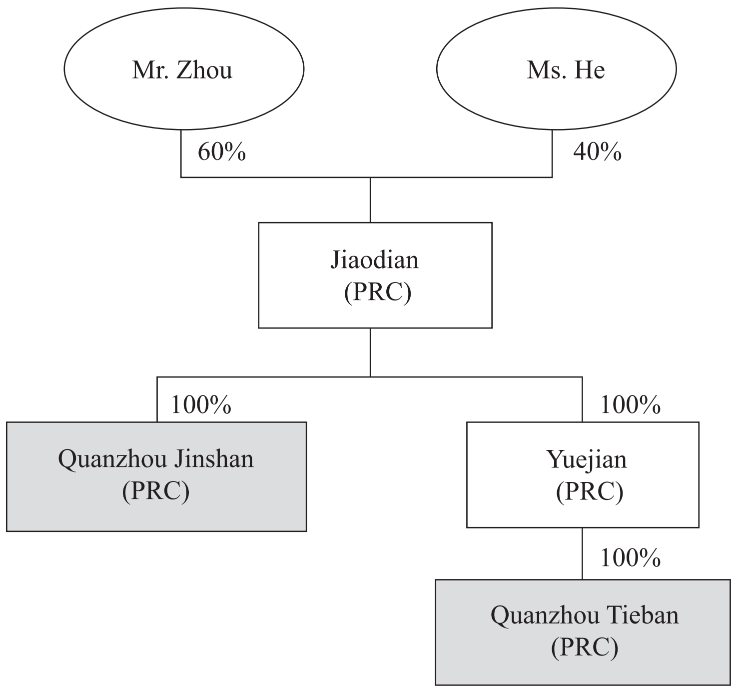
Consolidation of Yuejian into our Group

Given that, notwithstanding our Group did not hold majority registered capital in Yuejian prior to the completion of equity interest transfers on 20 May 2022, our Group contributed a majority of paid-up capital of Yuejian since 28 October 2021, and therefore our Group has majority voting rights in shareholders' meeting of Yuejian and the right to appoint the sole director of Yuejian to direct operating and financing decision making activities of Yuejian, our Directors concluded that our Group has obtained control over Yuejian as it has power over Yuejian from its majority voting rights, and our Group is exposed, or has rights, to variable returns from its involvement with Yuejian and has the ability to affect those returns through its power over Yuejian since 28 October 2021. Accordingly, our Group has combined the relevant financial information of Yuejian and accounted for its allocation of results and residual interests on Yuejian and relative non-controlling interests in Yuejian in proportion to their respective actual paid-up capital contribution in Yuejian for the Track Record Period. For further details regarding the accounting policy relating to the consolidation of Yuejian into our Group, please refer to "Merger accounting for business combination involving entities under common control" in note 3 to the Accountants' Report in Appendix I to this document.

As our Group has combined the relevant financial information of Yuejian since the commencement of the Track Record Period, therefore the acquisition of Yuejian does not fall under Rule 4.05A of the Listing Rules.

REORGANISATION

In preparation for the **[REDACTED]**, our Group carried out the following restructuring steps for the purpose of establishing our corporate structure. Our corporate and shareholding structure before the Reorganisation are set forth below:-



Former subsidiaries of our Company that have been voluntarily deregistered, see "Step 3. Deregistration of Quanzhou Jinshan and Quanzhou Tieban" for more details

The principal steps of the Reorganisation are as follows:

Step 1. Incorporation of Wansheng and Wanrong

Wansheng was incorporated in the BVI with limited liability on 29 November 2022 and was authorised to issue a maximum of 50,000 shares of one class with a par value of US$0.20 each. On the same day, 50,000 shares of Wansheng were allotted and issued to Mr. Zhou.

Wanrong was incorporated in the BVI with limited liability on 29 November 2022 and was authorised to issue a maximum of 50,000 shares of one class with a par value of US$0.20 each. On the same day, 50,000 shares of Wanrong were allotted and issued to Ms. He.

Step 2. Incorporation of our Company, Focus Global and Focus Technology

For the purpose of the **[REDACTED]**, our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability and was authorised to issue a maximum of 50,000 shares of one class with a par value of US$0.20 each, of which 40,000 Shares and 10,000 Shares were allotted and issued to Wansheng and Wanrong, respectively. Subsequently, on 4 April 2023, 10,000 Shares were transferred from Wansheng to Wanrong. Our Company was then owned as to 60% and 40% by Wansheng and Wanrong, respectively.

Focus Global was incorporated in the BVI with limited liability on 2 February 2023 and was authorised to issue a maximum of 50,000 shares of one class with a par value of US$0.20 each. On the same day, 50,000 shares of Focus Global were allotted and issued to our Company. Focus Global became a direct wholly-owned subsidiary of our Company.

Focus Technology was incorporated in Hong Kong with limited liability on 2 March 2023. On the date of its incorporation, Focus Technology allotted and issued 10,000 ordinary shares as fully paid to Focus Global. Focus Technology became an indirect wholly-owned subsidiary of our Company.

Step 3. Deregistration of Quanzhou Jinshan and Quanzhou Tieban

We deregistered Quanzhou Jinshan and Quanzhou Tieban (collectively, the "**Deregistered Subsidiaries**") in 2023 and 2024, respectively, and details of which are summarised as below. As part of our Group's plan to streamline our business operations and optimise the allocation of our resources, Quanzhou Jinshan and Quanzhou Tieban, which had limited operation since their establishments, were deregistered on 7 March 2023 and 17 January 2024, respectively.

As advised by our PRC Legal Advisers, (i) the deregistration of each of the Deregistered Subsidiaries was lawful, valid and in compliance with the relevant PRC legal requirements; (ii) each of the Deregistered Subsidiaries had not been involved in any material claim, complaint, investigation or litigation immediately prior to their respective deregistration; and (iii) there was not any material non-compliance, administrative fine or penalty against the Deregistered Subsidiaries immediately prior to their respective deregistration. To the best of our Directors' understanding, our Directors confirmed that (i) each of the Deregistered Subsidiaries was solvent and there were no undischarged outstanding liabilities immediately before deregistration; and (ii) the deregistration of the Deregistered Subsidiaries had no material adverse impact on our financial performance and business operation.

No.	Entity	Business scope immediately prior to the deregistration	% of shareholding owned by our Group immediately prior to the deregistration	Registered capital	Date of establishment	Date of deregistration
1.	Quanzhou Jinshan	Investment in the manufacturing, wholesale and retail, education, real estate, accommodation and catering, construction, leasing and business services, information technology services, and health and social work industries.	100%	RMB1,000,000	7 November 2019	7 March 2023
2.	Quanzhou Tieban	Software development; information system integration services; information technology consulting services; data processing and storage support services; professional design services; cosmetics wholesale; cosmetics retail; personal hygiene products sales; daily necessities sales; retail of home appliances; sales of household electrical appliances; retail of kitchenware ware and daily miscellaneous goods; sales of daily miscellaneous goods; internet sales (excluding the sale of goods that require permits); sales of Class I medical devices; technology import and export; goods import and export; import and export agency; domestic trade agency.	100%	RMB8,337,000	17 May 2019	17 January 2024

Step 4. [REDACTED] Investment in Jiaodian

Pursuant to the capital increase and equity enlargement agreement (增資擴股協議) (the "**Capital Increase Agreement**") dated 30 September 2024 entered into among Mr. Zhou, Ms. He and HK Yueda, Jiaodian proposed to increase its registered capital from RMB20.0 million to RMB20.2 million and allot and issue approximately 1% of its enlarged equity interest to HK Yueda at a consideration of RMB1.91 million. The consideration of the Capital Increase Agreement was determined after arm's-length negotiation between the parties, with reference to the valuation of 100% equity interest of Jiaodian of approximately RMB191.3 million as at 31 December 2023 pursuant to the valuation report prepared by an independent valuer. Income approach (also named as discounted future earnings approach) was adopted for the valuation for the following reasons, (1) the valuation was conducted primarily for the purpose of introducing Mr. Hung, who is an external third party investor and the **[REDACTED]** Investor, to our Group; and (2) Mr. Hung was optimistic about the development and future prospects of the industry of our Group's worth based on forecasted future earnings. Therefore, the independent valuer was of the view that income approach, focusing on potential output and estimated growth in the net profit, better aligns with the parties' intention. Jiaodian applied to the Market Supervision and Administration Bureau of Nan'an City and subsequently was registered as a sino-foreign equity joint venture enterprise on 11 October 2024.

HK Yueda is a company wholly owned by Happy Medicine Care, which in turn is wholly owned by Centrum. Centrum is an investment holding company wholly owned by Mr. Hung. As Mr. Hung considered himself being not familiar with the manufacturing and sales of hygienic disposables and the sales of hygienic disposable materials, he preferred to remain as a passive investor with no involvement in our Group's managements and operations. For further details, please refer to "**[REDACTED]** Investment" in this section.

Step 5. Acquisition of 99% equity interest in Jiaodian by our Company

Pursuant to the equity transfer agreements (the "**Equity Transfer Agreements**") dated 19 December 2024 entered into between Mr. Zhou, Ms. He and Focus Technology, respectively, each of Mr. Zhou and Ms. He agreed to transfer 59.4% and 39.6% in Jiaodian to Focus Technology for a consideration of approximately RMB19.95 million and RMB13.3 million, respectively. The considerations of the Equity Transfer Agreements were determined with reference to the valuation of 100% equity interest of Jiaodian of approximately RMB33.59 million as at 30 June 2024 pursuant to the valuation report prepared by an independent valuer. The valuation was determined based on the assets approach since the independent valuer was of the view that, (1) the valuation was conducted for the purpose of Reorganisation to allow Focus Technology to be the holding entity of Jiaodian; (2) effectively, there was no change in ultimate beneficial ownership in Jiaodian; and (3) assets approach can reflect the value of Jiaodian as at the date of the valuation report. Therefore, the independent valuer was of the view that assets approach was more suitable to determine the valuation of Jiaodian.

Step 6. Share swap between Centrum and our Company

As part of the arrangements under the **[REDACTED]** Investment and as part of the Reorganisation, pursuant to the share swap agreement dated 11 June 2025 entered into between our Company and Centrum (the "**Share Swap Agreement**"), Centrum agreed to transfer the entire issued share capital of Happy Medicine Care to our Company in consideration of issuance of 500 Shares by our Company to Centrum which represents approximately 1% of the entire issued shares of our Company. Immediately after completion of such share swap on 11 June 2025, Happy Medicine Care and HK Yueda became wholly-owned subsidiaries of our Company. See "History, Reorganisation And Corporate Structure – **[REDACTED]** Investment" for details.

[REDACTED] INVESTMENT

The following table summarises the details of the investment by the **[REDACTED]** Investor:

Name of the [REDACTED] Investor	**Mr. Hung Po (洪波)**
Information of the [REDACTED] Investor	Mr. Hung is an individual investor who specialises in land, real property, mining and business valuation in PRC, Hong Kong and overseas, for the purposes of auditing, initial public offering on the Stock Exchange and circular and announcement in compliance with Listing Rules. He is currently the managing director of AP Appraisal Limited, a company specialising in providing valuation and professional consultancy services for companies listed on the Stock Exchange. Before joining AP Appraisal Limited, he worked as an associate director in CBRE Ltd. and a business valuer in Savills Valuation and Professional Services Limited and was responsible for the business valuation in the PRC and Hong Kong. Mr. Hung has over 10 years' experience on valuation of mineral resources projects in Hong Kong and the PRC. Mr. Hung obtained his bachelor's degree in banking and finance from the University of Canberra in July 2001 and his doctoral's degree in Enterprise Management from Wuhan University in May 2014. Mr. Hung has been a certified business appraiser, Institute of Business Appraisers of United States since 2004, an accredited senior appraiser of the American Society of Appraisers since 2009, a member of the Australasian Institute of Mining and Metallurgy since 2011, a professional member of the Geological Society of America since 2011, a professional member of the Society for Mining, Metallurgy and Exploration since 2011, a member of the Society of Petrophysicists and Well Log Analysts since 2011, a registered surveyor and member of Royal Institution of Chartered Surveyors since 2012 and a member of the Canadian Institute of Mining, Metallurgy, and Petroleum since 2012. To the best of our Directors' knowledge, Mr. Hung is an Independent Third Party. Mr. Hung first became acquainted with Mr. Zhou through a foreign trade expo. In 2024, Mr. Hung came to know about the potential **[REDACTED]** Investment opportunity through Mr. Zhou. Mr. Hung, being a competent valuer, is confident in our Group's potential business growth and decided to participate in the **[REDACTED]** Investment. Our Directors believe that the investment by Mr. Hung demonstrates his confidence in our Group and serves as an endorsement of our Group's performance, strength and prospects.

Strategic benefits of the [REDACTED] Investor brought to our Company	Our Directors believe that the **[REDACTED]** Investor does not only diversify the shareholders' portfolio of our Group, but also has demonstrated his confidence in the operation of our Group which serves as an endorsement of our performance, strength and future business prospects, which may broaden our shareholding base through introduction of investors with diversified background. Taking into account his experience as a professional appraiser, our Directors believe that the **[REDACTED]** Investment could create a synergistic effect to the future development of our Company. While the **[REDACTED]** Investor would not take part in our day-to-day management, our Directors believe that, leveraging on his knowledge, experience and business networks in various valuation projects in the PRC, Hong Kong and overseas, the **[REDACTED]** Investor will provide strategic input in our business strategies, management and general corporate governance practises of our Company and improvement of the overall corporate strategies, financial reporting, internal control and risk management policies of our Company.
Details of investment and date of investment	Pursuant to the Capital Increase Agreement dated 30 September 2024, Jiaodian increased its registered capital from RMB20.0 million to RMB20.2 million and allotted and issued approximately 1% of its enlarged equity interest to HK Yueda at a consideration of RMB1.91 million. HK Yueda is indirectly wholly-owned by Mr. Hung. As part of the Reorganisation, pursuant to the Share Swap Agreement dated 11 June 2025, Centrum transferred the entire issued share capital of Happy Medicine Care to our Company in consideration of issuance of 500 Shares by our Company to Centrum, which represents approximately 1% of the entire issued shares of our Company. Upon completion of the aforesaid share swap on 11 June 2025, Mr. Hung, through Centrum, held approximately 1% of the entire issued share capital of our Company, and each of Happy Medicine Care and HK Yueda has become a wholly-owned subsidiary of our Company. See "History, Reorganisation And Corporate Structure – Reorganisation" for details.
Amount of consideration	HKD equivalent of RMB1.91 million (i.e. HKD2.06 million)
Basis of determination of the consideration	The consideration was determined with reference to the valuation of 100% equity interest of Jiaodian of approximately RMB191.3 million as at 31 December 2023 pursuant to a valuation report prepared by an independent valuer.
Settlement date of consideration	Payment of consideration received on 9 May 2025.
Number of Shares subscribed	500 Shares (representing approximately 1% of the entire issued share capital of our Company at the time of the **[REDACTED]** Investment).

Number of Shares held by the [REDACTED] Investor upon completion of the [REDACTED] and the [REDACTED]	**[REDACTED]** Shares ((i) representing approximately 1% of the entire issued share capital of our Company upon the completion of the **[REDACTED]** but without taking into account the new Shares to be issued pursuant to the **[REDACTED]**; and (ii) representing approximately **[REDACTED]**% of the issued share capital of our Company upon completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and taking into no account of the Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme)).
Cost per Share paid by the [REDACTED] Investor (taking into account the [REDACTED])	Approximately HK$**[REDACTED]** (representing a discount of approximately **[REDACTED]**% to the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]**).
Special rights	Nil
Lock-up	The terms of the Capital Increase Agreement and the Share Swap Agreement did not impose any lock-up obligations over the Shares.
Public Float	The Shares held by the **[REDACTED]** Investor are considered as part of the public float for the purpose of Rule 8.24 of the Listing Rules as (i) the **[REDACTED]** Investor is not a director, chief executive or substantial shareholder of our Company or its subsidiaries or a close associate of any of them (the "**Non-Public Shareholders**"); (ii) the acquisition of the Shares by the **[REDACTED]** Investor was not financed by the Non-Public Shareholders; and (iii) the **[REDACTED]** Investor is not accustomed to taking instructions from a Non-Public Shareholder for the voting or dispositions in respect of the Shares held by the **[REDACTED]** Investor.
Use of proceeds	We utilised the proceeds from the **[REDACTED]** Investment to increase the registered capital and capital reserves of Jiaodian for the long-term development and operation of our Group. As at the Latest Practicable Date, the net proceeds received by us from the **[REDACTED]** Investment had been fully utilised.

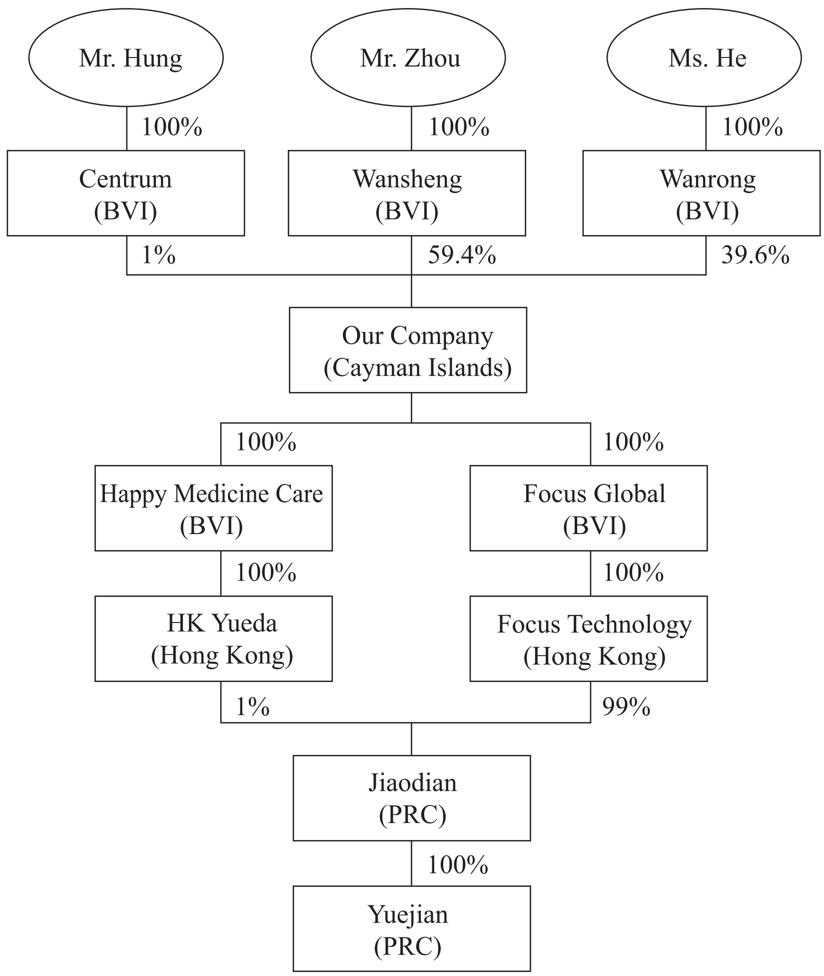
Save as the **[REDACTED]** Investment, the **[REDACTED]** Investor was not involved in and did not have any role in the operation nor the proposed **[REDACTED]** of our Group up to the Latest Practicable Date. To the best of our Directors' knowledge, information and belief and having made all reasonable enquiries, the **[REDACTED]** Investor invested in our Group because he appreciates the prospects and potential growth of our Group. Save for the **[REDACTED]** Investment, the **[REDACTED]** Investor did not have any past or present relationships (including, without limitation, family, trust, business, employment relationships) or any agreements, arrangements, understanding or undertakings with our Company, our subsidiaries, Shareholders, Directors or senior management and any of their respective associates and is an Independent Third Party as at the Latest Practicable Date. As the **[REDACTED]** Investor is not a core connected person of our Company, the Shares held by him will be counted towards the public float after the **[REDACTED]**.

Sole Sponsor's confirmation

After reviewing the terms of the Capital Increase Agreement and on the basis that (i) our Directors confirmed that the terms of the **[REDACTED]** Investment (including the consideration) were determined on arm's length basis; and (ii) the **[REDACTED]** Investment was completed more than 28 clear days before the date of the first submission of the application for the **[REDACTED]**, the Sole Sponsor confirms that the **[REDACTED]** Investment is in compliance with Chapter 4.2 of the Guide.

Corporate structure of our Group immediately after the Reorganisation

The following chart sets forth our corporate and shareholding structure immediately after the Reorganisation:

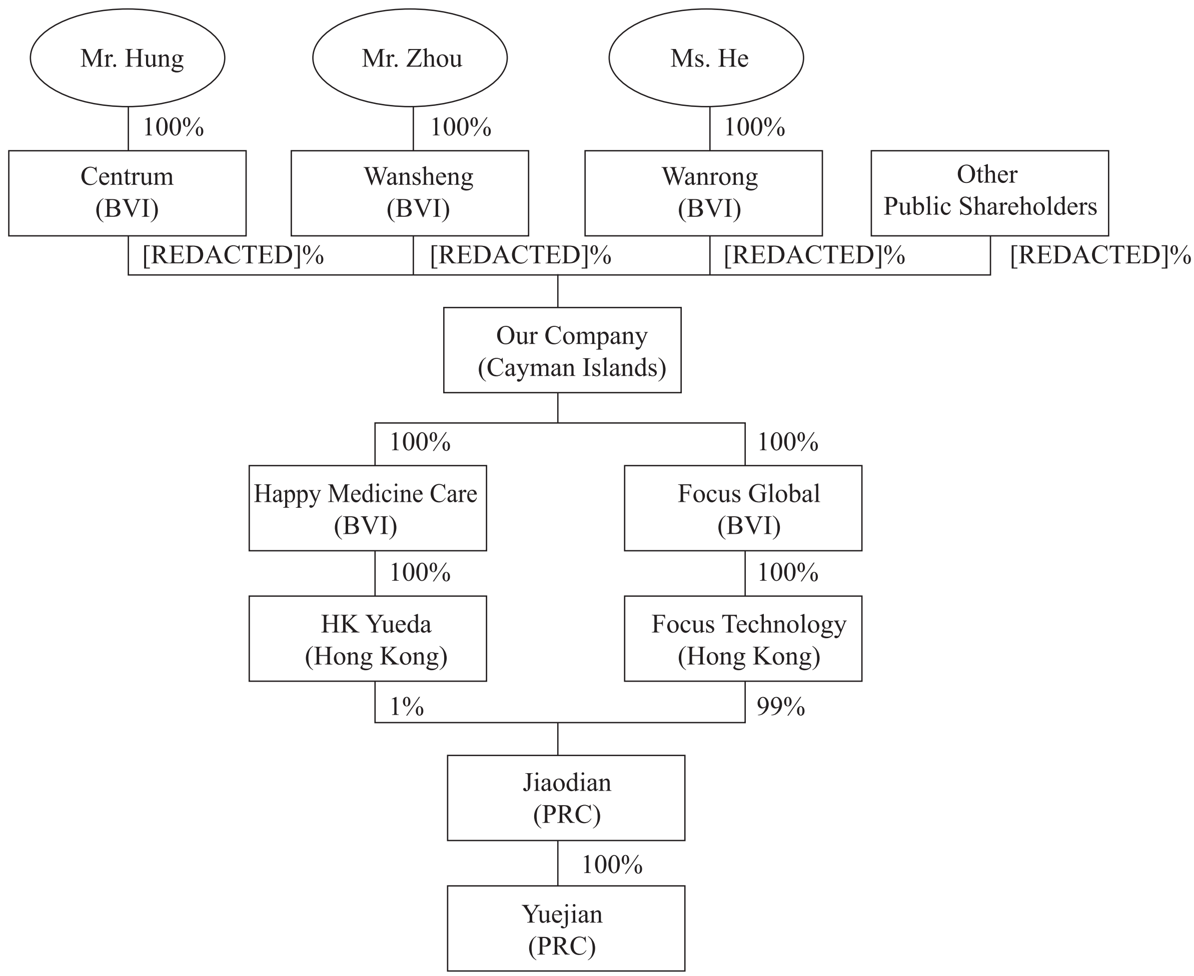


[REDACTED]

Conditional upon the crediting of our Company's share premium account as a result of the new issue of Shares pursuant to the **[REDACTED]**, an amount of HK$**[REDACTED]** standing to the credit of the share premium account of our Company will be capitalised by applying such sum to pay up in full at par a total of **[REDACTED]** Shares to be allotted and issued to Wansheng, Wanrong and Centrum, in proportion (as nearly as possible without involving fractions) to their then respective shareholding percentage in our Company, so that the number of Shares so allotted and issued (the "**[REDACTED]**"), when aggregated with the number of Shares already owned by them, will constitute **[REDACTED]**% of the issued share capital of our Company immediately after completion of the **[REDACTED]** and the **[REDACTED]** (without taking into account any Shares which may be allotted and issued upon exercise of the options which may be granted under the Share Option Scheme).

Corporate structure of our Group upon [REDACTED]

The shareholding and corporate structure of our Group upon **[REDACTED]** (without taking into account any shares of our Company which may be issued upon exercise of the **[REDACTED]** or the options under the Share Option Scheme) is set out in the below diagram:



PUBLIC FLOAT

The Shares held by Mr. Zhou and Ms. He, our Controlling Shareholders and executive Directors, representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), will not be counted towards public float. As at the Latest Practicable Date, Mr. Zhou and Ms. He did not enter into any acting-in-concert agreement.

Save as disclosed above, no other Shareholder is a core connected person of our Company as defined in the Listing Rules. Therefore, the Shares held by the other Shareholders (including the Shareholders participating in the **[REDACTED]**), representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), will count towards the public float for the purposes of Rule 8.08 of the Listing Rules.

Free Float

Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which **[REDACTED]** is sought by a new applicant that are held by the public and available for trading upon **[REDACTED]**. This will normally mean that the portion of the class of shares for which **[REDACTED]** is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of **[REDACTED]** must (i) represent at least 10% of the total number of issued Shares in the class of shares for which **[REDACTED]** is sought (excluding treasury shares), with an expected market value at the time of **[REDACTED]** of not less than HK$50,000,000; or (ii) have an expected market value at the time of **[REDACTED]** of not less than HK$600,000,000.

On the basis that (i) no **[REDACTED]** will be allocated under the **[REDACTED]** to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, (ii) all Shares to be issued to the cornerstone investors (if any) and (iii) all Shares held by existing Shareholders are subject to lock-up undertakings and therefore are excluded for the purpose of satisfying the free float requirement (assuming the **[REDACTED]** are not exercised) and based on the **[REDACTED]** of HK$**[REDACTED]** or HK$**[REDACTED]**, upon completion of the **[REDACTED]**, it is expected that **[REDACTED]** Shares, with an expected market value at the time of **[REDACTED]** of approximately HK$**[REDACTED]** or HK$**[REDACTED]** respectively, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the **[REDACTED]**. Accordingly, the Company will satisfy the free float requirement under Rule 8.08A of the Listing Rules.

RULES ON THE MERGERS AND ACQUISITIONS OF DOMESTIC ENTERPRISES BY FOREIGN INVESTORS IN THE PRC

According to the "Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors" (《關於外國投資者併購境內企業的規定》) (the "**Circular No. 10**"), jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), SAT, CSRC, SAMR and SAFE on 8 August 2006 and effective as at 8 September 2006 and amended by MOFCOM on 22 June 2009, where a domestic company, enterprise or natural person intends to acquire its or his or her related domestic company in the name of an offshore company which it or he or she lawfully established or controls such that it becomes a foreign invested enterprise, the acquisition shall be subject to the examination and approval of the MOFCOM. As advised by our PRC Legal Advisers, as Jiaodian is a sino-foreign equity joint venture enterprise upon the equity interest transfer from Mr. Zhou and Ms. He to Focus Technology, not a domestic company as defined in Circular No. 10, our restructuring and reorganisation corporate actions were not subject to Article 11 of the Circular No. 10.

CSRC FILING

On 17 February 2023, the CSRC promulgated the Overseas Listing Trial Measures and relevant supporting guidelines, which has come into effect on 31 March 2023. As advised by our PRC Legal Advisers, based on the Overseas Listing Trial Measures and relevant notices, our Directors are of the view that we are required to submit the filings with CSRC in accordance with the Overseas Listing Trial Measures and relevant notices. On [•], the CSRC issued a notification on our completion of the PRC filing procedures for the **[REDACTED]** of our Shares on the Stock Exchange. As advised by our PRC Legal Advisers, no other approvals from the CSRC are required to be obtained for the **[REDACTED]** of our Shares on the Stock Exchange. See "Regulatory Overview – Regulations on Overseas Securities Offering and **[REDACTED]** by Domestic Companies" for details.

SAFE REGISTRATION

According to the Circular on Relevant Issues Relating to Domestic Residents' Investment and Financing and Round-Trip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular No. 37**") issued by SAFE on 4 July 2014, where domestic individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. A "domestic individual resident" refers to a Chinese citizen who holds a Chinese domestic resident, military or armed police ID card, as well as any overseas individual who has no legal identity documents within the territory of the PRC but habitually resides within the territory of the PRC for reasons of economic interest. Pursuant to the Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related in Foreign Exchange Administration Policies (《國家外滙管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular No. 13**"), promulgated on 13 February 2015 by SAFE and which became effective on 1 June 2015, the power to accept SAFE registration was delegated from local SAFE branch to local banks where the assets or interests in the domestic entity were located. Our PRC Legal Advisers confirmed that Mr. Zhou and Ms. He, our Controlling Shareholders, who are PRC residents, have completed the registration on 1 November 2024, according to the SAFE Circular No. 37 and the SAFE Circular No. 13.