FUTURE PLANS AND USE OF [REDACTED]

The aggregate net **[REDACTED]** to our Company from the **[REDACTED]** (after deducting **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]**):

	Assuming the [REDACTED] is not exercised	**Assuming the [REDACTED] is exercised in full**
Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the **[REDACTED]** range stated in the section headed "Summary – **[REDACTED]** Statistics" to this document)	Approximately HK$**[REDACTED]**	Approximately HK$**[REDACTED]**
Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the high end of the **[REDACTED]** range stated in the section headed "Summary – **[REDACTED]** Statistics" to this document)	Approximately HK$**[REDACTED]**	Approximately HK$**[REDACTED]**
Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low end of the **[REDACTED]** range stated in the section headed "Summary – **[REDACTED]** Statistics" to this document)	Approximately HK$**[REDACTED]**	Approximately HK$**[REDACTED]**

We estimate that the aggregate net **[REDACTED]** to our Company from the **[REDACTED]** (after deducting **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** payable by us and assuming that there is no exercise of the **[REDACTED]** and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range stated in the section headed "Summary – **[REDACTED]** Statistics" to this document) will be approximately HK$**[REDACTED]**. We currently intend to apply such net **[REDACTED]** for the following purposes subject to changes in light of our evolving business needs and changing market conditions:

(a) Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] will be used for acquisition of land and the construction of new production facility. The breakdown of the intended use of net **[REDACTED]** is set out below:

- approximately [**[REDACTED]**% or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be allocated for land acquisition, being the estimated cost of acquiring approximately 80,000 square metres of industrial land at Xintang Subdistrict, Jinjiang (晉江市新塘街道); and

- approximately [**[REDACTED]**% or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used for the construction of a new production workshop with an estimated gross floor area of approximately 200,000 square metres, which will include a 300,000-class cleanroom designed to meet the hygiene and quality standards required for the manufacturing of baby care, feminine care and adult care products. The estimated construction cost is based on cost estimates, comprising civil works, cleanroom HVAC systems, and interior fit-out.

As the old production facility does not have sufficient space to accommodate the new machines, after the decoration of the new production facility is completed, we will relocate the existing production lines to the new production facility.

Although a 300,000-class cleanroom production workshop is a PRC standard for cleanroom and associated controlled environments, but not a mandatory requirement and industry standard for baby care and feminine care production and is not specifically required by relevant regulatory authorities, we have decided to construct such a facility as part of our long-term strategic development plan.

The 300,000-class cleanroom production workshop is designed to enhance product quality and safety by reducing the risk of microbial contamination and minimise foreign matter intrusion. It also helps stabilize the production process by minimizing static interference, thereby improving product qualification rates and strengthening brand image and consumer trust.

In addition, the 300,000-class cleanroom production workshop provides regulatory and certification advantages for production, positioning us to better meet the hygiene and quality standards required by overseas markets, including Europe, Southeast Asia, and other regions as well.

For details of the expected timeline and key milestones for enhancing and expanding our production capacity, please refer to the subsection headed "Business – Expansion Plans – The new facility and production lines" in this document.

(b) Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used for purchasing new equipment/production lines.

- Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used for purchasing two baby diapers production lines; and

- Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used for purchasing two disposable period underwears production lines.

- Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used for purchasing one adults pull-ups production line.

The production of baby care, feminine care products and adult care products typically relies on highly customized and integrated automated production lines. Unlike general-purpose machinery, these production lines are designed and manufactured based on our specific product specifications, process flows, and customer requirements. As such, there are no standard components or standalone equipment in the conventional sense.

In addition, although the Company ceased its proprietary "Tieban" adult incontinence brand in May 2024, it continues to manufacture adult incontinence products on an OEM basis for third-party customers. Revenue from adult incontinence products increased from approximately RMB15.1 million in FY2023 to RMB32.8 million in FY2025, and the additional production line is intended to service this growing OEM demand.

Our new production lines can be broadly categorized into the following segments:

- Raw Material Feeding System: Including Automatic feeding machines and unwinding racks for non-woven fabrics, SAP, and hot melt adhesives.

- Main Production System: Comprising core forming machines for diapers and sanitary products, with modular design based on product structures.

- Online Inspection and Quality Control System: Equipped with defect rejection devices and real-time inspection systems to ensure product quality and consistency.

- Packaging System: Including automatic counting and stacking machines, as well as automatic packaging machines capable of handling both single-pack and multi-pack formats.

All equipment will be designed, manufactured, and commissioned by specialized machinery suppliers in accordance with our technical specifications. The total estimated investment per production line varies depending on the configuration and level of automation.

(c) Approximately [**[REDACTED]**% or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used to enhance brand promotion through diversified marketing initiatives. To elevate brand visibility and capture a larger market share, we will invest in our promotional activities, including (i) traditional offline advertising, (ii) short videos and social media platforms, and (iii) brand collaboration and intellectual property licensing initiatives.

(d) Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used to improve operating efficiency through the following initiatives:

- approximately [**[REDACTED]**% or HK$**[REDACTED]**] for the construction of a 5G-enabled intelligent automated warehouse facility, designed to increase storage capacity by approximately 3 to 5 times and improve inbound/outbound logistics efficiency by approximately 60% or more;

- approximately [**[REDACTED]**% or HK$**[REDACTED]**] for the implementation of 5G-enabled smart manufacturing systems at our production facility, including automated production line monitoring, predictive maintenance, and real-time quality inspection; and

- approximately [**[REDACTED]**% or HK$**[REDACTED]**] for IT infrastructure upgrades, including an integrated ERP system, production monitoring and quality control systems, cloud-based data management platforms, and upgrading hardware infrastructure.

(e) Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]**, will be used for R&D. This initiative will include (i) the development of new product lines; (ii) the improvement of existing production processes; and (iii) the recruitment of additional R&D personnel and expansion of laboratory facilities.

(f) Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]** will be used for potential strategic investments or acquisitions that are complementary to our existing business, including: (i) the acquisition of complementary brands in the hygienic disposables or personal care sector; (ii) vertical integration through the acquisition of upstream raw material suppliers; and/or (iii) strategic equity investments in companies with proprietary technology in the hygiene products sector. As at the Latest Practicable Date, the Company has not entered into any binding agreement, letter of intent, or memorandum of understanding in respect of any acquisition or strategic investment.

(g) Approximately [**[REDACTED]**%, or HK$**[REDACTED]**] of the net **[REDACTED]** from the **[REDACTED]**, will be used for working capital and other general corporate purposes.

To the extent that our net **[REDACTED]** are not sufficient to satisfy the working capital requirements for the purpose set forth above, we intend to fund the shortfall through a variety of means, including cash generated from operations and bank financing.

If the **[REDACTED]** is fixed at the high end of the indicative **[REDACTED]** range, being HK$**[REDACTED]** per **[REDACTED]**, the net **[REDACTED]** to be received from the **[REDACTED]** will increase to approximately HK$**[REDACTED]**[(1)] (assuming that there is no exercise of the **[REDACTED]**). Our Group intends to apply the additional net **[REDACTED]** for the above purposes on a pro-rata basis. If the **[REDACTED]** is set at the low end of the indicative **[REDACTED]** range, being HK$**[REDACTED]** per **[REDACTED]**, the net **[REDACTED]** to be received from the **[REDACTED]** will decrease to approximately HK$**[REDACTED]**[(1)] (assuming that there is no exercise of the **[REDACTED]**). Our Group intends to reduce the net **[REDACTED]** for the above purposes on a pro-rata basis.

If the **[REDACTED]** is exercised in full, our Group estimates that the additional net **[REDACTED]** from the **[REDACTED]** of these additional Shares to be received by our Group, after deducting **[REDACTED]** fees and estimated expenses payable by it, will be approximately (i) HK$**[REDACTED]**(1), assuming the **[REDACTED]** is fixed at the high end of the indicative **[REDACTED]** range, being HK$**[REDACTED]** per **[REDACTED]**; (ii) HK$**[REDACTED]**(1), assuming the **[REDACTED]** is fixed at the mid-point of the indicative **[REDACTED]** range, being HK$**[REDACTED]** per **[REDACTED]**; and (iii) HK$**[REDACTED]**, assuming the **[REDACTED]** is fixed at the low end of the indicative **[REDACTED]** range, being HK$**[REDACTED]** per **[REDACTED]**. Any additional **[REDACTED]** to be received by our Group from the exercise of the **[REDACTED]** will also be allocated to the above purposes on a pro-rata basis. To the extent that the net **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, our Group intends to deposit the net **[REDACTED]** into short-term demand deposits with authorised financial institutions and/or licenced banks in Hong Kong.

Note:

(1) This amount is calculated assuming a **[REDACTED]** of **[REDACTED]**% is payable by our Company to **[REDACTED]** **[REDACTED]** and **[REDACTED]**.

To the extent that the net **[REDACTED]** are not immediately applied to the above purposes, and to the extent permitted by applicable laws and regulations, we will deposit the net **[REDACTED]** only into short-term interest-bearing accounts at licenced commercial banks and/or other authorized financial institutions (as defined under the SFO or other applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to any of the above proposed use of **[REDACTED]**.

REASONS FOR THE [REDACTED] AND THE [REDACTED]

We intend to raise funds by the **[REDACTED]** in order to facilitate the implementation of our business strategies which we deem necessary for our Group's long-term development.

Enhancing and expanding our production capacity

Our hygienic disposables, including baby care and disposable period underwear products, are key revenue drivers during the Track Record Period. As production capacity is nearing its limit, the net **[REDACTED]** from the **[REDACTED]** will be used to expand production facilities and improve operational efficiency, supporting the sustainable development of our business in line with our strategic plans.

Long-term capital needs

Although we had cash and cash equivalents of approximately RMB17.8 million as at 31 January 2026 and unutilised short-term revolving loan facilities, our Directors consider such resources sufficient only for working capital purposes and inadequate for our long-term expansion plans. In view of growing demand for our sanitary products and the near full utilisation of our production lines, additional long term capital is required to expand our production facilities.

Limitations of debt financing

Although we considered debt financing, including finance leases and bank loans, such funding was assessed to be insufficient for our expansion plan and would impose significant financial burdens due to requirements such as upfront deposits and retention monies. In addition, it is uncommon for a non listed company of our size to obtain adequate long term debt to finance such expansion.

Enhancing our corporate profile and brand awareness and increasing our competitiveness

Our Directors believe that a public **[REDACTED]** will enhance our corporate profile, brand awareness and credibility with investors, customers and business partners, given the greater transparency and regulatory oversight of a **[REDACTED]** company. The **[REDACTED]** is also expected to strengthen our corporate governance and internal controls, thereby increasing customer confidence and enhancing our overall competitiveness.

Enhancing market status among customers, suppliers and employees

Our Directors believe that a **[REDACTED]** on the Stock Exchange will enhance our credibility with customers and suppliers, thereby strengthening our competitiveness and differentiation in the market. In addition, **[REDACTED]** status is expected to improve employee retention by providing greater employment stability, enhancing staff confidence and morale at both operational and administrative levels.

EXPECTED TIMEFRAME FOR THE FUTURE PLAN AND [REDACTED]

Major Business Plan	For the six months ending 30 June 2027	For the six months ending 31 December 2027	For the six months ending 30 June 2028	For the six months ending 31 December 2028	For the six months ending 30 June 2029	For the six months ending 31 December 2029	For the six months ending 30 June 2030	For the six months ending 31 December 2030	For the six months ending 30 June 2031	For the six months ending 31 December 2031	Total	Approximate % of net [REDACTED]
											HK$	
	(in million)	*(in million)*	*(in million)*	*(in million)*	*(in million)*	*(in million)*	*(in million)*	*(in million)*	*(in million)*	*(in million)*	*(in million)*	
Land Acquisition and construction of new plant												
– Land Acquisition	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Construction of New Plant	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Purchase of New Equipment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
R&D	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Marketing and Promotion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Potential M&A projects	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operational Efficiency Enhancement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working Capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) As at the Latest Practicable Date, we paid the deposit of the land available at Xintang Subdistrict, Jinjiang, Fujian Province for the new production facility.

(2) The preliminary preparatory works for the construction of the production workshop, including design finalisation and foundation planning, are expected to commerce to start in February 2027 with substantive construction commencing upon completion of land acquisition.

(3) We plan to pay the deposit for the new production lines in December 2027 and make the second payment in April 2028. The rest of the purchase amount will be paid in October 2028.

Within the same period, we expect relocation of existing production lines to the new production facility to complete in in mid-2028 when the installation and commission of all equipment is completed. We expect to start full-scale commercial production in late-2028.

BASIS AND ASSUMPTIONS

Our future plans and business strategies are formulated on the basis that there will be no material changes to our estimated funding requirements, accounting policies, applicable laws and regulations, taxation, or governmental, political and market conditions; that the **[REDACTED]** will be completed in accordance with the terms and conditions set out in this document; that we will have sufficient financial resources to meet our planned capital expenditure and business development requirements; that our operations, including the retention of key personnel and relationships with customers and suppliers, will continue in a manner consistent with the Track Record Period; that we will not be materially and adversely affected by the risk factors disclosed in this document; and that our business operations will not be materially disrupted by force majeure events, unforeseeable circumstances or significant economic fluctuations.