FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the range of the [**REDACTED**] stated in this [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We intend to use our [**REDACTED**] for the purposes and in the amounts set forth below.

	For the period from January 1, 2026 to December 31, 2026	For the period from January 1, 2027 to December 31, 2027	For the period from January 1, 2028 to December 31, 2028	For the period from January 1, 2029 to December 31, 2029	Total	Approximate % of the total
					(HK$ million)	
Further enrich our diversified IP portfolio and enhance our IP operation capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deepen our global omni-channel presence	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Brand building, consumer engagement, and marketing initiatives	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhance supply chain capabilities and strengthen end-to-end digitalization	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	**100%**

Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) is expected to be used to further enrich our diversified IP portfolio and enhance our IP operation capabilities. Specifically:

- Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) will be used to enrich our licensed IP portfolio, a fundamental driver of our broad consumer appeal and market reach. We will continue to deepen collaborations with existing licensed IP owners. Specifically, we will extend license periods to secure popular IPs for extended timeframes, providing stability for our product roadmap and marketing strategies. We will also pursue broadened licensed territories to enter new markets. Our focus will also include increased IP utilization through developing cross-category applications for existing IPs to maximize their commercial potential across our product lines. At the same time, we are committed to partnering with more renowned IPs globally to further broaden our target consumer base and meet more diverse consumer needs. This involves strategically onboarding new IPs that complement our existing matrix, to ensure our portfolio remains at the forefront of consumer trends and continues to drive growth across all our channels. Each potential IP partnership will undergo rigorous evaluation where we weigh factors including audience alignment, growth trajectory, multi-channel potential, and exclusivity opportunities. This systematic approach ensures our portfolio remains balanced between established, revenue-generating properties and emerging IPs with significant growth potential.
- Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) will be used to strengthen the incubation and development of our proprietary IPs and enhance product R&D and design capabilities, which are a core element of our brand differentiation and long-term barrier in the pop toy industry. We plan to actively engage outstanding external designers and studios through strategic partnerships to inject fresh creativity and diverse artistic perspectives into our IP pipeline. Simultaneously, we will recruit and onboard 5 to 15 highly skilled in-house designers to expand our internal creative team each year in the next four years, building a more robust and versatile design talent base. We believe such investment will enhance our ability to continuously incubate and operate proprietary IPs that are well-loved by consumers and possess unique artistic styles. We will also fund associated preliminary work, such as comprehensive market research and consumer insight analysis. For example, we plan to leverage data analytics from our direct-to-consumer channels, including sales data from TOP TOY stores and engagement metrics from our member base, to identify emerging trends and unmet consumer needs. Furthermore, to accelerate our IP development and secure high-potential creative assets, we may, at an appropriate time, strategically invest in or acquire existing IPs or original design studios that align with evolving consumer preferences, market trends, and demonstrate compelling growth potential. We prioritize IPs with a proven fan base, strong storytelling potential, and cross-border appeal that fits our product development strengths. We believe the availability of such IPs is abundant as a wide array of

emerging IPs is continuously generated by independent artists and creators. We expect these investments in our proprietary IPs will further improve our gross margin in the future, as a result of our enriched product portfolio with a higher proportion of our self-developed products, offering enhanced pricing and profit margins.

Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) is expected to be used to deepen our global omni-channel presence. Specifically:

- Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) will be used for overseas market development, a key pillar of our long-term growth strategy. We plan to adopt adaptable and locally-tailored business models to continue to deepen our operation in overseas markets we already have presence in, and facilitate our expansion into new key international markets, such as the United States, France, Germany and the United Kingdom. We will also expand local overseas teams by hiring 200 to 250 staff annually in the next four years, which will include experts in business development, marketing, and logistics and employees for our directly operated stores. These teams will be instrumental in driving efficient market entry, building brand relevance, navigating regional nuances, and supporting the construction of a robust and scalable global sales network.
- Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) will be channeled into expanding our retail network within Chinese Mainland. We plan to steadily increase the number of physical stores to better penetrate the rapidly growing pop toy market. A key focus will be on deepening our presence in high-traffic, premium retail locations and expanding into new cities to capture a broader consumer base. We will continue to open a mix of directly operated and TOP TOY Retail Partner-operated stores, with a focus on flagship locations. The associated capital expenditure and upfront payment for products for each store typically ranges from RMB1 million to RMB1.2 million for a standard mainline store. Investments will also be made to upgrade the interior design, fixtures, and visual merchandising of existing stores to create a more captivating, immersive, and consistent brand experience that strengthens consumer engagement. We will also recruit relevant business development, operations, and in-store staff to support the growing network and ensure we have the human capital to maintain operational excellence and service quality. We expect to recruit a total of approximately 150 additional employees to support the opening of our directly operated stores and store operation for our expanded store network in Chinese Mainland in the next four years. Furthermore, we will increase investment in other distribution channels to reinforce our integrated omnichannel approach and maximize consumer reach.

Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) is expected to be used for brand building, consumer engagement, and marketing initiatives. We will invest in comprehensive, integrated marketing campaigns and consumer engagement activities across all channels to continuously elevate brand awareness and strengthen our brand influence. In particular, we will invest in content marketing, focusing on producing and distributing high-quality, engaging material that resonates with our target demographics across social media platforms and create interactive online experiences. This will involve collaborating with a broader and more diverse range of influencers and content creators to leverage their reach and authenticity for effective content creation and dissemination, thereby tapping into new audience segments and fostering genuine community advocacy. Furthermore, we will strategically invest in large-scale event marketing, executing synchronized multi-channel promotions centered around key retail calendar events such as Children's Day, major shopping festivals, new store grand openings, and store anniversaries. We believe these efforts are crucial for effectively supporting successful product launches and generating sustained market excitement.

Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) is expected to be used to enhance supply chain capabilities and strengthen end-to-end digitalization. Specifically, we will improve supply chain strength and diversify product categories, including optimizing warehousing and logistics capabilities in Chinese Mainland and overseas markets. For example, we plan to enhance inventory management systems, expand storage capacity, and streamline distribution networks to improve efficiency, reduce lead times, and ensure faster, more reliable delivery to our growing network of TOP TOY stores and other customers. We will also invest in core production resources such as high-precision molds, and form strategic partnerships with key manufacturing factories. These actions are aimed at guaranteeing superior product quality, ensuring stable supply, maintaining cost competitiveness, and facilitating the production of a wider variety of product categories. Additionally, we plan to explore establishing a localized supply chain system in overseas markets to improve direct sourcing capabilities, optimize cost structures for international operations and enhance responsiveness to local market needs. We will also invest in the development, procurement, and upgrading of digital systems to further improve the operational efficiency of our overall business. We anticipate that these investments in our supply chain will largely optimize our cost structure by reducing the excess stock and controlling our cost of inventories at a reasonable level.

Approximately [**REDACTED**]% (approximately HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised) will be used for working capital and general corporate purposes.

In the event that the [**REDACTED**] is set at the maximum [**REDACTED**] or the minimum [**REDACTED**] of the indicative [**REDACTED**], the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**] million, respectively. We intend to apply the additional or reduced net [**REDACTED**] to the above uses on a pro rata basis.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] was exercised in full would be (i) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the maximum [**REDACTED**] of the indicative [**REDACTED**]), (ii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK%[**REDACTED**], being the mid-point of the indicative [**REDACTED**]) and (iii) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the minimum [**REDACTED**] of the indicative [**REDACTED**]). We intend to apply the additional net [**REDACTED**] to the above uses on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only place such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.