FUTURE PLANS

Please refer to the section headed "Business – Strategies" in this document for a detailed discussion of our future plans.

[**REDACTED**]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the indicative [**REDACTED**]), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**], and assuming the [**REDACTED**] is not exercised.

In alignment with our strategies and development plans, we intend to allocate the net [**REDACTED**] for the following purposes:

Strengthening Research and Development

We intend to allocate approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (equivalent to HK$[**REDACTED**]) to research and development, focusing on advancing our product offerings and ensuring we remain competitive in the rapidly evolving dairy and nutritional products industry. This investment will be distributed across the following five key areas:

- **Research for low-allergen formulations and advancing goat/sheep milk processing techniques**: Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be dedicated to research in low-allergen formula development for sensitive populations, as well as to advancing goat/sheep milk processing techniques, aiming to enhance nutritional functionality, digestibility, bioavailability, and palatability for applications in infant FSMPs. This capital allocation will support key research and development initiatives from 2026 to 2028, specifically targeting:

  - Formulation optimization of high-whey goat/sheep milk bases to enhance hypoallergenic properties and tolerance in infants with sensitivities.

  - Development of allergen desensitization protocols for pediatric populations.

  - Advancement of processing technologies including hydrolyzed goat whey, whey protein concentrates (standard and micronized variants), and milk fat globule membrane (MFGM) extraction.

  - Validation through preclinical and clinical testing protocols.

  The integrated research program aims to isolate and refine bioactive constituents in caprine/ovine milk systems, with the ultimate objective of creating: (i) next-generation infant formulas with elevated whey protein content; (ii) medical nutrition products (FSMPs) mirroring human milk composition; and (iii) optimized nutrient matrices demonstrating improved gastrointestinal absorption profiles.

- **Infant formula and FSMPs research**: Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be used to expand our research in infant formula and FSMPs. This will include clinical trials and registration efforts to develop new formulations, particularly those based on goat and sheep milk, ensuring the safety and efficacy of these products.

- **Cheese product development**: Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be invested in developing new cheese products to meet the growing consumer demand for diverse dairy offerings. This includes optimizing taste and texture to create unique cheese products with both functional and sensory appeal.

- **Deepening existing product lineups**: Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be used to enhance existing products, including specialized formulas for children and the elderly.

Industrial Chain Upgrading and Intelligent Manufacturing

We intend to allocate approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (equivalent to HK$[**REDACTED**]) to industrial chain upgrading and intelligent manufacturing.

- Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be used to invest in and co-develop upstream dairy goat/sheep farm resources, thereby enhancing the self-sufficiency of milk production. This investment will be strategically allocated to the expansion and development of a new dairy sheep farm in Fuyu County, Heilongjiang Province, between 2026 and 2028. The project involves the introduction of dairy sheep, with a target herd size of 5,000 heads, which is expected to increase annual raw sheep milk production by approximately 808 tons. This initiative will secure a traceable supply of fresh sheep milk, supporting the upgrade of our product formulations and aligning with our vertical integration strategy.

- Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be allocated to upgrading and expanding our production facilities in Spain and South Korea. We intend to address the decline in overall production capacity utilization rate, which primarily resulted from the inability of the current production layout to efficiently adapt to shifts in product mix toward higher-value product categories and regional demand variations. The flexibility and capabilities of the existing production lines can be further enhanced to produce specialized nutritional products with favorable margins. To resolve these limitations, we will focus on reconfiguring and modernizing the overseas production bases from 2026 to 2028. Notably, our Spanish facility is strategically located within the key producing regions of our core raw material, namely goat and sheep whey, enabling us to establish cost, efficiency and quality advantages across the industrial chain. Key initiatives include retrofitting and upgrading spray dryers at the Spanish facility; enhancing pre-treatment and standardization lines for high-end infant formula targeting markets such as the Middle East and the United States; expanding premium cheese production capacity; and utilizing goat/sheep whey byproducts for the production of infant formula. Concurrently, we plan to install additional automated packaging lines to manufacture small-packaged products at the Korean facility. These enhancements are key to building a multi-regional supply chain, improving cost efficiency, and strengthening international competitiveness. This strategic expansion is fully aligned with our long-term globalization strategy. By enhancing our production agility and geographic diversification, we intend to capture future growth in key overseas markets, mitigate regional operational risks, and support sustained overseas expansion.

- Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be dedicated to automation upgrades of our domestic production lines and the implementation of advanced digital quality control systems. The investments between 2026 and 2027 will include the installation of automated packaging lines, precision testing devices, and the integration of real-time monitoring systems and Manufacturing Execution Systems ("**MES**"). These efforts will enhance product consistency, improve manufacturing efficiency, and establish a fully digitalized quality control framework across our domestic production facilities.

Brand Building and Product Marketing

We intend to allocate approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (equivalent to HK$[**REDACTED**]) to brand building and product marketing, focusing on the following initiatives:

- Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be used for traditional media advertising, including high-traffic locations like airports and high-speed rail stations, as well as television commercials. These efforts aim to enhance brand recognition and expand our reach, especially in emerging markets.

- Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**]) will be invested in new media promotion, including social media campaigns on platforms such as Weibo, Douyin, and Xiaohongshu. This will help boost our brand visibility and engagement with our target consumers.

- Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to [**REDACTED**]) will be directed towards celebrity endorsement initiatives, where we will collaborate with celebrities that we believe align with our brand image and are widely recognized and embraced by the general public. Through these strategic collaborations, we aim to expand our brand reach to new audiences while deepening engagement and loyalty within our current customer base.

International Expansion

We intend to allocate approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (equivalent to HK$[**REDACTED**]) to international expansion. Our strategy focuses on establishing a presence in key target markets, mainly including Southeast Asia, the Middle East, and the United States. These regions represent significant and diverse growth opportunities. According to F&S, the U.S. is one of the world's largest and most highly regulated milk powder markets, with retail sales value exceeding US$10 billion in 2024, characterized by the dominance of multinational corporations and sustained demand in infant formula and specialty nutrition. Southeast Asia, with a market size of US$7 to US$8 billion in 2024, is a rapidly expanding and moderately fragmented region, driven by rising disposable incomes and growing nutritional awareness, with key markets including Indonesia, Vietnam, and Thailand. The Middle East, valued at approximately US$5 billion in 2024, remains heavily import-dependent and concentrated among a limited number of multinational players, with stable demand fueled by infant nutrition and premium products. Our approach encompasses a dual strategy of promoting our own-branded products and developing OEM partnerships with local distributors. This will help us establish and strengthen our presence in key global markets, ensuring rapid growth beyond China.

Our plan includes building regional sales offices to support both sales and after-sales services. We will establish regional service centers and further expand tailored to local market needs. Additionally, we will enhance our global operations through digital tools such as cloud-based management platforms and AI-driven inventory systems, improving customer interactions and logistics efficiency. We will also focus on boosting brand recognition and customer loyalty in international markets.

Enhancing Digital Infrastructure

We intend to allocate approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (equivalent to HK$[**REDACTED**]) to enhancing our digital infrastructure.

We plan to upgrade our servers and construct new data centers to improve system reliability and data security. We will also strengthen our marketing systems and establish an intelligent marketing headquarters to support more precise consumer engagement and brand management. In addition, we will implement automated production line systems, warehouse management systems, and digital farm management systems to improve manufacturing efficiency, inventory control, and upstream farm operations.

Working capital and general corporate purposes

Approximately [**REDACTED**]% of the [**REDACTED**] (equivalent to HK$[**REDACTED**] million) will be reserved for general working capital and operational flexibility, allowing us to respond to strategic opportunities and unforeseen market shifts in a timely and prudent manner.

In the event that the designated [**REDACTED**] are insufficient to fully fund the aforementioned purposes, we intend to utilize internal resources or equity debt financing to address any shortfalls. Conversely, should there be surplus funds, these will be applied toward other projects consistent with our strategic objectives.

In the event that the [**REDACTED**] is fixed below or above the mid-point of the indicative [**REDACTED**], the [**REDACTED**] allocated to the above purposes will be adjusted on a pro rata basis. Any additional [**REDACTED**] received from the exercise of the [**REDACTED**] will be allocated to the above purposes on a pro rata basis.

In the event of any material change in our use of [**REDACTED**] of the [**REDACTED**] from the purposes described above or in our allocation of the [**REDACTED**] among the purposes described above, a formal announcement will be made.

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

We will issue an announcement in the event that there is any material change in the [**REDACTED**] of the [**REDACTED**] as described above.