
FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Strategies” in this Document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] range of between HK\$[REDACTED] and HK\$[REDACTED] per H Share), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to the expansion of our production capacity, primarily through the expansion of our Suzhou Production Base over the next three years. Upon completion of such expansion project, the annual production capacity of our probiotic raw powder is expected to increase by 600 tons. In particular,
 - (i) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for procurement and installment of cGMP-compliant intelligent fermentation systems, high-efficiency centrifugation systems and high-activity freeze-drying and post-processing equipment to enhance fermentation density, improve survival rates and strengthen process stability;
 - (ii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for auxiliary facilities and digitalization systems, including mechanical and electrical equipment, wastewater treatment facilities, exhaust gas treatment facilities, as well as intelligent warehousing systems and automation systems; and
 - (iii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for civil engineering and facility construction, including structural construction for production workshops and warehouses, comprising reinforced concrete framework structures and steel structure engineering; and
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to strengthen our R&D capabilities over the next three years, including upgrading of high-end laboratory facilities, optimizing pilot-scale production and process validation facilities, expansion of our strain bank, and development of new agricultural beneficial microbial products. The [REDACTED] are expected to be applied as follows:
 - (i) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to upgrade laboratory infrastructure and optimizing pilot-scale production and process validation facilities, including procurement of fermentation process simulation systems, pilot-scale freeze-drying production lines, and other precision analytical instruments; expansion of existing R&D premises enhancement of existing pilot-scale validation workshops; and establishment of academician workstations and strengthening of postdoctoral innovation practice bases to improve the efficient innovation mechanism driven by enterprises, industry, and academia. These upgrades are expected to enhance

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our capabilities in multi-scale fermentation intelligent control, high-density cultivation and high-stability formulation technologies, and to establish integrated capabilities covering process development, pilot-scale validation and industrial scale-up;

- (ii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to expand our strain bank from over 40,000 strains to approximately 100,000 to 150,000 strains, which will continue to support the development of applications in human health, agriculture and animal feed, pets, dairy products and live biotherapeutic drugs. Moreover, we plan to further strengthen the research into functional directions, and continue to secure more patents;
 - (iii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated for development and industrial validation of new probiotic formula for precision nutrition solutions in agriculture and animal feed industries. Relying on the expanded strain bank and upgraded laboratory platform, we plan to focus on application scenarios including soil systems, livestock and poultry gut health, and aquaculture water systems. We also plan to conduct research on improving stability of industrialized core strains.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used over the next three years to enhance our international brand recognition and expand our global marketing network in support of our overseas business development. In particular,
 - (i) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to enhance domestic and international brand influence. In order to align with the rapid growth of our international business and increasing demand from overseas markets, we intend to increase investment in domestic and international branding initiatives. Such initiatives are expected to include participation in major domestic and international industry conferences, professional exhibitions and academic forums, as well as publication of academic paper; and
 - (ii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to establish or upgrade overseas offices and localized service systems in selected strategic markets with high growth potential. The [REDACTED] are expected to be used for leasing office premises, establishing localized service facilities, recruiting local sales and technical support personnel and implementing localized marketing initiatives. Through the establishment of localized service teams, we expect to improve responsiveness to overseas customer needs and further strengthen our technical support capabilities in international markets.
 - Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used over the next three years to expand diversified application of probiotics in dairy products, live biotherapeutic products and to other fields and enhance our technical service capabilities. In particular,
 - (i) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to further expand the diversified applications of probiotics in the dairy sector. Leveraging our R&D accumulation and industrialization capabilities in proprietary probiotic strains, we plan to further expand our cooperation with dairy enterprises and develop specialized probiotic strains and customized fermentation solutions for different

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types of fermented dairy products, in response to the industry’s transition from purchasing generic starter cultures to a model characterized by “company-developed probiotic strains and external professional fermentation;”

- (ii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to explore diversified applications in the live biotherapeutics drugs sector. Live biotherapeutics drugs are a new class of biological products that use live microorganisms as active ingredients and have demonstrated broad prospects globally. Leveraging our strain bank and R&D capabilities in the probiotic field, we plan to actively explore this emerging area and conduct research and development of live biotherapeutics based on our probiotic strain platform. We have preliminarily established a full-chain R&D system covering strain screening through process development and have initiated early-stage research in areas including metabolic regulation and immune modulation; and
 - (iii) Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to enhance our technical service capabilities, providing CDMO services and customized production services for proprietary probiotic strains for dairy and agricultural enterprises. We plan to configure dedicated equipment and implement independent management arrangements to safeguard customers’ intellectual property rights and further enhance our integrated service capabilities covering process optimization through commercialized production.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to 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] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million, respectively, assuming that the [REDACTED] is not exercised.

If the [REDACTED] is exercised in full, we will receive additional [REDACTED] of approximately HK\$[REDACTED], HK\$[REDACTED] million and HK\$[REDACTED] million if the [REDACTED] is fixed at HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per H Share, being the low-end, mid-point and high-end of the [REDACTED] range, respectively.

To the extent that the [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we may adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis. To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we may hold 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 the applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.