FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] stated in this document), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million 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**] and the [**REDACTED**] are 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**] million, will be used for product R&D and innovation. In particular:

  - ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for the continuous enhancement of our global R&D system over the next five years to strengthen our R&D capabilities. Specially,

    (i) based on our R&D strategy, we plan to continuously equip our three existing R&D centers with advanced research equipment and essential materials over the next five years. By 2028, we also intend to establish a new R&D center in Paris, a region recognized for its mature cosmetics industry ecosystem and high concentration of scientific research expertise and top-tier talents. Such new R&D center will leverage Europe's strengths in skin science, aging mechanism research and technology innovation. As the core hub of our European science and innovation system, this new R&D center will focus on aging biology, innovative research on active ingredients for skin care, and the efficient translation of technology into product development. In the future, this R&D center will promote the deep integration of foundational research, ingredient development and application studies, and will focus on advanced anti-aging technologies, innovation in functional active ingredients and the establishment of an efficacy evaluation system. Meanwhile, this new R&D center will strengthen collaboration networks with European universities, research institutions and leading suppliers, building an international innovation framework that integrates "scientific insights — ingredient innovation — efficacy validation — product development." This will continuously enhance the efficiency of technology commercialization, achieve sustained breakthroughs in core anti aging and dermatological skincare, further solidify our global R&D capabilities, consolidate technological competitive advantages and provide a long term innovation engine for our brands' international expansion;

    (ii) we plan to recruit approximately 25 R&D talents with both domestic and overseas experience over the next five years, focusing on key areas such as AI-driven formulation modeling, bioactive ingredient development, dermatological science and efficacy and toxicology assessment. This initiative aims to better support the enhancement of our R&D framework, further strengthen in-house research capabilities, accelerate the development of innovative product pipelines, address evolving consumer demands, and lay a core technological foundation for our long-term sustainable growth; and

(iii) in the future, we will continue to collaborate on R&D with leading academic institutions, hospitals and raw material suppliers, such as Shanghai Jiao Tong University, Ashland and BASF. Our collaboration will focus on fields such as mitochondrial anti-aging and dermal-epidermal junction (DEJ) (基底膜) research, jointly building an integrated "industry-university-research-medical" innovation ecosystem. Together, we aim to develop proprietary active ingredients and high-performance compound formulations with independent intellectual property rights, accelerate the translation of scientific research into verifiable, perceptible and customizable product efficacy, and continuously strengthen our technological competitive edge and science-driven brand reputation in the global cosmetics industry.

  ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for product category expansion as well as product innovation and iteration. Building on our signature products, we aim to advance research across multiple product categories and enrich products matrix, such as men's skincare, body care and fragrance to reach a broader consumer base and cater to diverse market needs.

  ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for the application of AI and digital technologies in our R&D activities, providing strong support for the ongoing enhancement of product competitiveness. Specifically, we plan to: (i) further develop a product full life-cycle management system that could support key stages including market research, laboratory R&D, mass production and product launch, integrate ingredient database and compliance management, and develop innovative tools to assist product R&D for enhanced new product development efficiency; and (ii) advance our research into the application of AI in areas such as formula design, ingredient selection and efficacy testing, to enhance the precision in new product development and shorten the R&D cycle.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for brand building and sales channel expansion. In particular:

  ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for strengthening brand building and marketing promotion to deepen our connections with consumers and improve our brand influence. Specifically, we plan to: (i) launch promotional campaigns on major e-commerce and social media platforms, and strengthen collaborations with KOLs/KOCs, to enhance our brand exposure and drive product sales; (ii) utilize a variety of marketing approaches such as celebrity endorsements, films and advertising placements and IP collaborations to broaden our consumer reach; (iii) craft quality content for marketing and distribution to deepen emotional connections and resonance with consumers, aiming to elevate our brand reputation; (iv) organize offline marketing activities, such as in-store product experiences and new product launch activities to enhance interaction with consumers; and (v) establish online marketing management system and digital consumer experience platform to improve marketing efficiency.

  ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for the development of sales channel network. Specifically, we plan to: (i) strengthen collaboration with new retail channels; (ii) expand our presence in OTC sales channels; and (iii) upgrade existing offline stores and counters, and establish offline stores that showcase our brand image and provide immersive product experience, aiming to expand our consumer reach.

  - ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for building our brand image and enhancing our sales network in overseas markets, aiming to establish brand recognition globally. Specifically, we intend to: (i) strengthen our brand promotion and marketing initiative on overseas social media platforms; (ii) expand overseas online and offline sales channels; and (iii) collaborate with local distributors to promote our brands and products, driving our growth in overseas market.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for intelligent production and digital operational upgrade. In particular:

  - ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for the construction and upgrade of our smart factory. Specifically, we plan to: (i) upgrade production bases and warehouses, and increase digital production equipment, aiming to strengthen our in-house production capacity for diversified product categories to meet seasonal peak production demands; (ii) upgrade quality testing laboratory and procure advanced testing equipment to further improve product testing capabilities; and (iii) upgrade energy facilities in our production bases to reduce energy consumption and production costs, thereby supporting our ESG development goals.

  - ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for developing digital operation framework. Specifically, we plan to: (i) improve digitalization of supply chain management and intelligent control through the deployment and upgrade of digital systems such as WMS, S&OP and QMS; and (ii) establish operating data platform to integrate business data across key segments such as supply chain, marketing and sales, aiming to enable intelligent applications and enhancing management efficiency.

  - ○ Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for the intelligent logistics system establishment alongside business development and global sales network expansion.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for potential investment, acquisition and strategic collaboration. We plan to pursue investments in, acquisitions of and joint strategic investments with domestic and international companies across the cosmetics industry value chain, including brands, ingredient suppliers and innovative technology providers relevant to cosmetics. This initiative aims to create synergies with our existing operations and expand our multi-brand and multi-category product portfolio, further solidifying our leading industry position. Investment and acquisition represent sustainable growth path validated by leading international cosmetics companies. Moving forward, we plan to selectively acquire or invest in domestic and international brands that can complement our existing portfolio in terms of price positioning and target consumers, thereby entering promising product segments and continuously enriching our product matrix. We typically target companies for investment or acquisition with annual revenue exceeding RMB300 million, a solid track record of operational and financial performance and a sound internal control and compliance framework. According to Frost & Sullivan, there are approximately hundreds of such qualifying targets both domestically and internationally. As of the Latest Practicable Date, we have not yet identified any specific investment or acquisition target.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, 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 [**REDACTED**], the [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**] million, respectively. If we make an upward or downward [**REDACTED**] adjustment to set the final [**REDACTED**] to be above or below the mid-point of the [**REDACTED**], we will increase or decrease the allocation of the [**REDACTED**] to the above purposes on a pro rata basis.

The additional [**REDACTED**] that we would receive if the [**REDACTED**] and [**REDACTED**] are exercised in full would be (i) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the maximum [**REDACTED**]), (ii) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**]), and (iii) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the minimum [**REDACTED**]).

To the extent that the [**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 may deposit such funds into 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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the [**REDACTED**] from the [**REDACTED**].