FUTURE PLANS

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

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to optimize and expand our sales channels in Chinese Mainland and strengthen our presence across sales channels over the next three years, including:

  ○ approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for offline channel development, including (i) opening new directly-operated stores for our major brands with a particular focus on shopping malls and department stores in tier-1 and tier-2 cities, primarily referring to provincial capitals and prefecture-level cities, across the country, covering business lines including HLA, OVV, YeeHoO (英氏) and Adidas FCC. During each of the next three financial years, we plan to open (a) approximately 500 to 600 directly-operated stores each year in Chinese Mainland, including approximately 100 to 200 HLA stores and approximately 200 to 300 Adidas FCC stores, (b) approximately 50 to 100 directly-operated stores each year in Southeast Asia, and (c) approximately 10 directly-operated stores each year in regions including the Middle East, Central Asia and Africa; and (ii) renovating and upgrading existing stores with an average store age of approximately three to five years across the country, mainly including the business line of HLA, to enhance both customer experience and operational efficiency. During each of the next three financial years, we expect to renovate and upgrade approximately 400 to 500 directly-operated stores each year, which may include both comprehensive refurbishment and partial renovation.

  ○ approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for online channel development, including (i) online promotion, such as investing in targeted digital advertising on major e-commerce platforms and social media to increase brand visibility and attract online traffic; (ii) collaborations with key opinion leaders ("**KOLs**") and key opinion consumers ("**KOCs**"), leveraging their influence and authentic product recommendations to enhance brand credibility and reach new customer segments; and (iii) building an in-house professional livestreaming and content production team to deliver engaging livestream shopping sessions and high-quality digital content, further strengthening our digital marketing and driving online sales growth.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to brand-building initiatives. In particular, we plan to (i) produce promotional videos and documentaries of our brand and increase both online and offline brand advertising to enhance our brand visibility and recognition; (ii) sponsor high-profile events, such as marathons and national-level competitions to strengthen our brand with sports and active lifestyles; (iii) expand collaborations with well-known celebrities and increase investment in brand ambassadorships to further elevate our brand image and market influence and (iv) organize product launch events and other offline brand activities, such as themed pop-up stores and runway shows similar to the "Heights Beyond Altitude" series, to engage directly with consumers and reinforce our brand positioning within the apparel market. These initiatives are designed to drive greater brand awareness, foster deeper consumer engagement, and support the long-term growth of our business.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to advance our collaboration with international brands, and to enhance our international brand image and overall competitiveness. In particular:

  - approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to capturing domestic sports consumption trends by establishing deep strategic partnerships with leading international brands over the next three years. In particular, we plan to (i) identify and collaborate with suitable international brands that align with emerging sports consumption trends such as new fitness categories, lightweight or intelligent sports gear and environmentally conscious products. Such collaboration will be carried out through (a) licensing arrangements, under which we will hold licenses to use the trademarks of the international brands and are responsible for product and sales operations within the licensed areas; and (b) agency arrangements, under which we act as distributors or consignees of the international brands. We have accumulated practical experience in identifying and cooperating with third-party brands, supported by our collaboration experience with Head. Leveraging our established industry experience, consumer insights and existing sales and distribution infrastructure, we are able to identify suitable international brands aligned with emerging sports consumption trends and integrate such brands into our existing operational framework in an efficient and scalable manner; (ii) cooperate with international sports events and sports organizations to enhance our brand awareness. For example, we plan to focus on HEAD's core strengths in tennis and skiing, co-hosting tennis tournament and sponsoring top tier championships; and (iii) promote localized co-creation and product iteration with our international brand partners to tailor offerings to domestic consumer preferences and enhance our differentiated competitiveness.

  - approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to accelerate the expansion of our proprietary brands in overseas markets and further enhance our international presence and brand influence over the next three years. We plan to (i) open new stores in Southeast Asia, including Malaysia, Singapore, Thailand, Vietnam, the Philippines and Indonesia; the Middle East, including the United Arab Emirates, characterized by relatively strong consumer purchasing power and well-developed commercial infrastructure; Central Asia, including Kazakhstan, which demonstrates stable economic growth and relatively low brand concentration in the apparel sector; and Africa, including Kenya and South Africa, which benefit from favorable demographic trends and a developing consumer market, providing longer-term growth potential for apparel retail. The consumer structure and stage of market development in these regions are well aligned with our product portfolio, with a focus on balance between price and quality, and our successful market entry in Southeast Asia provides a replicable foundation for further expansion. We will also recruit and train local teams to support our operations. We plan on opening directly-operated stores, distributor-operated stores and partner stores. These stores will primarily be located in high-traffic shopping malls, leveraging our accumulated overseas operating experience, localization capabilities and standardized store and supply chain management systems, which enable us to replicate our operating model across different regions in a prudent and phased manner; (ii) organize new product launches, set up pop-up stores, host KOL engagement events and implement other marketing initiatives, with the purpose of enhancing our brand awareness and strengthening our market influence; and (iii) achieve comprehensive e-commerce coverage across six Southeast Asian countries by 2026, leveraging platforms such as Lazada, Shopee, Zalora, and TikTok, relaunching in Thailand and Singapore, entering Indonesia, and developing localized brands; in parallel, we will launch our own brand site to strengthen direct customer engagement, and will test entry into Central Asia, the Middle East, and Africa through cost-effective online channels, aiming for online sales to reach 10% of offline sales within three years.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for potential investment, merger and acquisition opportunities, primarily targeting to acquire high-quality strong sports brands or international brand to further broaden our international sports brands portfolio and capture the growth momentum in the sportswear segment. We intend to focus on vertical sportswear segments such as running, equestrian and ball sports. Our selection criteria primarily include (i) strong brand recognition in their respective professional sports categories, a clear product heritage supported by technical performance features, and the ability to integrate into our existing supply chain and omni-channel sales network; (ii) brands that have achieved a certain level of business scale and operational sustainability, such as cumulative revenue of approximately RMB500.0 million or above over the most recent three financial years, a CAGR of approximately 8% or above over the same period, an established retail ability with approximately 30 and above directly operated stores, or a stable wholesale or distribution network covering multiple major markets; and (iii) brands with scalable commercial potential in the Chinese and Asian markets, a development history around or exceeding 20 years, a clear brand story and international recognition, and operations in markets with stable political and economic environments. The above criteria may be adjusted depending on the specific circumstances of each potential target. As advised by Frost & Sullivan, our target markets offer over 50 potential acquisition targets internationally that meet our selection criteria.

  As of the Latest Practicable Date, we had entered into an asset acquisition agreement with a European premium equestrian brand, Cavalleria Toscana S.p.A., to acquire (i) intellectual property rights, including but not limited to trademark rights, copyright and patents, and (ii) other assets, including their distribution channel, client portfolio and agent and eventual employees, in China and certain countries and regions in Asian. The consideration is payable in installments subject to the satisfaction of specified conditions, including regulatory filings and intellectual property registration procedures. The acquisition is expected to be settled within 2026 and will serve to deepen our presence in high-end performance sports. We are also exploring other acquisition opportunities that align with our strategic focus and can further diversify our brand portfolio, strengthen our competitiveness in emerging sports categories and expand our international footprint.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to strengthen our digitalization and information technology capabilities across all business segments over the next three years. We plan to (i) develop or acquire software systems, with a particular focus on building and standardized systems for our overseas directly-operated stores. We will also upgrade our existing ERP to strengthen data architecture, automation and the application of AI across our Group, (ii) purchase digital and IT hardware such as servers, high-performance computers, networking equipment, and data storage devices to support the expansion and reliability of our digital infrastructure, and (iii) invest in cybersecurity equipment and software, including advanced firewalls, intrusion detection systems, and data encryption tools, to strengthen the security, stability and resilience of our information systems.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to support our research and development activities and drive new product innovation over the next three years. We will (i) enhance our R&D infrastructure at our headquarters to support apparel design and development; (ii) increase investment in new materials, new products and process improvements, procure advanced analytical and testing equipment. Our R&D efforts will focus on testing garment quality and fabric performance, developing new materials that enhance functionality and comfort and driving the commercialization of R&D outcomes to strengthen product value. We also plan to explore clothes pattern development suitable for overseas consumers and design concepts that reflect local lifestyles and cultural preferences. To support these initiatives, we intend to procure testing equipment, such as those for fabric durability and tensile testing, to improve design accuracy and accelerate product iteration; and (iii) recruiting R&D personnel with expertise in fabrics, new materials, and production processes. We believe these initiatives will enhance our core R&D design capabilities and improve the efficiency of our product development process; and

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], as working capital and for general corporate uses.

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**], respectively.

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

To the extent that the net [**REDACTED**] from the [**REDACTED**] are either more or less than expected, we will adjust our allocation of the net [**REDACTED**] for the above purposes 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 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) for so long as it is deemed to be in the best interests of the Company. 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 changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**].