FUTURE PLANS AND [REDACTED]

FUTURE PLANS

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

[REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-end of the [REDACTED] stated in this document), will be approximately HK$[REDACTED], after deduction of [REDACTED] fees and commissions and estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised.

We intend to use the [REDACTED] of the [REDACTED] for the following purposes:

- approximately [REDACTED]% (or HK$[REDACTED]) will be used for product innovation and enriching our proprietary product portfolio. In particular:

  (i) approximately [REDACTED]% (or HK$[REDACTED]) will be used to enhance the design and enrich the portfolio of our proprietary and channel-exclusive customized products. Specifically:

    (a) approximately [REDACTED]% (or HK$[REDACTED]) will be used to enrich our proprietary product categories, primarily including children's footwear and apparel, wash and care products as well as durables such as toys, strollers, cribs and car seats. Specifically: approximately [REDACTED]% (HK$[REDACTED]) will be allocated for the introduction of new SKUs in children's footwear and apparel, and approximately [REDACTED]% (HK$[REDACTED]) will be allocated for the introduction of new SKUs in other product categories including foods, consumables and durables.

    (b) approximately [REDACTED]% (or HK$[REDACTED]) will be used for the expansion of our channel-exclusive customized products. Our channel-exclusive customized products are planned to focus primarily on formula, toys, and snacks and complementary foods. Given that customers exhibit high brand stickiness and reliance on products in these categories, we will cooperate with leading and well-known brands in these segments that have established stable cooperative relationships with us and are aligned with our sales channel positioning. We will procure channel-exclusive products from these brand partners and distribute them through our full suite of online and offline channels, leveraging their brand influence to effectively retain our core customer base.

    (c) approximately [REDACTED]% (or HK$[REDACTED]) will be used to expand our professional design team to support and improve our product design and development. Our proprietary brand strategy acts as a core driver of profitability, customer loyalty and product quality control, and enables us to create differentiated brand equity. To further expand and enrich our proprietary brand portfolio and satisfy diversified consumer needs, we plan to recruit more new product design staff who will conduct product styling, appearance design, style upgrading and series product development, and support the continuous iteration and enrichment of our proprietary products. We plan to recruit approximately 70 design and development professionals by 2030. The newly hired professional design and development personnel shall possess design work experience in the maternal, infant and child or other consumer goods sector, be proficient in product creative design, and have a thorough grasp of the safety standards and compliance requirements for maternal, infant and child products.

  (ii) approximately [REDACTED]% (or HK$[REDACTED]) will be used to promote the product R&D and scaled production capabilities of our scalp and hair care business. We plan to upgrade our product R&D centers, with a focus on building professional laboratories, including a raw material analysis lab, a formula development lab and a product efficacy testing zone. As of the Latest Practicable

Date, we had no existing R&D laboratories for raw material analysis and formula development of scalp and haircare business. Although the scalp and hair care business generated limited revenue contribution during the Track Record Period, the segment is in line with the Group's strategic layout for family-oriented services and has promising growth prospects. According to Frost & Sullivan, China's scalp and hair care market is expected to grow from RMB75.1 billion in 2026 to RMB102.7 billion in 2029, representing a CAGR of 11.0%. In addition, the replacement of conventional chemical raw materials with bio-based raw materials, driven by their superior safety attributes, has become a prominent development trend. To control product safety and costs at the source, realise independent control over core raw materials and differentiated formulas, and reduce reliance on external suppliers as well as risks arising from homogeneous competition, we plan to build a laboratory specialised in the analysis of scalp and hair care raw materials and the development of relevant formulas. This will further enhance key procedures including the testing and screening, stable extraction of core raw materials, and the development of customised formulas. The core R&D objectives are as follows: establishing a testing, analysis and efficacy evaluation system for bio-derived active ingredients; developing formula systems with independent intellectual property rights targeting segmented demands such as anti-hair loss, hair darkening and scalp care; and building a proprietary library of novel bio-based raw materials for scalp and hair care, as well as refining the relevant production and preparation technologies. Meanwhile, we will enter into cooperation with leading research institutions in the fields of natural plant extracts, cosmetic active ingredients and scalp physiology to launch joint R&D projects. The collaborations will be centered on the R&D and optimization of core raw materials and the development of customized formula systems for diverse scalp and hair types, thereby elevating our independent R&D capabilities and extending our strategic layout to cover the full-chain research, development and standardized production of scalp and hair care raw materials. Additionally, over the next five years, we plan to recruit approximately 50 additional R&D professionals with expertise in cosmetic formula engineering, raw material extraction and purification, scalp skin science and related disciplines. We will also procure R&D and production facilities, including professional instruments for raw material component testing and active ingredient analysis, efficacy testing equipment, as well as filling production and formula preparation equipment.

(iii) approximately [REDACTED]% (or HK$[REDACTED]) will be used to advance the R&D of AI-powered product and service development. We plan to develop an AI companion intelligent product matrix by integrating cloud-based and edge computing technologies. Additionally, we will collaborate with LLM companies to build joint cloud services platforms and also co-develop AI Agent that will lay a solid foundation for our AI product design, user experience optimization, and commercialization expansion.

- approximately [REDACTED]% (or HK$[REDACTED]) will be used for expanding our sales and service network and brand promotion. In particular:
  (i) approximately [REDACTED]% (or HK$[REDACTED]) will be used to expand and upgrade our offline sales and service network. Specifically:
    (a) approximately [REDACTED]% (or HK$[REDACTED]) will be used for the construction of our offline stores. We plan to continuously expand our self-operated store network by focusing on newly opening offline stores. We plan to open more than 75 new self-operated stores over the next five years. The new stores will be strategically located in provincial capitals, tier-1 and tier-2 cities, as well as major cities across the Pearl River Delta. Additionally, in response to industry development trends and business development directions, we will continuously upgrade and renovate existing offline stores to meet the needs of families with children across different lifecycle stages, including entertainment, learning and growth. We plan to renovate and

upgrade approximately 75 stores over the next five years, carry out a full redesign of store layouts, and procure relevant hardware and software to enhance the digital operation efficiency and consumer experience of the stores. The [REDACTED] will be allocated for the following purposes: Approximately [REDACTED]% (or HK $[REDACTED]) will be used to cover store construction and decoration costs for new self-operated stores, as well as the procurement and installation of hardware and software. Approximately [REDACTED]% (or HK$[REDACTED]) will be used for additional personnel at new self-operated stores. Approximately [REDACTED]% (or HK$[REDACTED]) will be used for rental expenses for store premises. Approximately [REDACTED]% (or HK$[REDACTED]) will be used for renovation works, and the procurement and installation of hardware and software in connection with store renovation and upgrading.

(b) approximately [REDACTED]% (or HK$[REDACTED]) will be used for the expansion of our franchise business. On one hand, we will enhance our warehousing and logistics system by investing in distribution centers for franchise business, in response to the rapid regional expansion of our franchise network and the rising demand for efficient and timely product distribution from franchisees. We plan to establish more than 20 distribution centers over the next five years across various regions, mainly located in major logistics hubs including Henan , Hunan and Anhui, coastal regions such as Fujian and Zhejiang, as well as remote regions including Inner Mongolia, Heilongjiang and Yunnan, enabling us to promptly meet the supply requirements of franchised stores in all regions. The development of the distribution centers will primarily include, among others, building construction, procurement and installation of equipment and software, premises leasing and staff remuneration. On the other hand, we intend to expand our management team to support our franchise business and further enhance the business development, brand promotion and operational support of our franchise business. We plan to recruit approximately 100 new professional personnel for this expansion. These new hires will cover dedicated roles including franchise business expansion specialists, brand marketing practitioners and field operation supervisors, who are mainly responsible for providing professional guidance, daily operational management and brand promotion services for our nationwide franchised store network.

(ii) approximately [REDACTED]% (or HK$[REDACTED]) will be used for the expansion of our online sales and service network. We plan to strengthen our online sales capabilities and digital marketing. We will invest in upgrading online sales channels, among others, our Kidswant App and WeChat mini-programs. The aforesaid upgrading will be implemented through the recruitment of additional full-time R&D and technical personnel, rather than by engaging external vendors. We will also further ramp up promotional initiatives on private domain platforms such as short video and live streaming e-commerce.

- approximately [REDACTED]% (or HK$[REDACTED]) will be used for strategic acquisitions and investments. With a clear focus on our maternal, infant and child business and scalp and hair care business and by centering on the product and service demands of families with children, we plan to actively seek acquisition opportunities that align with our business strategies with premium supply chain, recognized brand and IP. Further, we will also proactively pursue the potential targets in the field of healthy aesthetics and AI-driven products. Among the segments, the premium supply chain segment will focus on mature upstream brands in the consumption sector, particularly in the space of families with children, with emphasis on segment leaders possessing strong supply chain capabilities and R&D strength. Recognized brand and IP companies primarily refer to high-quality IP operation, production, and derivative companies with broad demographic appeal. The healthy aesthetics segment will center on the upstream and downstream of the hair care industry chain, targeting service brands or product companies with professional expertise and efficacy data support in scalp and hair care, as well as home health and beauty care. AI-driven products segment will focus on vertical model companies leveraging home scenarios and smart product companies centered around the family context. Across the aforesaid sectors, we will prioritize target companies in AI-driven products or premium supply chain. Our selection criteria mainly include: For premium supply chain and recognized brand/IP targets, we will focus on investment opportunities in mature-stage companies, specifically those with profit scale exceeding RMB80 million and annual revenue growth maintained at 15–20%. For healthy aesthetics and AI-driven product targets, we will consider investment opportunities across both early-stage and mature-stage companies, including but not limited to investing in high-quality entrepreneurial teams at the registered capital stage, or initially acquiring minority stakes in growth-stage targets on the verge of commercialization potential, followed by merger and integration through capital increases. Such targets must possess exceptionally strong technical moats, such as scarce technical teams and patent accumulation, or products that have received preliminary validation in commercial scenarios. According to Frost & Sullivan, within the domestic market, the total number of potential acquisition targets meeting our overall requirements exceeds [50] companies. As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets, nor had we entered into any definitive investment or acquisition agreements which will use the [REDACTED] of the [REDACTED].

- approximately [REDACTED]% (or HK$[REDACTED]) will be used for improving our digital and intelligent capabilities. In particular:
  - (i) approximately [REDACTED]% (or HK$[REDACTED]) will be used for local on-demand retail business digitalization. We plan to upgrade our local on-demand retail systems, integrating AI algorithms for demand forecasting, route optimization, and intelligent recommendations. In addition, we will partner with leading service providers in maternal and baby care, photography, and tourism to develop standardized and replicable local community service solutions. By leveraging user profiles and service tags, we aim to achieve matching between local family needs and service supply to form a differentiated local service ecosystem. We will also build a local lifestyle content production and management system to create a localized maternal, infant and child content community, supporting user-generated content and member activities to enhance engagement and brand influence; and
  - (ii) approximately [REDACTED]% (or HK$[REDACTED]) will be used for improving our intelligent capabilities. We will invest in the construction and upgrading of our digitalization systems for our franchise business. In particular, we aim to broaden the application of AI tools across the entire workflow to promote the management ability and cost control of our franchisees. We plan to expand the AI application to customer's demand search and marketing plan design and build an AI-driven member insights and marketing decision system for real-time user behavior analysis and personalized recommendations. We will implement intelligent upgrades to operational management systems covering product selection, ordering, delivery and inventory management. We also intend to develop training platforms with virtual sales scenario simulations to enhance professional service capabilities of parenting consultants.

  See "Business — Our Strategies — Driving Business Growth Through Artificial Intelligence" for more details;

- approximately [REDACTED]% (or HK$[REDACTED]) will be used for working capital and general corporate purposes.

If the [REDACTED] is fixed at HK$[REDACTED] per [REDACTED] (being the high-end of the [REDACTED] range stated in this document) and assuming the [REDACTED] is not exercised, we will receive additional [REDACTED] of approximately HK$[REDACTED]. If the [REDACTED] is fixed at HK$[REDACTED] per [REDACTED] (being the low-end of the [REDACTED] range stated in this document) and assuming the [REDACTED] is not exercised, the [REDACTED] will be reduced by approximately HK$[REDACTED]. To the extent our [REDACTED] are either more or less than expected, we will adjust our allocation of the [REDACTED] for the above purposes on a pro-rata basis.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to allocate part or all of the [REDACTED] 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 applicable laws and regulations in other jurisdictions).

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

IMPLEMENTATION PLAN

In case the allocated amount of [REDACTED] is insufficient to cover the required capital expenditure, we will utilize cash generated from operating activities and cash and cash equivalents as alternative sources of additional funding.

	Estimated investments for the year ending December 31,						
Purposes	**Allocation proportion**	**2026**	**2027**	**2028**	**2029**	**2030**	**Total amount of [REDACTED] to be used**
	(%)			*(HK$ millions)*			
1. Product innovation and enriching our proprietary product portfolio	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
1.1 Enhancing the design and enriching the portfolio of our proprietary and channel-exclusive customized products.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1.1 (a) Enriching our proprietary product categories	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1.1 (b) Expansion of our channel-exclusive customized products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1.1 (c) Expanding our professional design team to support and improve our product design and development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1.2 Promoting the product R&D and scaled production capabilities of our scalp and hair care business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1.3 Advancing the R&D of AI-powered product and service development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2. Expanding our sales and service network and brand promotion	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
2.1 Expanding and upgrading our offline sales and service network	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2.1 (a) Construction of our offline stores	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2.1 (b) Expansion of our franchise business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2.2 Expansion of our online sales and service network	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3. Strategic acquisitions and investments	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
4. Improving our digital and intelligent capabilities	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
4.1 Local on-demand retail business digitalization	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4.2 Improving our intelligent capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5. Working capital and general corporate purposes	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**