SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to **[REDACTED]** *in our Shares. There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in our Shares are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in our Shares. Various expressions used in this section are defined in the section headed "Definitions" in this document.*

OVERVIEW

With origins in Korea, we are a diversified healthcare company with a strong presence in China. Leveraging our nationwide, channel-based distribution network, we primarily engage in the medicine marketing, promotion and sales, as well as the development, manufacturing and distribution of maternity and supplement products. Our mission is to deliver healthcare solutions that enhance health outcomes and improve quality of life worldwide. During the Track Record Period, we primarily engaged in several business lines, namely, the medicine marketing, promotion and sales business, and the development, manufacturing and distribution of maternity and supplement products.

According to Frost & Sullivan, we were ranked among the top 10 companies in China's medicine marketing, promotion and sales market by revenue in 2025, with a market share of approximately 2.0%. In particular, we are recognized as the largest pediatric medicine marketing, promotion and sales service provider in China by Frost & Sullivan, holding a significant market share of approximately 17.0% in China, in terms of revenue in 2025.

Our sales network extends across 31 provinces in Chinese mainland, covering all provincial capitals and prefecture-level cities. As of December 31, 2025, we had a medicine marketing, promotion and sales network of more than 1,600 distributors, through whom we are able to reach approximately 156,000 clinics, 367,000 pharmacies and 1,700 hospitals, including 216, or 12% of Grade 3 A hospitals in China, which are at the highest level of China's three-tier hospital classification system and are typically large institutions with advanced medical capabilities.

At present, our medicine marketing, promotion and sales business line is anchored by two flagship pediatric prescription products that we distribute – Mamiai and Yitanjing. Both Mamiai and Yitanjing are products developed and manufactured by Hanmi Group. We were the sole distributor for Mamiai and Yitanjing in China's out-of-hospital segment(1) during the Track Record Period. Mamiai has been recognized as a China Well-Known Trademark. These products have long held prominent positions within China's pediatric pharmaceutical market, earning widespread recognition from medical professionals and healthcare institutions for their demonstrated clinical effectiveness, strong safety record, and trusted therapeutic performance. Building on our deep industry expertise, extensive market experience, and the established brand credibility of the flagship products that we strategically elect to distribute, we continue to reinforce our leadership and expand our influence in the marketing, promotion and sales of this specialized yet rapidly growing field of pediatric medicine.

Note:

(1) "Out-of-hospital segment" refers to pharmaceutical distribution through retail pharmacies and primary medical institutions. For the avoidance of doubt, our distribution rights for Mamiai and Yitanjing are limited to such out-of-hospital channels, and our distributors are not authorized to sell these products to hospitals.

In addition, we also develop a highly diversified and differentiated portfolio of innovative products covering the development, production and sale of maternity and supplement products, primarily bio-health functional supplement and infant milk formula. We have developed and offered a comprehensive portfolio of probiotic supplements designed to support a diverse range of formulation needs across different age groups. Our products are marketed under several brands, including Ofmom (妈咪爱), a leading name in China's infant probiotics market. It has achieved widespread brand recognition and high penetration among infants from birth to three years old throughout China. We also develop and sell formula milk products primarily for the routine feeding of infants and toddlers to satisfy their nutritional needs. Our formula milk products are formulated based on the specific nutritional needs of infants at different developmental stages.

STRENGTHS

We believe our following core competitive strengths will allow us to further consolidate our market position:

- We are an integrated medicine marketing, promotion and sales company focusing on pediatric sector in China
- We have an extensive offline medicine marketing, promotion and sales network and rapidly growing online channels
- We are well-equipped to leverage growth opportunities in China's out-of-hospital pediatric drug market, backed by our proven track record and competitive edge
- We possess well-recognized and widely trusted health food brands
- Our strong R&D capabilities ensure continuous launch of new products
- We maintain advanced manufacturing processes and rigorous quality control systems
- We have an experienced and stable management team

STRATEGIES

To achieve our vision and mission, we intend to pursue the following strategies:

- Further expand our sales network to deepen market penetration in Chinese Mainland
- Further expand our product portfolio
- Strengthen brand building to enhance brand influence and recognition
- Drive digital transformation to build smart healthcare and enhance efficiency
- Further strengthen our production capacity
- Strengthen R&D capabilities for innovative products

OUR SERVICES AND PRODUCTS

We are a diversified healthcare company with a strong presence in China, operating a nationwide, channel-based distribution network. We provide medicine marketing, promotion and sales services by managing procurement and supply from pharmaceutical companies, overseeing medicine distribution and providing operational, managerial, sales and promotional support throughout the distribution process for pharmaceutical companies. The products we provide address the evolving needs of individuals across various life stages, with a particular focus on children, infants, mothers and individuals managing chronic or immune-related conditions. During the Track Record Period, most of our revenue was generated from our medicine marketing, promotion and sales business. We also generated our revenue from the development, manufacturing and sales of maternity and supplements products, and others.

The following table sets forth a breakdown of our revenue by business line, each expressed as an absolute amount and as a percentage of our total revenue, for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	USD	*%*	*USD*	*%*	*USD*	*%*
Medicine marketing, promotion and sales	311,661,871	89.0	247,308,767	87.8	281,730,817	92.6
Maternity and supplements	25,244,365	7.2	23,839,153	8.5	15,701,906	5.2
Others(1)	13,465,405	3.8	10,544,302	3.7	6,639,304	2.2
Total	350,371,641	100.0	281,692,222	100.0	304,072,027	100.0

Note:

(1) Others primarily consist of (i) postnatal care center services, (ii) advertising services, and (iii) the resale of medical devices.

Medicine Marketing, Promotion and Sales Business

Established in 2009, we started our business as a medicine marketing, promotion and sales services provider complying with Good Supply Practice ("**GSP**") standards, which regulate pharmaceutical distribution activities in China and set out requirements on, among others, the licensing and qualification of distributors, quality management systems, storage and transportation conditions, product traceability and record-keeping, and personnel training and supervision. For details, please see "Regulatory Overview – Regulations on Pharmaceutical Product" and "Regulatory Overview – Regulations on Medical Devices" in this document. Over time, we have evolved into a national medicine distribution platform, specializing in sales, marketing and distribution of daily-use pharmaceutical products across China, with a focus on pediatric medicine.

We support the distribution process by managing procurement and supply from pharmaceutical companies, and are responsible for managing medicine distribution on behalf of pharmaceutical companies. We also provide operational and managerial support throughout the distribution process for pharmaceutical companies.

We will also organize and conduct educational forums and training sessions for healthcare professionals, including physicians and pharmacists. These activities are intended to enhance professional knowledge and support best practices in patient care. In addition, we may promote pharmaceutical products during these forums in compliance with applicable laws and industry standards.

We focus on offering a comprehensive range of products through our medicine marketing, promotion and sales network for our medicine marketing, promotion and sales business. As of December 31, 2025, we distributed different types of pharmaceutical products with a total of 20 products.

Maternity and Supplements Business

We develop and offer a diverse range of maternity and supplements products, including (i) bio-health functional supplements, (ii) formula milk, and (iii) infant and maternal personal care products.

Bio-health Functional Supplements

We develop and offer a comprehensive portfolio of probiotic supplements designed to support a diverse range of formulation needs across different age groups. Our products are marketed under several brands, including Ofmom (妈咪爱), a leading name in China's infant probiotics market. It has achieved widespread brand recognition and high penetration among infants from birth to three years old throughout China.

We also provide a wide range of functional nutrition supplements to broaden the selection of health solutions beyond infant products. These products are designed to support immunity, digestion, brain development and overall well-being for both children and adults.

Formula Milk

We develop formula milk products primarily for the routine feeding of infants and toddlers to satisfy their nutritional needs. Our formula milk products are formulated based on the specific nutritional needs of infants at different developmental stages.

Infant and Maternal Personal Care Products

In 2010, we started marketing personal care products for infants, children and nursing mothers. Our new product category includes hygiene and skincare products and oral care solutions. These personal care products are marketed under the brand name "Sanita". Our three product series, namely, (i) Sanita U-ZA Baby Toiletries Series, (ii) Sanita U-ZA Baby Skin Care Series and (iii) Sanita-Denti Baby Oral Care Series are formulated to meet the sensitive needs of infants and nursing mothers. Leveraging dermatologically tested and global formulation standards, our personal care products are developed to support hygiene and overall well-being of infants and mothers.

Furthermore, based on our pharmaceutical-grade expertise, including microecological formulation technology and strict operational management, we maintain internal end-to-end R&D capabilities for nutrition and health products that meet the highest safety and efficacy standards. As of the Latest Practicable Date, we maintained a development pipeline of 26 product candidates across the following categories: (i) 14 probiotic solid beverages, (ii) six modified milk powder products, (iii) four probiotic health food products, (iv) one registered protein powder health food product, and (v) one probiotic fermented oat powder product.

SALES AND DISTRIBUTION CHANNELS

We implement distinct sales and distribution strategies across our different business lines as described below:

Medicine Marketing, Promotion and Sales Business Line. Under this business line, we are engaged by pharmaceutical companies to provide comprehensive sales, marketing and operational support for their products – primarily prescription drugs, over-the-counter medicines and specialty therapeutics. We engage distributors and sub-distributors primarily for managing downstream sales to pharmacies, clinics and hospitals, as well as for product delivery in compliance with applicable regulations, which require distributors complying with GSP standards to deliver pharmaceutical products to pharmacies, clinics and hospitals. Though distributors enter into agreements with retail points of sale, they generally do not undertake direct customer relationship development with pharmacies, clinics or hospitals, or conduct promotion or marketing activities on behalf of us. We differentiate ourselves from our competitors by carrying out our own promotional activities at the pharmacy and market level. Since our distributors primarily handle logistics, they retain only minimal distribution margins related to transportation and storage. We purchase products directly from pharmaceutical companies and therefore have the ability to autonomously manage pricing and cost structures with our distributors. As of December 31, 2025, our points of sale reached 530,000, underscoring the effectiveness of our strategy to deepen market coverage and accessibility.

Maternity and Supplements Business Line. We use a hybrid distribution model combining offline and online channels. For Chinese Mainland, offline sales are handled entirely through authorized distributors, who supply retail outlets such as specialty maternal and infant stores, supermarkets and baby care chains. Online sales are made through self-operated flagship stores on major platforms like Douyin and Pinduoduo, as well as approved third-party distributors on major e-commerce platforms. This approach improves efficiency, expands market reach, and minimizes channel conflict. In addition to Chinese Mainland, we also sold a small amount of our maternity and supplements as well as other products mainly through distributors in Hong Kong and other overseas markets mainly including Korea, Italy and Vietnam during the Track Record Period. For details of the distributors, see "Business – Sales and Distribution Channels – Our distributors" in this document.

OUR CUSTOMERS AND SUPPLIERS

Our customers mainly include leading enterprises engaged in pharmaceutical wholesale business. Revenue from our five largest customers in each year of the Track Record Period amounted to USD173.4 million, USD156.9 million and USD184.6 million, representing 49.6%, 55.8% and 60.7% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. Revenue from our largest customer during the Track Record Period amounted to USD81.2 million, USD89.4 million and USD107.6 million, representing 23.2%, 31.7% and 35.4% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. The increase in the revenue contribution from our largest customer during the Track Record Period was primarily attributable to our sustained sales and marketing efforts and strategic focus on our major customers. Such high revenue concentration from our major customers is not uncommon in the industry, as confirmed by Frost & Sullivan.

Our suppliers mainly include suppliers of pharmaceutical products and raw materials. For the years ended December 31, 2023, 2024 and 2025, purchases from our five largest suppliers in each year amounted to USD168.1 million, USD137.3 million and USD126.0 million, respectively, equivalent to 68.5%, 64.1% and 65.5% of our total purchases during the respective years. During the same years, purchases from our largest supplier, Hanmi Group, amounted to USD141.2 million, USD112.6 million and USD112.9 million, respectively, equivalent to 57.5%, 52.6%, and 58.6% of our total purchases during the respective years.

Key Strategic Supplier: Hanmi Group

To strengthen alignment and mitigate potential risks or conflicts of interest, we maintain a close working relationship with Hanmi Group and have entered into a long-term strategic cooperation agreement (the "**Strategic Cooperation Agreement**") with Beijing Hanmi Pharmaceutical Co., Ltd. ("**Beijing Hanmi**"), a subsidiary of Hanmi Group. Under the Strategic Cooperation Agreement, Beijing Hanmi is responsible for the distribution of pharmaceutical products through hospital tender channels, while we act as its distribution and marketing partner for all other channels, mainly out-of-hospital channels. The Strategic Cooperation Agreement applies to pharmaceutical and other mutually designated products and establishes a long-term cooperation framework covering distribution, commercialization and marketing activities. Hanmi Group shall first offer any new distribution terms and conditions to us before engaging with other distributors, ensuring that we have the priority to accept such terms and conditions. The Strategic Cooperation Agreement will remain effective on a continuing basis and does not grant either party a general unilateral termination right exercisable by giving notice for a fixed notice period. It may only be terminated by mutual written agreement of the parties or upon the occurrence of certain specified events, including the insolvency or change of control of the other party. There is no minimum purchase commitment under the Strategic Cooperation Agreement. Pricing for the transactions under the Strategic Cooperation Agreement will be conducted on an arm's length basis, aligned with prevailing market prices, and subject to annual review and adjustment. The Strategic Cooperation Agreement does not set out pre-defined credit or payment terms, and such detailed commercial arrangements are expected to be agreed in separate annual sales agreements or transaction-specific arrangements. These contractual arrangements under the Strategic Cooperation Agreement reduce potential conflicts and ensure that transactions are conducted on an arm's-length basis.

Our Directors are of the view that the risk that the relationship between Hanmi Group and us materially adversely changes or terminates is low, mainly because (i) we have maintained a long-term and stable collaboration with Hanmi Group since 2007; (ii) we have entered into the Strategic Cooperation Agreement with Beijing Hanmi to secure long-term cooperation; (iii) during the Track Record Period and up to the Latest Practicable Date, there were no supply disruption or any material breaches of any agreements between Hanmi Group and us; (iv) Hanmi Group cannot distribute pharmaceutical products without a Drug Operation License in Chinese Mainland, while we hold the necessary license along with a nationwide distribution network, which demonstrates mutual reliance between Hanmi Group and us; (v) our procurement from Beijing Hanmi represented a notable portion of its pharmaceutical product sales during the Track Record Period; and (vi) over the years of cooperation with Hanmi Group, we have developed a solid understanding of its products and formulated structured marketing strategies for such products, resulting in high switching costs on Hanmi Group's end. For details, see "Business — Our Products and Services — Medicine Marketing, Promotion and Sales Business" in this document.

COMPETITION

According to Frost & Sullivan, the market size of China's medicine marketing, promotion and sales industry was approximately RMB103.2 billion in 2025 in terms of revenue, representing a CAGR of approximately 8.2% from 2020. The medicine marketing, promotion and sales industry is highly specialized and relatively concentrated. We compete with numerous players in the market, and a limited number of players dominate the sector, where the top five collectively held a market share of 31.8% in terms of revenue in 2025. According to Frost & Sullivan, we were the eighth-largest medicine marketing, promotion and sales service provider in China by revenue in 2025. In particular, we were the largest pediatric medicine marketing, promotion and sales service providers in China by revenue in 2025, with a market share of 17.0%. We believe that this is attributable to our strong portfolio of pediatric-focused products and extensive national terminal distribution network.

According to Frost & Sullivan, the market size of the probiotics supplement industry was approximately RMB26.6 billion in 2025 in terms of retail sales. In the probiotics supplement industry, we have stood out with our Ofmom (妈咪爱)-branded probiotic offerings tailored to gut health and immune support needs across age groups. We also compete for market share for our formula products among competing offerings in the infant formula segment. In particular, our infant formula products have established a strong market foothold by fully complying with the 2023 new national standards, including optimized protein and carbohydrate content, and prohibitions on fructose and sucrose. According to Frost & Sullivan, despite a challenging market environment where the infant milk formula segment declined at a CAGR of 3.5% from 2020 to 2025, our infant milk formula has maintained steady growth by catering to new-generation parents' emphasis on scientific parenting and product safety.

For details, see "Industry Overview" and "Business – Competition" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our historical financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this document, including the related notes. Our historical financial information was prepared in accordance with HKFRSs.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts, for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	USD	*%*	*USD*	*%*	*USD*	*%*
Revenue	**350,371,641**	**100.0**	**281,692,222**	**100.0**	**304,072,027**	**100.0**
Cost of sales	(181,172,139)	(51.7)	(131,433,572)	(46.7)	(145,141,875)	(47.7)
Gross profit	**169,199,502**	**48.3**	**150,258,650**	**53.3**	**158,930,152**	**52.3**
Other income	33,984,782	9.7	18,035,545	6.4	2,868,027	0.9
Impairment loss (recognized)/reversed on trade receivables	(355,802)	(0.1)	(1,861,097)	(0.7)	953,605	0.3
Selling and marketing expenses	(119,498,759)	(34.1)	(91,739,789)	(32.6)	(71,216,372)	(23.4)
Administrative expenses	(33,674,646)	(9.6)	(28,456,963)	(10.1)	(37,272,624)	(12.3)
Other operating expenses	(3,374,721)	(1.0)	(1,799,823)	(0.6)	(2,230,146)	(0.7)
Foreign exchange difference, net	335,332	0.1	(1,107,853)	(0.4)	939,160	0.3
Profit from operations	**46,615,688**	**13.3**	**43,328,670**	**15.4**	**52,971,802**	**17.4**
Share of loss of an associate	(104,107)	*	–	–	–	–
Finance costs	(1,829,373)	(0.5)	(2,801,738)	(1.0)	(1,911,480)	(0.6)
Profit before taxation	**44,682,208**	**12.8**	**40,526,932**	**14.4**	**51,060,322**	**16.8**
Income tax	(19,913,853)	(5.7)	(18,676,161)	(6.6)	(18,103,622)	(6.0)
Profit for the year	**24,768,355**	**7.1**	**21,850,771**	**7.8**	**32,956,700**	**10.8**

* *less than 0.1%*

Revenue

Our revenue amounted to USD350.4 million, USD281.7 million and USD304.1 million in 2023, 2024 and 2025, respectively. We generated most of our revenue from the medicine marketing, promotion and sales business line, which accounted for 89.0%, 87.8% and 92.6% of our total revenue in 2023, 2024 and 2025, respectively.

For details, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Period to Period Comparison of Results of Operations" in this document.

Gross Profit and Gross Profit Margin

We recorded gross profit of USD169.2 million, USD150.3 million and USD158.9 million in 2023, 2024 and 2025, respectively. The fluctuations in our gross profit were mainly driven by changes in our revenue trends.

Our gross profit margin increased from 48.3% in 2023 to 53.3% in 2024, primarily due to the increase in profit margin of our medicine marketing, promotion and sales business line. The increase in our gross profit margin for the medicine marketing, promotion and sales business line was primarily due to a decrease in the prices of pharmaceutical products from our suppliers, coupled with continuous negotiations with suppliers that further drove down our procurement costs of pharmaceutical products. Our gross profit margin remained relatively stable at 53.3% and 52.3% in 2024 and 2025, respectively.

For details, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Period to Period Comparison of Results of Operations" in this document.

Summary of Consolidated Statements of Financial Positions

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our historical financial information included in Appendix I to this document.

	As of December 31,		
	2023	**2024**	**2025**
	USD	*USD*	*USD*
Non-current assets	41,050,774	58,514,631	61,707,947
Current assets	151,344,290	157,449,090	259,581,144
Current liabilities	112,311,980	121,516,923	180,383,204
Net current assets	39,032,310	35,932,167	79,197,940
Total assets less current liabilities	80,083,084	94,446,798	140,905,887
Non-current liabilities	**6,095,337**	**4,829,225**	**3,780,382**
Net assets	**73,987,747**	**89,617,573**	**137,125,505**

Our net assets amounted to USD74.0 million, USD89.6 million and USD137.1 million as of December 31, 2023, 2024 and 2025, respectively. Our net assets increased from USD74.0 million as of December 31, 2023 to USD89.6 million as of December 31, 2024, primarily due to the profit for the year of USD21.9 million, partially offset by the other comprehensive loss of USD6.2 million. Our net assets increased from USD89.6 million as of December 31, 2024 to USD137.1 million as of December 31, 2025, primarily attributable to (i) total comprehensive income of USD42.4 million, and (ii) disposal of subsidiaries as part of a corporate reorganization of USD5.1 million.

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	USD	*USD*	*USD*	*USD* (unaudited)
Current assets				
Inventories	20,317,949	43,258,199	32,179,496	28,091,971
Trade receivables, other receivables and prepayments	72,084,184	97,983,662	215,941,058	202,796,271
Other financial assets	–	–	2,074,437	2,013,000
Time deposits	492,980	121,168	146,028	28,932
Cash and cash equivalents	58,449,177	16,086,061	9,240,125	7,627,986
Restricted Cash	–	–	–	120,002
Total current assets	151,344,290	157,449,090	259,581,144	240,678,162
Current liabilities				
Trade and other payables	58,275,379	72,097,791	122,698,418	82,368,650
Contract liabilities	1,863,067	2,110,116	3,126,948	4,113,120
Lease liabilities	2,949,394	1,430,076	1,653,940	1,606,773
Bank and other borrowings	41,081,882	43,217,464	48,615,125	49,431,784
Income tax payable	8,142,258	2,661,476	4,288,773	2,842,967
Total current liabilities	112,311,980	121,516,923	180,383,204	140,363,294
Net current assets	39,032,310	35,932,167	79,197,940	100,314,868

For a detailed discussion of our current assets and current liabilities during the Track Record Period, see "Financial Information — Liquidity and Capital Resources — Current Assets/Liabilities" in this document.

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
	USD	*USD*	*USD*
Net cash generated from/(used in) operating activities	39,747,474	(10,255,136)	(7,067,743)
Net cash generated from/(used in) investing activities	4,724,420	(29,249,536)	(2,811,933)
Net cash (used in)/generated from financing activities	(7,616,574)	907,790	2,125,253
Net increase/(decrease) in cash and cash equivalents	36,855,320	(38,596,882)	(7,754,423)
Cash and cash equivalents at the beginning of the year	26,121,963	58,449,177	16,086,061
Effect of foreign exchange rate changes, net	(4,528,106)	(3,766,234)	908,487
Cash and cash equivalents at the end of the year	58,449,177	16,086,061	9,240,125

Our net cash generated from operating activities in 2023 was USD39.7 million, which was attributable to cash generated from operations of USD56.4 million, offset by income taxes paid of USD16.7 million. Our net cash used in operating activities in 2024 was USD10.3 million, which was attributable to income taxes paid of USD25.0 million, offset by cash generated from operations of USD14.7 million. Our net cash used in operating activities in 2025 was USD7.1 million, which was attributable to income taxes paid of USD18.4 million, offset by cash generated from operations of USD11.3 million.

For a detailed discussion of our cash flows during the Track Record Period, see "Financial Information — Liquidity and Capital Resources — Cash Flows" in this document.

Key Financial Ratios

The following table sets forth our selected key financial ratios as of the dates/for the years indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	48.3%	53.3%	52.3%
Net profit margin	7.1%	7.8%	10.8%
Quick ratio(1)	1.17	0.94	1.26
Gearing ratio(2)	67.6%	55.1%	38.9%

Notes:

(1) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(2) Gearing ratio is calculated based on total borrowings and lease liabilities divided by total equity.

RISK FACTORS

Our business and the **[REDACTED]** involve risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to **[REDACTED]** in our Shares. Some of the major risks we face include:

- Our reliance on Hanmi Group and the relevant strategic cooperation agreement may expose us to pricing, supply and contractual risks.

- We cannot assure you that our business strategies will succeed or deliver sufficient growth.

- Our products and services may contain certain defects that expose us to customer complaints or product liability and other claims, which could damage our reputation, cause us to incur significant expenses, reduce market demand and attract increased regulatory scrutiny.

- We may fail to successfully develop and commercialize new products or respond to evolving market demand, which could adversely affect our business and growth prospects.

- Failure to grow our marketing capabilities and effectively maintain or promote our brands may adversely affect our future success or the brand name and reputation of our products and services.

- We rely on suppliers and other third parties with respect to the products and services we provide. Failure to effectively maintain business relationships with our suppliers and such other third parties, control the stability, reliability and quality of our procurement, as well as any delays or interruptions in delivery, can disrupt our supply chain or business collaboration and pose a risk to our ability to deliver solutions to customers.

- We have limited control over our distributors and sub-distributors, and any non-compliance, adverse publicity or disorderly competition arising therefrom, as well as any instability in such arrangements, may adversely affect our reputation, sales, business prospects and profitability.

OUR CONTROLLING SHAREHOLDERS

Mr. Lim and Coree Pohang will be our Controlling Shareholders upon **[REDACTED]**. Immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), Mr. Lim will (i) directly hold **[REDACTED]**% of the total issued share capital of our Company and (ii) indirectly, through Coree Pohang, hold **[REDACTED]**% of the total issued share capital of our Company. For details, see "Relationship with our Controlling Shareholders" in this document.

CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions which will constitute non-exempt or partially-exempt continuing connected transactions for our Company under the Listing Rules upon **[REDACTED]**. Accordingly, we have applied for[, and the Stock Exchange has granted to us,] a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules in relation to such non-exempt or partially-exempt continuing connected transactions For details, see "Connected Transactions" in this document.

DIVIDEND

Our Company, COREE Company Limited, currently does not have a pre-determined dividend distribution plan, nor do we have any intention to declare or pay dividends in the future. The declaration of dividends is subject to the discretion of our Directors, and if necessary, Shareholders' approval, and would depend on our earnings, cash flow, financial condition, capital and investment requirements, as well as our Articles of Association.

We did not declare dividends in 2023, 2024 and 2025. As of December 31, 2025, we had no dividend payables.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

We are subject to various regulatory requirements and guidelines issued by the applicable regulatory authorities. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in all material respects, except for the non-compliance which would not have a material adverse effect on our business as a whole.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$**[REDACTED]** million (including **[REDACTED]** fees and commission for both the **[REDACTED]** and the **[REDACTED]**), representing **[REDACTED]**% of our estimated gross **[REDACTED]** of HK$**[REDACTED]** million from the **[REDACTED]**, based on the **[REDACTED]** of the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** and assuming the **[REDACTED]** is not exercised. The estimated **[REDACTED]** expenses consist of (i) **[REDACTED]**-related expenses (including but not limited to **[REDACTED]** for both the **[REDACTED]** and the **[REDACTED]**) of HK$**[REDACTED]** million, (ii) fees and expenses of legal advisers and accountants of HK$**[REDACTED]** million, and (iii) other fees and expenses of HK$**[REDACTED]** million. We recognized USD**[REDACTED]** million (equivalent to HK$**[REDACTED]** million) as administrative expenses in the fiscal year 2025 and expect to recognize USD**[REDACTED]** million (equivalent to HK$**[REDACTED]** million) as administrative expenses and USD**[REDACTED]** million (equivalent to HK$**[REDACTED]** million) as a deduction in equity directly in the fiscal year 2026. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2026.

The **[REDACTED]** is responsible for the **[REDACTED]** of **[REDACTED]**%, and a **[REDACTED]** of up to **[REDACTED]**%, plus **[REDACTED]** fees and transaction levies, of the **[REDACTED]**, translating to an aggregate amount of approximately HK$**[REDACTED]** million (based on an **[REDACTED]** of HK$**[REDACTED]** and assuming the **[REDACTED]** is not exercised). Such **[REDACTED]** and **[REDACTED]** are not included in the **[REDACTED]** expenses of the Company.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range stated in this document, and assuming no exercise of the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** in the amounts set forth below to strengthen our market position and drive sustainable growth, with a structured implementation sequence and measurable timeframes:

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for expanding our sales network and product portfolio.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for strengthening our production capacity through the implementation of the "Compact Modular Capacity Upgrade System" over the next three to five years.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, over the next three years will be used for enhancing brand value and presence for our two brands, "Ofmom (妈咪爱)" and "COREE."

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used for working capital and other general corporate purposes.

For further details, see the section headed "Future Plans and **[REDACTED]**."

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants' Report set out in Appendix I to this document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.