

## SUMMARY

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*This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to invest in the [REDACTED].*

*There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].*

### OUR MISSION

Biotechnology to empower beauty and health.

### OUR VISION

We strive to become a leader in China’s beauty and health industry by bringing technologies from lab to life.

### OUR VALUE

Unwavering commitment to innovative technologies and products for natural beauty and health.

### OVERVIEW

We are a pioneer and leader in the bioactive ingredient-based professional skin treatment product industry in China. We design, develop and manufacture professional skin treatment products with recombinant collagen as the key bioactive ingredient. We also develop and manufacture rare ginsenosides technology-based functional foods. We utilize proprietary synthetic biology technology to develop and manufacture multiple types of recombinant collagen and rare ginsenosides in-house.

Our years of R&D on bioactive ingredients and integrated business model enable us to achieve the technological and market leadership positions in the industry. According to Frost & Sullivan,

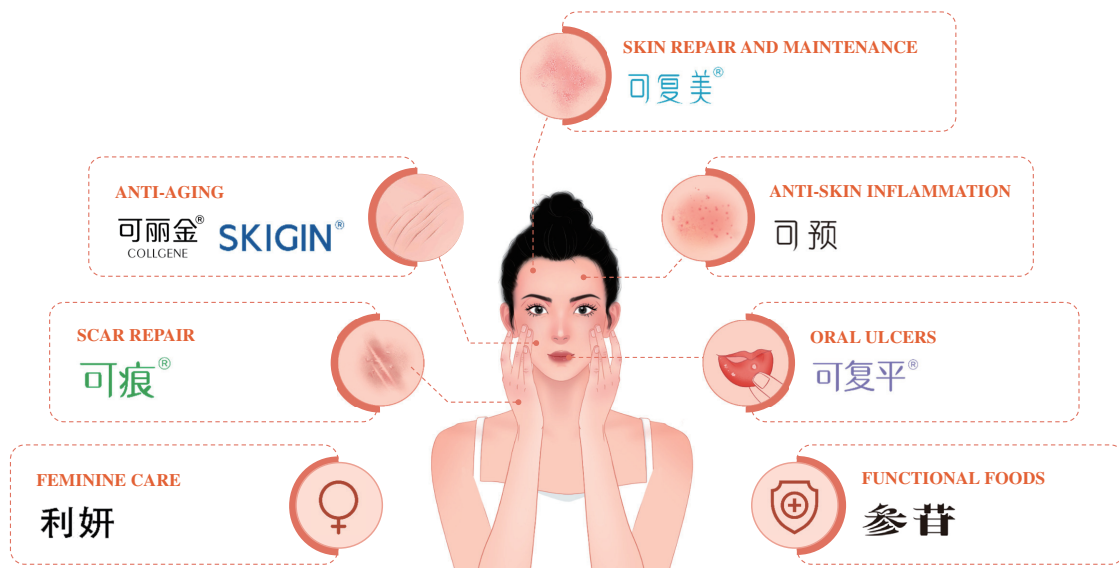
- We were the second-largest professional skin treatment product company by retail sales in China in 2021 as well as the largest collagen-based professional skin treatment product company by retail sales in China for the latest three consecutive years since 2019;
- *Collgene* and *Comfy*, our flagship brands of recombinant collagen-based products, were the third and the fourth best-selling professional skin treatment brand, respectively, by retail sales in China in 2021;
- We are the first company to achieve mass production of recombinant collagen-based skincare products globally;
- Our proprietary recombinant collagen technology was the first one in the field awarded a patent in China;

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- We are the first company to obtain medical device registration for recombinant collagen-based product in China;
- We are the first company to mass-produce each of five types of rare ginsenosides, namely Rk3, Rh4, Rk1, Rg5 and CK, at a hundred kilogram-scale with high purity in China; and
- We were the second-largest rare ginsenosides technology-based functional food company by retail sales in China in 2021, with a market share of 24.0%.

Bioactive ingredients offer a wealth of beauty and health properties such as skin repair, anti-aging, whitening, moisturizing and immunity improvement with a broad range of applications in the beauty and health sectors. As of the Latest Practicable Date, we had a portfolio of 105 SKUs across eight major brands covering functional skincare, medical dressings and functional foods, namely *Comfy*, *Collgene*, *Keyu*, *Kehen*, *Kefuping*, *Leeyen*, *SKIGIN*, and *Shengan*. The following graphics illustrate our major brand portfolio with respective key applications:

### Our Major Brand Portfolio with a Broad Range of Applications



We implement dual-pronged “medical institution + mass consumer” sales strategy targeting both medical institutions and mass market. As of the Latest Practicable Date, we have sold and distributed products to over 1,000 public hospitals, approximately 1,700 private hospitals and clinics, as well as approximately 300 pharmacy chain brands across China. In addition, we have also built a nationwide mass market sales network through direct sales and distributors. Our direct sales primarily include sales through direct-to-customer (“DTC”) stores on e-commerce and social media platforms including Tmall, JD.com, Douyin, Xiaohongshu, and Pinduoduo, as well as sales to proprietary divisions of e-commerce platforms such as JD.com and Vipshop. Our mass market distribution covers individual consumers, cosmetic store chains and supermarket chains such as Watsons, Afiona, The COLORIST, Ole’, Hualian Group and Hema Fresh with approximately 2,000 stores in China.

We have achieved significant growth during the Track Record Period. Our revenue increased from RMB956.7 million in 2019 to RMB1,190.5 million in 2020, and further increased to RMB1,552.5 million in 2021. Moreover, our net profit amounted to RMB575.2 million, RMB826.5 million, RMB828.1 million in 2019, 2020 and 2021, respectively, with net

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margin of 60.1%, 69.4% and 53.3% during the same periods. Our adjusted net profit amounted to RMB575.0 million, RMB672.3 million and RMB836.8 million in 2019, 2020 and 2021, respectively, with adjusted net profit margin of 60.1%, 56.5% and 53.9% during the same periods.

### OUR BRANDS AND PRODUCTS

Leveraging our years of R&D, proprietary synthetic biology technology platform and leadership in bioactive ingredients, we have built an expanding, multi-brand portfolio of technology-based beauty and health products. Our brands and products are designed and developed to address evolving and diverse consumer needs across different skin types, application scenarios and consumer groups. As of the Latest Practicable Date, our professional skincare product and functional food portfolio comprise 105 SKUs across eight major brands.

With respect to our professional skincare products, our proprietary recombinant collagen serves as a common thread of technology-based beauty products and a key differentiator that sets us apart from our peers. We deploy different combinations of four types of recombinant collagen that we manufacture in-house, namely Type I recombinant human collagen, Type III recombinant human collagen, recombinant human-like collagen, and small-molecule recombinant collagen peptide in most of our professional skincare products. Different recombinant collagen has different functions on human skin.

With different combinations of the four types of recombinant collagen, we offer an array of professional skincare products. Our flagship brands, *Comfy* and *Collgene*, are our two longest-standing brands. Our leading brand *Comfy* was launched in 2011, initially as a dermatology-grade, professional skincare brand for medical institution customers and subsequently expanded to the mass consumer market. Our second leading brand, *Collgene*, was launched in 2009 as a mid- to high-end multi-faceted functional skincare brand with major benefits of anti-aging, skin maintenance and skin repair.

In addition, we also offer five additional major skincare brands and one functional food brand, providing consumers with multiple options to address their diverse skincare and nutritional needs:

- *Keyu*, a recombinant collagen-based brand designed for the relief and prevention of skin inflammatory conditions;
- *Kehen*, a recombinant collagen-based brand designed for scar repair;
- *Kefuping*, a recombinant collagen-based brand for the prevention and repair of oral ulcers;
- *Leeyen*, a recombinant collagen-based brand for feminine care;
- *SKIGIN*, a rare ginsenosides-based skincare brand; and
- *Shengan*, a ginsenosides-based functional food brand to offer consumers nutritional supplements to improve immune systems.

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### RESEARCH AND DEVELOPMENT

We are committed to investing in R&D, which are pivotal to our success to date. Our R&D activities focus on (i) the continued fundamental research and advancement of our proprietary synthetic biology technologies to design, develop and manufacture various types of recombinant collagen, rare ginsenosides and other bioactive ingredients which can be used for our current and future products, and (ii) the development and launch of new products to expand our product portfolio.

We design and develop recombinant collagen, rare ginsenosides and other bioactive ingredients with our proprietary synthetic biology technology. We believe our synthetic biology technology is hard to replicate as it has integrated years of cross-disciplinary research and accumulated know-how on biotechnology, biochemistry and bioengineering encompassing the core components such as gene recombination, cell factory construction, fermentation, separation and purification. We have built a diversified and expanding product portfolio for a wide group of consumers across application scenarios on top of our synthetic biology technology platform. See "Business – Research and Development."

### OUR CUSTOMERS AND SUPPLIERS

Our customers primarily include individual consumers, e-commerce platforms, hospitals, clinics, pharmacy chains, cosmetic store chains, supermarkets chains as well as our distributors. Revenue generated from our largest customers for the years ended December 31, 2019, 2020 and 2021, accounted for 52.2%, 49.3% and 29.3%, respectively, of our total revenues during those periods. Revenue generated from our five largest customers for the years ended December 31, 2019, 2020 and 2021, accounted for 58.9%, 55.5% and 38.7%, respectively, of our total revenues during those periods. See "Business – Our Customers."

Our suppliers primarily include DTC store operating services providers, construction services providers, packaging material suppliers and raw materials suppliers. Purchases from our largest supplier for the years ended December 31, 2019, 2020 and 2021, accounted for 9.3%, 7.2% and 4.6%, respectively, of our total purchase amount during those periods. Purchases from our five largest suppliers for the years ended December 31, 2019, 2020 and 2021 accounted for 29.2%, 20.5% and 15.8%, respectively, of our total purchase amount during those periods. See "Business – Our Suppliers."

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### OUR STRENGTHS

We believe the following competitive strengths contribute to our success:

- A pioneer and leader in bioactive ingredient-based professional skin treatment product industry in China to capture the fast-growing and significant market opportunities;
- Well-recognized technology-based beauty brands with a diversified and expanding product portfolio;
- Proven track record of converting R&D capabilities to successful commercial ventures;
- Innovative product pipeline centered around increasing consumer demand for technology-based beauty and health products to drive future growth;
- Synergistic omni-channel sales and distribution network with dual-pronged “medical institution + mass consumer” sales strategy;
- Powerful end-to-end manufacturing platform to cement our technology-enabled products and to meet consumers’ dynamic demand in a timely manner; and
- Dedicated and experienced founders and management team.

### OUR STRATEGIES

We strive to solidify our market leadership and will pursue the following strategies:

- Enrich technology-based beauty and health product portfolio;
- Strengthen R&D capabilities and technological leadership position;
- Expand sales and distribution network and enhance brand recognition;
- Enhance manufacturing capabilities and improve production efficiencies;
- Further intelligentize and digitalize our operations; and
- Establish and expand our international footprint.

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### RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our Shares. Some of the major risks that we face include:

- Our business and future growth prospects rely on industry development and consumer demand for our products. If we fail to achieve and further promote our brand recognition and the widespread market acceptance of our products, or if we fail to grow or retain our customers or consumer base, our business, results of operations and financial condition may be materially and adversely affected;
- We are dependent on the sales of a limited number of brands. As the sales of our products rely on our brands and consumers’ perception of our products, any damage to our brands such as negative news and product incidents or a failure to continue to promote our brands will lead to deterioration in the sales of our products;
- Our investment in R&D, including collaborations with third parties, may not generate expected outcomes;
- We may not be able to adequately protect our intellectual property rights, which could harm the value of our brands and adversely affect our business; and
- We depend on our distributors for a large portion of our total revenue, over whom we have limited control, during the Track Record Period, which exposes us to significant concentration risk.

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### SUMMARY OF THE KEY FINANCIAL DATA

#### Summary of the Consolidated Results of Operations

The following table sets forth a summary of our consolidated results of operations for the years presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this document. The results of operations in any year are not necessarily indicative of our future trends.

	<b>For the Year Ended December 31,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>(RMB in thousands)</i>		
<b>Revenue</b>	956,702	1,190,479	1,552,486
<b>Cost of sales</b>	(159,990)	(183,410)	(198,149)
<b>Gross profit</b>	<b>796,712</b>	<b>1,007,069</b>	<b>1,354,337</b>
Selling and distribution expenses	(93,788)	(158,422)	(346,211)
Administrative expenses	(28,845)	(32,992)	(72,274)
Research and development costs	(11,400)	(13,381)	(24,954)
Other expense	–	(2,344)	(2,954)
Other income	31,166	21,386	33,155
Other gains or losses, net	(15,825)	149,447	32,144
Provision/(reversal) of impairment losses on financial assets, net	(1,024)	2,479	(326)
<b>PROFIT BEFORE TAX</b>	<b>676,996</b>	<b>973,242</b>	<b>972,917</b>
Income tax expense	(101,816)	(146,757)	(144,785)
<b>PROFIT FOR THE YEAR</b>	<b>575,180</b>	<b>826,485</b>	<b>828,132</b>

#### Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance.

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We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net profit as net profit for the period/year adjusted by adding back equity-settled share award expense, which is non-cash in nature, and [REDACTED] expenses, which is non-recurring, and deducting fair value gains on financial assets at fair value through profit or loss (“FVTPL”), which is unrelated to our core business.

The following table reconciles our adjusted net profit for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net profit for the year:

	<b>For the Year Ended December 31,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>(RMB in thousands)</i>		
Reconciliation of profit to adjusted profit			
Profit for the year	575,180	826,485	828,132
Add:			
Equity-settled share award expense	–	592	16,487
[REDACTED] expenses	–	–	6,647
Less:			
Fair value gains on financial assets at FVTPL	162	154,778	14,474
<b>Adjusted profit for the year (unaudited)</b>	<b>575,018</b>	<b>672,299</b>	<b>836,792</b>



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### Consolidated Balance Sheet

The following table sets forth the consolidated balance sheets as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this document.

	As of December 31,		
	2019	2020	2021
	<i>(RMB in thousands)</i>		
<b>CURRENT ASSETS</b>			
Inventories	50,863	64,656	89,394
Trade receivables	17,260	54,523	65,639
Prepayments, other receivables and other assets, current	16,289	7,460	27,682
Amounts due from the related parties	554,897	201,310	–
Financial assets at fair value through profit or loss (“FVTPL”)	746,623	1,588,344	155,607
Cash and cash equivalents	72,323	367,805	7,103,000
<b>Total current assets</b>	<b>1,458,255</b>	<b>2,284,098</b>	<b>7,441,322</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	258,722	240,363	274,336
Investment properties	–	26,087	24,170
Other intangible assets	9,154	8,782	7,598
Right-of-use assets	41,218	40,351	59,190
Prepayments, other receivables and other assets, non-current	25,332	50,197	70,240
Deferred tax assets	4,256	1,230	1,352
<b>Total non-current assets</b>	<b>338,682</b>	<b>367,010</b>	<b>436,886</b>
<b>Total assets</b>	<b>1,796,937</b>	<b>2,651,108</b>	<b>7,878,208</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	22,779	31,946	23,612
Other payables and accruals	77,741	93,856	6,362,837
Tax payable	122,867	144,234	71,355
Dividend payables	397,000	1,900,000	367,460
Deferred income	1,620	2,681	1,500
Contract liabilities	4,047	1,173	16,278
<b>Total current liabilities</b>	<b>626,054</b>	<b>2,173,890</b>	<b>6,843,042</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income	19,422	17,973	17,584
Deferred tax liabilities	12	1,242	771
<b>Total non-current liabilities</b>	<b>19,434</b>	<b>19,215</b>	<b>18,355</b>
<b>Total liabilities</b>	<b>645,488</b>	<b>2,193,105</b>	<b>6,861,397</b>

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Our net current assets increased by 442.9% from RMB110.2 million as of December 31, 2020 to RMB598.3 million as of December 31, 2021, primarily due to (i) an increase of RMB6,735.2 million in cash and cash equivalents and (ii) a decrease of RMB1,532.5 million in dividend payables, partially offset by (i) an increase of RMB6,269.0 million in other payables and accruals, (ii) a decrease of RMB1,432.7 million in financial assets at FVTPL, and (iii) a decrease of RMB201.3 million in amounts due from the related parties.

Our net current assets decreased by 86.8% from RMB832.2 million as of December 31, 2019 to RMB110.2 million as of December 31, 2020, primarily due to (i) an increase of RMB1,503.0 million in dividend payables, and (ii) a decrease of RMB353.6 million in the amounts due from the related parties, partially offset by (i) an increase of RMB841.7 million in financial assets at FVTPL, and (ii) an increase of RMB295.5 million in cash and cash equivalents.

### Summary of the Consolidated Statements of Cash Flows

The following table summarizes our cash flows for the periods indicated:

	<b>For the Year Ended December 31,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>(RMB in thousands)</i>		
Net cash generated from operating activities	656,457	834,124	692,401
Net cash (used in)/generated from investing activities	(589,846)	(521,119)	1,563,266
Net cash (used in)/generated from financing activities	(2,164)	(17,523)	4,475,544
Net increase in cash and cash equivalents	64,447	295,482	6,731,211
Cash and cash equivalents at the beginning of the year	7,876	72,323	367,805
Effect of foreign exchange rate changes	—	—	3,984
<b>Cash and cash equivalents at the end of the year</b>	<b>72,323</b>	<b>367,805</b>	<b>7,103,000</b>

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### KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	For the Year Ended December 31,		
	2019	2020	2021
Gross profit margin	83.3%	84.6%	87.2%
Net profit margin	60.1%	69.4%	53.3%
Return on assets	39.2%	37.2%	15.7%
Return on equity	54.1%	102.7%	112.3%
Adjusted net profit margin	60.1%	56.5%	53.9%
Adjusted return on assets	39.2%	30.2%	15.9%
Adjusted return on equity	54.1%	83.5%	113.5%
Current ratio	2.3	1.1	1.1
Quick ratio	2.2	1.0	1.1

See “Financial Information – Key Financial Ratios” for calculation of the above financial ratios.

### DIVIDEND AND DIVIDEND POLICY

In 2019, 2020 and 2021, our subsidiaries, namely Xi’an Giant Biogene, Shaanxi Giant Biotechnology, Xi’an Giant Medical Device and Shaanxi Giant Teyi, declared a dividend of RMB397.0 million, RMB1,504.5 million and RMB1,017.5 million, respectively. In 2020 and 2021, our aforementioned subsidiaries paid a dividend of RMB1.5 million and RMB2,550.0 million, respectively. As a result, we recorded dividend payables of RMB397.0 million, RMB1,900.0 million and RMB367.5 million in 2019, 2020 and 2021, respectively. No dividend has been paid or declared by our Company during the Track Record Period.

Our Company is a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

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### DISTRIBUTABLE RESERVES

As of December 31, 2021, we had retained profit of RMB118.5 million available for distribution to our Shareholders.

### PRE-[REDACTED] INVESTORS

In 2021 and 2022, we have engaged in Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors. For further details of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, please see “History, Reorganization and Corporate Structure – Pre-[REDACTED] Investments” in this document.

### OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Fan, our Co-founder, executive Director and chief scientific officer, will be interested in the voting rights of approximately [REDACTED]% of the issued share capital of our Company, comprising: (i) Shares held by Juzi Holding, which is wholly owned by Refulgence Holding, the holding vehicle for the benefit of FY Family Trust with Dr. Fan as the settlor and beneficiary, representing approximately [REDACTED]% of the issued share capital of our Company; (ii) Shares held by Dr. Fan through Healing Holding, representing approximately [REDACTED]% of the issued share capital of our Company; and (iii) Shares held by GBEBT Holding, a platform holding the underlying incentive Shares under the RSU Scheme for the benefit of the GB Employee Benefit Trust and the voting rights of which was entrusted with Dr. Fan, representing approximately [REDACTED]% of the issued share capital of the Company. Accordingly, each of Dr. Fan, Juzi Holding, Refulgence Holding, Healing Holding and GBEBT Holding constitutes our Controlling Shareholder upon completion of the [REDACTED].

Mr. Yan, our Co-founder, chairman of the Board, executive Director and chief executive officer, is the spouse of Dr. Fan. As such, Mr. Yan will also constitute a Controlling Shareholder of our Company upon completion of the [REDACTED].

### RSU SCHEME

In order to promote the Group’s development in the long run and attract and retain senior management team and core talents of the Group, the RSU Scheme was adopted by the Company on December 8, 2021. Pursuant to the RSU Scheme, the Company allotted and issued 19,000,000 Ordinary Shares to GBEBT Holding, a limited liability company incorporated in the BVI as a platform holding the underlying incentive Shares under the RSU Scheme, representing approximately 1.96% of the total issued share capital of the Company immediately before the [REDACTED]. GBEBT Holding is held by Trident Trust Company (HK) Limited, an independent trustee entrusted by the Company. The voting rights of GBEBT Holding in our Company has been entrusted with Dr. Fan. For further details about the RSU Scheme, see “Statutory and General Information – D. RSU Scheme” in Appendix IV.

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### IMPACT OF THE COVID-19 PANDEMIC DURING THE TRACK RECORD PERIOD

Due to the COVID-19 outbreaks in several provinces in China resulting from the spread of various strains, we experienced some temporary disruptions in production and logistics during the Track Record Period. For example, in the first two months of 2020 and December 2021, the operation of our manufacturing facilities was temporarily suspended. However, the advanced stock up of our products was adequate in meeting the orders and hence the suspension of production did not materially affect the availability of our products for sales. Nevertheless, due to the COVID-19 outbreaks in several provinces, we experienced some delays in dispatching orders with our logistics partners in China. Save for the aforementioned disruptions, our supply chain and production were, to the best of our knowledge, not materially impacted by the COVID-19 pandemic. See “Financial Information – The Impacts of COVID-19 on Our Business” for further details on its impact on production, logistics and sales channels, and our preventive measures.

### RECENT DEVELOPMENTS

Due to the COVID-19 resurgence in several provinces from December 2021 to January 2022, China took precautionary measures, such as travel restrictions, quarantines, remote working, cancellation of public events, and recommendations against travel for leisure, among others. As a result, our sales to distributors were adversely affected during the period. However, as we have strategically maintained advanced stock up of our products with third-party warehouse and logistics service providers in three cities, the availability of our products for sales has not been materially affected by the suspension of production in December 2021. Since February 2022, our operations in Xi’an resumed to normal whilst still experiencing some logistics constraints in our deliveries to certain cities in China given the resurgence. As of the Latest Practicable Date, we are of the view that the COVID-19 pandemic has not have a material adverse effect on our business operations and financial performance. Our supply chain and production were, to the best of our knowledge, not materially impacted by the COVID-19 pandemic.

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### [REDACTED] EXPENSES

The [REDACTED] expenses represent professional fees, [REDACTED] commission, and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately HK\$[REDACTED] (including (i) [REDACTED] commission of approximately HK\$[REDACTED], and (ii) non-[REDACTED] related expenses of approximately HK\$[REDACTED], which consist of fees and expenses of legal advisors and Reporting Accountant approximately HK\$[REDACTED] and other fees and expenses of approximately HK\$[REDACTED]), representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED], (assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED]) and no exercise of the [REDACTED]), of which approximately HK\$[REDACTED] is directly attributable to the issue of our [REDACTED] to the public and will be deducted from equity, and approximately HK\$[REDACTED] is expected to be expensed upon the [REDACTED].

### [REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] are allotted and issued in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED]:

	<b>Based on an [REDACTED] of HK\$[REDACTED] per Share</b>	<b>Based on an [REDACTED] of HK\$[REDACTED] per Share</b>
Market Capitalization	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] consolidated net tangible assets per Share <sup>(1)</sup>	HK\$[REDACTED]	HK\$[REDACTED]

*Note:*

- (1) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred in “Appendix II – Unaudited [REDACTED] Financial Information” in this document and on the basis that [REDACTED] Shares are issued and outstanding immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]).

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### USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] commissions and other estimated [REDACTED] expenses 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] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED]. We intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], for the investment in our R&D to enlarge our R&D team through recruitment, expand our R&D facilities and conduct testing and validation studies;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] for the expansion of manufacturing capacity with respect to our product portfolios and bioactive ingredients;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], to enhance our omni-channel sales and distribution network, and implement our science- and knowledge-driven marketing activities to enhance our brand recognition;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], for the enhancement of our operation and information systems, including (i) procurement of software and hardware, (ii) development of an integrated hybrid cloud infrastructure through investments in hardware such as servers and Internet services, and (iii) recruitment of IT specialists, including software developers and IT engineers; and
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], for working capital and general corporate uses.

See “Future Plans and Use of [REDACTED].”

### NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document, except as disclosed elsewhere in this Document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2021, being the end date of the periods reported on in the Accountant’s Report included in Appendix I to this document, and there is no event since December 31, 2021 that would materially affect the information as set out in the Accountant’s Report included in Appendix I to this document.