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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

See the section headed “Business — Our Business Strategies” for a detailed description of our future plans.

### USE OF PROCEEDS

Shareholders and prospective investors should note that the gross proceeds from the Public Offer, at the Offer Price of HK\$1.2 per Offer Share, will amount to HK\$53.6 million. Deducting the underwriting commissions and other listing expenses in connection with the Spin-Off, which are expected to amount to HK\$43.0 million or 80.2% of the gross proceeds, we expect to receive minimal estimated net proceeds of HK\$10.6 million, which will be applied in the following manner:

- approximately 47.2% of the net proceeds, or approximately HK\$5.0 million, to fund the portfolio development and brand management of our proprietary Chinese medicines. More particularly, the allocated proceeds will be applied towards (i) conducting market surveys and analysis on the landscape of target markets; (ii) conducting brand promotion and advertising activities to reinforce and further enhance the brand loyalty, market standing, profile, image and consumer stickiness of our proprietary Chinese medicine brands to support our product line extension initiatives; and (iii) uplifting our product development capabilities through organic growth or third-party collaborations. For further details, see the section headed “Business — Our Business Strategies — Further expand our portfolio through organic growth and mergers and acquisitions”;
- approximately 43.4% of the net proceeds, or approximately HK\$4.6 million, to fund our payments (upfront, in stages or otherwise) for obtaining additional distribution rights from third-party brand owners, as part of our strategy to grow our third-party brand product portfolio both organically through the expansion of our collaborations with existing third-party brand owners in terms of product and geographical representation, as well as sourcing from new third-party owners with synergetic products by entering into a distributorship or in-licensing agreement. For further details, see the section headed “Business — Our Business Strategies — Further expand our portfolio through organic growth and mergers and acquisitions”; and
- approximately 9.4% of the net proceeds, or approximately HK\$1.0 million, to supplement our working capital and for general corporate purposes.

To the extent that the net proceeds from the Public Offer are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit such net proceeds into interest-bearing bank accounts maintained with licensed banks or financial institutions only.

Shareholders and prospective investors should also note that given the minimal estimated net proceeds from the Public Offer, our net assets and cash flow position will not be enhanced to any material extent as a result of the Spin-off.