

SUMMARY

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. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set forth in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are an integrated green home services provider and a pioneer in advocating and advancing green and healthy living environments. Our journey began in 1995 at the foothills of Mount Mogan, where a close connection to nature shaped our commitment of “*Bring Your Home to Life in Mount Mogan (讓家住進莫干山)*” — to deliver healthy, high-quality green home products that bring the natural livability of Mount Mogan into everyday living spaces. For over three decades, we have built our “*Moganshan (莫干山)*” brand into a nationally recognized brand in China, trusted by consumers for the health, reliability, and quality of product offerings. Beginning with wood-based panels, we have expanded our offerings into a comprehensive portfolio covering substantially all major furnishings required for green homes, enabling us to provide one-stop, whole-home customization solutions and positioning ourselves as an integrated service provider.

During the Track Record Period, we focused on the provision of green wood-based panels and customized home furnishings. According to CIC, we were the third-largest green wood-based panel provider and top 15 green customized home furnishings provider in China in terms of revenue in 2024. We have continuously participated in multiple national R&D projects since China’s Twelfth Five-Year Plan, with research focusing on critical technologies that facilitate industrial upgrading and transformation, and have conducted related application demonstrations. In addition, we have been recognized with multiple national honors and certifications, including *National Intellectual Property Demonstration Enterprise (國家知識產權示範企業)*, *National Key Forestry Leading Enterprise (國家林業重點龍頭企業)*, *National Green Factory (國家綠色工廠)*, *National Green Supply Chain Demonstration Enterprise (國家綠色供應鏈管理企業)*, and *5G Fully Connected Factory (5G全連接工廠)*.

We play an active role in shaping and advancing industry standards for green home products. When developing green home products, we primarily use timber sourced from sustainably managed commercial forests as our raw material. Leveraging the economies of scale arising from large-scale procurement, we support afforestation, reforestation and the sustainable use of land with stable economic returns, thereby incentivizing the continuous cultivation of forestry resources. In addition, we actively engage in various tree-planting initiatives to promote ecological restoration and circular development. Alongside these

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upstream efforts, we invest in R&D to drive ongoing technological innovation, effectively reducing formaldehyde emissions across our products. All of our products have now been upgraded to meet the HE_{NF}-grade formaldehyde emission standard. In addition, we have participated in the drafting of over 75 national and industry standards, including GB 18580-2025, contributing to the systematic upgrading of standards for green home products.

We are committed to embedding sustainability into our daily operations, enabling us to fulfill corporate citizenship responsibilities and promote social value cocreation. In 2023, we released our *Dual-Carbon Strategy Action Guidelines*, which sets out a clear decarbonization pathway and committed to achieving key carbon-reduction milestones ahead of national schedule, namely, achieving peaking carbon emissions by 2028 and carbon neutrality by 2050 in our core operations. We rigorously implement this guideline, release progress reports on an annual basis, and have developed zero-carbon wood-based panel products. According to CIC, we are among the first in the industry to propose a dual-carbon strategy and to develop zero-carbon wood-based panels.

We have achieved the following:



Notes:

- (1) According to CIC, we were the third-largest green wood-based panel provider and top 15 green customized home furnishings provider in China in terms of revenue in 2024. We have also been recognized by the National Forestry and Grassland Administration as a *National Key Forestry Leading Enterprise* (國家林業重點龍頭企業).

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- (2) Our “*Moganshan* (莫干山)” brand has been recognized with multiple national honors, including *China Well-Known Trademark* (中國馳名商標), *China Top Brand Product* (中國名牌產品), and *National Exempt-from-Inspection Products* (國家免檢產品). We were also selected as an annual representative brand at the CCTV Great Nation Brands National Brand Ceremony.
- (3) Our products have been included in green government procurement catalogues of national ministries and commissions and have been applied in national construction projects, including Beijing Daxing International Airport, China Central Television headquarters, Beijing Workers’ Stadium and National Tennis Center, and restoration projects at the Palace Museum.
- (4) We were among the first in the industry to release our *Dual-Carbon Strategy Action Guidelines*, according to CIC. We have been awarded as a *National Green Supply Chain Demonstration Enterprise*, completing the trio of national certifications for *Green Products*, *Green Factory*, and *Green Supply Chain*.
- (5) We have participated in the drafting of more than 75 national and industry standards. As of September 30, 2025, we held 208 registered patents.
- (6) We have established five-in-one R&D systems, including a national postdoctoral research workstation, a provincial key enterprise research institute, a provincial enterprise technology center, a CNAS-accredited national laboratory, and an academician and experts workstation. We were awarded the *Liang Xi Forestry Science and Technology Award*, the highest science and technology award in the forestry industry in China, established by the Chinese Forestry Society and approved by the Ministry of Science and Technology of China.
- (7) As of September 30, 2025, we had 875 distributors, covering all provinces in China and over 60 overseas countries and regions.
- (8) We have invested in intelligent production bases aligning with *Industry 4.0* initiative, establishing a benchmark for digital transformation within the industry.

Our Business

We have built strengths across various aspects of our business, spanning R&D, supply chain management, manufacturing, brands and product offerings, as well as sales and distribution network.

R&D

We adhere to a development philosophy centered on “*Enhance Green Spaces and Enable A Better Quality of Life* (昇華綠色空間·成就美好生活),” with an emphasis on human well-being. Over the years, we have developed a portfolio of proprietary technologies, including formaldehyde-free bio-based adhesives technologies, plant-derived antibacterial and antiviral technologies, sustained fragrance-release technologies, dry-process flame-retardant technologies, and advanced color-fastness technologies. These innovations form a strong foundation that differentiates our products in both function and quality.

In 2024, we established the Moganshan CMF Research Center, dedicated to advancing color science, materials innovation, and surface design. By closely tracking both current and emerging trends in finishes and decorative surfaces, we develop products that balance visual appeal with practical performance to meet consumers’ growing demand for high-quality homes.

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Supply Chain Management

We believe that high-quality products begin with raw materials. Timber sourced from responsibly managed commercial forests serves as our primary raw material, and we actively support responsible forestry practices, including afforestation and reforestation initiatives, thereby aligning commercial value with long-term environmental sustainability and advancing our dual-carbon reduction goals.

To further strengthen control across our supply chain, we established a supply chain management company in 2025. Through this approach, we centralize the procurement of key raw materials, enhancing quality assurance, supply stability, and cost structures.

Manufacturing

During the Track Record Period, we operated three production bases located in Zhejiang Province and Shandong Province. By incorporating advanced production equipment and information technologies, including customized design platforms as well as MES and ERP systems, we have developed our production bases into intelligent facilities aligned with *Industry 4.0* standards, enabling digital management across the full production lifecycle, from design through delivery with enhanced transparency and traceability.

We also work closely with carefully selected OEM Suppliers and OEM Partners nationwide. As of September 30, 2025, we collaborated with 285 OEM Suppliers and 136 OEM Partners, respectively. Through standardized processes and rigorous quality controls, we ensure that every product bearing our brands meets the same standards for reliability and performance.

Brands and Offering Portfolio

During the Track Record Period, we primarily generated revenue from:

- (i) ***Product offerings***: we offer a wide range of wood-based panels and customized home furnishings through an extensive sales and distribution network, primarily comprising distributors and, to a lesser extent, direct sales customers.
- (ii) ***IP licensing***: we license qualified OEM Partners the rights to use our product designs and related intellectual property, trademarks, and production process know-how to manufacture certain products bearing our trademarks, which they then sell to distributors with whom we have distribution agreements.

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The following table sets forth a breakdown of our revenue by business segment, in absolute amounts and as percentages of our revenue, for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>							
Product offering								
– Wood-based panels . . .	2,340,389	69.0	2,325,671	67.3	1,776,477	69.7	1,501,273	59.6
– Customized home furnishings	642,936	18.9	703,030	20.3	474,769	18.6	644,201	25.6
Subtotal	2,983,325	87.9	3,028,701	87.6	2,251,246	88.3	2,145,474	85.2
IP licensing	347,370	10.2	356,427	10.3	247,495	9.7	306,371	12.2
Others⁽¹⁾	63,522	1.9	70,489	2.1	49,833	2.0	66,971	2.6
Total	3,394,217	100.0	3,455,617	100.0	2,548,574	100.0	2,518,816	100.0

Note:

- (1) Primarily include (i) service fees from our OEM Partners for providing planning and design support, technical support during production, quality control or upgrading of production lines, (ii) service fees from our distributors for marketing and promotional initiatives, and (iii) rental income generated from the leasing of our properties and equipment.

Our business segments generate synergies that support the continued expansion of our customer base, enable us to respond effectively to evolving market demand and deepen customer relationships while capturing new market opportunities.

Our expertise in wood-based panels has allowed us to develop strong brand recognition, robust technical capabilities, a well-established supply chain system, and an extensive sales and distribution network. These capabilities reinforce the wood-based panel business while enabling our customized home furnishings to scale rapidly with operational stability. As the customized home furnishings grow, it expands downstream applications for wood-based panels, broadens the customer base, and strengthens demand visibility, thereby creating a self-reinforcing cycle of sustainable growth across businesses.

Our IP licensing further allows us to extend our brands, technologies, and quality standards to OEM Partners, accelerating the proliferation of our brands and bringing our products into more households nationwide, thereby meeting growing consumer demand for green, environmentally responsible, and healthy products at scale.

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Sales and Distribution Network

We have established an extensive sales and distribution network. As of September 30, 2025, we had 875 distributors, covering all provinces in China and 45 overseas countries and regions. In addition, we support our distributors with training, marketing resources, and other value-added services to foster long-term collaboration.

At the same time, we continue to deepen relationships with direct sales customers, guiding them from initial brand discovery and product experience to long-term engagement and loyalty. For example, we work closely with leading home decoration and renovation companies, including Beike Shengdu, Jutong Decoration, Zhongbo Meijia, and Mingpin Decoration, leveraging their extensive consumer bases to broaden our market reach and deepen penetration.

To further capture opportunities in emerging overseas markets, we are actively implementing an international expansion strategy centered on brand globalization, with a view to introducing the “Moganshan (莫干山)” brand to a broader global consumer base. Through these efforts, we aim to continuously enhance our position within the global value chain of the industry and ultimately develop into an integrated green home services provider with a global footprint.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consisted of distributors and, to a lesser extent, direct sales customers. In 2023, 2024 and the nine months ended September 30, 2025, revenue generated from our five largest customers accounted for 12.0%, 12.8% and 19.7% of our revenue in the same periods, respectively. In addition, revenue from our largest customer in each period of the Track Record Period accounted for 2.8%, 3.4%, and 5.9% of our revenue, respectively. See “Business — Sales and Distribution Network — Major Customers” for more details.

Our suppliers primarily consisted of raw material suppliers and OEM Suppliers. In 2023, 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers represented 21.2%, 18.8% and 23.5% of our total purchases in the same periods, respectively. In addition, purchases from our largest supplier in each period of the Track Record Period accounted for 4.9%, 4.7% and 7.7% of our total purchases, respectively. See “Business — Raw Materials and Supply Chain Management — Suppliers — Major Suppliers” for more details.

COMPETITION

We operate in highly competitive and rapidly evolving markets, where we face competition from a growing number of providers of wood-based panels and customized home furnishings. Our ability to maintain and expand market share depends on our capacity to compete effectively with these industry players.

The competitive landscape is shaped by a variety of factors, including brand equity, product and service quality, technological capabilities, consumer trends, pricing strategies, consumer perception, distribution networks, and overall economic conditions. While there are

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certain barriers to entry, new market entrants may emerge with innovative or attractive products, intensifying competition. If we fail to stay ahead of industry developments or differentiate our products through quality, innovation, or cost efficiency, our market share may be negatively impacted.

We believe that our diversified product portfolio, extensive sales and distribution network, and R&D efforts as well as technological innovations provide us with a competitive edge, enabling us to serve a broad customer base, distinguish ourselves from competitors, and secure long-term growth.

See “Industry Overview.”

OUR STRENGTHS

We attribute our success to and distinguish ourselves by the following key competitive strengths:

- A pioneering integrated green home services provider;
- Nationally recognized “*Moganshan* (莫干山)” brand;
- Strong R&D capabilities and continuous technological innovations;
- Comprehensive product portfolio from a panel to a home;
- Nationwide sales and distribution network with extensive coverage;
- Smart manufacturing and green supply chain; and
- Experienced and visionary management supported by pragmatic, collaborative culture.

See “Business — Our Strengths.”

OUR STRATEGIES

We will continue to pursue the following strategies to further expand our business:

- Strengthen production capacity and efficiency;
- Strengthen R&D and expand product portfolio;
- Enhance brand recognition and reputation; and
- Expand sales and distribution network.

See “Business — Our Strategies.”

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RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to our financial performance, (iii) risks relating to conducting business in countries where we operate, and (iv) risks relating to the [REDACTED], which we strongly urge you to read in full before making an [REDACTED] in our Shares.

- Our business and future growth prospects rely on market’s demand for our products, which is affected by changes in customers’ tastes, preferences, and spending habits.
- If our product design and development capabilities fail to meet market demand, our competitiveness and market share may be adversely affected.
- Our success depends on market recognition of our brand. Any negative publicity concerning our brand or reputation, regardless of whether it is without merit or immaterial, could adversely affect our business and financial performance.
- Any quality issues related to our products could result in a loss of customers and may subject us to product liability claims and reputational risks.
- We may not be able to successfully compete in the industry where we operate.
- We may not be able to manage our distribution network and other sales channels effectively.
- Any price fluctuations, quality change, shortage or other risks associated with raw materials and packaging materials could adversely affect our business and financial performance.
- Our historical financial performance and results of operations may not be indicative of our future performance.
- Failure to maintain effective pricing strategies and any downward changes in the prices of our products may have a material adverse effect on our business.
- We may be unable to conduct our marketing activities effectively.

See “Risk Factors.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants’ Report in Appendix I to this document, including the accompanying notes and the information set out in “Financial Information” in this document.

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Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our results of operations in absolute amount and as percentages of our revenue for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>							
Revenue	3,394,217	100.0	3,455,617	100.0	2,548,574	100.0	2,518,816	100.0
Cost of sales	(2,640,167)	(77.8)	(2,680,589)	(77.7)	(1,990,518)	(78.2)	(1,872,334)	(74.3)
Gross profit	754,050	22.2	775,028	22.4	558,056	21.9	646,482	25.7
Other income	42,863	1.3	46,253	1.3	37,776	1.5	32,644	1.3
Selling and distribution expenses	(200,118)	(5.9)	(217,189)	(6.3)	(155,105)	(6.1)	(176,465)	(7.0)
Administrative expenses . . .	(139,636)	(4.1)	(135,472)	(3.9)	(91,993)	(3.6)	(111,398)	(4.4)
Research and development costs	(42,023)	(1.2)	(46,214)	(1.3)	(31,019)	(1.2)	(34,766)	(1.4)
Impairment loss on trade and other receivables and contract assets	(6,631)	(0.2)	(6,233)	(0.2)	(4,915)	(0.2)	(4,549)	(0.2)
Other net (loss)/gain	(91)	(0.0)	7,577	0.2	7,442	0.3	11,888	0.5
Profit from operations . . .	408,414	12.0	423,750	12.2	320,242	12.5	363,836	14.3
Finance costs	(1,225)	(0.0)	(4,101)	(0.1)	(2,791)	(0.1)	(3,135)	(0.1)
Share of (loss)/profit of an associate	—	—	(550)	(0.0)	(180)	(0.0)	4,494	0.2
Profit before taxation . . .	407,189	12.0	419,099	12.1	317,271	12.4	365,195	14.4
Income tax	(87,164)	(2.6)	(98,330)	(2.8)	(72,994)	(2.8)	(85,476)	(3.4)
Profit for the year/period .	320,025	9.4	320,769	9.2	244,277	9.5	279,719	11.0
Other comprehensive income for the year/period, net of income tax	—	—	—	—	—	—	—	—
Total comprehensive income for the year/period	320,025	9.4	320,769	9.2	244,277	9.5	279,719	11.0

See “Financial information — Review of Historical Results of Operations.”

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Summary of Selected Items of Financial Positions

The following table sets forth selected information from our combined statements of financial position as of the dates indicated:

	As of December 31,		As of
	2023	2024	September 30,
			2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Total current assets	1,475,242	1,355,252	1,253,831
Total non-current assets	590,861	1,122,168	1,146,361
Total current liabilities	920,031	1,016,700	1,466,013
Total non-current liabilities	5,944	10,958	12,630
Net current assets/liabilities	555,211	338,552	(212,182)

Summary of Combined Statements of Cash Flows

The following table sets forth selected information from our cash flows for the periods indicated:

	Year Ended December 31,		Nine Months Ended	
	2023	2024	September 30,	
			2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>	
Net cash generated from operating activities	558,086	416,590	324,384	448,378
Net cash generated from/(used in) investing activities	135,415	(1,096,615)	(1,215,747)	84,338
Net cash (used in)/generated from financing activities	(1,787)	56,144	286,244	(619,648)
Net increase/(decrease) in cash and cash equivalents	691,714	(623,881)	(605,119)	(86,932)
Cash and cash equivalents at the beginning of the year/period	298,803	990,673	990,673	367,104
Effect of foreign exchange rate changes	156	312	198	129
Cash and cash equivalents at end of year/period	990,673	367,104	385,752	280,301

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of/Year Ended December 31,		As of/Nine Months Ended September 30,
	2023	2024	2025
			<i>(Unaudited)</i>
Gross profit margin	22.2%	22.4%	25.7%
Net profit margin	9.4%	9.3%	11.1%
Return on equity ⁽¹⁾	32.7%	24.8%	23.6%
Return on total assets ⁽²⁾	17.8%	14.1%	11.5%
Current ratio ⁽³⁾	1.6	1.3	0.9

Notes:

- (1) Return on equity was calculated based on profit for the year/period of the respective year, divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.
- (2) Return on total assets was calculated based on profit for the year/period of the respective year, divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
- (3) Current ratio was calculated dividing current assets by current liabilities as of the dates indicated.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

We may, from time to time, become a party to various legal, arbitral or administrative 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.

See “Business — Legal Proceedings and Compliance.”

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was held as to 53.87% by Ascendia Emerald Limited. Ascendia Emerald Limited was held (i) as to 0.38% by Ascendia Sapphire Limited (Mr. Xia’s wholly-owned shareholding vehicle); (ii) as to 0.62% by Ascendia Ruby Limited (Ms. Xia’s wholly-owned shareholding vehicle); and (iii) as to 99.0% by Ascendia Pearl Limited, which was wholly owned by Ascendia Amber Limited and in turn wholly owned by Mr. Xia’s Family Trust. Mr. Xia’s Family Trust is a discretionary trust established in the

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Cayman Islands by Mr. Xia, in the capacity as the sole settlor and the sole protector, and the beneficiary of which is Ascendia Ruby Limited. Pursuant to a voting rights entrustment agreement dated September 12, 2025, Ascendia Ruby Limited irrevocably entrusted the exercise of all voting power associated with/attached to all such equity interest as held by it in Ascendia Emerald Limited to Ascendia Sapphire Limited, while Ascendia Ruby Limited retains economic and disposal rights to the shares therein. For details, please refer to “History, Reorganization and Corporate Structure — Reorganization — Part 1: Offshore Reorganization — Step 1.4: Establishment of offshore family trust and voting power entrustment arrangement” and “Relationship with Our Controlling Shareholders” in this document.

Accordingly, as of the Latest Practicable Date, Mr. Xia, indirectly controlled the voting rights attached to 53.87% of the total issued Shares of our Company through Mr. Xia’s Family Trust, Ms. Xia, Ascendia Amber Limited, Ascendia Sapphire Limited, Ascendia Ruby Limited, Ascendia Pearl Limited and Ascendia Emerald Limited, and thus constitute a group of Controlling Shareholders of our Company before the [REDACTED]. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Controlling Shareholders will control the voting rights attached to [REDACTED]% of the total [REDACTED] Shares of our Company and will continue to be a group of Controlling Shareholders of our Company upon [REDACTED].

[REDACTED] STATISTICS

	<u>Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]</u>	<u>Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]</u>
[REDACTED] of our Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per [REDACTED] ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of the [REDACTED] is based on [REDACTED] Shares expected to be in [REDACTED] immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) The unaudited [REDACTED] adjusted net tangible assets per [REDACTED] is calculated after making the adjustments referred to in the section headed “Appendix II — Unaudited [REDACTED] Financial Information” to this document.

DIVIDENDS AND DIVIDEND POLICY

Dividend distribution to our Shareholders is recognized as a liability in the period in which the dividends are approved by our Shareholders or Directors, as appropriate. As of the Latest Practicable Date, we did not have a formal dividend policy or pre-determined dividend payout ratio.

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After completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

During the Track Record Period, we declared dividend of nil, nil and RMB807.5 million with respect to 2023, 2024 and the nine months ended September 30, 2025.

See “Financial Information — Dividends.”

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expenses in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, 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], will be used for the construction of an automated and intelligent customized home furnishings production base in Deqing, Zhejiang Province;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for strengthening our R&D and design capabilities to accelerate product iteration and technological innovation;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our brand “*Mo Gan Shan* (莫干山)” and the expansion of domestic and overseas sales channels; and
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate purposes.

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

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[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commissions and other fees (such as the discretionary incentive fee) incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately RMB[REDACTED] (or HK\$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED]) (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being [REDACTED] range) and no exercise of the [REDACTED]), of which (i) approximately RMB [REDACTED], directly due to the [REDACTED] of our [REDACTED], will be subsequently charged to equity upon completion of the proposed [REDACTED], (ii) RMB[REDACTED] has been expensed in our combined statements of profit or loss for the nine months ended September 30, 2025 and (iii) approximately RMB[REDACTED] is expected to be expensed in our combined statements of profit or loss after September 30, 2025.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of our latest combined statements of financial position, and there has been no event since September 30, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.