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## FUTURE PLANS AND USE OF [REDACTED]

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### FUTURE PLANS

Please see “Business — Our Strategies” for a detailed description of our future plans.

### USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED], after deducting [REDACTED] commissions and estimated expenses paid and payable by us in connection with the [REDACTED].

In line with our strategies, we intend to use the net [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. This is also in line with one of our strategies detailed in “Business — Our Strategies — Strengthen Production Capacity and Efficiency.” These [REDACTED] are expected to be used to expand our production capabilities in order to address capacity constraints for the production of customized home furnishings of Deqing Production Base I and Deqing Production Base II and support the growth of our customized home furnishings business. In particular:
  - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the construction of intelligent production workshops and infrastructure. We plan to build modern manufacturing facilities in accordance with Industry 4.0 standards, including intelligent production lines for panel-based customized home furnishings and integrated door-wall-cabinet production systems. The new production base is expected to adopt industry benchmark standards, with a high degree of automation and reduced reliance on manual operations.
  - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the procurement of advanced production equipment and automation systems as well as the enhancement of information technology systems. We plan to procure high-performance equipment for key processes such as cutting, edge-banding, drilling and sorting from domestic and international suppliers, with a particular focus on enhancing critical processes such as laser edge-banding, to ensure product quality consistency and improve production efficiency. In addition, we plan to introduce AI-enabled intelligent nesting and cutting systems, which leverage machine learning and optimization algorithms to automatically generate optimal cutting

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layouts based on order specifications and panel dimensions, with a view to reducing offcuts and improving panel utilization rates. Such systems are expected to be integrated with real-time visual inspection technologies and sensor networks to dynamically monitor equipment conditions and panel quality during the cutting process, enabling early detection, warning and automatic compensation for potential dimensional deviations or defects, thereby reducing scrap rates and preventing large-scale quality issues at source. We plan to upgrade our MES, ERP, CRM and CAM/CAD systems, with the aim of achieving integrated front-end and back-end connectivity from in-store design to factory production. Through the application of data analytics and intelligent production scheduling via our PMC system, we seek to further shorten delivery cycles and enhance operational efficiency.

- (iii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the recruitment and training of production personnel to support the operation of the new production base. We plan to recruit approximately 300 production personnel, primarily skilled technicians and line managers with experience in automated equipment operation and maintenance. The [REDACTED] will be used to cover salaries during the trial production and ramp-up phases, as well as specialized pre-employment training for newly introduced advanced equipment, such as laser edge-banding machines, to facilitate a smooth commissioning process and timely ramp-up to designed capacity.
- 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. In particular:
  - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the enhancement of R&D infrastructure. We plan to establish a high-standard industrial design center to strengthen our product design and development capabilities and a R&D center to study international color, material and finish trends and to develop and validate products for overseas markets in support of our global expansion strategy.
  - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for the development of core technologies. Key focuses include (a) formaldehyde-free bio-based adhesive technologies, (b) plant-derived antibacterial and antiviral technologies, (c) plant-derived fragrance-release technologies, (d) dry-process flame-retardant technologies, (e) advanced color-fastness technologies, and (f) integrated customized furniture technologies. For details, see “Business — Research and Development — Our R&D Achievements and Technological Innovations.”

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- (iii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the exploration of frontier technologies. Key focuses include (a) value-added utilization of bamboo and wood resources, including bamboo-based particle boards and bamboo decorative panels in response to the “bamboo replacing plastic” initiative, (b) quick-installation products for partial renovations and existing-home refurbishment, (c) age-friendly furnishings solutions with anti-slip and shock-absorption features, (d) next-generation residential furnishing systems, and (e) smart home products. In the field of new materials, we intend to explore panels with specialized functions such as electromagnetic shielding, phase-change thermal storage, thermochromic surfaces, self-healing coatings and intelligent safety monitoring.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our brands and the expansion of domestic and overseas sales channels. In particular:
  - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our brand building initiatives. This includes increasing marketing investment for *Moganshan* in terms of customized home furnishings and emphasizing our differentiated positioning in environmental friendliness, green materials and solid-wood-based customization. Key focuses include promotion and marketing of our brands on new media channels and active participation in major industry exhibitions and conferences.
  - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to empower our distributor network. This includes providing capability training and digital marketing empowerment to our distributors, supporting their transformation into integrated home furnishings providers with design, installation and after-sales service capabilities.
  - (iii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to expand our sales channels. This includes strengthening strategic cooperation with leading interior decoration and renovation companies, expanding localized service outlets, and further extending our sales networks into lower-tier cities and county-level markets to broaden access to end consumers.
  - (iv) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to expand our overseas markets. During the Track Record Period, we established an overseas office and we plan to set up additional overseas offices in the Middle East market. We also plan to explore

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distributor partnerships in Southeast Asia, including the establishment of brand showrooms or retail outlets, to introduce high-quality customized home furnishings to overseas markets.

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

If the [REDACTED] is set at HK\$[REDACTED] per [REDACTED], being the high end of the [REDACTED] range, the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per [REDACTED], being the low end of the [REDACTED] range, the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED]. The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis or according to our business needs in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the [REDACTED] range stated in this document. Any additional [REDACTED] received by us from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.