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 this document in its entirety 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." You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

Who We Are

We are an industry-leading provider of new polymer stone plastic decoration composite materials, specializing in research and development, manufacturing and sales of green and sustainable multi-use decoration panel products. Our products mainly include new polymer stone plastic decoration composite flooring and wall panels, which are widely used in residential, commercial and public spaces. Meanwhile, we have been continuously exploring applications of new polymer stone plastic decoration composite materials in other fields. According to Frost & Sullivan, Chinese Mainland is the world's leading exporter in the PVC decoration materials market, accounting for approximately 45% of global export value in 2025. We ranked first among all suppliers in terms of total export value from Chinese Mainland in the PVC decoration materials market in 2025, and ranked first among all Chinese suppliers[1] in terms of total export value to Europe in the PVC decoration materials market in 2025.

The following sets forth our key business highlights:

Ranked No. 1 in total export value from Chinese Mainland

Based on total export value from Chinese Mainland in 2025, the Company ranked first among all suppliers in the PVC decoration materials market

Ranked No. 1 in total export value to Europe

Based on total export value to Europe in 2025, the Company ranked first among all Chinese suppliers[1] in the PVC decoration materials market

Extensive international footprint across Europe, North America, and beyond

Key markets include Germany, France, the Netherlands, the United States, the United Kingdom, and Switzerland.

Premium quality serving top-tier customers

A major supplier for Europe, serving eight out of top ten European home improvement retail groups[2]

Industry-first technologies with continuous product innovation

Pioneered digital printing, excimer and fully halogen-free PETG flooring technologies, launching an average of 300+ new self-developed flooring products and 100+ new self-developed wall panel products annually

Global supply chain layout

China + Southeast Asia + Europe, with annual production capacity of tens of millions square meters

Recognized with prestigious industry honors for consecutive years

Top Ten Brands in Resilient Flooring Industry, Leading Brand in the Wall Panel Industry, German iF Product Design Award, Zhejiang Export Famous Brand

Sustained business growth

Revenue CAGR of 20.2% from 2023 to 2025; SPC Revenue CAGR of 17.9% from 2023 to 2025

Pioneer of green sustainability

Reducing carbon emissions in the production of SPC products, compared to traditional ceramic tiles

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1 Chinese suppliers refer to suppliers headquartered in Chinese Mainland, including both domestic and overseas production facilities.

2 This refers to the top ten home improvement retail groups in Europe in terms of retail sales value in 2025.

We are committed to upgrading traditional decoration materials by prioritizing aesthetic appeal, product safety, environmental sustainability, and reliable performance. Driven by technological innovation, we have integrated automation and digitalization across our entire business processes. We strive for a global business presence and our products have reached more than 60 countries and regions worldwide, enabling us to serve a broad international customer base.

Our Market Position

Our business has been globally oriented since our establishment. We are a major supplier for Europe, serving eight out of the top ten European home improvement retail groups (in terms of retail sales value in 2025), and our products have been available in more than 60 countries and regions worldwide, including Germany, France, the Netherlands, the United States, the United Kingdom and Switzerland. As of the Latest Practicable Date, we have been receiving multiple industry recognitions on an annual basis, including "Top Ten Brands in the Resilient Flooring Industry in China" since 2018, "Leading Brand in the Wall Panel Industry in China" since 2022, and "Zhejiang Export Famous Brand" since 2018.

Our Products

Throughout fifteen years of development, we have continuously focused on addressing the distinct needs of our consumers and driving product R&D innovation, and have achieved several rounds of product iterations and formed four major product lines: (i) SPC flooring and wall panels, (ii) LVT flooring panels and (iii) EPC flooring and wall panels, along with (iv) other innovative products including PETG flooring panels.

Our products provide distinct functional advantages over traditional decoration materials, including naturalistic aesthetics, fire resistance, antibacterial properties, low carbon and formaldehyde-free composition, sound insulation, wear resistance, pest and mold resistance, and ease of installation. Our diverse product portfolio is suitable for a wide range of residential, commercial, and public spaces, including homes, hotels, shopping malls, office buildings, schools, libraries, and eldercare facilities. With a broad selection of colors, patterns, and embossing, our products are designed to meet customers' various customized preferences. As of December 31, 2025, we offered over 3,100 models of flooring products and 600 models of wall panel products. During the Track Record Period, we have introduced an average of over 300 new self-developed models of flooring products and over 100 new self-developed models of wall panel products each year, all of which are exclusively customized by our in-house design team.

We were among the first in the industry to adopt digital printing technology, allowing our products to more closely replicate the appearance and texture of natural materials, thereby enhancing the overall customer experience. We were also one of the early movers in introducing halogen-free PETG flooring products. In addition, we were one of the first companies to obtain Global Recycled Standard ("GRS") certificates, the Scientific

Certification Systems ("SCS") Global Services, the Blue Angel ecolabel ("Blue Angel"), and the Environmental Product Declaration ("EPD") in compliance with EU requirements, facilitating the use of recycled PVC materials in decoration and renovation panels.

OUR STRENGTHS

- Our established leading market position in the new polymer stone plastic decoration composite materials market
- Our long-standing relationship with high-quality major customers
- Our strong technological innovation capabilities and continuous expansion into new application areas
- Our well-established global supply chain
- Strong product performance, broad application scenarios and cost efficiency
- Our strong commitment to environmental, social and governance principles
- Our visionary management team with international perspective and our strong human resource management

OUR STRATEGIES

- Strengthen international presence and accelerate growth in key products
- Expand product portfolio and strengthen new product development
- Continue to invest in emerging technologies to enhance R&D and innovation
- Establish an integrated global supply network with intelligent and sustainable manufacturing
- Advance talent development to empower our business strategies

OUR BUSINESS MODEL

We design, manufacture and sell a variety of flooring and wall panel products primarily through ODM and OEM business model, catering to the diverse needs of global customers for application scenarios across residential, commercial and public spaces. These models leverage our robust technical capabilities, advanced production infrastructure, and deep industry expertise to deliver customized, high-quality products, while enabling customers to strengthen their brand presence and respond efficiently to market dynamics.

Under the ODM model, we collaborate closely with customers to turn their product visions into market-ready flooring and wall panel products. Customers provide general concepts and request for product design, such as preferred color tones, patterns, dimensional needs or functional requirements. Combining these requests and our insights into industry trends, our team design and develop customized prototypes for customers' evaluation. Customers may request adjustments to refine the design. Once the final design and specifications are approved, customers place purchase orders with us. We then initiate production and package the finished products with our customers' brand or neutral packaging.

Under the OEM model, we focus on manufacturing products strictly in line with customers' pre-defined standards. Following an internal feasibility review, we produce counter samples for customer approval prior to commencing mass production. The finished products are subsequently packaged with our customers' brand or neutral packaging.

OUR CUSTOMERS AND SUPPLIERS

Our customers mainly consist of overseas (i) retailers, which are companies mainly engaged in the sale of our products to end customers through supermarket chains or household accessory stores, and (ii) brand owners. In 2023, 2024 and 2025, our revenue from the five largest customers was RMB738.0 million, RMB975.3 million and RMB987.5 million, respectively, accounting for 46.0%, 44.0% and 42.7% of our total revenue in the same periods, respectively. In 2023, 2024 and 2025, our revenue from the single largest customer amounted to RMB321.8 million, RMB420.7 million and RMB343.9 million, respectively, accounting for 20.1%, 19.0% and 14.9% of our total revenue in the same periods, respectively. See "Business — Customers and Sales and Marketing — Our Major Customers."

Our suppliers primarily consist of raw materials providers. In 2023, 2024 and 2025, our purchases from the five largest suppliers were RMB370.9 million, RMB516.2 million and RMB481.1 million, respectively, accounting for 43.5%, 35.2% and 32.6% of our total purchase in the same periods, respectively. In 2023, 2024 and 2025, our purchases from the single largest supplier amounted to RMB147.5 million, RMB141.6 million and RMB195.2 million, respectively, accounting for 17.3%, 9.6% and 13.2% of our total purchase in the same periods, respectively. See "Business — Raw Materials and Suppliers — Our Major Suppliers."

COMPETITIVE LANDSCAPE

The global new polymer stone plastic decoration composite materials market is characterized by the accelerating global expansion of Chinese suppliers. Chinese Mainland is the world's leading exporter in PVC decoration materials market, accounting for approximately 45% of global export value in 2025. As products from Chinese suppliers continue to gain recognition from overseas customers, their market share is expected to rise steadily.

The Chinese PVC decoration materials export market in which we operate is highly competitive and fragmented. According to Frost & Sullivan, the top five suppliers in the PVC decoration materials market by total export value from Chinese Mainland in 2025 collectively accounted for a market share of 18.8%. We ranked first among all suppliers by total export value from Chinese Mainland in 2025, with an export value of USD262.5 million and a market share of approximately 6.1%.

According to Frost & Sullivan, in the global PVC decoration materials market by total export value to Europe, the top five Chinese suppliers collectively accounted for a market share of 34.7% in 2025. We ranked first among all Chinese suppliers[1] in terms of total export value to Europe in 2025, with an export value of USD253.3 million and a market share of approximately 14.5%.

See "Industry Overview" for more information.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Selected Information from the Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	1,597,797	2,219,394	2,306,738
Cost of sales	(1,023,902)	(1,398,480)	(1,457,367)
Gross profit	573,895	820,914	849,371
Other income and gains	25,578	20,059	73,198
Selling and distribution expenses	(168,648)	(241,989)	(259,947)

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Administrative expenses	(72,130)	(103,808)	(141,380)
Research and development expenses	(74,426)	(85,267)	(83,615)
Reversal of impairment losses/ (impairment losses) on financial assets, net	1,901	3,197	(2,896)
Other expenses	(9,979)	(14,878)	(5,497)
Finance costs	(6,957)	(7,887)	(7,047)
Share of profits of an associate	1,261	2,050	5,735
Profit before tax	270,495	392,391	427,922
Income tax expense	(40,666)	(55,734)	(67,394)
Profit for the year	229,829	336,657	360,528

Non-IFRS Measure

To supplement our historical financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as additional financial measures. These non-IFRS measures are not required by or presented in accordance with IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of our operating performance by eliminating potential impacts of certain items listed below. We also believe that such non-IFRS measures present useful information in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure) as profit for the year adding back equity-settled share-based payments, and [**REDACTED**]. Equity-settled share-based payments are non-cash expenses arising from granting restricted share units and do not result in cash outflows. [**REDACTED**] represent the expenses related to the [**REDACTED**]. The following table reconciles adjusted net profit (non-IFRS measures) to our profit for the year, presented in accordance with IFRS Accounting Standards, for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Profit for the year	229,829	336,657	360,528
Add:			
– Equity-settled share-based payments	–	–	1,622
– [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net profit (non-IFRS measure)	229,829	336,657	372,121

Revenue

Revenue by Product Line

We generated our revenue primarily from sales of (i) SPC flooring and wall panels, (ii) LVT flooring panels, (iii) EPC flooring and wall panels, and (iv) other products during the Track Record Period. The following table sets forth a breakdown of our total revenue by product line, in amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
SPC	1,155,276	72.3	1,588,908	71.6	1,604,815	69.5
LVT	352,390	22.1	481,419	21.7	488,498	21.2
EPC	56,255	3.5	110,710	5.0	177,643	7.7
Others[(1)]	33,876	2.1	38,357	1.7	35,782	1.6
Total	**1,597,797**	**100.0**	**2,219,394**	**100.0**	**2,306,738**	**100.0**

Note:

(1) Mainly include PETG flooring panels as well as accessories.

Revenue by Geographic Location

In terms of geographic coverage, we generated our revenue primarily from (i) Europe, (ii) North America, (iii) Chinese Mainland, and (iv) other countries and regions during the Track Record Period. The following table sets forth a breakdown of our total revenue by geographical location, in amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Europe[(1)]	1,409,722	88.2	1,879,272	84.6	1,969,032	85.3
North America	70,403	4.4	186,636	8.4	239,269	10.4
Chinese Mainland	22,245	1.4	23,358	1.1	19,655	0.9
Others[(2)]	95,427	6.0	130,128	5.9	78,782	3.4
Total	**1,597,797**	**100.0**	**2,219,394**	**100.0**	**2,306,738**	**100.0**

Notes:

(1) Mainly include Germany, France, the Netherlands, and the United Kingdom.

(2) Mainly include South Africa, Australia, Chile and Brazil.

During the Track Record Period, our total revenue was RMB1,597.8 million for the year ended December 31, 2023, RMB2,219.4 million for the year ended December 31, 2024, and RMB2,306.7 million for the year ended December 31, 2025.

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin by Product Line

The following table sets forth a breakdown of our gross profit and gross profit margin by product line for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit/loss	Gross profit margin (%)
	(RMB in thousands, except for percentages)					
SPC	437,574	37.9	609,356	38.4	609,418	38.0
LVT	112,349	31.9	161,685	33.6	177,956	36.4
EPC	17,986	32.0	42,431	38.3	55,686	31.3
Others[(1)]	5,986	17.7	7,442	19.4	6,311	17.6
Total	**573,895**	**35.9**	**820,914**	**37.0**	**849,371**	**36.8**

Note:

(1) Mainly include PETG flooring panels as well as accessories.

Gross Profit and Gross Profit Margin by Geographic Location

The following table sets forth a breakdown of our gross profit and gross profit margin by geographic location for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentages)					
Europe[(1)]	516,687	36.7	736,249	39.2	795,963	40.4
North America	19,521	27.7	28,470	15.3	14,976	6.3
Chinese Mainland	3,359	15.1	9,641	41.3	5,565	28.3
Others[(2)]	34,328	36.0	46,554	35.8	32,867	41.7
Total	**573,895**	**35.9**	**820,914**	**37.0**	**849,371**	**36.8**

Notes:

(1) Mainly include Germany, France, the Netherlands, and the United Kingdom.

(2) Mainly include South Africa, Australia, Chile and Brazil.

During the Track Record Period, our gross profit amounted to RMB573.9 million, RMB820.9 million and RMB849.4 million for the year ended December 31, 2023, 2024 and 2025, respectively, with our gross profit margin at 35.9%, 37.0%, and 36.8% for the year ended December 31, 2023, 2024 and 2025, respectively.

Selected Information from the Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	618,375	939,829	1,049,329
Total current assets	979,384	1,295,733	1,517,104
Total current liabilities	672,069	984,583	1,029,244
Net current assets	307,315	311,150	487,860
Total assets less current liabilities	925,690	1,250,980	1,537,189
Total non-current liabilities	94,335	128,145	85,871
Net assets	831,355	1,122,834	1,451,318

Our net current assets remained relatively stable at RMB307.3 million as of December 31, 2023 and at RMB311.2 million as of December 31, 2024.

Our net current assets increased by 56.8% from RMB311.2 million as of December 31, 2024 to RMB487.9 million as of December 31, 2025, primarily due to an increase in trade and notes receivables of RMB10.6 million, an increase in inventories of RMB100.4 million, and an increase in prepayments, other receivables and other assets of RMB87.1 million, partially offset by an increase in interest-bearing bank and other borrowings of RMB77.0 million to support our expanding operations.

Selected Information from the Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash from operating activities	389,213	279,845	249,857
Net cash used in investing activities	(202,921)	(259,514)	(170,537)
Net cash used in financing activities	(141,933)	(13,482)	(21,451)
Net increase in cash and cash equivalents	**44,359**	**6,849**	**57,869**
Cash and cash equivalents at the beginning of the year	237,554	272,533	280,384
Effect of foreign exchange rate changes	(9,380)	1,002	7,034
Cash and cash equivalents at the end of year	**272,533**	**280,384**	**345,287**

CONTROLLING SHAREHOLDERS

Mr. Dai and Ms. Zhang co-founded our Company in 2010 and have been working together to lead the overall operation and management of our Group since our establishment. Pursuant to the Acting-in-concert Agreement, Mr. Dai and Ms. Zhang agreed to, for a period of 36 months commencing from the date of agreement, communicate thoroughly to reach a consensus as to how to exercise their voting rights in our Company and act in concert by aligning their votes at the relevant Shareholders' meetings and directors' meeting. In the event that they could not reach a consensus as to how to exercise their voting rights, Ms. Zhang agreed to follow the directions of Mr. Dai. As of the Latest Practicable Date, (i) Mr. Dai, our executive Director, chairman of the Board and chief executive officer, is interested in and controls approximately 30.28% of the total issued Shares of our Company in his personal capacity, and approximately 1.53% of the total issued Shares of our Company in the capacity as the general partner of Hangzhou Jinghe; (ii) Ms. Zhang, an executive Director, is interested in and controls approximately 20.19% of the total issued Shares of our Company in her personal capacity; and (iii) Mr. Dai and Ms. Zhang are interested in and control, through Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda, approximately 40.38% of the total issued Shares of our Company. Therefore, Mr. Dai, Ms. Zhang, Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda and Hangzhou Jinghe were in aggregate entitled to exercise approximately 92.38% of the voting rights in our Company as of the Latest Practicable Date.

Immediately after completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), Mr. Dai and Ms. Zhang will both directly and indirectly (through Hangzhou Jinghe, Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda) in aggregate be entitled to exercise approximately [**REDACTED**]% of the voting rights in our Company. Accordingly, Mr. Dai, Ms. Zhang, Hangzhou Jinghe, Hangzhou Kingdom Imp & Exp and Zhejiang Jinghongda will be presumed as a group of Controlling Shareholders upon the completion of the [**REDACTED**].

[REDACTED] INVESTMENTS

We have received one round of [**REDACTED**] investments since our incorporation. See the paragraph headed "History, Development and Corporate Structure — [**REDACTED**] Investments" in this document for details.

CONNECTED TRANSACTIONS

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

DIVIDEND

We declared cash dividends to our Shareholders of RMB100 million, RMB100 million and RMB50 million for the year ended December 31, 2023, 2024 and 2025, respectively. As of the date of this document, we have paid these dividends in full. See Note 11 of Appendix I to this document for details.

We do not have a formal dividend policy or a fixed dividend payout ratio. We may distribute dividends in the future by way of cash or by other means that we consider appropriate. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amounts of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles.

NON-COMPLIANCE

There were instances where we had failed to be in compliance with certain applicable laws and regulations in the PRC, Thailand, Germany and Singapore during the Track Record Period. For details of such non-compliance incidents and the respective remedial actions taken, see the subsection headed "Business — Legal Proceedings and Compliance".

RISK FACTORS

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

- We may fail to develop and implement our growth strategies or effectively manage our growth.
- We operate in a competitive market and may not be able to compete effectively against our existing and future competitors.
- We may not be able to accurately anticipate or timely respond to changes in market trends.
- Our overseas business development is subject to various cross-border operating risks, any failure to handle which may adversely affect our business, financial condition, and results of operations.
- Our business, financial condition and results of operations may be materially and adversely affected by international export controls and economic sanctions.

- If we fail to retain existing customers, especially our major customers, attract new customers or increase the spending by our customers, our business and results of operations may be materially and adversely affected.

- An increase in the costs of raw materials or our inability to procure raw materials at satisfactory prices may adversely affect our profitability.

- As we increase production capacity through the expansion of manufacturing facilities, we may face risks associated with the ramp-up of manufacturing.

See "Risk Factors" for more information.

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**]), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to invest in our wall panel products, primarily through the establishment of our dedicated wall panel production base in Tongxiang, Zhejiang Province, China, with the view to enhancing our domestic wall panel product production capacity.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to enhance our global supply chain capabilities through the construction of a modern, green production base in Hungary that integrates PVC flooring and wall panel manufacturing with circular recycling.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the continuous investment in our Thailand production base located in Chonburi Province, Thailand. The project will focus on (i) expanding our product offering, including wall panels and digital printing products; (ii) expanding raw material storage capacity and upgrading to intelligent warehouse management; (iii) establishing showrooms and research and development center; and (iv) building office facilities.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to procure and upgrade equipment in our existing production base in Tongxiang, Zhejiang Province, China, including: (i) digital printing equipment to meet customer demand for digital printing products; (ii) optimization and upgrade of the fully integrated production line spanning AI visual inspection, saw blade slotting, packaging, and automated guided vehicle (AGV) warehousing; and (iii) establishment of an AI knowledge base and development, optimization, and upgrade of information systems.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the establishment of our R&D center at our Tongxiang headquarters by establishing a new R&D research center building, introducing advanced R&D equipment and recruiting R&D specialists.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for our working capital and general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" for more details.

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] million (based on an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), representing approximately [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] assuming no Shares are issued pursuant to the [**REDACTED**]. The [**REDACTED**] consist of (i) [**REDACTED**] expenses, including [**REDACTED**], of approximately HK$[**REDACTED**] million, and (ii) non-[**REDACTED**] expenses of approximately HK$[**REDACTED**] million, comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[**REDACTED**] million, and (b) other fees and expenses of approximately HK$[**REDACTED**] million. During the Track Record Period, we incurred [**REDACTED**] of HK$[**REDACTED**] million, including HK$[**REDACTED**] million recorded as administrative expenses and HK$[**REDACTED**] million capitalized. Subsequent to the Track Record Period, approximately HK$[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] million is expected to be accounted for as a deduction from equity upon the [**REDACTED**]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[**REDACTED**] STATISTICS

[**REDACTED**]

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

During the Track Record Period and up to the Latest Practicable Date, we have successfully developed our rPET product line and achieved a significant breakthrough in the research and development of our Fiber Polymer Core ("FPC") project. Our rPET products are manufactured using recycled PET sourced from post-consumer waste combined with natural mineral fillers, while our FPC products are manufactured from post-consumer fibre garments combined with natural minerals. Both products are non-PVC, recyclable, and free from plasticizers and halogens, making them green and sustainable products.

In March 2026, we declared cash dividends of RMB60 million to our Shareholders. As of the Latest Practicable Date, we have paid these dividends in full.

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 December 31, 2025, being the end date of the periods reported in the Accountants' Report in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.