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Application Proof of



HOREN CORTP Co., Ltd.*

上海箱箱智能科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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HOREN CORTP Co., Ltd.*

上海箱箱智能科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the the [REDACTED] [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)

Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] and subject to refund)

Nominal value : RMB[REDACTED] per H Share

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED]



[REDACTED]

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[REDACTED] (for itself and on behalf [REDACTED]), may, with consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that stated in this Document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at <https://www.horengroup.com> as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. For further information, please refer to the sections headed “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this Document.

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole Document, including our financial statements and the accompanying notes, 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 out in “Risk Factors”. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a global green supply chain intelligent circular service platform. We address the growing needs across industries for reduction in pollution and carbon footprint, help our customers save costs, and make green supply chain circular services as convenient and accessible as everyday utilities.

Through our reusable packaging product solutions and circular services, we are building a worldwide infrastructure that powers green supply chains. As of the Latest Practicable Date, our business has expanded to major global markets including China, the EU, UK, United States, Japan, South Korea and Southeast Asia. As of December 31, 2025, our service network covered nearly 30 countries and regions, with 26 regional distribution centers (the “RDCs”) deployed and over 8,500 front distribution/service centers (the “FDCs”). Our products and services have been adopted by a large number of enterprise customers across various industries. As of the Latest Practicable Date, we have served over 2,700 enterprise customers across over 80 industry verticals, including over 30 Fortune Global 500 companies and over 30 publicly listed companies. We are able to reach a broader range of end users through third-party poolers within our worldwide infrastructure.

According to Frost & Sullivan, we hold a leading position in both technological advancement and market presence in the global green supply chain intelligent circular services sector. Among the top five local Chinese peers, we ranked first in revenue growth rate, with a CAGR of 33.8% from 2023 to 2025. In 2025, we ranked first in terms of revenue among independent Chinese green supply chain circular service providers. With globalization being a key driver of our growth, our revenue from outside China accounted for 44.4%, 53.0% and 47.9% of total revenue in 2023, 2024 and 2025, respectively. According to Frost & Sullivan, as of December 31, 2025, we ranked first globally and in China in our industry by number of granted invention patents.

We have achieved various accomplishments across our principal business areas, as highlighted below.

Financial Performance



33.8%

Revenue Growth¹, ranked first² among top 5 Chinese mainland players in global supply chain circular service market



37.9%

Gross Profit Margin³, with Adjusted EBITDA of RMB145.4 million³



47.9%

Revenue From Overseas Customers³, with sales covering nearly 30 countries and regions³

Customer Excellence



98.5%

Key Account Customer Retention^{4,5} and 99.0% Key Account Customer Cash Retention Rate^{4,4}, reflecting customer loyalty



2,700+

Customers Served Cumulatively⁶ covering over 80 industry verticals



30+

Fortune 500 Clients⁶ and 30+ listed companies⁶

Innovation and Scale



357

Invention Granted Patents⁷, ranked first⁷ among top 5 global players in green supply chain circular service



8,500+

Digitized Service Points⁸ and 26 regional hubs⁸ across our network



1.2 million+

Containers deployed in our circular service³

SUMMARY

Notes:

1. Revenue growth rate from 2023 to 2025;	5. Number of key accounts retained in 2025 from year 2024;
2. Calculated by revenue growth from 2023 to 2025, according to Frost & Sullivan;	6. As of the Latest Practicable Date;
3. As of financial year ended December 31, 2025;	7. Calculated by the number of invention granted patents as of December 31, 2025, according to Frost & Sullivan; and
4. Calculated as the revenue generated in financial year 2025 from Key Accounts retained from year 2024, divided by the revenue generated from Key Accounts in year 2024;	8. As of December 31, 2025

As a national-level Specialized, Refined, Differential and Innovative (“SRDI”) “Little Giant” enterprise recognized by MIIT, and a National High-Tech enterprise, we provide highly reliable, reusable intelligent packaging solutions for a wide range of industries including non-hazardous chemicals, food and beverage, new energy vehicle components, semiconductor chips, pharmaceuticals, beauty and personal care, and fresh cold chain logistics. We leverage technological innovation and data analytics to support the secure circulation of critical raw materials and help customers upgrade their supply chains in a greener and more cost-efficient manner. Consequently, our green supply chain intelligent circular service solutions enable customers to reduce overall logistics packaging costs by over 30% and related carbon emissions by approximately 75% to 95%.

We have three business models that allocate asset ownership, operating responsibilities and revenue streams according to market maturity and ecosystem readiness. The self-invested pooling (“SP”) model enables us to directly build and operate circular service infrastructure in emerging markets; the third-party invested pooling (“TP”) model allows us to participate in mature overseas markets primarily through product, consumables and accessories supply to independent circular service providers; and the co-invested pooling (“CP”) model enables us to co-develop standardized and digitalized circular systems with chain-owner enterprises and strategic partners.

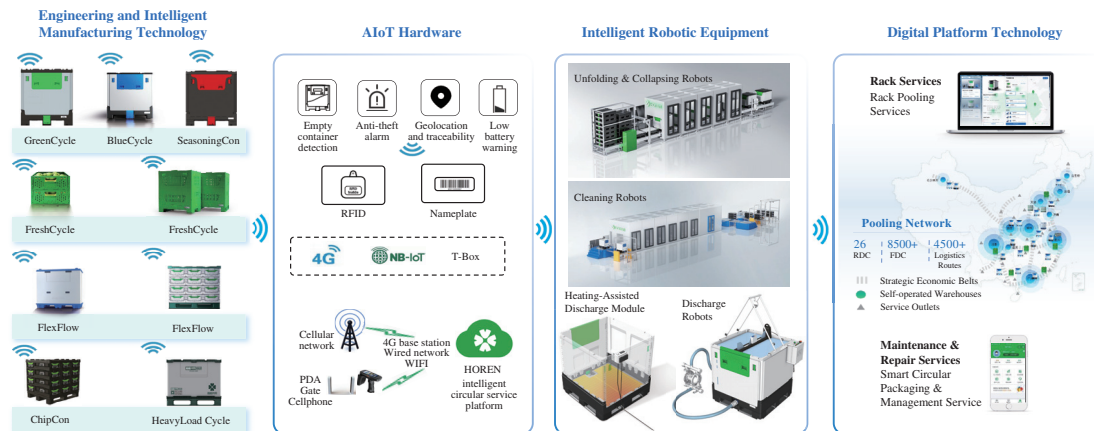
In tandem with our three business models and through our end-to-end digital capabilities and self-developed CoRTP platform, we have built a lean operating system for our circular services with Daily Packaging Unit (“DPU”) as the minimum operational and measurement unit. Unlike traditional circular service models, which are typically managed by batch, project or service cycle, our model captures the daily status, usage and movement of each individual packaging asset throughout its lifecycle, including deployment, circulation, customer use, return, maintenance and redeployment. This provides us with end-to-end visibility and traceability over our circular packaging assets, and enables reliable lifecycle management based on asset-level operating data. Such data further allows us to conduct cost analysis and efficiency assessment by route, customer scenario and packaging type, and to optimize asset allocation and turnover efficiency, thereby improving asset utilization and overall operating efficiency. In addition, we are making our product solutions DPU-ready, enabling customers to integrate more effectively with intelligent supply chains. See “Business — Our Business Model.”

Our Technologies

Technology is a core driver of our business model and our ability to manage total cost across the value chain. We have developed and integrated in-house technology system spanning engineering and intelligent manufacturing technology, AIoT hardware, intelligent robotic equipment and digital platform technology. These end-to-end capabilities are embedded across the product design, operations management, service delivery, supporting the standardized deployment and scalable replication of the DPU model in various industries. The following diagram provides an overview of our technology architecture.

SUMMARY

Our Integrated Hardware-Software Technology



Market Trends and Opportunities

The global green supply chain market is enormous and growing rapidly, supporting the structural upgrade of packaging, warehousing, logistics and related supply chain services. According to Frost & Sullivan, the global green supply chain circular service market was RMB406.2 billion in 2025 and is expected to reach RMB633.7 billion by 2030, representing a CAGR of 9.3%. We believe this growth is driven by climate goals, circular economy policies and industrial upgrades, which are encouraging global supply chains to shift from traditional linear models dependent on one-time consumption towards circular, low-carbon and digital sustainable models. The policy direction of major economies generally encourages reduction, reuse, improved recycling of packaging, and greater transparency with traceability.

In China, the 15th Five-Year Plan (2026 to 2030) identifies logistics networks as a core element of new-type infrastructure, accelerating upgrades in digitalization, connectivity and intelligent operations. In the EU, regulation-led standard setting, particularly through initiatives such as the Packaging and Packaging Waste Regulation (“PPWR”), is pushing a rapid shift from single-use packaging toward circular, recyclable, and digitally traceable packaging solutions across the supply chain. In Japan and South Korea, the convergence of carbon-neutrality targets with digital transformation strategies is elevating requirements for measurable, technology-enabled decarbonization, supporting a premium market for intelligent pooling and high value-added reusable packaging applications. In Southeast Asia, multiple countries are aligning national carbon-neutrality commitments with resource-recycling and circular-economy roadmaps, accelerating the formation of a regional green ecosystem and driving structural demand for greener supply chain services. Taken together, these developments indicate that major economies globally are embracing circular economy practices, carbon reduction and digital transformation, creating significant market opportunities for green supply chain circular services, and we are well positioned to capture these opportunities through our integrated capabilities and established global network.

OUR STRENGTHS

We believe the following competitive advantages enable us to capture the growing demand for green supply chain intelligent circular service: (i) global intelligent circular service platform with broad industry coverage and operations; (ii) integrated end-to-end industrial capabilities and infrastructure across the full value chain; (iii) an early mover in global expansion with strong positioning in high-growth markets; (iv) deeply integrated with global leading customers, creating strong multiplier effects; (v) data-driven cost efficiency across the value chain; and (vi) management team with deep industry insight and global operating experience.

SUMMARY

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) end-to-end upgrade from data-driven to agent-driven operations; (ii) build a global footprint centered on localization, collaboration and innovation; (iii) upgrade global intelligent manufacturing capacity; (iv) accelerate expansion into high-growth scenarios and standardized replication; and (v) advancing a collaborative ecosystem that shares growth and value.

OUR PRODUCTS AND SERVICES

We are a platform for green supply chain intelligent circular services. We provide reusable packaging solution products through our containers, their consumables and accessories, and circular services through pooling services and rental services. We provide our circular packaging product solutions and circular service across three key application scenarios with seven major solutions. As of the Latest Practicable Date, our circular service solutions covered over 80 industry verticals, including non-hazardous chemicals, food and beverage, automotive and home appliance parts and fresh cold chain logistics, serving over 2,700 enterprise customers in China and overseas. Our bulk liquid circular solutions comprise BlueCycle, GreenCycle and SeasoningCon, which are designed for liquid non-hazardous chemicals, liquid foods and condiments, respectively. Our component parts circular solutions comprise HeavyLoad Cycle, FlexFlow and ChipCon, which serve high-precision heavy components for NEVs and related applications, small and medium components for the automotive and home appliance industries, and printed circuit boards, semiconductor chips and other electronic components. Our fresh produce circular solution comprise FreshCycle application scenario. Across these solutions, we combine reusable packaging products, customized internal configurations, digital management under a “one container, one code” mechanism and full life-cycle operating services to address customers’ requirements for safety, protection, traceability, operating efficiency and sustainability.

Our products and services are sold to a long-serving customers, especially Key Accounts, as further demonstrated below.

	Year ended December 31,								
	2023			2024			2025		
	Chinese Mainland	Overseas	Total	Chinese Mainland	Overseas	Total	Chinese Mainland	Overseas	Total
Total Customers:									
Number of Customers ⁽¹⁾	540	95	635	552	88	640	692	90	782
Retention Rate ⁽²⁾	87.4%	84.6%	87.0%	62.4%	52.6%	60.8%	74.8%	69.0%	74.0%
Net Cash Retention Rate ⁽³⁾	97.7%	96.9%	97.3%	76.8%	85.9%	80.8%	97.2%	96.6%	96.9%
Key Accounts:									
Number of Key Accounts ⁽⁴⁾	38	25	63	41	25	66	49	26	75
Retention Rate of Key Accounts ⁽⁵⁾	100.0%	94.1%	97.9%	86.8%	84.0%	85.7%	100.0%	96.0%	98.5%
Net Cash Retention of Key Accounts ⁽⁶⁾	100.0%	97.4%	98.5%	75.1%	89.5%	82.6%	100.0%	98.3%	99.0%
Percentage of Total Sales from Key Accounts	65.4%	89.5%	76.1%	67.3%	94.7%	81.8%	68.3%	94.4%	80.8%

SUMMARY

Notes:

- (1) The “Number of Customers” refers to customers that generated revenue during the year.
- (2) The “Retention Rate” refers to the percentage of customers from the previous year who generated revenue in the current year.
- (3) The “Net Cash Retention Rate” for year N is calculated as the revenue generated in year N from customers retained from year (N-1), divided by the revenue generated by the total number of customers in year (N-1). Here, N refers to a specific year, and (N-1) refers to the year preceding year N.
- (4) The “Number of Key Accounts” refers to customers who generated revenue of at least RMB1 million during the year.
- (5) The “Retention Rate of Key Accounts” refers to the percentage of Key Accounts from the previous year who generated revenue in the current year.
- (6) The “Net Cash Retention Rate of Key Accounts” is calculated as the revenue generated in year N from Key Accounts retained from year (N-1), divided by the revenue generated by the total number of Key Accounts in year (N-1).

The following table sets forth our revenue breakdown for sales of products in each of the application scenarios and the related consumables and accessories for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Sales Volume	ASP	Revenue	Sales Volume	ASP	Revenue	Sales Volume	ASP
	RMB'000	(000'units)	(RMB/unit)	RMB'000	(000'units)	(RMB/unit)	RMB'000	(000'units)	(RMB/unit)
Bulk Liquid Circular Solutions	60,236	21	2,824	114,117	40	2,876	157,646	62	2,525
Component Parts									
Circular Solutions . .	37,105	135	275	23,254	74	315	34,014	106	322
Fresh Produce Circular Solutions	18,184	454	40	29,917	784	38	30,272	876	35
Consumables and accessories									
– Liquid liners	12,055	184	66	17,904	288	62	24,523	575	43
– Valves	14,501	458	32	26,147	749	35	20,748	595	35
– Others	24,812	2,642	9	32,872	2,510	13	32,910	2,384	14
Total	166,893	3,894	43	244,211	4,445	55	300,114	4,598	65

- (1) Our ASP of bulk liquid circular service decreased from RMB2,876 to RMB2,525, primarily due to changes in product mix, as we launched the IF1040 product, a simplified version of our IBC 1040 product, to meet the needs of a broader customer base.

SUMMARY

The following table sets forth our revenue breakdown for container services and the unit of containers deployed in each of the application scenarios for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue		Number of containers	Revenue		Number of containers	Revenue		Number of containers
	RMB'000	%	(units)	RMB'000	%	(units)	RMB'000	%	(units)
Bulk Liquid Circular Solutions	42,697	43.1	71,553	56,229	42.3	96,066	65,531	37.3	109,941
Component Parts Circular Solutions . .	55,020	55.6	721,915	75,433	56.7	812,907	108,329	61.6	954,694
Fresh Produce Circular Solutions . . .	1,300	1.3	83,237	1,354	1.0	124,528	1,917	1.1	176,567
Total	99,017	100.0	876,705	133,016	100.0	1,033,501	175,777	100.0	1,241,202

CUSTOMERS

Our revenue from the five largest customers in each year of the Track Record Period, amounted to RMB70.4 million, RMB136.6 million and RMB138.9 million, and contributed to 26.5%, 36.2% and 29.2% of our total revenue in 2023, 2024 and 2025, respectively. Our single largest customer amounted to RMB28.5 million, RMB64.8 million and RMB32.4 million, and contributed to 10.7%, 17.2% and 6.8% of our total revenue in the same periods.

SUPPLIERS

Our purchase from the five largest suppliers in each year of the Track Record Period, amounted to RMB51.1 million, RMB59.4 million and RMB74.9 million, and contributed to 39.4%, 26.4% and 31.7% of our total purchase in 2023, 2024 and 2025, respectively. Our single largest supplier amounted to RMB14.3 million, RMB14.0 million and RMB19.5 million, and contributed to 11.1%, 6.2% and 8.3% of our total purchase in the same periods.

RESEARCH AND DEVELOPMENT

We have established a three-tier research and development framework covering short-term iteration within one year, mid-term development over two to three years, and long-term development over three to five years and beyond. Our R&D team is led by a management team with relevant experience in automotive product development, enterprise information systems, logistics software and operations network engineering.

COMPETITION

The markets in which we operate are competitive, fragmented and evolving, and we face competition in all aspects of our business, including product performance and reliability, solution design capabilities, service coverage, operational execution, digital platform functionality, customer responsiveness, and pricing. Our business spans reusable packaging solutions and related lifecycle services (including pooling/rental, circulation management and supporting operations), and we compete both against providers of reusable packaging circular services and against traditional one-time industrial packaging alternatives.

SUMMARY

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables present our historical financial information for the periods or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountants’ Report in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants’ Report in Appendix I to this document, including the accompanying notes, and the information set forth in “Financial Information.”

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

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	265,910	100.0	377,227	100.0	475,891	100
Cost of sales	(170,930)	(64.3)	(233,101)	(61.8)	(295,615)	(62.1)
Gross profit	94,980	35.7	144,126	38.2	180,276	37.9
Other income and gains	9,329	3.5	3,129	0.8	6,793	1.4
Selling and distribution expenses	(45,279)	(17.0)	(53,631)	(14.2)	(64,999)	(13.7)
Administrative expenses	(35,965)	(13.5)	(34,197)	(9.1)	(42,311)	(8.9)
Research and development costs	(16,157)	(6.1)	(20,936)	(5.5)	(16,824)	(3.5)
(Impairment losses)/reversal of impairment losses on financial assets, net	(619)	(0.2)	97	0.0	(578)	(0.1)
Other expenses	(2,099)	(0.8)	(1,513)	(0.4)	(3,988)	(0.8)
Finance costs	(15,692)	(5.9)	(18,423)	(4.9)	(19,078)	(4.0)
(Loss)/profit before tax	(11,502)	(4.3)	18,652	4.9	39,291	8.3
Income tax credit/(expense)	2,755	1.0	(2,887)	(0.7)	(7,111)	(1.5)
(Loss)/profit for the year	(8,747)	(3.3)	15,765	4.2	32,180	6.8

Revenue

By Types of Goods and Services

The following table sets forth our revenue by types of goods and services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of products:						
– Sales of containers	155,589	58.5	228,318	60.5	279,338	58.7
– Sales of consumables and accessories ⁽¹⁾	11,304	4.3	15,893	4.3	20,776	4.3
Subtotal	166,893	62.8	244,211	64.8	300,114	63.0
Container services:						
Pooling services	81,123	30.5	117,028	31.0	160,202	33.7
Rental income	17,894	6.7	15,988	4.2	15,575	3.3
Subtotal	99,017	37.2	133,016	35.2	175,777	37.0
Total	265,910	100.0	377,227	100.0	475,891	100.0

Note:

(1) Sales of consumables and accessories mainly arose from our pooling service during the Track Record Period.

SUMMARY

By Geographical Regions

The following table sets forth our revenue by geographical regions from external customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	147,758	55.6	177,239	47.0	247,874	52.1
Other countries/regions	118,152	44.4	199,988	53.0	228,017	47.9
Total	265,910	100.0	377,227	100.0	475,891	100.0

Note:

(1) Other countries/regions mainly included United Kingdom, Netherlands, United States, Japan and Italy.

Gross Profit and Gross Profit Margin

The table below sets forth a breakdown of our gross profit and gross profit margin by types of goods and services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Sales of products	64,012	38.4	103,035	42.2	125,455	41.8
Container services	30,968	31.3	41,091	30.9	54,821	31.2
Total	94,980	35.7	144,126	38.2	180,276	37.9

Non-IFRS Measures

To supplement our consolidated financial information that is presented in accordance with IFRS Accounting Standards, we also use adjusted net (loss)/profit, EBITDA and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. Non-IFRS adjusted net (loss)/profit for the year/period was calculated by taking (loss)/profit for the year and adding back (i) share-based payment compensation and (ii) [REDACTED]. We define adjusted EBITDA as EBITDA which refers to (loss)/profit for the year/period plus (i) income tax expenses, (ii) finance costs and (iii) depreciation and amortization, which represents the depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortization of intangible assets adjusted by adding back (i) share-based payment compensation and (ii) [REDACTED].

We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of adjusted net profit, EBITDA and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

SUMMARY

The following table sets forth a reconciliation of our adjusted net (loss)/profit, EBITDA and adjusted EBITDA (non-IFRS measures) to the nearest measure prepared in accordance with IFRS Accounting Standards for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(8,747)	15,765	32,180
Adjusted for:			
Share-based payment compensation	4,117	12,444	3,221
[REDACTED]	—	—	[REDACTED]
Adjusted net (loss)/profit (non-IFRS measure)	<u>(4,630)</u>	<u>28,209</u>	<u>38,481</u>

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(8,747)	15,765	32,180
Adjusted for:			
Income tax (credit)/expenses	(2,755)	2,877	7,111
Finance costs	15,692	18,423	19,078
Depreciation of items of property, plant and equipment	46,538	48,721	60,635
Depreciation of right-of-use assets	12,548	15,335	17,460
Amortization of intangible assets	149	1,893	2,674
EBITDA (non-IFRS measure)	63,425	103,024	139,138
Adjusted for:			
Share-based payment compensation	4,117	12,444	3,221
[REDACTED]	—	—	[REDACTED]
Adjusted EBITDA (non-IFRS measure)	<u>67,542</u>	<u>115,468</u>	<u>145,439</u>

Summary of Our Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets	292,073	334,534	419,051
Current assets	232,766	265,561	388,453
Current liabilities	277,156	298,893	367,887
Net current (liabilities)/assets	(44,390)	(33,332)	20,566
Non-current liabilities	80,054	105,514	107,430
Net assets/total equity	167,629	195,688	332,187

SUMMARY

Net current Assets

Our net current liabilities decreased by 24.9% from RMB44.4 million as of December 31, 2023 to RMB33.3 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB19.9 million, (ii) an increase in inventories of RMB18.2 million, (iii) an increase in financial assets at fair value through other comprehensive income of RMB13.8 million, (iv) an increase in prepayments, other receivables and other assets of RMB9.0 million and (v) a decrease in the current portion of interest-bearing bank and other borrowings of RMB13.8 million; partially offset by (i) a decrease in cash and cash equivalents of RMB28.8 million, (ii) an increase in trade payables of RMB25.7 million, (iii) an increase in tax payable of RMB7.3 million and (iv) an increase in other payables and accruals of RMB2.1 million.

Our net current liabilities changed to net current assets of RMB20.6 million as of December 31, 2025 from net current liabilities of RMB33.3 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB53.3 million, (ii) a decrease in inventories of RMB6.0 million, (iii) a decrease in financial assets at fair value through other comprehensive income of RMB7.2 million, (iv) an increase in prepayments, other receivables and other assets of RMB13.1 million, and (v) an increase in cash and cash equivalents of RMB70.3 million; partially offset by (i) an increase in trade payables of RMB8.0 million, (ii) an increase in other payables and accruals of RMB21.3 million, (iii) an increase in current portion of interest-bearing bank and other borrowings of RMB34.7 million, (iv) an increase in tax payable of RMB2.2 million, and (v) an increase in lease liabilities of RMB2.9 million.

Our net current assets increased significantly from RMB20.6 million as of December 31, 2025 to RMB44.5 million as of February 28, 2026, primarily due to (i) an increase in inventories of RMB24.8 million, (ii) a decrease in trade and bills payables of RMB21.4 million, (iii) a decrease in other payables and accruals of RMB19.6 million; partially offset by (i) a decrease in cash and cash equivalents of RMB37.1 million and (ii) an increase in current interest-bearing bank and other borrowings of RMB9.8 million.

Summary of Our Statements of Cash Flows

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows generated from operating activities	58,628	81,976	98,899
Net cash flows used in investing activities	(49,078)	(96,165)	(141,838)
Net cash flows generated from/(used in) financing activities	52,997	(16,117)	116,183
Net increase/(decrease) in cash and cash equivalents	62,547	(30,306)	73,244
Cash and cash equivalents at beginning of the year	34,895	98,031	69,275
Effects of exchange rate changes on cash and cash equivalents	589	1,550	(2,954)
Cash and cash equivalents at the end of the year	98,031	69,275	139,565

SUMMARY

KEY FINANCIAL RATIOS

	Year ended/as of December 31,		
	2023	2024	2025
Rates of return			
Return on assets (%)	(1.7)	2.6	4.0
Return on equity (%)	(5.2)	8.1	9.7
Liquidity ratios			
Current ratio	0.84	0.89	1.06
Quick ratio	0.68	0.68	0.89
Gearing ratio	0.68	0.67	0.59

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks related to our business, (ii) risks relating to doing business in the jurisdictions where we operate, and (iii) risks related to the [REDACTED], which are set out in the section headed “Risk Factors”. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to:

- We cannot ensure that there will be sufficient future market adoption of our green supply chain intelligent circular service platform to drive our continued growth, nor can we ensure that industry developments as well as market acceptance of green supply chain intelligent circular service platform will develop in our favor.
- Our business, growth and prospects are significantly affected by the demand and future growth of the downstream industries, including automotive, industrial manufacturing, electronics, and logistics, which is influenced by factors such as consumer demand and government policies.
- As we continue to grow, we may not be able to effectively manage our growth and expand our operations, which could negatively impact our operation performance, financial condition and results of operations.
- Our overseas expansion strategy may not be successful and could expose us to additional operational, regulatory and financial risks, which may materially and adversely affect our business, financial condition and results of operations.
- If we fail to maintain existing customers and attract new end customers, or fail to do so in a cost-effective manner, our business may be adversely affected.
- Our operational efficiency heavily relies on the turnover of our reusable packaging containers, which is closely tied to the coverage and operational capability of our service network/platform. If we fail to maintain, expand or optimize our service network/platform, our business, prospects and financial results may be materially and adversely affected.
- We may not be able to conduct our sales and marketing cost-effectively and we cannot guarantee that our cost control strategies and measures will be continually and effectively executed in the future and achieve their expected effects.
- We collect, store and process certain business data of our own business and our customers. Any failure in our data security or non-compliance in relevant jurisdictions with data protection laws could lead to our reputational damage, significant costs, litigation, and regulatory scrutiny, which will have a material and adverse impact on our business, financial condition, results of operations, and prospects.

SUMMARY

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Liao was interested in approximately 59.21% of our total issued share capital, comprising (i) approximately 48.32% directly held by him and (ii) approximately 10.89% of our total issued share capital controlled by Mr. Liao in his capacity as the sole general partner of our employee shareholding platform, Shanghai Honghe. Accordingly, Mr. Liao and Shanghai Honghe constitute a group of Controlling Shareholders before the [REDACTED]. For details of the relationship among the group of our Controlling Shareholders and their shareholding in our Company, see the sections headed “History, Development and Corporate Structure” and “Substantial Shareholders.” Immediately following the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) no new Shares are issued under our Employee Incentive Scheme and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), Mr. Liao will continue to control, directly and indirectly (through Shanghai Honghe), the exercise of approximately [REDACTED] voting rights of the enlarged issued share capital of our Company. Therefore, Mr. Liao and Shanghai Honghe will remain as a group of Controlling Shareholders of our Company upon [REDACTED].

[REDACTED]

FUTURE PLAN AND USE OF [REDACTED]

We estimate that the [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative range of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), without the exercise of the [REDACTED]. We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to establish our manufacturing base, in Xianju, Taizhou, Zhejiang, China, to enhance our production capacity and manufacturing capabilities.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for enhancing our R&D capabilities and advancing our core technologies.

SUMMARY

- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for international expansion to strengthen our global market presence.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for domestic expansion of our warehouse network operations to deepen market penetration in China.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for potential strategic investments and acquisitions in upstream and downstream segments of our industry value chain, in order to generate synergies with our existing operations and further expand our business footprint across the industry chain.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], for working capital and other general corporate purposes.

DIVIDEND

No dividend has been paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China.

According to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

[REDACTED] EXPENSES

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), [REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] (HK\$[REDACTED]), comprising: (i) [REDACTED] fees of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisers and accountants of RMB[REDACTED] (HK\$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]), approximately RMB[REDACTED] (HK\$[REDACTED]) of which was charged or is expected to be charged to profit or loss and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]), among which RMB[REDACTED] (HK\$[REDACTED]) was recognized in profit or loss, and RMB[REDACTED] (HK\$[REDACTED]) was attributable to the [REDACTED] of [REDACTED] and will be deducted from equity upon [REDACTED]. The [REDACTED] expenses are expected to represent approximately [REDACTED] of the [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only and the actual amount may differ from this estimate.

SUMMARY

RECENT DEVELOPMENT

Since December 31, 2025 and up to the Latest Practicable Date, we continued to strengthen our technology and innovation profile in the ordinary course of business through further expansion of our intellectual property portfolio and continued external recognition. During such period, we obtained an additional 13 authorized patents in Chinese Mainland and an additional authorized invention patent overseas, filed 9 additional patent applications worldwide and filed 13 trademark applications in Chinese Mainland. We were also recognized as a “2025 Shanghai Little Giant of Science and Technology (2025年度上海市科技小巨人)” in February 2026.

Since January 2026, we have provided services under a fresh produce crate project for a Chain Fresh Grocery Supermarket. As of the Latest Practicable Date, we prepared 220,000 fresh produce reusable crates for phased deployment under this project. We introduced an updated version of our 330ULTRA reusable packaging product in January 2026.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this Document, there had 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 Appendix I 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.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for the [REDACTED] under Rule 8.05(2) of the Listing Rules and we satisfy the market capitalization/revenue/cash flow test, among other things, with reference to (i) our expected market capitalization at the time of [REDACTED], which, based on the [REDACTED] of HK\$[REDACTED] per Share, exceeds HK\$2 billion required by Rule 8.05(2); (ii) our revenue of RMB475.9 million for the year ended 31 December 2025, which exceeds HK\$500 million required by Rule 8.05(2); and (iii) our net cash flows generated from operating activities in aggregate for the three years ended 31 December 2023, 2024 and 2025 of RMB239.5 million, which exceeds HK\$100 million required by Rule 8.05(2).

DEFINITIONS

In this Document unless the context otherwise requires the following terms shall have the following meanings. Certain technical terms are explained in the section headed “Glossary” in this Document.

“Accountants’ Report”	the accountants’ report for the three financial years ended December 31, 2023, 2024 and 2025 prepared by Ernst & Young, the text of which is set out in Appendix I
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compound annual growth rate

[REDACTED]

“China”, “PRC” or “Chinese Mainland”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purpose of this Document only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “our Company” or “the Company”	HOREN CORTP Co., Ltd.* (上海箱箱智能科技股份有限公司), a joint stock company with limited liability established in the PRC on December 26, 2025, converted from our predecessor HOREN CORTP Co., Ltd.* (上海箱箱智能科技股份有限公司) (formerly named as Shanghai HongYan Reusable Transit Packagings Co., Ltd. (上海鴻研物流技術有限公司)), a limited liability company established in the PRC on September 2, 2013
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Liao and Shanghai Honghe
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSDC (Hong Kong)”	China Securities Depository and Clearing (Hong Kong) Company Limited
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Employee Incentive Scheme”	the employee incentive scheme adopted by the Company on January 30, 2026, the principal terms of which are set out in the section headed “Statutory and General Information — Employee Incentive Scheme”
“EUR”	Euro, the lawful currency of the European Union
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
“Frost & Sullivan Report”	a commissioned industry report prepared by Frost & Sullivan

[REDACTED]

DEFINITIONS

“Group”, “our Group”, “the Group”, “we”, or “us”	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB[REDACTED] each, which is/are to be [REDACTED] for and [REDACTED] in HK dollars and to be [REDACTED] on the Stock Exchange

[REDACTED]

DEFINITIONS

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited

[REDACTED]

“IFRS Accounting Standards”	IFRS Accounting Standards, issued by International Accounting Standards Board
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Latest Practicable Date” April 18, 2026, being the latest practicable date for ascertaining certain information in this Document before its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

“Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Main Board” the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

“MOF” or “Ministry of Finance” Ministry of Finance of the PRC (中華人民共和國財政部)

“MOFCOM” Ministry of Commerce of the PRC (中華人民共和國商務部)

“Mr. Liao” Mr. Liao Qingxin (廖清新), the chairman of the Board, executive Director and chief executive officer of our Company and a Controlling Shareholder

“NDRC” the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“Nomination Committee” the nomination committee of the Board

DEFINITIONS

[REDACTED]

“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Legal Advisor”	Allbright Law Offices, being the legal advisor to the Company as to the PRC laws
“Pre-[REDACTED] Investor(s)”	the investor(s) who participated in the Pre-[REDACTED] Investments

[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Restricted Share Incentive Plan”	the restricted share incentive plan adopted by the Company on October 30, 2020, the principal terms of which are set out in the section headed “Statutory and General Information — Employee Incentive Scheme”
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

DEFINITIONS

“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation (國家稅務總局)
“SCNPC”	Standing Committee of the National People’s Congress, the permanent body of the National People’s Congress of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Securities Law” or “PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai Honghe”	Shanghai Honghe Investment Management Partnership (Limited Partnership)* (上海鴻合投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 27, 2013 and a Controlling Shareholder
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB[REDACTED] each upon the completion of the [REDACTED]; before the completion of the [REDACTED], ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each
	[REDACTED]
“Shareholder(s)”	holder(s) of our Share(s)
	[REDACTED]
“Sole Sponsor” or [REDACTED]	SPDB International Capital Limited
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period consisting of the three financial years ended December 31, 2023, 2024 and 2025
“Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法), promulgated by the CSRC on February 17, 2023
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

“United States” or the “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB[REDACTED] each (taking into account the [REDACTED]), which is/are not [REDACTED] on any stock exchange
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“%”	percent

In this Document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or entities have been included in this Document in both the Chinese and English languages; the English versions are for identification purposes only and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY

This glossary contains explanations of certain technical terms used in this Document in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“AI”	artificial intelligence, the science of researching and developing theories, methods, technologies and application systems that simulate and extend human intelligence
“API”	application programming interface, a connection between computers or between computer programs. It is a type of software interface, offering a service to other pieces of software
“CAGR”	compound annual growth rate, calculated by (i) dividing the value of the relevant metric at the end of the period by its value at the beginning of that period; (ii) raising the result to an exponent of one divided by the number of years; (iii) subtracting one from the subsequent result; and (iv) multiplying by 100 to convert the answer into a percentage
“carbon footprint”	a calculated value or index that makes it possible to compare the total amount of greenhouse gases that an activity, product, company or country adds to the atmosphere
“carbon neutrality”	a state of net zero carbon dioxide emissions achieved by balancing emissions with removal or offsetting
“circular economy”	a model of resource production and consumption that involves sharing, leasing, reusing, repairing, refurbishing, and recycling materials and products, to extend product life cycle for as long as possible
“circular service (循環經濟)”	a business model or operational practice aimed at keeping resources in use for as long as possible, extracting maximum value while in use, and recovering materials at the end of their service life
“Conformité Européenne” or “CE”	a mandatory certification mark indicating a product meets EU safety, health, and environmental protection standards, allowing it to be legally sold throughout the European Economic Area (EEA) and Turkey
“e-commerce”	electronic commerce, a transaction of online buying or selling which draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems
“ESG”	environmental, social and governance
“IBC”	intermediate bulk container

GLOSSARY

“inner lining”	material used inside containers to protect the items inside the container and prevent damage during transportation
“IoT”	Internet of things, physical objects that are embedded with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet or other communication networks
“Key Account”	customer that generates revenue of at least RMB1 million in a given year
“liquid liner”	a disposable inner containment component specifically designed for the transportation and storage of bulk liquids
“MES”	manufacturing execution systems, computerized systems used in manufacturing to track and document the transformation of raw materials to finished goods
“OEM”	original equipment manufacturer, a company that produces parts and equipment that may be marketed by another company
“PCT”	Patent Cooperation Treaty, an international patent law treaty, concluded in 1970, that provides a unified procedure for filing patent applications to protect inventions in each of its contracting states
“Polycarbonate” or “PC”	a group of thermoplastic polymers containing carbonate groups in their chemical structures. Polycarbonates used in engineering are strong, tough materials, and some grades are optically transparent
“Polypropylene” or “PP”	a thermoplastic polymer used in a wide variety of applications
“pooling services”	shared use of resources like containers or pallets across multiple companies to optimize logistics and reduce costs
“PPWR”	Packaging and Packaging Waste Regulation, a proposed European Union regulation intended to reduce packaging waste and improve sustainability by setting requirements on packaging reduction, reuse, recycling, and labeling
“R&D”	research and development, activities that companies undertake to innovate and introduce new products and services
“RFID”	radio-frequency identification, a technology that uses electromagnetic fields to automatically identify and track tags attached to objects
“RTP”	Reusable Transport Packaging including returnable transport packaging, refers to durable packaging used for the transportation of goods that is intended to be returned and reused multiple times

GLOSSARY

“SOP”	standard operating procedure, a set of step-by-step instructions compiled by an organization to help workers carry out routine operations
“VMBOPP”	Vacuum Metallized Biaxially Oriented Polypropylene
“Warehouse Management Systems” or “WMS”	A software application designed to optimize and manage daily warehouse operations, from inventory receiving and storage to order picking and shipping

FORWARD-LOOKING STATEMENTS

We have included in this Document forward looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward looking statements.

This Document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this Document. Forward-looking statements can be identified by words such as “may,” “will,” “should,” “would,” “could,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “continue,” “seek,” “estimate” or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and
- certain statements in the sections headed “Risk Factors,” “Industry Overview,” “Regulatory Overview,” “Business,” “Financial Information,” “Relationship with Our Controlling Shareholder” and “Future Plans and Use of [REDACTED]” with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

FORWARD-LOOKING STATEMENTS

Any forward-looking statement made by us in this Document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this Document are qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider the risk factors set forth below, together with the other information contained in this Document, including our consolidated financial information and related notes, before you decide to [REDACTED] in our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED].

This Document also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in such forward-looking statements due to a variety of factors, including but not limited to the risks described in this section.

Our operations are subject to a number of uncertainties, some of which are beyond our control. We have categorized these risks into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the jurisdictions we operate; and (iii) risks relating to the [REDACTED]. You should note that additional risks not presently known to us, or which we currently consider to be immaterial, may also affect our business, financial condition and operating results. You should consider our business and prospects in light of the challenges and uncertainties we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in a fast-changing and competitive market. If we fail to meet our customers’ evolving needs or keep pace with industry innovation by improving our existing intelligent reusable packaging services and solutions and introducing new products, services and solutions in a timely and cost-effective manner, our competitive position would be impacted and our business, results of operations and financial condition may be materially adversely affected.

The market in which we operate is highly competitive and continues to evolve rapidly, driven by (i) customers’ increasing demands for operational efficiency, packaging standardization and supply chain visibility, (ii) sustainability and circular-economy initiatives, and (iii) technological developments in materials, product engineering and IoT-enabled asset management. Our business comprises both (a) a domestic service system under standardized solutions for multiple industry scenarios and (b) an international product-oriented system (including sales of reusable containers and related components). As a result, we face competition from a wide range of market participants, including (i) reusable packaging circular service providers, (ii) packaging manufacturers that sell reusable packaging products, (iii) conventional packaging suppliers offering one-way solutions (which may be cheaper upfront), (iv) logistics and supply-chain service providers that may bundle packaging-related services, and (v) new entrants that may be backed by strong capital resources. Our revenue mix is also exposed to competitive dynamics in both domestic service offerings and international business expansion. Many competitors may have longer track records, greater financial, technical, sales and marketing resources, stronger brand recognition and larger customer bases, which may allow them to (i) devote more resources to the development, promotion, sale and support of their solutions, (ii) engage in aggressive pricing strategies, (iii) offer broader geographic coverage and faster service response time, or (iv) absorb short-term losses to gain market share.

Our competitive position depends on continuous innovation in hardware (structural design, materials, manufacturing) and software/digital capabilities (data capture, traceability, asset management). Product development for integrated solutions may require a relatively long cycle, and there is no assurance that our development, testing and commercialization timelines will always meet customer expectations or market windows. If we misjudge customer needs or industry trends, or fail to commercialize new solutions efficiently, we may incur significant costs without achieving expected returns, and we may lose customers or market opportunities.

RISK FACTORS

We cannot ensure that there will be sufficient future market adoption of our green supply chain circular service platform to drive our continued growth, nor can we ensure that industry developments as well as market acceptance of green supply chain intelligent circular service platform will develop in our favor.

The current global intelligent reusable packaging services and solutions market represents a significant opportunity for our solutions. The global supply chain circular service market expanded from RMB406.2 billion in 2025 to RMB633.7 billion by 2030, representing a CAGR of 9.3%, providing opportunities for our intelligent reusable packaging solutions. However, future market adoption is uncertain, affected by macroeconomic conditions, customer capital allocation, supply chain disruptions and the cost comparison between reusable and one-way packaging.

Broader adoption of our solutions requires customers to re-evaluate costs and restructure business processes; internal inertia or perceived switching costs may lead to delayed decisions or continued use of one-way packaging, constraining demand. Some value-added functions of our intelligent circular platform are currently unmonetized, and failure to achieve expected adoption or successful monetization may impact our innovation and expansion funding. In addition, changes in packaging waste reduction and circular economy regulations may also negatively affect market adoption.

Our business, growth and prospects are significantly affected by the demand and future growth of the downstream industries, including chemical, industrial manufacturing, electronics, and logistics, which is influenced by factors such as consumer demand and government policies.

Our business is highly dependent on downstream industries including chemical, industrial manufacturing, electronics and logistics, whose demand is affected by consumer demand and government policies. Our overseas expansion started from scenarios of valves and IBC, and subsequently expanding into chemical, automotive, home appliance and other scenarios. There is no assurance that we can continue to diversify successfully, or that new downstream applications will grow as expected.

A portion of our business (e.g., automotive parts) involves highly customized R&D and design, and customized containers cannot be reused across customers. We typically require multi-year cooperation to recover amortization and investment costs. If downstream customers reduce production volume, cancel or delay projects, shorten cooperation periods, or renegotiate pricing, we may be unable to recover upfront investments.

Furthermore, our international product sales are also exposed to demand fluctuations in overseas markets. During the Track Record Period, our revenue from overseas amounted to RMB118.2 million, RMB200.0 million and RMB228.0 million, representing 44.4%, 53.0% and 47.9% of our total revenue. Any reduction in demand caused by weakening economic conditions, decreases in corporate spending, technical challenges, data security or privacy concerns, relevant regulations and policies, competing solutions or otherwise may adversely affect our revenue and gross profit margins and could materially and consequently affect our business, growth and prospects.

As we continue to grow, we may not be able to effectively manage our growth and expand our operations, which could negatively impact our operation performance, financial condition and results of operations.

We have experienced growth in recent years and intend to continue expanding our business. Our strategy and planned use of resources include, among others, integrating domestic capacity, strengthening digitalization and systemization, increasing marketing investment and enhancing our operational capabilities. During the Track Record Period, our revenue increased from RMB265.9 million in 2023 to RMB475.9 million in 2025, representing a CAGR of 33.8%. Our future operating results will depend to a large extent on our ability to manage our expansion and growth successfully. See “Future Plan and Use of [REDACTED].”

RISK FACTORS

We may face difficulties in scaling supply chain, R&D, sales and service functions while maintaining cost control. Inadequate staffing, systems and controls may lead to faster cost growth than expected, delayed response to competition and failed execution of business strategies, and evolving product and service offerings may also impact revenue mix and profitability.

Our overseas expansion strategy may not be successful and could expose us to additional operational, regulatory and financial risks, which may materially and adversely affect our business, financial condition and results of operations.

We plan to expand our service network in overseas markets. There is no assurance that our overseas expansion will be successful, or that we will be able to replicate our business model and operating efficiency in overseas markets on a timely or profitable basis. See “Future Plan and Use of [REDACTED].”

Overseas expansion typically requires meaningful upfront investments and sustained management attention to establish localized operations. We may encounter delays, higher-than-expected costs or operational inefficiencies in the course of establishing overseas operations, and we may fail to achieve sufficient market acceptance, customer acquisition or utilization levels to cover our fixed costs and investments within the timeframe expected, or at all. In addition, our ability to compete effectively in overseas markets may be constrained by differences in customer preferences, local competitive dynamics, pricing pressure and the availability of substitute solutions or incumbent service providers.

Our overseas operations bring increased compliance and execution complexity. In connection with our overseas operations and investments, we may be required to comply with legal procedures under applicable laws and regulations in relevant jurisdictions, including, but not limited to, obtaining necessary licenses, approvals, filings and registrations from competent authorities. Any failure or delay in completing such procedures, or any change in the relevant regulatory requirements or their interpretation or implementation, may restrict our ability to establish, expand or operate our overseas business, delay our investment or commercial plans, or expose us to regulatory actions, penalties or additional compliance costs. We may further face incremental financial and commercial risks associated with overseas operations, such as foreign exchange fluctuations, cross-border fund flows, potential tax exposure, longer collection cycles, counterparty credit risk and payment disputes. From time to time, geopolitical, social or economic conditions in certain overseas markets may adversely affect demand, disrupt operations or increase costs. Moreover, the protection and enforcement of our intellectual property and contractual rights may be more difficult or less predictable in certain jurisdictions, which could increase our exposure to business disruptions and losses.

If we fail to maintain existing customers and attract new end customers, or fail to do so in a cost-effective manner, our business may be adversely affected.

Our ability to retain and expand our customer base is critical to our growth. During the Track Record Period, our retention rates amounted to 87.0%, 60.8% and 74.0% for 2023, 2024 and 2025, respectively, which were higher than industry average. There is no assurance that such retention levels will be sustained, particularly if customers face operational or financial pressures, or if competitors offer more attractive alternatives.

Our contracts with customers are typically for a duration of two to three years. Upon expiry, we may either rely on the long-standing customers’ customary business practice of renewing their contracts based on current contract terms or renegotiating and entering into new contracts. We may be required to participate in tendering or quotation processes for existing customers and potential new customers in order to renew and/or secure new contracts. Customers evaluate us on pricing, product/service quality, digital system compatibility, reputation and financial capability, among other factors. A poor performance review may bar us from future tender/quotation opportunities, harming our business and reputation, and we cannot guarantee contract renewals upon expiry.

During the Track Record Period, our sales to our five largest customers amounted to RMB70.4 million, RMB136.6 million, and RMB138.9 million, representing 26.5%, 36.2% and 29.2% of our total revenue during the same periods, and sales to our largest customer represented 10.7%, 17.2% and 6.8% of our total revenue for the same periods, respectively. There is no assurance that we may not become dependent upon a few major customers in the future such that we would generate a significant portion of our revenue from a relatively small number of customers. Future over-reliance on a small number of major customers may materially impact our business if cooperation is interrupted.

RISK FACTORS

We experience seasonal fluctuations in our sales.

Our business typically experiences a fourth-quarter peak season, driven by overseas year-end retail/Christmas holiday demand and domestic customer procurement/production cycles. In international markets, customer purchasing decisions are often influenced by the year-end retail peak and the Christmas holiday season, which may lead to a concentration of orders in the fourth quarter, while related revenue may be recognized in subsequent periods depending on delivery schedules and, where applicable, completion of installation, commissioning and customer acceptance. See “Business — Seasonality”. As such, comparisons of our operating results between different periods within a single financial year may not be meaningful and cannot be relied on as indicators of our performance. Our financial condition and results of operations may continue to fluctuate due to seasonality which leads to potential liquidity crunches or forced premium pricing for logistics capacity.

Our operational efficiency heavily relies on the turnover of our reusable packaging containers, which is closely tied to the coverage and operational capability of our service network/platform. If we fail to maintain, expand or optimize our service network/platform, our business, prospects and financial results may be materially and adversely affected.

We have established a service network covering over 8,500 FDCs, as of December 31, 2025. Our service network enables us to quickly dispatch employees and containers to customers nearby to ensure timeliness of service. We plan to expand our nationwide service network. See “Future Plan and Use of [REDACTED].”

Our efforts to optimize our service network depend on a number of factors beyond our control, including the macroeconomic conditions and policies, the level of competition in the pooling services market, changes in customer demand, prices of raw materials, transportation costs, supply-chain requirements, availability of suitable and proficient employees. We may lack knowledge and experience with certain local markets, and our competitors in these new markets may have stronger financial resources, more established presence, better understanding and insight on industry trend and policies, and better understanding of customer requirements and preferences. As such, we may not be able to expand or optimize our nationwide service network within the timeframe or at satisfactory costs, which could adversely affect our operating results.

Disruptions to our transportation could adversely affect our business, financial condition and results of operations.

Our pooling services rely on third-party logistics providers for the distribution, retrieval and circulation of reusable containers. We depend on the continuous availability, reliability and cost-effectiveness of transportation capacity to fulfil orders and maintain service levels.

We primarily rely on third-party carriers and typically enter into annual contracts with agreed pricing terms. While contractual provisions allocate certain transportation risks (including cargo insurance and liability) to service providers, such allocation may not (i) prevent actual disruptions, (ii) ensure timely recovery of losses, (iii) avoid liability disputes, or (iv) secure replacement capacity at acceptable cost, particularly if the provider is unable or unwilling to perform.

We rely on third-party logistics providers for transportation (domestic annual contracts, with partial risk allocated to providers). Transportation disruptions (capacity shortages, accidents, natural disasters, wars, armed conflicts, geopolitical tensions, public health emergencies, regulatory changes, etc.) may cause delivery delays, and we have experienced transportation loss incidents since 2023. International logistics also faces sea freight cost volatility, port congestion and customs clearance delays, which may lead to failed on-time delivery, higher costs or lost sales.

RISK FACTORS

We rely on external suppliers for certain components, raw materials and devices. Price fluctuations, shortages, or interruptions in supply could adversely affect our business, financial condition, and results of operations.

During the Track Record Period, purchases from our five largest suppliers accounted for 39.4%, 26.4% and 31.7% of our total purchase, respectively. Timely and cost-effective delivery of components, raw materials and key parts is critical to our operations.

Price fluctuations of key raw materials (caused by inflation, geopolitics, wars, armed conflicts, geopolitical tensions, etc.) may increase costs, and inability to pass on costs to customers may reduce gross profit margins. Furthermore, some materials have a limited pool of qualified suppliers, increasing supply interruption risks and reducing our bargaining power.

We rely on our suppliers, which primarily included reusable packaging manufacturers, logistics service providers and equipment suppliers during the Track Record Period, to meet our operational needs. See “Business — Suppliers.” There is no guarantee that their services will be satisfactory or meet our required quality standards. Major suppliers may face issues such as financial distress, work stoppages or failure of information technology systems that could impact their ability to fulfill their contractual obligations to us on time or at all. Any delays or failures by our suppliers to perform their contractual obligations could materially and adversely impact our business, financial condition and results of operations.

Failure to accurately forecast market demand may result in excessive or insufficient inventory levels, which could lead to increased costs or losses of sales opportunities.

Our operations require us to forecast customer demand and plan procurement and production accordingly. Demand forecasting may be affected by factors beyond our control, including customers’ production cycles, project schedules, macroeconomic conditions and competitive dynamics, and forecasting errors may therefore occur.

Inaccurate demand forecasting may lead to excessive or insufficient inventory. Overestimation may result in high storage costs, slow-moving/obsolete inventory and working capital occupation, and may require write-downs; underestimation may cause raw material/finished goods shortages, delivery delays, expedited costs and loss of customer confidence. Inventory forecasting complexity increases with regional and industrial expansion, and inefficient inventory management may lead to cost growth and cash flow pressure.

The complexity of forecasting may increase as we expand across multiple regions, serve more industries and scenarios, and manage a broader portfolio of products and service solutions. If we fail to maintain efficient inventory planning, allocation and control systems, our inventory levels may become more volatile, and we may experience higher costs, working capital pressure, reduced cash flows and adverse impacts on our business, financial condition and results of operations.

Any failure or deterioration of our quality control system could result in defects in our services, which in turn, may have a material adverse effect on our business and operations.

Product and service quality is critical to customer retention. Any defects in our products or deterioration in our services may lead to customer complaints, requests for compensation or product replacement, reputational damage and regulatory exposure. We have established procedures to handle customer complaints, including reviewing the nature of the complaint, assessing the relevant cause and implementing follow-up measures where appropriate. Where we determine that a complaint is attributable to product quality issues, we generally arrange replacement of the affected products for the relevant customer. During the Track Record Period, we received customer complaints relating to packaging damage, and no disputes had arisen therefrom as of the Latest Practicable Date. The value of products replaced due to product quality issues accounted for less than 0.1% of our total revenue for each year during the Track Record Period.

RISK FACTORS

Our manufacturing processes involve multiple steps and quality-critical environments. Our production quality metrics reflect current operating conditions, and there is no assurance that such performance will be maintained in the future. Our quality control effectiveness depends on, (i) consistent implementation of SOPs and quality control processes across production bases and service sites, (ii) ongoing training and supervision of employees, (iii) stable performance of production equipment and inspection systems, and (iv) consistent quality of external inputs. Future quality control failures may result in contractual liabilities and significant costs. During the Track Record Period and up to the Latest Practicable Date, we did not experience material service defects; however, we cannot assure you that such issues will not arise in the future.

We may experience failures in or disruptions to our Intelligent Circular Service Platform.

We have continuously devoted resources to developing and optimizing our CoRTP platform. See “Business — Our Platform.” If we are unable to detect or promptly remedy any system malfunction or misconfiguration, we may experience system interruptions or delays, which could adversely affect our operating results. In addition, we may experience occasional system interruptions and delays or other technical problems that make the platform unavailable or difficult to access, and prevent us from promptly responding or providing services to our customers, which may reduce our customers’ willingness to use our platform and even incur losses to our customers who may bring legal proceedings against us. Moreover, failures of, or disruptions to, our CoRTP platform, loss or leakage of confidential information, or breach of network security could cause processing inefficiencies and the loss of customers and sales, and subject us to increased costs, litigation and other liabilities, which could materially and adversely affect our business, results of operations, financial condition, and our reputation.

If our digital systems or platforms fail or experience disruption, our ability to efficiently dispatch containers and services, track the location, status and utilization of reusable containers, calculate and reconcile fees accurately, and maintain effective internal controls over our operational and financial processes may be adversely affected, which could result in delayed deliveries and retrievals, reduced service levels, lower asset turnover efficiency, increased risk of container loss or damage, revenue leakage, overcharging or undercharging disputes, increased manual workload, delayed collections, processing errors, delayed financial closing and additional remediation costs.

We may be liable for loss of or damage to customers’ property stored at our premises.

Our business involves the management, handling and storage of customers’ property, including empty containers and cargo. While such property is stored at, or handled within, our facilities, we may be regarded as having custody of, or being responsible for, the safekeeping of such property. Accordingly, any loss of, shortage of, misplacement of, contamination of, deterioration of or damage to customers’ property (whether arising from operational errors, handling or storage practices, equipment malfunction, system failure, fire, flooding, extreme weather, natural disasters, theft, vandalism, security incidents, or other events) may expose us to claims and could require us to compensate affected customers. The extent of our liability in any given incident may be significant. In addition, third parties whose products or services we use (including suppliers, contractors or other service providers) may not be responsible for, may dispute, or may be unable to compensate us for the relevant loss or damage. Further, our insurance coverage may not apply to certain events, may be insufficient in amount, or may be subject to exclusions, deductibles, policy limits and other conditions. If we are required to compensate customers using our own resources, we may incur substantial costs, face disputes or litigation, experience operational disruption and suffer reputational harm. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

RISK FACTORS

We have been and intend to continue investing on our R&D and such investments may not generate the results we expect to achieve.

The intelligent packaging industry is technology-driven. We invest heavily in R&D for IoT, data analytics and packaging design. However, R&D activities are inherently uncertain, and there is no guarantee that our investments will yield commercially viable results. Our research and development expenses amounted to RMB16.2 million, RMB20.9 million and RMB16.8 million in 2023, 2024 and 2025. We also capitalized development expenses of RMB6.3 million, RMB4.8 million and RMB3.3 million during the same period. R&D activities are inherently uncertain, and technical difficulties, cost overruns or low market acceptance of new products may lead to failure to achieve expected returns, impacting financial condition.

We may not be able to conduct our sales and marketing cost-effectively and we cannot guarantee that our cost control strategies and measures will be continually and effectively executed in the future and achieve their expected effects.

We incur selling and distribution expenses to support customer acquisition, customer maintenance, tender participation, channel development and the expansion of our service network. During the Track Record Period, our selling and distribution expenses amounted to RMB45.3 million, RMB53.6 million and RMB65.0 million, representing 17.0%, 14.2% and 13.7% of our total revenue, respectively. Business expansion may require increased spending on sales personnel, marketing and tendering, but there is no guarantee of proportional revenue growth (enterprise supply chain solutions have long sales cycles, and tendering has no success certainty). Increased competition may raise customer acquisition costs, and faster growth in sales & marketing expenses than revenue may reduce profit margins.

We may be exposed to credit risk associated with our trade and bills receivables.

During the Track Record Period, our trade and bills receivables primarily consisted of trade receivables, representing the amount of money owed by customers for services or products sold on credit terms. As of December 31, 2023, 2024 and 2025, our trade and bills receivables amounted to RMB64.4 million, RMB84.4 million and RMB137.7 million, respectively, and our trade and bills receivables turnover day amounted to 85 days, 71 days and 84 days, respectively. See “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Trade and bills receivable.” During the Track Record Period, we recorded impairment losses of RMB0.6 million in 2023, reversal of RMB0.1 million in 2024 and loss of RMB0.6 million in 2025, respectively. Customer financial distress or deteriorated relationships may lead to delayed or defaulted payments, and inability to manage credit risk may impact cash flows and operating results.

The preferential tax treatment that we enjoyed may be changed or terminated.

During the Track Record Period, the effective tax rate of our Group was 24.0%, 15.5% and 18.4%, respectively. The relatively low effective tax rate reflected the tax exemption we enjoyed during the Track Record Period. Our Company is/was qualified as “high and new technology enterprises” and benefited from a preferential income tax rate of 15%. Certain other subsidiaries of our Group are qualified as “small and micro enterprises” and were subject to a preferential income tax rate of 20%. See note 11 to the Accountants’ Report in Appendix I to this Document for details. Preferential tax treatments and other incentives granted to us by the PRC Government are subject to review and renewal and may be adjusted or revoked in the future. We cannot guarantee you that the preferential tax treatments and other incentives to which our PRC subsidiaries are currently entitled would be kept valid or successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income. If any preferential tax treatment, export tax rebates, or incentive is revoked, not renewed, reduced or otherwise becomes unavailable to us, our

RISK FACTORS

tax expenses may increase materially, which would reduce our net profit and operating cash flows. An increase in tax burden could also reduce the funds available for reinvestment, R&D activities and business expansion, and could materially and adversely affect our business, financial condition and results of operations.

We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies.

Our business involves the design and development of reusable packaging products and related components, as well as digital systems supporting asset tracking and operational management. As of December 31, 2025, we had filed 968 patent applications globally, of which 534 had been granted, and had filed 161 PCT patents. Our trade secrets, trademarks, patents, software copyrights, and other intellectual property rights are critical to our success. However, confidentiality agreements may be breached, and intellectual property protection is costly and difficult; infringement or misappropriation may erode competitive advantages. See “Business — Intellectual Property.”

We may be involved in intellectual property disputes and claims.

We depend on our ability to effectively develop and maintain intellectual property rights relating to our business. However, we cannot assure you that our competitors and other third parties will not bring legal claims against us for infringing on their patents, copyrights, trademarks or other intellectual property rights, whether such claims are valid or otherwise. The intellectual property laws and relevant regulations, which cover the validity, enforceability and scope of protection of intellectual property rights, may be subject to amendments in the future, and litigation is becoming a more commonly pursued method for resolving commercial disputes. Given the foregoing and the increasing competition in the market, we may be exposed to a higher litigation risk. We have experienced unauthorized copying or infringement activities by competitors and have pursued enforcement. In one intellectual property litigation suit, the supreme court supported compensation of RMB2.1 million to be paid by the infringing party. The second trial of the case has been concluded as the final trial.

Defending against intellectual property claims may be time consuming and costly, and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable judgment in all legal cases, in which case we may need to pay damages or be forced to cease using certain technologies or content that are critical to our services. Any resulting liabilities or expenses or any changes to our services that we have to make to limit future liabilities may have a material adverse effect on our business, results of operations and prospects.

Our performance depends on the continued services of our senior management and other key employees, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and contributions of our senior management and other key employees to oversee and execute our business plans and to identify and pursue new opportunities. In particular, we rely on the expertise and experience of Mr. Liao, who has over 25 years of experience in the intelligent reusable packaging industry. Any loss of our senior management or other key employees could significantly delay or prevent us from achieving our strategic business objectives and adversely affect our business, financial condition, and operating results. We cannot guarantee that we will not experience the loss of key personnel in the future. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives, which could disrupt our business. Hiring suitable replacements and integrating them into our business requires significant amounts of time, training, and resources, and may impact our existing corporate culture. If we are unable to find suitable replacements in a timely manner, our business growth and prospects may be materially and adversely affected.

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We have adopted employee incentive plans, which would dilute shareholding interest and lead to share-based compensation expenses that may negatively impact our profitability.

We have implemented equity incentive arrangements to attract and retain employees and align employee interests with the long-term development of the Group. We have conducted multiple rounds of equity incentives, and further arrangements are under consideration. In 2023, 2024 and 2025, we recorded share-based payment compensation of RMB4.1 million, RMB12.4 million and RMB3.2 million, respectively.

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel. We have adopted the Restricted Share Incentive Plan in 2020 and Employee Incentive Scheme in 2026, respectively. See “Statutory and General Information — Employee Incentive Scheme” in Appendix VI. We may grant additional share-based compensation in the future, which may further increase our operating expenses and adversely affect our net profit. In addition, the issuance of additional Shares upon the exercise or vesting of share-based awards will dilute the ownership percentage of our existing Shareholders.

If we are unable to protect or promote our brand and reputation, our business may be materially adversely affected. Negative publicity and allegations involving us, our shareholders, directors, officers, employees, associates and business partners may affect our reputation and, as a result, our business, financial condition, and results of operations may be negatively affected.

We rely on our customers’ confidence in our brand and reputation to attract and retain them, which are important to our continued growth. We believe that we have established a favorable reputation based on the quality of our services, our presence in multiple locations, and the enhancement of our business operations through deployment of technological systems. However, our brands and reputations may be impaired by a number of factors. Negative publicity and allegations, whether or not ultimately substantiated, could also arise from a broad range of events, including disputes with customers or suppliers, litigation, labor disputes, regulatory investigations or penalties, cybersecurity incidents, product defects, operational accidents, or misconduct by employees, business partners or other parties associated with us. Any failure to maintain and enhance our brand and reputation could reduce demand for our products and services, impair our ability to participate in or win tenders, increase customer acquisition costs and reduce pricing power, and could materially and adversely affect our business, financial condition and results of operations.

We may not be able to obtain additional financing or generate sufficient cash from our operations to expand our business or meet unforeseen contingencies.

Our business requires substantial cash resources for raw material procurement and capacity expansion. We rely on bank borrowings, finance leases and other external financing, with a concentration risk on key finance leasing partners. We also plan to make significant capital investment in connection with capacity expansion. See “Future Plan and Use of [REDACTED].” Inability to obtain sufficient financing (due to economic conditions, credit market changes or leverage levels) may force us to curtail expansion plans.

We cannot assure you that sufficient financing will be available to us. In 2023, 2024 and 2025, we incurred capital expenditure of RMB67.6 million, RMB122.8 million and RMB180.5 million, respectively. The level of our indebtedness and the amount of our interest payments could limit our ability to obtain additional financing or obtain favorable terms for the financing for future capital expenditures and working capital. Without sufficient funds, we will be forced to curtail our operations and expansion plans. Disruption, uncertainty or volatility in the capital markets or credit markets may limit our access to capital funds for our operations and expansion of our business, decrease our profitability, and significantly reduce our financial flexibility.

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Furthermore, our liquidity also depends on cash generated from operating activities and our cash and cash equivalents. As of December 31, 2023, 2024 and 2025, the balance of our cash and cash equivalents amounted to RMB98.0 million, RMB69.3 million and RMB139.6 million, respectively. If we are unable to obtain additional financing in a timely manner on acceptable terms, or if we cannot generate sufficient cash from operating activities, we may be forced to curtail operations, delay expansion plans, reduce investments in assets and systems, or take other actions that could materially and adversely affect our business, financial condition and results of operations. The higher level of our indebtedness may require us to allocate more cash to repay our debts, thereby reducing the amount of general working capital that we can use for daily operations, capital expenditure and other general corporate purposes.

We face exposure to foreign currency risks.

We have exposure to foreign currency risks primarily arising from overseas sales and related receivables, foreign currency-denominated cash balances and, to a lesser extent, foreign currency-denominated procurement. We recorded net foreign exchange gains of RMB0.7 million in 2023 and RMB1.7 million in 2024, and losses of RMB3.6 million in 2025, respectively. We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. See note 38 of the Accountants’ Report in Appendix I.

In addition, as the [REDACTED] from the [REDACTED] will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [REDACTED] from the [REDACTED]. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

Our insurance coverage may not be sufficient in covering the risks or losses that may result from our operations, including loss or damage to customers’ property stored in our containers.

As a provider of green supply chain intelligent circular services, our operations entail risks of losses, liabilities or disruptions, including cargo loss or damage in transit, container and equipment damage, property loss, workplace injuries, business interruption and third-party claims. We have insurance for certain operational segments such as warehousing and logistics, but no assurance can be given that such coverage is sufficient in scope or amount to cover all potential losses.

We may face liabilities for underinsured or uninsurable events on acceptable terms — such as natural disasters, riots, strikes and terrorism, which bring hard-to-quantify losses and reputational damage. Recovering losses from insurers can be difficult and time-consuming, with no guarantee of full compensation. Moreover, some risks like war and terrorism are uninsurable or not economically insurable. Uncovered losses or losses exceeding insured limits to our assets and properties may materially and adversely impact our operating results and financial condition.

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We may be demanded to pay the outstanding contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities.

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in strict compliance with relevant laws and regulations. According to the relevant PRC laws and regulations, we may be requested by relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed period and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay. If we fail to repay the outstanding social insurance contribution within the stipulated period, we may be liable to a fine of one to three times the outstanding contribution amount. Pursuant to relevant PRC laws and regulations, the relevant PRC authorities may demand us to pay the outstanding contributions of the housing provident fund within a stipulated deadline. If we fail to pay housing provident fund contributions within the prescribed deadline, we may be subject to an order by the relevant people's court to make such payments.

As of the Latest Practicable Date, no administrative action, fine or penalty had been taken or imposed by the relevant regulatory authorities against us with respect to our social security insurance contributions or housing provident fund, nor had we received any material order or been informed to settle the under-contributions. We did not make provision for the potential liabilities arising from shortfalls in social insurance and housing provident fund contributions during the Track Record Period. However, we cannot guarantee that relevant authorities will not order rectification of this non-compliance in the future nor that there will be no employee complaints over the issues at national, provincial or local levels. We may also incur additional compliance costs, and any of the above circumstances could adversely affect our financial condition and operating results. See “Business — Employee.”

We may be liable for failure to register and file our lease agreements, which may subject us to penalties.

As of the Latest Practicable Date, we had not registered 11 of our lease agreements in the PRC. The relevant authorities may require us to complete the lease registrations within a specified time frame and may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements for any delay in complying with such requirement. See “Business — Properties” in this Document for details. We cannot assure you that the relevant authorities will not impose penalties for failure to register these lease agreements. Any such penalties could have an adverse effect on our business, financial position and results of operations.

Any challenge by third parties or government authorities over our right to use our leased properties or failure to renew our current lease may adversely affect our business operations.

As of the Latest Practicable Date, two leased properties in the PRC with an aggregate gross floor area of approximately 519 sq.m. has title defects, which was mainly due to the failure of certain lessors to provide property ownership certificates or other sufficient ownership documents. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owners or the parties who have the right to lease the properties, and the terms of the new leases may be less favorable to us. See “Business — Properties.”

We are not aware of any material claims or actions being contemplated or initiated by government authorities, property owners or any other third parties with respect to our leasehold interests in or use of such properties. However, we cannot guarantee our use of such leased properties will not be challenged in the future. A challenge may lead to fines, forced relocation of affected operations and disputes with relevant parties. We cannot assure you that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. As a result, our business, financial condition and results of operations may be adversely affected.

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We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

We may be subject to, or involved in, various claims, lawsuits, and other legal and administrative proceedings in the ordinary course of our business, including those relating to contract disputes, labor disputes, intellectual property infringement, and regulatory compliance. Lawsuits and other administrative or legal proceedings can involve substantial costs, including the costs associated with investigation, litigation, and possible settlement, judgment, penalties, or fines. In addition, such proceedings may require a commitment of management and personnel resources that will be diverted from our normal business operations. Negative publicity associated with litigation could also decrease customer acceptance of our services and damage our reputation, regardless of whether the allegations are valid or whether we are ultimately found liable. Any adverse outcome of these cases could result in payments of substantial monetary damages or fines, or changes to our business practices, which could have a material adverse effect on our business, financial condition, and results of operations.

We collect, store and process certain business data of our own business and our customers. Any failure in our data security or non-compliance in relevant jurisdictions with data protection laws could lead to our reputational damages, significant costs, litigation, and regulatory scrutiny, which will have a material and adverse impact on our business, financial condition, results of operations, and prospects.

Our operations rely on digital platforms to support order fulfillment, operational dispatch, asset tracking and related business processes. In connection with these activities, we collect, store and process data relating to our operations, which may include business data, operational data and, in certain circumstances, personal information (such as contact information used for business communication and service delivery). We also use devices and tools (including scanning terminals and, for certain containers, IoT modules) that may generate location and status data, which may be considered sensitive under evolving regulatory standards depending on how it is combined or identified. See “Business — Data Privacy and Protection.”

Accordingly, we face major data security and privacy challenges, including (i) protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage or fraudulent behavior or improper use by our employees or business partners; (ii) addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived sharing, safety, security and other factors that may arise from our existing businesses or new businesses or new technologies; and (iii) complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data.

Our efforts to protect such data may not always be sufficient or effective. Any improper handling of our clients’ information as a result of any misconduct by our employees or any information leakage due to external factors, such as unauthorized access to our database by hackers, could result in civil or regulatory liabilities which may subject us to significant legal, financial and operational consequences.

We are subject to laws and regulations relating to the collection, storage, use, processing, transmission, retention, security and transfer of personal information and other data. See “Regulatory Overview — Regulations on Cyber Security and Data Security.” The interpretation and application of laws, regulations and standards on data protection and privacy shall be in compliance with the then effective laws and regulations. We cannot guarantee our data privacy and protection measures will always meet applicable legal and regulatory requirements, nor that our practices will remain fully compliant, which may expose us to official investigations and inspections. Data protection rules are constantly evolving and vary across jurisdictions, and complying with these

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changing international requirements may lead to substantial costs or necessitate business practice adjustments. Our data protection systems also face risks of systemic failure, security breaches and cyberattacks. Any actual or alleged non-compliance or failure to address data privacy issues could harm our reputation, disrupt digital operations and result in significant legal, financial and operational consequences.

Any lack of requisite approvals, licenses or permits applicable to our business, any failure to maintain, renew or complete periodic reviews in respect thereof, or any non-compliance with relevant laws and regulations, may have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our business is subject to supervision and regulation by various competent regulatory authorities in jurisdictions where we operate. These authorities promulgate and enforce laws and regulations governing a wide range of business activities relevant to our operations. Such regulations typically govern market entry, the permitted business scope and the requisite approvals, licenses, permits, filings and registrations. These laws and regulations operate at both the national and local levels, and the applicable compliance requirements may vary across different jurisdictions and may change over time. According to our PRC Legal Advisors, we had obtained all material licenses and approvals necessary for our main business during the Track Record Period and up to the Latest Practicable Date. For details, see “Business — Licenses and Approval.” However, certain of these certificates, licenses, approvals and permits are valid only for limited periods and are subject to periodic review, annual inspection and/or renewal by the relevant governmental authorities or other competent organizations.

In addition to obtaining the necessary approvals, licenses and permits, we are also required to comply with applicable laws and regulations in the course of our operations. Certain aspects of our business are subject to a complex and evolving regulatory regime and extensive government oversight. Given the pace and complexity of regulatory developments, we may not always be fully informed of new or updated requirements in a timely manner. We may also fail to promptly adapt operations to regulatory changes, leading to non-compliance. In addition, the standards and criteria for obtaining, maintaining, renewing or reviewing such approvals, licenses and permits may become more stringent or otherwise change in the future.

Furthermore, as laws and their enforcement evolve, there can be no assurance that we have obtained, or will be able to obtain, all necessary approvals, licenses, permits, filings or registrations required for our operations, or that we will be able to maintain or renew them or complete the requisite annual inspections (as applicable) in a timely manner. Any such failure or non-compliance may trigger administrative penalties, fines, suspension or revocation of relevant certificates, licenses, approvals or permits, or other regulatory actions, and could disrupt, hinder, or halt our business operations. In certain circumstances, we may be required to suspend or adjust certain aspects of our business, which could materially and adversely affect our business, financial condition and results of operations. Our outbound investments are also subject to approval/filing rules; non-compliance in historical or future outbound investments may result in administrative penalties, or orders to suspend or terminate such investments.

We are exposed to risks associated with failing to detect and prevent fraud, negligence or other misconduct committed by our employees, agents, customers, suppliers or other third parties.

We are exposed to potential fraud, negligence or other misconduct committed by our employees, agents, customers, suppliers or other third parties that could subject us to financial losses and sanctions imposed by governmental authorities, which may adversely affect our reputation. Although we have established internal control procedures and risk management systems to monitor our operations and compliance, including policies on anti-bribery and anti-corruption, we cannot assure you that such procedures and systems will be effective in all cases. We may not be able to identify and detect all instances of non-compliance or suspicious transactions in a timely manner. If we are unable to effectively prevent and detect such misconduct, our business, financial condition and results of operations may be materially and adversely affected.

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Any non-compliance with applicable anti-bribery and anti-corruption laws, economic sanctions and other forms of illegal acts and misconduct by our employees, customers or suppliers may materially and adversely affect our business operations.

We operate in a business environment where we interact with various third parties, including customers, suppliers, and government officials. We are subject to anti-corruption, anti-money laundering, anti-bribery, and other relevant laws and regulations in the PRC and other jurisdictions where we operate. We may be exposed to bribery, corruption, or other illegal acts and misconduct committed by our employees, customers, suppliers, or other third parties that could subject us to financial losses, investigations, and penalties imposed by governmental authorities.

Although we mandate compliance with applicable laws, we cannot guarantee that our employees or business partners will not engage in misconduct or act in violation of our internal policies or applicable laws. Any violation could result in substantial civil or criminal penalties, the revocation of licenses, and a material adverse effect on our business, financial condition, and results of operations. Furthermore, negative publicity regarding such misconduct could seriously harm our reputation and our ability to win new business or retain existing customers.

Our business operations are subject to force majeure events and unforeseen, hostile or catastrophic events.

If any force majeure event or any event beyond our control happens, our customers may terminate the contracts, and they may only be required to compensate us under certain circumstances, such as damage to or loss of our containers. Any uninsured loss could materially and adversely affect our business, results of operations, and financial condition. Our operations are also susceptible to disruption and damage from unforeseen hostile or catastrophic events, including war, terrorist attacks, natural disasters, pandemics and extreme weather. Such events may destabilize global financial markets and consumer confidence, force us to suspend operations, and result in customer contract terminations or delayed payments.

We may also be forced to assume losses to the extent our insurance coverage is inadequate. Any uninsured loss or prolonged disruption to our business operations could materially and adversely affect our business, financial condition, results of operations, and cash flows.

RISKS RELATED TO DOING BUSINESS IN THE JURISDICTIONS WE OPERATE

Changes in global or regional political and economic policies could have an adverse effect on our business, financial condition, results of operations and subsequently challenge our competitive position.

Our business, financial condition, results of operations and prospects may be adversely affected by economic, political and legal developments in the markets in which we operate. In recent years, regional and global economic growth has slowed, and uncertainties remain as to whether, and for how long, such slowdown may persist. In addition, geopolitical tensions and conflicts, including the Russia-Ukraine war, unrest and terrorist threats in certain countries and regions, as well as heightened tensions in the Middle East involving Iran, have contributed to volatility in the global economy and supply chains. In particular, such events may cause volatility in oil prices and disruptions to international shipping routes, which in turn may lead to increases in transportation costs and the prices of certain raw materials and components used in our operations. Such geopolitical developments may also disrupt international maritime traffic along key global shipping routes, resulting in increased shipping costs and delivery delays.

There are also considerable uncertainties over the long-term effects of monetary and fiscal policies adopted by major economies and financial authorities worldwide. Factors such as inflation, volatility in capital markets, consumer demand, corporate and government spending, and business investment may materially affect the business and economic environment in the markets where we

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operate, the growth of the industries we serve and, ultimately, our profitability. Government regulations and policies relating to resource allocation, monetary policy, foreign exchange, financial regulation and industry-specific supervision may also affect our business and results of operations. If global or regional political and economic conditions deteriorate, or if the business environment in the markets where we operate changes materially, our business, financial condition and results of operations could be materially and adversely affected.

Our business is subject to a variety of local and overseas laws, rules, and policies, including those relating to environmental protection, international trade and ESG disclosure requirements.

We operate in the PRC, Europe, the UK, the US, Japan and other jurisdictions, subject to a wide range of laws and regulations (environmental protection, product certification, occupational health and safety, customs clearance, export controls). As a [REDACTED] company, we face increasing ESG disclosure obligations; compliance requires additional costs for data collection, internal controls and external audits, and failure to comply may lead to regulatory scrutiny and reputational damage.

Overseas jurisdictions may impose more stringent product and environmental compliance requirements; changes in regulations may require product design/manufacturing process adjustments, leading to higher costs and delayed deliveries.

Non-compliance with environmental, trade or ESG requirements may result in fines, import/export restrictions, contract termination and material business impact. Any of the above could materially and adversely affect our business, financial condition and results of operations. See “Regulatory Overview” and “Business — Environmental, Social and Governance.”

Changes in the interpretation and enforcement of laws, rules and regulations in the jurisdictions where we operate, may materially and adversely affect our business, financial condition and results of operations and prospects.

The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes, while others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. The laws and regulations in the jurisdictions where we operate are subject to further revisions or interpretations from time to time. New laws, regulations, guidelines, and interpretations that are promulgated in the future may affect the rights and obligations of the parties involved.

In particular, the interpretation and enforcement of laws and regulations in certain jurisdictions involve uncertainties. Administrative and court authorities may have significant discretion in interpreting and implementing statutory provisions and contractual terms, which may make it difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, the regulatory uncertainties may be exploited through unmerited legal actions or threats.

Furthermore, laws and regulations in the jurisdictions where we operate may be based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Any changes in the interpretation and enforcement of laws, rules, and regulations could materially and adversely affect our business, financial condition, results of operations, and prospects.

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Changes in economic policies, international trade policies and political tensions may adversely impact our business and results of operations.

Our operating results are affected by macroeconomic conditions in our target markets, with demand for our products and services driven by customers’ production volumes, logistics activity and capital allocation. A severe or prolonged downturn in regional or global economic conditions, higher inflation, tighter credit conditions, reduced industrial output, or reduced customer spending may lead to decreased demand, delayed customer projects, price pressure, longer collection cycles and increased credit risk, which could materially and adversely affect our revenue, margins, cash flows and financial condition.

We are also exposed to risks arising from international trade policy changes and geopolitical tensions. Our overseas sales involve cross-border shipments and overseas manufacturing or OEM arrangements. Changes in trade and investment policies may lead to (i) higher landed costs for customers, (ii) reduced competitiveness of our products in certain markets, (iii) shipment delays, (iv) additional compliance burdens and costs, or (v) restrictions on our ability to sell or deliver products in certain jurisdictions. Such measures may be adopted with limited advance notice, vary by jurisdiction, and face escalation or retaliation.

Geopolitical events and political tensions may also disrupt global logistics and supply chains. These disruptions could delay delivery to customers, increase costs that may not be recoverable through pricing adjustments, and cause customers to shift procurement to alternative suppliers. In addition, geopolitical tensions may contribute to heightened foreign exchange volatility, which may affect the value of foreign currency-denominated receivables, cash balances and operating results. Any hedging measures we undertake may not fully mitigate such volatility and may introduce additional costs.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and relevant supporting guidelines, which became effective on March 31, 2023. According to the Trial Measures, PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, are required to fulfill the filing procedures with the CSRC.

We cannot guarantee the timely completion of filings or acquisition of approvals for future capital raising activities, nor can we ensure that new regulations will not add additional requirements or restrictions on our financing. If future financing requires CSRC or other regulatory approvals/filings, we may fail to meet such requirements in a timely manner.

We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities. These regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, or take other actions to restrict our financing activities, which could have a material adverse effect on our business and financial condition.

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You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and a substantial portion of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management may also be located within the PRC. As a result, it may not be possible to effect service of process upon most of our Directors and senior management outside the PRC.

Although we will be subject to the Listing Rules and the Takeovers Code upon the [REDACTED] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Code do not have the force of law in Hong Kong.

Furthermore, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. Although the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) has come into effect, there remain uncertainties regarding the interpretation and implementation of such arrangements.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

The PRC Enterprise Income Tax Law (the “EIT Law”) imposes a tax rate of 25% on PRC resident business enterprises. Some of our subsidiaries may be entitled to preferential tax treatment such as High and New Technology Enterprise status which allows for a preferential corporate income tax rate of 15%. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or if we fail to maintain our qualification for such treatment, our effective tax rate would increase correspondingly.

Our overseas operations and expansion face risks from complex, varying local tax regimes, including tax rate changes and revised interpretations of tax laws that may impact our effective tax rates. We are subject to tax authority examinations globally, with no guarantee our tax positions will be sustained; any higher effective tax rates or unaccrued tax liabilities could adversely affect our financial condition, operating results and cash flows.

We are a PRC enterprise and we are subject to PRC tax on our global income, and the dividends payable to [REDACTED] and gains on the sale of our H Shares by our [REDACTED] are subject to PRC tax.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, in principle we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax of the MOF and SAT (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, dividend income of individual foreigners from PRC enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition

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of H shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your [REDACTED] in our H Shares.

We are subject to the currency exchange regulation.

We are subject to PRC foreign exchange regulations governing RMB conversion, and cannot guarantee sufficient foreign exchange to meet our needs at any given exchange rate. Current-account transactions including dividend payments require documentary evidence and processing via licensed domestic foreign exchange banks, with no prior SAFE approval needed — this also applies to foreign-currency dividend payments post the [REDACTED], subject to procedural compliance. However, future changes to such foreign exchange policies cannot be assured. A shortage of foreign exchange may hinder dividend payments to shareholders, capital expenditure plans and other foreign exchange needs, adversely impacting our business, operating results and financial condition.

Governmental control of currency conversion, and restrictions on the remittance of Renminbi into and out of China, may adversely affect the value of your [REDACTED].

The PRC government regulates RMB convertibility and cross-border currency remittance, and a major share of our revenue is in RMB. Our dividend payments and debt servicing rely on dividend distributions from PRC subsidiaries, and foreign exchange shortages may hamper their ability to remit sufficient foreign currency for such payments and foreign-denominated obligations. Amid past capital outflows, the PRC has tightened foreign exchange policies and outbound capital scrutiny, and may further restrict current-account foreign exchange access at its discretion. A lack of sufficient foreign exchange due to such controls could prevent us from paying foreign-currency dividends to shareholders, adversely impacting the value of your [REDACTED].

RISK FACTORS

RISKS RELATED TO THE [REDACTED]

No public market currently exists for our H Shares. An active [REDACTED] market for our H Shares may not develop and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the [REDACTED], there has been no public market for our H Shares. There can be no guarantee that an active [REDACTED] market for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the price at which our H Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the PRC, the United States and elsewhere in the world. In particular, the business performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong may affect the volatility of the price of, and trading volumes for, our H Shares. Some of the PRC-based companies listed in Hong Kong have experienced significant volatility, including significant price declines after their [REDACTED]. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares.

Furthermore, pursuant to applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) are restricted from disposing of any of the Shares held by them. Due to such lock-up requirements, the liquidity and trading volume of the H Shares in the short term following the [REDACTED] may be significantly affected.

The price of our H Shares could fall below the [REDACTED] when trading commences.

Our H Shares will not commence [REDACTED] on the Stock Exchange until [REDACTED]. During this period, [REDACTED] may not be able to sell or otherwise deal in our H Shares. Accordingly, holders of our H Shares are at risk that the price may fall below the [REDACTED] due to adverse market conditions or other developments occurring between the time of sale and trading commencement.

Future sales or perceived sales of a substantial number of our H Shares in the public market following the [REDACTED] could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and substantial dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share and may experience further dilution if we [REDACTED] additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we [REDACTED] additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

RISK FACTORS

Our Controlling Shareholder has significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.

Immediately following the completion of the [REDACTED], our Controlling Shareholders will control approximately [REDACTED] of the voting power at our general meetings. Our Controlling Shareholders will, through their voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management.

The interests of our Controlling Shareholders may not always coincide with our or your best interests. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. If the interests of the Controlling Shareholders conflict with the interests of our Company or our other Shareholders, or if the Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of our Company or other Shareholders, you may be disadvantaged as a result. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from our PRC operating subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds.

We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. A decision to declare or pay dividends and the amount of such dividends will depend on various factors, including our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or IFRS Accounting Standards, our Articles of Association, the PRC Company Law and any other applicable PRC laws and regulations.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government sources.

This Document, particularly the section headed “Industry Overview,” contains information and statistics relating to the green supply chain circular service industry in China and globally. Such information and statistics have been derived from various official government and other publications. We believe that the sources of such information are appropriate and have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], [REDACTED], any of our or their respective directors, officers or representatives, or any other parties involved in the [REDACTED], and no representation is given as to their accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. In any event, you should consider carefully the importance placed on such information or statistics.

RISK FACTORS

Forward-looking statements contained in this Document are subject to risks and uncertainties.

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would,” or “will,” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved. Subject to the requirements of the Listing Rules, we do not intend to publicly update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events, or otherwise. Accordingly, you should not place undue reliance on any forward-looking information.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this Document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication.

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers and exemption from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based, and most of the business operations of our Group, are managed and conducted in the PRC. Our executive Directors ordinarily reside in the PRC and they play very important roles in our Company’s business operations. It is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, or does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) We have appointed Mr. Liao Qingxin (廖清新) (“**Mr. Liao**”) and Mr. Yau Tsz Lun (游子麟) (“**Mr. Yau**”) as our authorized representatives (the “**Authorized Representatives**”) pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company’s principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with inquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;
- (b) When the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e., mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office;
- (c) All Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period of time;
- (d) We have appointed SPDB International Capital Limited as our Compliance Advisor upon the [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our Authorized Representatives, Directors and members of our senior management, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available. The contact details of the Compliance Advisor has been provided to the Hong Kong Stock Exchange and the Company will inform the Hong Kong Stock Exchange promptly in respect of any change in the Compliance Advisor; and

- (e) The Company has designated staff members as the communication officer at the Company’s headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the Authorized Representatives, and the Company’s professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Advisor, to keep abreast of any correspondences and/or inquiries from the Hong Kong Stock Exchange and report to the executive Directors to further facilitate communication between the Hong Kong Stock Exchange and the Company.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Yang Jie (楊杰) (“**Mr. Yang**”), as one of our joint company secretaries. Mr. Yang has extensive experience in financial management but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Yau, who is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Mr. Yau will provide assistance to Mr. Yang for

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

an initial period of three years from the [REDACTED] to enable Mr. Yang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Mr. Yang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yang may be appointed as a joint company secretary of our Company. Pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the waiver will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Mr. Yau will work closely with Mr. Yang to jointly discharge the duties and responsibilities as company secretary and assist Mr. Yang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Yau will also assist Mr. Yang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Yau is expected to work closely with Mr. Yang and will maintain regular contact with Mr. Yang, the Directors and the senior management of our Company. The waiver will be revoked immediately if Mr. Yau ceases to provide assistance to Mr. Yang as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company. In addition, Mr. Yang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Mr. Yang will also be assisted by (a) Compliance Advisor of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the initial three-year period, the qualifications of Mr. Yang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. Prior to the end of the three-year period, the Company will demonstrate and seek the confirmation from the Stock Exchange that Mr. Yang, having had the benefit of Mr. Yau’s assistance during the three years, has attained the relevant experience and is capable of discharging the functions of our company secretary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

Name	Address	Nationality
Mr. Liao Qingxin (廖清新)	Room 1501, No. 27, Lane 1188 Shuying Road, Minhang District Shanghai China	Chinese
Mr. Tang Junfeng (唐俊峰)	Room 701, No. 36, Lane 1366 Qinchun Road, Minhang District Shanghai China	Chinese
Ms. Liu Haihua (劉海花)	Room 302, No. 19, Lane 1500 Xinsong Road, Xinqiao Town Songjiang District Shanghai China	Chinese
Mr. Zhang Fan (張帆)	Room 202, Building 11, Lane 1500 Changyi Road, Pudong New Area Shanghai China	Chinese

Non-executive Directors

Name	Address	Nationality
Mr. Huang Yan (黃岩)	Room 1101, Building 3, Lane 1068 Xinzha Road, Jingan District Shanghai China	Chinese
Mr. Xiong Ming Hua (熊明華)	Flat C, 43/F, Tower M3 YOHO Midtown 9 Yuen Lung St Yuen Long, N.T. Hong Kong	American
Mr. Zhang Guojin (張國津)	Unit H1003, Building D No. 66 Xiaguangli Chaoyang District Beijing China	American

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Independent Non-executive Directors

Name	Address	Nationality
Mr. Ip Wang Hoi (葉耘開)	Flat 1, 3/F, Block B, Imperial Court No. 62G Conduit Road, Central Hong Kong	Chinese
Mr. Cheung Yik Man (張奕敏)	Flat 01, 19/F, Block A Winfield Building No. 3 Ventris Road Happy Valley, Wan Chai District Hong Kong	Chinese
Mr. Zuo Xinyu (左新宇)	Room 510, Entrance 5 Building A5, Compound No. 11 Fucheng Road, Haidian District Beijing China	Chinese
Mr. Wu Dennis Pak Kit (胡伯杰)	Flat B, 18/F, Beauty Court No. 82 Robinson Road Mid-Levels Hong Kong	Chinese

Further information is set out in the section headed “Directors and Senior Management” in this Document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

SPDB International Capital Limited

33/F, SPD Bank Tower

One Hennessy

1 Hennessy Road

Hong Kong

[REDACTED]

Legal Advisors to the Company

As to Hong Kong law and U.S. law:

Wilson Sonsini Goodrich & Rosati

Suite 1509, 15/F, Jardine House

1 Connaught Place, Central

Hong Kong

As to PRC law:

Allbright Law Offices

9, 11 & 12/F, Shanghai Tower, No. 501

Yincheng Middle Road

Pudong New Area

Shanghai

China

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

**Legal Advisors to the Sole Sponsor and
[REDACTED]**

As to Hong Kong law:

Morgan, Lewis & Bockius
19th Floor, Edinburgh Tower
The Landmark
15 Queen’s Road Central
Hong Kong

As to PRC law:

CM Law Firm
Room 2805, Plaza 66
Tower 2
1366 West Nanjing Road
Shanghai
PRC

Auditors and Reporting Accountants

Ernst & Young
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
27/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**
Suite 2504, Wheelock Square
1717 Nanjing West Road
Shanghai
China

[REDACTED]

CORPORATE INFORMATION

Registered Office in the PRC	Room 303-16, Building 33 No. 680 Guiping Road Xuhui District Shanghai China
Headquarters and Principal Place of Business in the PRC	28th Floor, Building A No. 1520 Gumei Road Caohejing Emerging Technology Development Zone Xuhui District Shanghai China
Principal Place of Business in Hong Kong	Room 1917, 19/F Lee Garden One 33 Hysan Road Causeway Bay Hong Kong
Company’s Website	<u>https://www.horengroup.com</u> <i>(the information contained on the website does not form part of this Document)</i>
Joint Company Secretaries	Mr. Yang Jie (楊杰) Room 101 No. 57, Tianlin Shiyi Village Xuhui District Shanghai China Mr. Yau Tsz Lun (游子麟) <i>(a Chartered Secretary, a Chartered Governance Professional and an Associate of The Hong Kong Chartered Governance Institute)</i> Room 1917, 19/F Lee Garden One 33 Hysan Road Causeway Bay Hong Kong
Authorized Representatives	Mr. Liao Qingxin (廖清新) Room 1501, No. 27 Lane 1188, Shuying Road Minhang District Shanghai China Mr. Yau Tsz Lun (游子麟) Room 1917, 19/F Lee Garden One 33 Hysan Road Causeway Bay Hong Kong

CORPORATE INFORMATION

Audit Committee

Mr. Ip Wang Hoi (葉耘開) (*Chairperson*)
Mr. Zuo Xinyu (左新宇)
Mr. Zhang Guojin (張國津)

Remuneration and Appraisal Committee

Mr. Cheung Yik Man (張奕敏) (*Chairperson*)
Mr. Wu Dennis Pak Kit (胡伯杰)
Mr. Huang Yan (黃岩)

Nomination Committee

Mr. Liao Qingxin (廖清新) (*Chairperson*)
Ms. Liu Haihua (劉海花)
Mr. Cheung Yik Man (張奕敏)
Mr. Zuo Xinyu (左新宇)
Mr. Wu Dennis Pak Kit (胡伯杰)

Strategy Committee

Mr. Liao Qingxin (廖清新) (*Chairperson*)
Mr. Tang Junfeng (唐俊峰)
Mr. Zhang Fan (張帆)
Mr. Huang Yan (黃岩)
Mr. Xiong Ming Hua (熊明華)
Mr. Zhang Guojin (張國津)

ESG Committee

Mr. Wu Dennis Pak Kit (胡伯杰)
(*Chairperson*)
Mr. Ip Wang Hoi (葉耘開)
Mr. Cheung Yik Man (張奕敏)
Mr. Zhang Guojin (張國津)

Compliance Advisor

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

[REDACTED]

Principal Bank

**Bank of Communications Shanghai
Caohejing Technology Branch**
1st Floor, Building C
900 Yishan Road
Shanghai
China

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on the global bulk commodities services and transactions. The report prepared by Frost & Sullivan for us is referred to in this Document as the Frost & Sullivan Report. A total fee of RMB600,000 was paid to Frost & Sullivan for the preparation of the report, which we believe reflects market rates for reports of this type.

Frost & Sullivan is a global consulting company founded in 1961 in New York and has over 40 global offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists.

RESEARCH METHODOLOGY

The Frost & Sullivan Report was prepared through both primary and secondary research obtained from various sources using intelligence collection methodologies. Primary research involved discussing the status of the industry with certain leading industry participants across the industry value chain and conducting interviews with relevant parties to obtain objective and factual data and prospective predictions. Secondary research involved information integration of data and publication from publicly available sources, including official data and announcements from government agencies, company reports, independent research reports and data based on Frost & Sullivan’s own data base.

BENCHMARKS AND ASSUMPTIONS

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) the social, economic and political environment in the world and China are likely to remain stable in the forecast period; and (ii) industry key drivers are likely to drive the growth of the global and China’s green supply chain circular service industry in the forecast period. All statistics are based on the information available as at the date of the Frost & Sullivan Report.

INDUSTRY OVERVIEW

OVERVIEW OF THE GREEN SUPPLY CHAIN INDUSTRY

The green supply chain industry refers to a sector of green production-oriented services that aims to enhance resource efficiency, reduce carbon emissions, and strengthen supply chain collaboration throughout the entire supply chain process. It achieves cost reduction, efficiency gains, and sustainable development through green manufacturing, circular assets, digital technologies, and standardized systems. Against the backdrop of the continuous deepening of ESG concepts, the supply chain is accelerating its transformation towards a green, low-carbon and sustainable direction. This transformation is not only an inevitable choice to address environmental challenges, but also a core strategy to enhance the efficiency, resilience and long-term competitiveness of the industrial chain.

Under the ESG trend, packaging, warehousing, transportation services and digital systems, as the four core elements of the supply chain, are all undergoing a green transformation.

- **Circular packaging service:** It provides recyclable packaging for transporting goods, and provides packaging collection, cleaning, and maintenance services after the transportation is completed.
- **Intelligent warehouse network:** It is composed of warehousing nodes covering the upstream and downstream. Through the dynamic allocation of resources based on real-time data, it prioritizes the matching of new energy transportation capacity and optimizes route planning, enabling the nearby storage and efficient turnover of goods and packaging boxes.
- **Digital systems:** These encompass the digital logistics tracking system, the recycling management system and others, enabling transportation efficiency analysis and automated scheduling.
- **Green transportation service:** It refers to the provision of low-carbon and efficient transportation services through new energy logistics vehicles and other carriers, ensuring the smooth operation of the circular network while minimizing carbon emissions during the transportation process. Green transportation service serves as an indispensable key underpinning for the green supply chain system.

Policy Analysis of the Green Supply Chain Industry Globally and in China

Global and Chinese policies are driving the industry’s development. Globally, Japan’s Seventh Basic Energy Plan is advancing the green transition under the “3E+S” framework, S stands for security, 3E represents energy security, economic efficiency and environmental sustainability, and aims to reduce greenhouse gas emissions by 60% and 73% by 2035 and 2040, respectively, compared to 2013 levels, in order to achieve carbon neutrality by 2050. Europe’s PPWR requires improved packaging recyclability, increased use of recycled materials, and restrictions on certain single-use plastic packaging, with the goal of achieving a circular economy for packaging in the EU by 2030. The U.S. Rules on Disposable Plastic Packaging for the Federal Supply Plan aim to reduce single-use plastic consumption by promoting packaging free of single-use plastics in federal procurement and identifying green suppliers.

In China, the 15th Five-Year Plan identifies logistics networks as a core element of new-type infrastructure, accelerating upgrades towards digitalisation, intelligent operations, and greening. Meanwhile, China’s national “dual-carbon” goals and the revised Solid Waste Law are substantially reshaping compliance requirements for carbon emissions and waste management across supply chains. For instance, the “Implementation Opinions on Expanding Green Trade” call for advancing the green and low-carbon transformation of foreign trade production and supply chains, promoting the optimization of transportation structures, and encouraging the use of environmentally friendly packaging and recyclable logistics equipment. The Opinions of the National Development and Reform Commission and Other Departments on Accelerating the Establishment of a Product Carbon

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Footprint Management System promote the quantification and management of carbon emissions in green supply chains by establishing product carbon footprint accounting rules, databases, and a carbon labeling certification system.

The global and Chinese green supply chain markets maintained a high growth rate from 2021 to 2025. Currently, the penetration rate of green supply chain circular service market remains relatively low, at approximately 13.5% globally and around 9.1% in China, indicating significant potential market growth. It is projected that by 2030, penetration rates will continue to rise, reaching approximately 18.5% globally and around 12.8% in China, with China’s share of the global green supply chain market increasing to about 20.2%.

Driving Forces and Development Trends of the Industry

- **The “Dual Carbon” goals drive the formation of a global consensus on emission reduction:** The “Dual Carbon” goals represent the core consensus for global climate governance, aiming to “limit global warming to no more than 1.5°C”. China has taken the “Dual Carbon” goals as its guiding principle for promoting the transformation of various industries; Europe, Southeast Asia and other regions are forming policy constraints through legislation, mandatory disclosure requirements and carbon border adjustment mechanisms, collectively advancing the global green transition. Based on the concepts of “reusable” and “cost reduction”, circular services can reduce carbon emissions from disposable packaging and capacity expansion, providing enterprises with quantifiable and actionable indirect emission reduction pathways.
- **Supply chain collaboration has driven the cross-regional integration of green management efficiency across the entire supply chain:** As environmental regulations tighten and carbon emission management requirements become more stringent, green supply chains are shifting from single-company management toward collaborative governance across the entire supply chain. By strengthening cooperation with suppliers, manufacturers, and logistics service providers, companies are achieving coordinated management throughout the entire process. Supported by digital technologies, environmental and carbon emission data are shared across all stages, enabling optimized resource allocation and reduced overall carbon emissions. In the future, cross-enterprise collaboration will become a key trend in the development of green supply chains.
- **Green manufacturing and circular asset trends in enhancing economic efficiency accelerate the transition of the manufacturing sector toward a low-carbon, closed-loop model:** As the concept of green manufacturing gains traction, companies are reducing energy consumption and resource waste through technological upgrades and cleaner production, thereby improving resource utilization efficiency in their production processes. At the same time, the circular economy facilitates the reintroduction of waste into the production system through recycling, remanufacturing, and cascading use, gradually forming a circular-based closed-loop cycle of “resources — products — recycled resources.” With the continuous improvement of recycling technologies and reverse logistics systems, the economic value of recycled assets continues to rise.
- **The trend of industrial transfer fuels the demand for cross-regional green supply chains:** With the accelerated global industrial transfer, particularly the relocation of China’s manufacturing sector to regions such as Southeast Asia, the demand for cross-regional green supply chains is releasing. By establishing cross-border scheduling and localized operations, service providers address the pain points in emerging markets, and build a green supply chain system covering a broader range of regions, realizing scale effects.

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OVERVIEW OF THE GREEN SUPPLY CHAIN CIRCULAR SERVICE INDUSTRY

Definition of the Green Supply Chain Circular Service Industry

A green supply chain circular service refers to a comprehensive industrial system comprising reusable packaging assets and services, digital operational platforms, and related ecosystem technologies centered around key supply chain nodes, and provides reusable logistics packaging solutions and full-lifecycle management services for all participants in the green supply chain ecosystem. Its core characteristic is converting physical packaging into recyclable, dispatchable and billable digital assets, and realizing full-chain visualization, automated dispatching and circular network collaboration for the entire process of “collection, distribution, cleaning, maintenance and consumption” through a digital system. Building on the provision of circular services, all parties in the industrial chain are empowered to jointly participate in the development and operation of circular assets by outputting standards and data platforms for the development and operation of circular packaging assets. It is intended to **realize the circular utilization of resources, reduce carbon emissions, improve the operational efficiency of supply chains and the utilization efficiency of packaging resources** in the industry, thereby enhancing the sustainability and resilience of supply chains.

Currently, the traditional packaging industry faces long-standing challenges, including high costs associated with single-use packaging, difficulties in recycling, and significant transportation losses. The penetration rate of reusable packaging remains relatively low, indicating substantial room for growth across the industry. With advancements in technology and business models, the industry is evolving toward smart reusable packaging, digital operations platforms, and end-to-end collaboration, driving overall value enhancement.

Value leap of intelligent circular packaging

Digital technology transforms circular packaging from a “disposable product” into an “operable digital asset”

Packaging is a universal carrier for material loading in the supply chain, enabling direct integration into the core processes of various customers. Under the traditional model, packaging is primarily delivery on a one-off basis, with its value reflected only in the manufacturing link, hindering the realization of systemic efficiency through multiple uses. By assigning codes to circular packaging, each packaging unit becomes a traceable data node that collects real-time information such as location, status and number of cycles, complemented by such functions as empty box identification and self-inspection of packaging health status. After the integration and analysis of such multi-dimensional data through a professional SaaS platform, the data can be converted into a basis for optimized decision-making.

As circular application scenarios become more complex and customers raise their requirements for cost, stability and carbon reduction effects, circular packaging is evolving into an operable asset, which achieves traceability, measurability and settleability through digitalization and provides continuous services through leasing or pay-per-use models. The focus of industrial competition is also shifting from individual products to asset operation capabilities, service network coverage and systemic synergy efficiency, driving the transformation of the industry from a manufacturing-oriented model to a service-oriented one. It also provides continuous services through leasing or pay-per-use models.

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Packaging assets evolve from “management objects” to the “cornerstone for building an intelligent network”

- **Becoming a terminal for data perception:** Intelligent circular packaging integrates the functions of identity recognition, status perception and data communication, which not only carries goods but also collects logistics information in real time, thus serving as an intelligent hardware terminal in the green supply chain.
- **Empowering AI and network synergy:** After breaking down data silos across warehousing, transportation, distribution and other links, AI technology enables intellectualization and transparency across the entire process of the green supply chain and carries out intelligent prediction, dynamic scheduling and resource optimization, improving logistics efficiency and resource utilization rate. Combined with carbon reduction technologies, it also drives the upgrading of green supply chain to an advanced model of simultaneous efficiency improvement and carbon reduction.
- **Accumulating core data assets:** Under large-scale application, enterprises accumulate such data as carbon emissions and logistics trajectories in links including warehousing, transportation and circular recycling. On the one hand, these data assets can support the establishment of a carbon accounting system and meet the ESG disclosure requirements; on the other hand, data insights can feed back into operational activities, such as optimizing packaging turnover rate, which strengthens the green attributes of the supply chain while reducing costs and enhancing efficiency.

Industry players can be divided into three categories: traditional manufacturers/small service providers, regional vertical players and platform-based enterprises

Traditional manufacturers/small service providers: They focus on specific product formats or processes, and core competitivenesses are manufacturing capability, cost advantage, or customized services. Their business models are product sales or services. They are weak in digitalization and cross-scenario synergy, unable to achieve large-scale scheduling or ecological reuse of packaging assets. Their growth relies on individual orders. They hold local efficiency advantages, but lag behind platform-based enterprises in cross-industry replication, network effects, and long-term competitiveness.

Regional vertical players: They focus on a single industry or a specific geographic area, and core competitivenesses are industry depth, regional cost advantage, or customized services. Their business models are services or product sales, and similarly lack digitalization and cross-scenario synergy, with growth limited to industry or regional expansion. They hold local cost and efficiency advantages, but lag behind platform-based enterprises in cross-industry replication, network effects, and long-term systemic competitiveness.

Platform-based enterprises: They are centered on digital operation platforms, with full-chain capabilities covering design, manufacturing, operation networks, and downstream collaboration. They empower participants through self-investment, joint investment, and other models, building an open ecosystem. As connected assets, customers, and scenarios expand, data accumulation, scheduling efficiency, and scale effects continuously improve, evolving into industrial-level green infrastructure. They deliver quantifiable value in asset efficiency, supply chain collaboration, cost reduction, carbon traceability, etc. Their SP/TP/CP pooling models align with future scenarios of supply chain collaboration and green development.

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Competitive Dimensions	Traditional Manufacturers/ Small Service Providers	Regional Vertical Players	Platform-based Enterprises
Comprehensiveness of the Technical Framework			
Diversity of Product Solutions			
Flexibility of Business Models			
Degree of Digitalization			
Ability to Resist Business Cycles			
Capability for Global Multi-Region Adaptation			
Capacity for Ecological Construction			

Value and significance of the green supply chain circular service industry

- Analysis of pain points in the traditional packaging industry**
 - Low entry threshold and fierce homogeneous competition:** Due to the lack of core technological barriers and differentiated services, packaging products generally suffer from convergent functions and monotonous designs, making it difficult to meet the customized and refined needs of customers. Meanwhile, most enterprises only provide single packaging production or delivery services, failing to cover the full-lifecycle circular management of packaging, resulting in low value-added services.
 - Low digital intelligence level:** Traditional models mostly rely on manual experience for operation and management, lacking in-depth application of technologies such as IoT and big data. Therefore, they are unable to achieve full-chain digital tracking and precise control of packaging. The delayed information transmission not only frequently lead to problems such as incorrect or missing delivery of packaging and loss during transportation, but also result in low resource allocation efficiency due to the inability to predict market demand and packaging flow.
 - Inadequate innovation capability:** Innovations in the traditional packaging industry mostly remain confined to superficial aspects such as appearance design and specification adjustment, failing to extend to core areas like high-performance environmental protection material R&D and circular model innovation. This results in products with limited functionality and significant challenges in reuse and recycling.
 - Lack of carbon footprint tracing and ESG quantitative tools, leading to insufficient data support for green transformation:** The traditional packaging industry has not established a full-lifecycle carbon footprint tracing system, and lacks professional ESG quantitative analysis tools, making it impossible to calculate and monitor carbon emissions at each stage of packaging, from procurement, production, transportation, and waste disposal.

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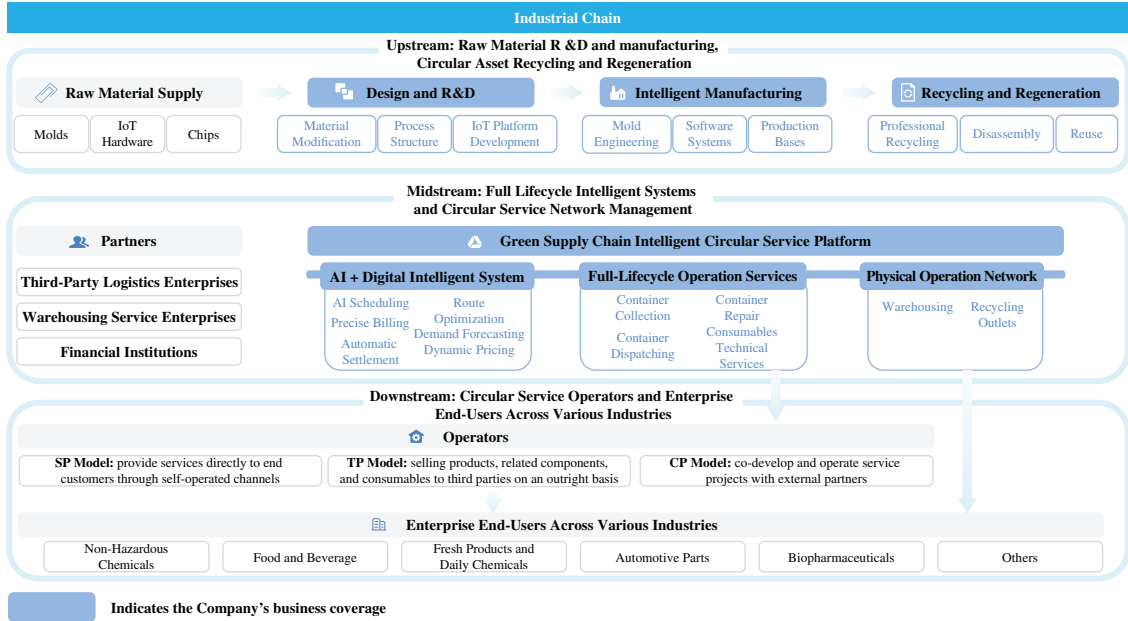
- ***Empowerment by Players in the Green Supply Chain Circular Service Industry***
 - **At the customer level, replacing disposable packaging, improving asset utilization, and reducing carbon emissions:** By replacing disposable consumables with reusable standardized packaging, it reduces costs, resource waste and carbon emissions, and helps enterprises achieve cost reduction, efficiency improvement and ESG transformation. Through SaaS digital management, it realizes full-chain transparent management and control of packaging, tracks the location and status in real time, addresses pain points such as incorrect delivery, loss and idleness, and optimizes operational efficiency of the supply chain.
 - ◆ The circular packaging and digital management provided by the platform help enterprises get rid of dependence on disposable packaging, avoid risks such as raw material price fluctuations and supply chain disruptions;
 - ◆ At the brand value and compliance level, the platform’s circular packaging solutions meet the needs of enterprises for ESG strategy implementation. By virtue of actions such as emission reduction and resource conservation, they enhance ESG performance, and strengthen recognition from consumers and investors;
 - ◆ Corporate customers leverage the platform’s SaaS-based management tools to achieve full-chain digital management and control of packaging and enhance overall supply chain control.
 - **At the industrial level, providing innovative solutions for the development of the circular economy industry**
 - ◆ Using containers as data carriers and leveraging technologies such as AI, AIoT and SaaS, the packaging industry is undergoing digital and intelligent transformation. This allows each reusable container to evolve into a traceable, quantifiable and optimizable data asset.
 - ◆ Relying on the platform, a collaborative ecosystem is established to deliver full-process standardized solutions that break down barriers between enterprises. By collaborating with upstream and downstream partners to develop multi-scenario adaptable circular packaging, resources are integrated to drive industrial upgrading and achieve cross-industry-chain synergy, which provides an innovative paradigm for scaling the circular economy.
 - **At the strategy level, achieving the global output of China’s values and jointly building the “industrial equity” of the global green supply chain by going global with technologies and standards:** The industry is transitioning from “passive adaptation” to “proactive rule-setting”, leveraging technological IP to lead international standardization efforts. It can drive upstream and downstream stakeholders to jointly establish a low-carbon certification ecosystem, thereby enhancing China’s voice in global sustainable development.

Industrial Chain Analysis on the Green Supply Chain Circular Service Industry

The upstream focuses on raw material supply, technology R&D, asset manufacturing, and recycling and regeneration of packaging assets. The midstream focuses on green supply chain circular service, with technology players at its core. Leveraging the digital system, full-lifecycle operational services, as well as collaboration with partners, such as third-party logistics providers, warehousing service partners and industrial financial institutions, the industrial midstream players provide tailored full-chain services or technology enablement that match the differentiated preferences of different partners through three parallel pooling models — SP, TP, and CP. They act both as integrated operators of upstream assets and solutions providers for downstream needs. The

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downstream comprises operators and entity enterprise users in various industries. The downstream entity enterprises engage with the midstream circular services either through operators or directly to meet their green packaging needs across the supply chain.



Source: Frost & Sullivan

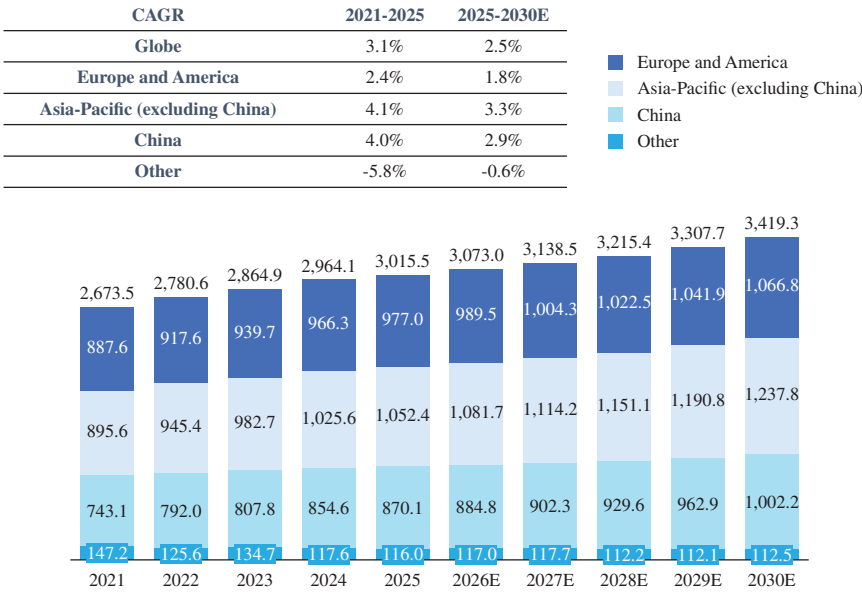
Market Size Analysis on the Global and Chinese Green Supply Chain Circular Service Industry

In 2025, the global supply chain packaging solutions market size reached RMB3,015.5 billion, with a CAGR of 3.1% from 2021 to 2025. Driven by the advancement of global environmental policies and the widespread adoption of circular economy models, the market size of the global supply chain packaging solutions industry is expected to grow steadily, reaching RMB3,419.3 billion by 2030, with a CAGR of 2.5% from 2025 to 2030. Based on the analysis on regional structure, the Asia-Pacific (excluding China) and China markets are the two largest and most steadily growing markets. Among them, the market size of the Asia-Pacific (excluding China) reached RMB1,052.4 billion in 2025, while that of China reached RMB870.1 billion. It is expected that these two core markets will maintain a CAGR of 3.3% and 2.9% from 2025 to 2030, respectively. The driving force for global market growth over the next five years is expected to concentrate in the Asia-Pacific region.

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Global Supply Chain Packaging Solutions Market Size, by Value

RMB Billion, 2021-2030E

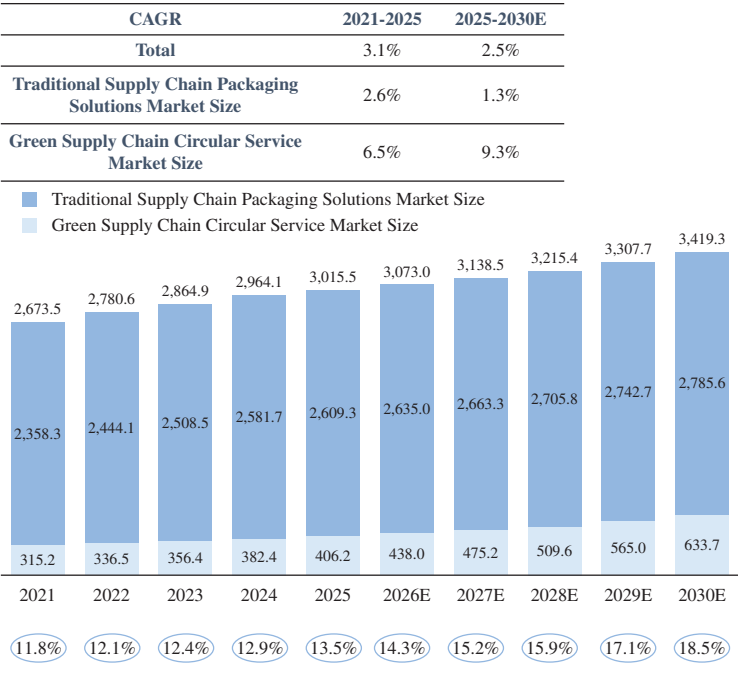


Source: Frost & Sullivan

Among these, the market size of green supply chain circular service increased from RMB315.2 Billion in 2021 to RMB406.2 Billion in 2025 with a CAGR of 6.5%, and the penetration rate of green supply chain circular service market rose from 11.8% to 13.5%. In the future, the market size of green supply chain circular service will increase to RMB633.7 Billion in 2030 with a CAGR of 9.3% during 2025 and 2030, and the penetration rate rose to 18.5%.

Global Supply Chain Packaging Solutions Market Size, by Value

RMB Billion, 2021-2030E



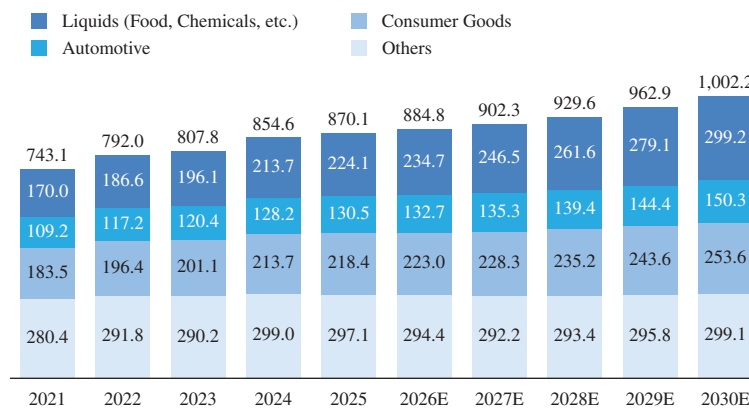
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China is one of the primary markets for supply chain packaging solutions. In 2025, the market size of China’s supply chain packaging solutions reached RMB870.1 billion, with a CAGR of 4.0% from 2021 to 2025. It is projected to reach RMB1,002.2 billion by 2030, with a CAGR of 2.9% from 2025 to 2030. The penetration rate of green supply chain circular service market increased from 7.9% to 9.1% during this period. While the overall market continues to grow, traditional supply chain packaging solutions are facing accelerated replacement by green supply chain circular service. Leveraging dual advantages of cost reduction and efficiency enhancement alongside low-carbon environmental protection, green models are gradually penetrating core sectors. The market size of China’s green supply chain circular service in 2025 reached RMB79.2 billion, with a CAGR of 7.2% from 2021 to 2025. It is forecasted to reach RMB128.1 billion by 2030, with a CAGR of 10.1% from 2025 to 2030. During this period, the penetration rate will rise to 12.8%. China is emerging as one of the largest and fastest-growing markets for green supply chain circular services globally, with the green supply chain circular service market significantly outpacing the growth of the traditional packaging market.

China’s green supply chain circular service market holds enormous growth potential and market penetration opportunities. From a sector-specific perspective, the liquids sector (covering food, chemicals, etc.) demonstrates strong growth momentum, reaching RMB224.1 billion in 2025 with a CAGR of 7.2% from 2021 to 2025, and is projected to reach RMB299.2 billion by 2030, with a CAGR of 6.0% from 2025 to 2030, outperforming the overall industry average.

China Supply Chain Packaging Solutions Market Size, by Value
RMB Billion, 2021-2030E

	CAGR	2021-2025	2025-2030E
Total		4.0%	2.9%
Liquids (Food, Chemicals, etc.)		7.2%	6.0%
Automotive		4.6%	2.9%
Consumer Goods		4.4%	3.0%



Source: Frost & Sullivan

Market Driving Factors Analysis on the Green Supply Chain Circular Service Industry

- The “Dual Carbon” Goals and the Global Consensus on Emissions Reduction:** Against the backdrop of a growing global consensus on carbon reduction, various countries continue to introduce policies and regulations related to carbon neutrality, the circular economy, and green supply chains, urging businesses to reduce resource consumption and carbon emissions. Policies such as China’s “dual carbon” goals are accelerating the adoption of green production, green logistics, and resource recycling. At the same time, international regulations such as the EU’s Carbon Border Adjustment Mechanism (CBAM) are raising low-carbon compliance requirements for supply chains, further driving the development of the market for green supply chain circular service industry.

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- **Logistics Infrastructure in the Chinese Market, New Industrialization, and Demand for High Value-Added Products in the Context of the 15th Five-Year Plan:** Driven by the 15th Five-Year Plan, China is accelerating the development of a modern logistics network and advancing new industrialization, with logistics infrastructure undergoing continuous upgrades toward digitalization, intelligentization, and greening. At the same time, the growth of high-value-added industries has increased corporate demand for efficient, low-carbon supply chain management. Consequently, the adoption of reusable packaging, standardized logistics carriers, and digital supply chain services has grown, driving the development of the market for green supply chain circular economy technologies.
- **Cross-regional supply chain collaboration:** As cross-regional coordination within industrial and supply chains continues to strengthen, demand for standardized logistics and packaging systems among enterprises is steadily increasing. Traditional logistics models are gradually transitioning toward circular, traceable systems featuring shared packaging and reverse logistics. At the same time, the development of pallet pools, returnable container pools, and digital supply chain platforms has improved the utilization efficiency of reusable assets, driving the growth of the green supply chain circular service market.
- **Technological progress represented by AI improves refined operation capabilities:** Leveraging the IoT enables real-time digital visibility for every packaging. AI autonomously optimizes network layout, resource allocation, and maintenance schedules based on comprehensive data, transforming operations from reactive responses to proactive predictions. This technological convergence not only delivers significant efficiency gains but also resolves the critical cost and reliability challenges essential for scaling circular models. For the industry, IoT-driven AI is no longer optional, and it is becoming the core foundation of next-generation green supply chains.
- **Increasing demand for enterprises to reduce costs and improve efficiency, expand their business overseas and advance ESG transformation:** Different from the traditional packaging procurement logic, the circular packaging converts high fixed asset investment into pay-per-use service fees, reducing enterprises’ cash flow pressure and warehousing management costs. Adopting the circular packaging model is no longer a passive compliance choice for enterprises, but a proactive layout to build long-term brand value and implement sustainable development strategies. In the market environment where ESG governance systems are increasingly stringent, the application of circular packaging not only helps enterprises effectively fulfill their social responsibility of energy conservation and emission reduction, but also serves as a key to brands’ differentiated competition. It can not only attract capital focused on ESG values and meet the capital market’s assessment requirements for sustainable development capabilities, but also strengthen internal employees’ sense of social responsibility and unify development consensus. This comprehensive value empowerment enables enterprises to build irreproducible strategic advantages in the fierce market competition and inject lasting vitality into their long-term development.

Analysis on Market Development Trends in the Green Supply Chain Circular Service Industry

- **The industry is undergoing a structural transformation from product sales to service-oriented:** Historically, enterprises relied on one-time product transactions for revenue, with value mainly reflected in hardware performance and delivery scale. Nowadays, customer demands tend to be refined, scenario-specific and operationally sustainable, which promotes the industry’s upgrade from “selling products” to “outputting long-term value” and strengthens customer stickiness and business resilience.

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- **The platformization of industry solutions and the layout of a collaborative ecosystem represent the future trend:** As the application scenarios for circular packaging rapidly expand, it has become challenging for individual enterprises to simultaneously possess asset investment capabilities, operational networks, digital systems, and complex fulfillment capacities. Platform-based companies, through diverse business models, provide packaging assets, operational capabilities, and digital tools to various types of participants. This enables service providers without assets or with limited networks to quickly enter the market. As more participants join, platform-based enterprises are gradually evolving into hubs and green infrastructure that support industry scaling.
- **Expanding green supply chain services with circular services as the entry point:** Enterprises are taking circular services as the entry point to extend towards a more comprehensive green supply chain service system. The circular packaging business possesses the characteristics of high-frequency recycling, full-process tracking and multi-node collaboration, enabling enterprises to grasp supply chain operation data, customer operation rhythms and physical asset flow rules. After the implementation of circular services, enterprises can leverage their existing digital systems, recycling networks and operational capabilities to extend to services such as green warehousing and logistics, thereby forming a complete green supply chain solution.
- **Implementation and Global export of standardized Product and Service Offerings:** Leading enterprises are taking the lead in formulating circular solution standards (such as material standards, operational processes, and digital interfaces) suitable for different scenarios, which, after being verified and matured, can be reused across scenarios, reducing the operational threshold for small and medium-sized service providers and accelerating the industry’s scaling and standardization. At the same time, China’s standards, platforms and technologies in the circular ecological technology field are expected to be exported to overseas markets, amid the growing global demand for green supply chain, promoting the globalization of service models and technical standards and enhancing the industry’s international competitiveness.
- **Increased market concentration:** As external changes such as stricter environmental regulations and the integration of high and new technologies drive the transformation and upgrading of the industry, the demands of customers are becoming increasingly complex, placing higher and more varied requirements on service providers. In this context, some technologically advanced enterprises are better equipped to meet these complex and evolving demands by leveraging their own technological and data advantages. Meanwhile, small and medium-sized enterprises face greater competitive challenges. As more customers opt for these technologically leading enterprises, these enterprises accumulate more resources and data, enabling continuous optimization and further improving customer satisfaction. This, in turn, attracts more clients, creating a competitive moat that is difficult to replicate. Consequently, market concentration is expected to increase in the future.

Key Success Factors in the Green Supply Chain Circular Service Industry

- **Integrating capabilities in artificial intelligence, the Internet of Things, and the accumulation and management of data assets:** In the field of green supply chain circular service, companies integrate AI, IoT, and digital platforms to enable real-time management of circular packaging assets and logistics nodes. Based on operational data, AI can perform demand forecasting, route optimization, and asset scheduling, thereby improving turnover efficiency. As data assets continue to accumulate, companies gradually develop data-driven operational capabilities and competitive advantages.

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- Global Network Deployment Capability:** The key to successful overseas expansion lies in the deep integration of manufacturing, technology, and branding capabilities at an international level. On the manufacturing front, it is essential to establish a flexible production network that combines owned facilities with regional partners to ensure localized delivery and supply chain resilience. On the technology front, localized teams must be formed to gain a deep understanding of industry standards, regulatory requirements, and customer scenario needs, enabling the development of tailored solutions. On the branding front, a brand protection and recognition system must be established, with continuous product innovation and service refinement building an internationally recognized proprietary brand. This holistic, synergistic globalization capability effectively breaks through geographical barriers and achieves the transition from product export to value export, serving as the cornerstone for enterprises to establish a foothold in overseas markets.
- Profound scenario understanding and commercialization capability:** The core value of the industry lies in the ability to deeply integrate circular packaging services with customers’ actual business scenarios, while there are significant differences in the demand for circular packaging among various industries. Enterprises with profound scenario comprehension can build a tailored and proprietary material technology system based on the characteristics of different business scenarios, and transform their technical capabilities and service systems into customized solutions that address the pain points of various industries, which not only accurately solve customers’ practical operational problems, but also deeply embed themselves in customers’ supply chain systems, ultimately forming strong customer stickiness.
- Platform ecosystem and standard establishment capability:** The future industry leaders are bound to be the dominant builders of platform ecosystems. Successful enterprises can break down inter-enterprise barriers, attract partners across the entire industry chain including green material suppliers, intelligent hardware and technology providers, and downstream customers to access their platforms, thus forming a collaborative ecological network. On this basis, enterprises can work with ecosystem partners to jointly formulate unified industry standards covering technical specifications, data interfaces and operational processes, realize resource sharing and efficient collaboration, and further strengthen the network effect of the platforms.

ANALYSIS ON THE COMPETITIVE LANDSCAPE IN THE GREEN SUPPLY CHAIN CIRCULAR SERVICE INDUSTRY

Market Competitive Landscape Ranking of Global and China Green Supply Chain Circular Service Industry

Top 5 Chinese Mainland Players in Global Green Supply Chain Circular Service Market, Ranked by Total Revenue in 2025

No.	Company Name	2025 Total Revenue RMB billion	Overseas Revenue and as % of Total in 2025 (RMB100 million, %)	Independent Company
1	Company A	~2.2	Approx. 3.5 (~16%)	No
2	Company B	~0.8	Not higher than 0.1 (not higher than 2%)	Yes
3	Issuer	0.48	Approx. 2.3 (~48%)	Yes
4	Company C	~0.4	Not higher than 0.2 (not higher than 5%)	Yes
5	Company D	0.30	Not higher than 0.1 (not higher than 5%)	Yes

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Notes:

- (1) Company A, established in 1980 and headquartered in Shenzhen, Guangdong Province, China, is a leading diversified equipment manufacturing and logistics services group in China. The company is listed on both the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, with business operations covering reusable transport equipment and related solutions.
- (2) Company B, established in 2016 and headquartered in Suzhou, Jiangsu Province, China, is a supplier specializing in reusable packaging solutions and shared leasing services. The company provides shared operation, leasing, and warehousing management services for reusable containers to automotive parts manufacturers and OEM customers. The company is listed on the Hong Kong Stock Exchange.
- (3) Company C, with its predecessor established in 2005, is headquartered in Ningbo, Zhejiang Province, China. It is a professional service provider of comprehensive reusable plastic packaging solutions, covering the entire supply chain including manufacturing of reusable packaging products, custom design, leasing, and operational services. The company is listed on the Shenzhen Stock Exchange.
- (4) Company D, established in 2011 and headquartered in Shanghai, China, is a provider of reusable logistics packaging solutions. The company primarily supplies reusable packaging, returnable containers, pallets, and related cyclic operation services to clients in manufacturing, processing, and distribution industries. It operates as a privately-owned enterprise.

In 2025, the total product sales revenue of the top five Chinese Mainland players in the green supply chain circular service market was approximately RMB4.18 billion. In terms of revenue, the Issuer was the third-largest Chinese Mainland enterprise in the market. Furthermore, from the perspective of overseas business layout, the Issuer’s overseas revenue as a percentage of total revenue is significantly higher than that of other competitors, making it the leading mainland Chinese enterprise with the highest degree of business internationalization.

Top 5 Global Players in the Green Supply Chain Circular Service Industry, Ranked by Number of Authorized Relevant Invention Patents in 2025

No.	Company Name	Number of Authorized Invention Patents
1	Issuer	357
2	Company E	~255-270
3	Company F	~254-269
4	Company G	~150
5	Company H	~105

Notes:

- (1) Company E, established in 1913 and headquartered in the United States, is a supplier of reusable packaging and material handling equipment. The company specializes in providing reusable plastic crates, pallets, and shipping containers, serving the food, beverage, consumer goods, and industrial sectors. It operates as a private company.
- (2) Company F, established in 1992 and headquartered in Germany, is a global leader in reusable packaging solutions, particularly holding a leading market position in reusable containers for the fresh food supply chain. The company is not publicly listed.
- (3) Company G, established in 1998 with its parent company founded in 1849, is headquartered in the United States. It is a supplier of reusable packaging and transportation solutions, specializing in the design, manufacturing, and leasing of reusable plastic pallets, containers, and other reusable logistics products, serving the manufacturing, retail, and food industries. The company is not separately listed on public exchanges and holds a prominent position in the reusable packaging market.

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- (4) Company H, formed through the merger of two companies in 2025, is a significant participant in the global reusable packaging industry. Headquartered in Ireland, the company specializes in providing reusable transport packaging equipment and sustainable logistics packaging solutions, covering end-use scenarios in food, industrial, agricultural, and retail sectors. It operates as a private enterprise.

In 2025, the total number of invention patents held by the top five companies in the global green supply chain circular service market was approximately 1,136. By the number of invention patents in 2025, the issuer was the company with the most invention patents in the global green supply chain circular service sector.

Top 3 Players in China’s Green Supply Chain Circular Service Industry, Ranked by Number of Authorized Relevant Invention Patents Held by Mainland Chinese Players in 2025

No.	Company Name	Number of Authorized Invention Patents
1	Issuer	357
2	Company A	45
3	Company C	14

In 2025, the total number of invention patents held by the top 3 Chinese Mainland players in the green supply chain circular service market was approximately 416. By the number of invention patents in 2025, the issuer was the Chinese company with the most invention patents in the green supply chain circular service sector.

Top 5 Players in China’s Green Supply Chain Circular Service Industry, Ranked by Gross Margin of Relevant Business in 2025

No.	Company Name	2025 Gross Margin (%)
1	Issuer	37.9%
2	Company B	~22.0%
3	Company C	~15.3%
4	Company D	~15.0%
5	Company A	~13.0%

Ranked by gross margin in 2025, the issuer was the Chinese company with the highest gross margin in the green supply chain circular service sector.

Between 2023 and 2025, the issuer’s CAGR of revenue during this period was 33.8%, which was higher than other Chinese companies. Ranked by CAGR of revenue between 2023 and 2025, the issuer had the highest CAGR in Chinese green supply chain circular service industry.

REGULATORY OVERVIEW

This section sets forth a summary of the most significant laws and regulations that affect our business operations in China.

REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the People’s Republic of China (the “PRC”) are regulated by the Company Law of the PRC (《中華人民共和國公司法》) (the “Company Law”), which was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on December 29, 1993 and last revised on December 29, 2023, and took effect on July 1, 2024. The Company Law applies to all companies established in the PRC, including foreign-invested enterprises, unless otherwise stipulated by laws related to foreign investment. According to the Company Law, companies established in the PRC may take the form of limited liability companies or joint stock limited companies.

On March 15, 2019, the National People’s Congress (the “NPC”) promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”), which establishes the fundamental regulatory framework governing foreign investment in the PRC. This law stipulates (1) foreign natural persons, enterprises, or other organizations (collectively referred to as “foreign investors”) shall not invest in any field with investment prohibited by the negative list for foreign investment access (the “Negative List”) for foreign investment access; (2) foreign investors shall meet the investment conditions stipulated under the negative list for any field with investment restricted by the negative list for foreign investment access; and (3) for the fields not included in the negative list for foreign investment access, management shall be conducted under the principle of consistency for domestic and foreign investment. This law and its implementation regulations also establish mechanisms to promote, protect and manage foreign investment, including a foreign investment information reporting system, under which foreign investors or foreign-funded enterprises shall report investment information to the commerce departments through the enterprise registration system and the enterprise credit information publicity system.

The Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 and came into effect on January 1, 2020, clarifies the detailed requirements for the foreign investment information reporting system. Effective from January 1, 2020, where a foreign investor conducts investment activities directly or indirectly within the territory of China, such foreign investor or the relevant foreign-invested enterprise shall submit investment information reports to the competent commerce authorities in accordance with these Measures.

The Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “Implementation Regulations”), which were promulgated on December 26, 2019 and came into effect on January 1, 2020, further stipulate that the state shall, according to the requirements of national economy and social development, formulate a catalogue of industries encouraging foreign investment, stipulating the specific industries, fields and areas in which foreign investors are encouraged and guided to invest.

According to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated on December 26, 2017 and implemented on March 1, 2018, the investor making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, or the projects, report relevant information, and cooperate with the supervision and inspection. The Company has completed the approval and filing procedures for its outbound investment projects.

The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (外商投資准入特別管理措施(負面清單)(2024)), which was promulgated on September 6, 2024 and implemented on November 1, 2024, replaced the previous version of the negative list and serves as the currently effective negative list. According to the Foreign Investment Law, the Implementation Regulations, and the Negative List, foreign investors shall

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not invest in areas that are prohibited in the Negative List, and foreign investors shall meet the investment conditions stipulated under the negative list for any field with investment restricted by the negative list for foreign investment access. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments. According to the list and catalogue above, the industry in which the investment company operates is not listed under restricted or prohibited foreign investment industries.

According to the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》) jointly promulgated on December 19, 2020 and implemented on Monday, January 18, 2021, foreign investment that affects or may affect national security shall be subject to security review in accordance with the provisions of such Measures. For foreign investment within the following scope, foreign investors or relevant domestic parties shall take the initiative to make a declaration on their investments for security review to the Office of the Working Mechanism prior to (1) making investments in the military industry, military industrial support and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (2) obtaining actual control over enterprises involved in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transport services, important cultural products and services, important information technologies and Internet products and services, important financial services, key technologies and other important fields relating to national security.

According to the Catalogue of Encouraged Industries for Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) issued by the National Development and Reform Commission (the “NDRC”) and the Ministry of Commerce of the PRC (“MOFCOM”) on October 26, 2022 and implemented on January 1, 2023, foreign investment in certain industries, fields and areas is encouraged based on the requirements of national economy and social development. The intelligent reusable packaging business which the Company is engaged in falls within the scope of encouraged foreign investment industries.

PRC REGULATIONS ON THE REUSABLE PACKAGING INDUSTRY

According to the Law of the PRC on Circular Economy Promotion (中華人民共和國循環經濟促進法) promulgated by the NPCSC on August 29, 2008 and revised on October 26, 2018, the design of processes, equipment, products and packaging materials shall prioritize the use of materials and design solutions that are easy to recycle, easy to disassemble, biodegradable, non-toxic, or low-toxicity, in accordance with the requirements for reducing resource consumption and waste generation. Such designs shall also comply with the mandatory requirements of relevant national standards. Violations of this Law shall be subject to penalties in accordance with relevant laws and regulations (such as penalty regulations); where a crime is constituted, criminal liability shall be investigated according to law.

The Guiding Opinions on Vigorously Advancing the Innovation on and Application of Supply Chains (《關於積極推進供應鏈創新與應用的指導意見》), which was issued by the General Office of the State Council and implemented on October 5, 2017, proposes enhancing supply chain service levels and fostering a favorable policy environment for supply chain innovation and application.

On September 8, 2021, the NDRC and the Ministry of Ecology and Environment issued and implemented the Action Plan for Plastic Pollution Control during the 14th Five-Year Plan Period (《“十四五”塑料污染治理行動方案》), proposing to continue reducing the use of single-use plastic products and promote the standardized circulation and shared use of logistics containers nationwide.

On March 11, 2020, the NDRC and the Ministry of Justice issued the Opinions on Accelerating the Establishment of the System of Green Production and Consumption Regulations and Policies (《關於加快建立綠色生產和消費法規政策體系的意見》), emphasizing the need to promote green development in the service sector, improve support

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policies for green logistics infrastructure, accelerate the establishment of legal, standard and policy frameworks for green packaging in express delivery, e-commerce and food delivery sectors, reduce excessive packaging and single-use items, and encourage the use of biodegradable and recyclable packaging materials and logistics equipment.

REGULATIONS ON FOREIGN EXCHANGE CONTROL

According to the Administrative Regulations of the PRC on Foreign Exchange (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last revised on August 5, 2008, along with multiple regulations issued by the State Administration of Foreign Exchange (the “SAFE”) and other PRC regulatory bodies, foreign currency may be transferred into or out of two distinct accounts, namely the current account and the capital account. When making payments under the current account (including foreign exchange transactions related to goods, trade and services, as well as other current payments), Renminbi may be converted into foreign currency without approval from the SAFE, subject to certain procedural requirements, including the presentation of relevant supporting documents for the transaction. Converting Renminbi into foreign currency and remitting capital account foreign currency out of China (such as for direct investment, loans, and repatriated investments) requires prior approval or registration from the SAFE or its local branches.

According to the Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知) promulgated by the SAFE on November 19, 2012 and last revised on December 30, 2019, opening multiple dedicated foreign exchange accounts does not require approval from the SAFE. Furthermore, the same entity may open multiple capital accounts in different provinces. Foreign investors’ reinvestment of lawful income earned within the PRC no longer requires approval or verification from the SAFE. Similarly, foreign-invested enterprises no longer need the SAFE’s approval for foreign exchange purchases or settlements arising from capital reduction, liquidation, early repatriation of investments or share transfers.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) promulgated by the SAFE on February 13, 2015, and last revised on December 30, 2019, foreign exchange registration for domestic and foreign direct investment shall be directly reviewed and processed by banks, and the SAFE and its branches shall indirectly supervise foreign exchange registration through banks.

REGULATIONS ON THE IMPORT AND EXPORT OF GOODS

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, and revised on July 8, 2000, June 29, 2013, December 28, 2013, November 7, 2016, November 4, 2017 and April 29, 2021, importers and exporters of goods may handle customs declaration and tax payment procedures themselves or entrust customs declaration enterprises to handle such procedures, unless otherwise stipulated. Consignors and consignees of imported and exported goods as well as customs declaration enterprises shall register with the customs authorities according to law when handling customs declaration procedures. Those who engage in customs declaration business without filing with the customs authorities may be subject to fines imposed by the customs authorities.

According to the Administrative Provisions on the Registration of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位註冊登記管理規定》) promulgated by the General Administration of Customs on March 13, 2014, revised on May 29, 2018 and effective from July 1, 2018, import and export of goods shall be declared by the consignors or consignees themselves, or by a customs declaration enterprise entrusted by the consignor or consignee and duly registered with the customs authority. On November 19, 2021, the General Administration of Customs promulgated the Administrative Provisions of the PRC on the

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Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which came into effect on January 1, 2022, and simultaneously repealed the Administrative Provisions on the Registration of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位註冊登記管理規定》).

According to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and effective from January 1, 2022, a customs declaration unit refers to an import/export consignor/consignee and customs declaration enterprise that has filed with the customs. Import/export consignees/consignors and customs declaration enterprises applying for filing shall possess market entity status, and import/export consignees/consignors applying for filing shall also obtain filing as foreign trade operators. Filing for customs declaration units remains valid indefinitely. Temporary registration is valid for one year and may be renewed upon expiration. If a customs declaration unit fails to report changes to its basic information to customs as required, customs authorities shall order it to rectify; and if it fails to rectify, customs may impose a fine of up to RMB10,000.

According to the Import and Export Commodity Inspection Law of the PRC (《中華人民共和國進出口商品檢驗法》) promulgated by the SCNPC on February 21, 1989 and revised on April 28, 2002, June 29, 2013, April 27, 2018, December 29, 2018 and April 29, 2021, importers and exporters of goods may handle inspection declaration procedures themselves or entrust agents to handle such procedures. The state implements a filing management system for importers and exporters handling inspection declaration procedures independently. Importers and exporters who have completed inspection and quarantine procedures shall submit documentation records to the relevant entry-exit inspection and quarantine agencies according to law.

In addition, the SCNPC passed its decision on December 30, 2022, to amend the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), which removed the requirement that foreign trade operators engaged in the import or export of goods or technology must register with the competent foreign trade department of the State Council or its authorized agency.

REGULATIONS ON TAXATION

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) promulgated by the SCNPC on March 16, 2007 and revised on February 24, 2017 and December 29, 2018, as well as the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and revised on April 23, 2019 and December 6, 2024, resident enterprises are subject to a corporate income tax rate of 25%, while high-tech enterprises may benefit from a preferential rate of 15%.

On December 25, 2024, the NPCSC promulgated the Value-Added Tax Law of the People's Republic of China (the “VAT Law”), which came into force on January 1, 2026, and repeal the Interim Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》). According to the VAT Law, the VAT rate is 13% for taxpayers selling goods, providing labor services of processing, repair or replacement, or tangible movable property leasing services or importing goods; 9% for taxpayers selling transportation, postal, basic telecommunications, construction, immovable property or immovable property leasing services, transferring land use rights, or selling or importing specific goods specified under the VAT Law; 6% for taxpayers selling services or intangible assets; 0% for taxpayers exporting goods; and a 3% VAT levy rate applies under simplified tax calculation method.

According to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value added Tax to Replace Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》) issued on March 23, 2016 and effective from May 1, 2016, and with the approval of the State Council, the pilot program for replacing business tax with value-added tax was fully implemented nationwide since May 1, 2016.

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The Circular on Adjusting Value-added Tax Rates (《關於調整增值稅稅率的通知》), issued by the Ministry of Finance and the State Taxation Administration on April 4, 2018 and effective from May 1, 2018, adjusted the applicable VAT rates, where a taxpayer engages in value-added tax taxable sales activities or import of goods, the previous applicable value-added tax rates of 17% and 11% are adjusted to be 16% and 10% respectively.

According to the Circular on Policies to Deepen Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》) issued on March 20, 2019 and effective from April 1, 2019, for general VAT payers’ sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last revised on October 17, 2020 and effective from June 1, 2021, and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) last revised on December 11, 2023 and effective from January 20, 2024, patentable inventions include inventions, utility models and designs. The PRC patent system adopts a “first to file” principle, which means that where more than two persons file a patent application for the same invention, a patent will be granted to the person who filed the application first. Invention patent shall be valid for a term of 20 years from the date of application, utility model patent shall be valid for 10 years from the date of application and design patent shall be valid for 15 years from the date of application. Following the grant of patent rights for an invention or a utility model, unless otherwise stipulated in the Patent Law, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, use, offer to sell, sell or import such patented products for manufacturing and business purposes, or use the patented method and use, offer to sell, sell or import products obtained directly according to the patented method. Following the grant of design patent rights, no organization or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, offer to sell, sell or import the design patented products for manufacturing and business purposes.

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) last revised on April 23, 2019 and effective from November 1, 2019, and the Regulations on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last revised on April 29, 2014 and effective from May 1, 2014, stipulate procedures for trademark registration, cancellation, renewal, modification, transfer and invalidation. According to the aforementioned laws, a registered trademark is valid for ten years from the date of approval of registration. If the trademark registrant wishes to continue using the trademark, renewal procedures shall be completed within twelve months prior to the expiration date. Should renewal procedures not be completed within the prescribed period, a six-month grace period may be granted to complete the renewal procedures. Each renewal extends the validity period of the trademark registration for ten years from the date following the expiration of the previous validity period. Failure to complete renewal procedures upon expiration shall result in the cancellation of the registered trademark.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) last revised on November 11, 2020 and effective from June 1, 2021, and the Regulation on the Implementation of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last revised on January 30, 2013 and effective from March 1, 2013, works created by Chinese citizens, legal persons, or unincorporated organizations, whether published or unpublished, shall be entitled to copyright protection under this Law. A work refers to an intellectual creation in the fields of literature,

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art and science that possesses originality and can be expressed in a tangible form, including: literary works; oral works; musical, dramatic, folk art, dance and acrobatic art works; fine art and architectural works; photographic works; audiovisual works; graphic works and model works such as engineering design drawings, product design drawings, maps and schematic diagrams; computer software; and other intellectual creations that meet the characteristics of a work. Copyright holders shall be entitled to multiple moral and economic rights, including the right of publication, the right to authorship, the right to modify, the right to protect the integrity of the work, the right of reproduction, the right of distribution, the right of rental, the right of exhibition, the right of performance, the right of public projection, the right of broadcasting, the right of online transmission, the right of filming, the right of adaptation, the right of translation, the right of compilation, and other rights that shall be enjoyed by the copyright holder.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) last revised on January 30, 2013 and effective from March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) issued by the National Copyright Administration on February 20, 2002, computer software refers to computer programs and their related documentation. Chinese citizens, legal persons or other organizations shall be entitled to copyright over software they develop, regardless of whether it has been published. Software copyright commences from the date on which the development of the software is completed. The term of protection for software copyright held by legal persons or other organizations is 50 years, expiring on December 31 of the 50th year following the first publication of the software. However, if the software remains unpublished within 50 years from the date of completion, it shall no longer be protected.

Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology ("MIIT") on August 24, 2017 and effective from November 1, 2017, the MIIT serves as the primary regulatory authority responsible for managing internet domain names in the PRC. Domain name registration is handled through domain name service providers established in accordance with relevant regulations. Upon successful registration, the applicant shall become the domain name holder. Provincial communications administrations shall supervise and manage domain name services within their respective jurisdictions.

REGULATIONS ON LABOR, EMPLOYMENT, SOCIAL SECURITY AND HOUSING PROVIDENT FUND

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and revised on August 27, 2009 and December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and revised on December 28, 2012, and the Regulation on the Implementation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and effective from September 18, 2008, an employer establishes a labor relationship with an employee from the date of employment. Employers shall enter into written labor contracts with full-time employees. Employers shall pay employees their labor remuneration in full and on time in accordance with the labor contract and relevant laws and regulations. A violation of the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) may be subject to fines, and administrative and criminal liability shall be investigated in the case of a serious violation.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Regulations on Work-related Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), the Trial Measures for Maternity Insurance for Enterprise Employees (《企業職工生育保險試行辦法》) and the Provisional Regulations on the Collection of Social Insurance Premiums (《社會保險費徵繳暫行條例》), all promulgated on October 28, 2010, effective from July 1, 2011 and revised on December 29, 2018, Chinese employers shall register for social insurance with the competent authorities and contribute to

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their employees’ basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. If an employer fails to pay social insurance contributions without valid reasons such as force majeure, the competent authorities may require payment of overdue amounts, shortfalls and late fees within a specified period. Failure to pay such amounts may be subject to additional fines.

According to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and revised on March 24, 2002 and March 24, 2019, employers shall register with the local Housing Provident Fund Management Center. After review by the center, employers shall proceed to the designated bank to complete the formalities of opening housing provident fund accounts for their employees. Employers shall contribute to the housing provident fund on behalf of their employees. If an employer fails to register for the housing provident fund or make contributions, the Housing Provident Fund Management Center shall order such employer to complete registration or make shortfall payments within a specified period, failure to which may be subject to fines.

REGULATIONS ON WORK SAFETY

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated by the SCNPC on June 29, 2002, revised on August 31, 2014, and June 10, 2021, and effective from September 1, 2021, production and business entities shall abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and personnel in work safety, improve work safety conditions, strengthen standardization and informatization of work safety, construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, raise work safety levels and ensure work safety. Production and business units that do not meet work safety conditions shall not engage in production and business activities.

According to the Supervision and Administration of “Three Simultaneities” for the Safety Facilities of Construction Projects (《建設項目安全設施“三同時”監督管理辦法》) promulgated by the former State Administration of Work Safety (currently known as the Ministry of Emergency Management) on April 2, 2015 and effective from May 1, 2015, the safety facilities of a construction project shall be designed, constructed, and put into operation simultaneously with the main project.

REGULATIONS ON PRODUCT LIABILITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) revised by the SCNPC and effective December 29, 2018, the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

REGULATIONS ON FIRE SAFETY AND ENVIRONMENTAL PROTECTION

Fire Safety

According to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and latest revised on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those

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stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs.

According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated on April 1, 2020, revised on December 29, 2023 and effective from March 1, 2024, the fire protection design review and acceptance system applies to special construction projects, while other construction projects are subject to a filing and random inspection system.

Environmental Protection

The primary environmental protection laws and regulations in the PRC include the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (revised and implemented on April 24, 2014, and effective from January 1, 2015), the Law of the PRC on Water Pollution Prevention and Control (《中華人民共和國水污染防治法》) (revised and implemented on June 27, 2017, and effective from January 1, 2018), the Law of the PRC on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》) (revised and implemented on and effective from October 26, 2018), and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) (revised and implemented on April 29, 2020, and effective from September 1, 2020).

According to the aforementioned laws and regulations, enterprises discharging and disposing of pollutants such as wastewater, waste gas and solid waste (including hazardous waste) shall comply with national and local pollutant discharge standards, and shall register pollutant discharges with the relevant ecological and environmental authorities according to law and pay environmental protection taxes as stipulated.

The Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) was passed by the SCNPC on October 28, 2002 and revised on December 29, 2018. The State implements administration by classification on the environmental impact of construction projects according to the level of impact on the environment. Construction units shall organize the preparation of environmental impact statements and environmental impact reports, or complete environmental impact registration forms as required.

The Regulations on the Administration of Environmental Protection for Construction Projects (《建設項目環境保護管理條例》) was promulgated by the State Council on November 29, 1998 and revised on July 16, 2017. Construction projects that generate pollution shall comply with national and local standards for pollutant discharge; and shall also meet the requirements for total emission control of key pollutants within regions implementing total emission control for key pollutants.

The Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) was passed by the SCNPC on October 30, 1995, revised on April 29, 2020, and took effect on September 1, 2020. Construction projects generating solid waste, and projects for the storage, utilization or disposal of solid waste, shall undergo environmental impact assessments according to law and comply with national regulations on environmental protection management for construction projects. The necessary supporting facilities for the prevention and control of environmental pollution caused by solid wastes as specified in the environmental impact assessment documents of the construction project shall be designed, constructed and put into operation simultaneously with the major construction works of the construction project.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and effective from July 1, 2024, and the Regulations on Administration of Pollution Permit (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and effective March 1, 2021, the Ministry of Ecology and Environment has formulated and published the Directory of Classified Licenses on Fixed Pollution Sources (固定污染源排污許可分類管理名錄), clearly defining the scope of pollutant discharge permit management and the deadlines for applying for such permits. Enterprises, institutions and other production and business operators included

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therein shall apply for and obtain pollutant discharge permits within the stipulated time limits. According to the Guidelines for Pollutant Discharge Registration of Fixed Pollution Sources (Trial) (《固定污染源排污登記工作指南(試行)》) issued by the General Office of the Ministry of Ecology and Environment and effective from January 6, 2020, enterprises and institutions that generate or discharge pollutants in very small quantities and have minimal environmental impact, and are therefore not required by law to apply for a pollutant discharge permit, shall complete a pollutant discharge registration form.

The Law of the PRC on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) was promulgated by the SCNPC on December 24, 2021 and took effect on June 5, 2022. New, altered or expanded construction projects that may generate noise pollution shall undergo environmental impact assessments according to law.

According to the Interim Measures of Environmental Protection for Acceptance Examination Upon Completion of Buildings (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the Ministry of Environmental Protection on November 20, 2017, unless otherwise stipulated by laws and regulations, the construction unit required to prepare an environmental impact report (form) shall be the responsible entity for the environmental protection acceptance of completed construction projects, and shall implement the acceptance of completed environmental protection facilities. Construction projects may only commence production or use after the accompanying environmental protection facilities have passed acceptance inspection.

Special Equipment

According to the Law of the PRC on the Safety of Special Equipment (《中華人民共和國特種設備安全法》) effective from January 1, 2014, and the Regulations on Safety Supervision of Special Equipment (《特種設備安全監察條例》) effective June 1, 2003, revised on January 24, 2009 and effective from May 1, 2009, “special equipment” refers to boilers, pressure containers (including gas cylinders), pressure pipelines, elevators, lifting machines, passenger ropeways, large amusement facilities and special motor vehicles for special indoor (plant) use, which involve life safety and are associated with elevated degrees of risk

According to the Regulations on Safety Supervision of Special Equipment (《特種設備安全監察條例》), the user unit shall register the special equipment with the local special equipment safety supervision and administration department either before putting it into use or within 30 days after it is put into use. The registration mark shall be placed or affixed in a conspicuous location on the special equipment.

In addition, operators and relevant managers of special equipment, such as boilers, pressure containers, elevators, lifting machines, passenger ropeways and large amusement facilities, shall pass examinations administered by the special equipment safety supervision and administration department in accordance with national regulations and obtain a special equipment operator certificate before engaging in corresponding operations or management work.

REGULATIONS ON LAND AND PROPERTIES

According to the Civil Code of the PRC (《中華人民共和國民法典》) passed by the SCNPC on May 28, 2020 and effective from January 1, 2021, the establishment, alteration, transfer and termination of immovable property rights shall take effect upon lawful registration; without such registration, they shall not take effect, except as otherwise provided by law. Under the provisions of the Civil Code of the PRC (《中華人民共和國民法典》), the owner of immovable property shall lawfully be entitled to the rights of possession, use, enjoyment of income, and disposal over such property. A lease contract is an agreement whereby the lessor delivers the leased property to the lessee for use and enjoyment of income, and the lessee pays rent. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third-party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee

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subleases the premises without the consent of the lessor. Furthermore, pursuant to the terms of the lease contract, any change in ownership of the leased property during the lease period shall not affect the validity of the lease contract.

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) passed by the SCNPC on June 25, 1986, last revised on August 26, 2019 and effective from January 1, 2020, state-owned land and collectively-owned rural land may be lawfully allocated for use by entities or individuals. Any unit or individual undertaking construction projects that require land use shall apply for the use of state-owned land according to law; and state-owned land use rights may be acquired through government allocation or paid transfer (payment of land use right transfer fees), and shall be registered with the competent government department responsible for natural resources, which issues certificates confirming the use rights. According to the Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to Use State-owned Land in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) promulgated on May 19, 1990 and revised on November 29, 2020, the maximum term for granting state-owned land use rights is determined based on land use types: 40 years for commercial, tourism and entertainment land; 50 years for industrial land; and 70 years for residential land.

According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) issued by the State Council on November 24, 2014 and revised on March 24, 2019 and March 10, 2024, and relevant provisions of the Ministry of Natural Resources (formed by integrating the responsibilities of the former Ministry of Land and Resources, among others), the state implements a unified real estate registration system, where real estate registration adheres to the principles of strict management, stable continuity and convenience for the public.

REGULATIONS ON ADMINISTRATION OF HOUSING LEASE FILING

According to the Administrative Measures for Commercial House Leasing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and effective from February 1, 2011, parties to a housing lease shall legally register the lease with the construction (real estate) administrative department of the municipal or county-level people’s government where the leased property is located. Failure to comply with this registration requirement shall be subject to rectification ordered by the competent authority within a specified timeframe. Failure to rectify within the timeframe may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease contract.

According to the requirements of the Civil Code of the PRC (《中華人民共和國民法典》), even if the parties to a lease contract fail to complete the registration and filing procedures as required by laws and administrative regulations, the contract itself remains valid in terms of civil legal relations, but the parties may be subject to the administrative penalties stipulated in the aforementioned administrative regulations.

REGULATIONS ON ANTI-BRIBERY

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC (revised on and effective from April 23, 2019), and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the State Administration for Industry and Commerce (currently known as the State Administration for Market Regulation) on November 15, 1996, no business operator shall offer or promise to offer any economic benefit (including cash, other properties or otherwise) to a transaction counterparty or a third-party that may influence the transaction to induce them to seek transaction opportunities or competitive advantages. Any business operator violating the above anti-bribery provisions shall be subject to administrative penalties or criminal liability depending on the severity of the case.

REGULATIONS ON OVERSEAS LISTING

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and relevant supporting guidelines (the “Trial Measures”) issued by the China Securities

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Regulatory Commission on February 17, 2023 and effective from March 31, 2023, domestic enterprises issuing securities and listing overseas, whether directly or indirectly, are subject to unified filing management, where issuers shall complete filing procedures with the securities regulatory authority of the State Council and report relevant information. Issuers listing directly overseas shall file with the CSRC within three business days after submitting their listing application documents overseas. An issuer shall not make an overseas offering or listing if any of the following applies: (1) such securities offering or listing is explicitly prohibited by provisions in laws, administrative regulations or relevant state rules; (2) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (3) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (5) there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) of a domestic enterprise that are controlled by the controlling shareholder(s) and/or *de facto* controller.

According to the Regulations on Strengthening Confidentiality and File Management for Overseas Securities Offerings and Listings of Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Regulations on Strengthening Confidentiality and File Management”) jointly issued by the China Securities Regulatory Commission and other relevant departments on February 24, 2023 and effective from March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

REGULATIONS ON CYBER SECURITY AND DATA SECURITY

On July 1, 2015, the SCNPC promulgated the National Security Law of the PRC (《中華人民共和國國家安全法》) (“National Security Law”), which took effect on the same day. The National Security Law stipulates that the state shall establish a cybersecurity and information security protection system and enhance cybersecurity and information security protection capabilities to ensure the security and controllability of core network and information technologies, critical infrastructure, and information systems and data in important fields.

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “Cyber Security Law”) promulgated by the NPCSC on November 7, 2016, revised on October 28, 2025 and effective from January 1, 2026, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Network operators who construct or operate networks, or provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “Data Security Law”), which took effect on 1 September 2021. The Data Security Law stipulates the data security requirements that entities and individuals conducting data processing activities shall fulfill. The Data Security Law also introduces a data classification and hierarchical protection system based on the materiality of data in economic

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and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used, requiring appropriate levels of protective measures for different categories of data. Violations of the Data Security Law may be subject to corrective orders, warnings, fines, suspension of business operations, or revocation of business licenses or operating permits, and directly responsible managers and other directly liable personnel may also be subject to fines.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, the processing of personal information shall follow the principles of legality, propriety and necessity, and excessive processing shall not be conducted.

The Law of the PRC on the Protection of Personal Information (《中華人民共和國個人信息保護法》) (the “Personal Information Protection Law”) was promulgated by the SCNPC on August 20, 2021, and took effect on November 1, 2021. The Personal Information Protection Law clarifies the definition and processing methods of personal information, establishes rules for its processing, and specifies the rights of individuals in personal information processing activities as well as the obligations of personal information processors. According to the definition in the Personal Information Protection Law, personal information refers to all kinds of information related to identified or identifiable natural persons recorded by electronic or other means, excluding the information processed anonymously. The Personal Information Protection Law applies to: (1) the processing within the territory of the PRC of natural persons’ personal information; or (2) the processing outside the territory of the PRC of personal information of natural persons within the PRC, provided that such information is processed (a) for the purpose of providing products or services to domestic natural persons, (b) to analyze or assess the conduct of domestic natural persons, or (c) under any other circumstances as prescribed by laws and administrative regulations.

On 28 December 2021, the Cyberspace Administration of China and several other PRC government departments jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on February 15, 2022. According to these Measures, the purchase of network products and services by the network operators of critical information infrastructure, or operators of network platforms conducting data processing activities, which may affect national security shall be subject to cybersecurity review. In addition, network platform operators holding personal information of over one million users shall submit a cybersecurity review application to the Cybersecurity Review Office when seeking overseas listings. If competent government departments deem that such operators’ network products or services or their data processing activities affect or may affect national security, they may also subject these operators to cybersecurity reviews.

According to the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China on July 7, 2022 and effective from September 1, 2022, these Measures apply to the security assessment of data processors transferring important data and personal information collected and generated during operations within the PRC to foreign countries. Data processors transferring data overseas shall submit a data export security assessment application to the Cyberspace Administration of China through the provincial-level cyberspace administration department at their location if any of the following circumstances apply: (1) where important data will be transferred to an overseas recipient; (2) where an operator of critical information infrastructure or a personal information processor that has processed personal information of more than one million people provides personal information overseas; (3) where the personal information of more than 100,000 people or sensitive personal information of more than 10,000 people are transferred overseas accumulatively since January 1 of the previous year; or (4) other circumstances under which security assessment of data cross-border transfer is required as prescribed by the national cyberspace administration.

The Cyber Data Security Regulations (《網絡數據安全管理條例》) were promulgated by the State Council on September 24, 2024, and took effect on January 1, 2025. These Regulations have been formulated based on the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law and other relevant laws to regulate network data

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processing activities, ensure network data security, promote the lawful, reasonable and effective utilization of network data, protect the lawful rights and interests of individuals and organizations, and safeguard national security and public interests. These Regulations clarify the relevant requirements for conducting network data processing activities, specifying compliance requirements for personal information protection, security of important data, security management for cross-border provision of network data, and network platform service provision.

REGULATIONS ON FULL CIRCULATION

The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-Share Companies (《H股公司境內未上市股份申請“全流通業務指引”》) (“Full Circulation Guidance”) was issued by the China Securities Regulatory Commission on November 14, 2019, and revised on August 10, 2023. According to the Full Circulation Guidelines, “full circulation” refers to the listing and circulation of unlisted domestic shares of H-share listed companies (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued after overseas listing, and unlisted shares held by foreign shareholders) on the Stock Exchange. Subject to compliance with relevant laws, regulations and policy requirements concerning state-owned asset management, foreign investment and industry supervision, shareholders of domestic unlisted shares may independently negotiate and determine the quantity and proportion of shares to be applied for circulation, and entrust the relevant H-share listed company to submit the aforementioned full circulation application.

The Implementation Rules for H-Share “Full Circulation” Business (《H股“全流通”業務實施細則》) (the “Implementation Rules”) were jointly promulgated by CSRC and Shenzhen Stock Exchange on December 31, 2019. Cross-border registration, custody and maintenance of holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominee holders and other services in relation to H-share full circulation operations shall comply with the Implementation Rules. Matters not stipulated in the Implementation Rules shall be handled in accordance with other business rules of CSRC, CSDC (Hong Kong) and the Shenzhen Stock Exchange. To comprehensively advance the H-share full circulation reform and clarify related share registration, custody, settlement, and delivery arrangements and procedures, CSDC promulgated the Circular on Issuing the Guide to the Program for Full Circulation of H-Shares (《關於發佈〈H股“全流通”業務經辦指南〉的通知》) in February 2020, which provides detailed specifications for, amongst others, business preparation, account arrangements, cross-border conversion registration and centralized custody overseas.

According to the trial measures, full circulation shall comply with relevant CSRC regulations. Shareholders of unlisted domestic shares shall entrust a domestic company to report full circulation matters to the CSRC and submit compliance-related materials, including whether sufficient internal decision-making procedures, necessary internal approvals and authorizations have been completed in connection with the full circulation, and whether the full circulation involves approval or filing requirements under laws, regulations and policies relating to, among others, the administration of state-owned assets, industry regulation and foreign investment. Where any of the foregoing matters are involved, confirmation shall be provided as to whether the relevant approval or filing procedures have been duly completed.

OVERVIEW OF LAWS OF ENGLAND AND WALES

Product Safety

The Consumer Protection Act 1987 (the “CPA”) imposes liability for any personal injury death or damage on producers and importers of products which have “defects”. Defects is broadly defined to include product safety. For further discussion of the CPA see below.

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The General Product Safety Regulations 2005 (“GPSR 2005”) impose criminal liability on producers and distributors of unsafe products in the UK. For the purposes of the GPSR 2005 the definition of “product” is restricted to goods which are intended for consumers or likely, under reasonably foreseeable conditions, to be used by consumers, even if it is not intended for them.

The most serious breaches of GPSR 2005 are offences which can result in a fine or 12 months’ imprisonment for officers of the company, or both. A defence of due diligence is available.

In addition to the general obligations under the GPSR 2005, there are also various products that are subject to specific regulations, regardless of whether the GPSR 2005 requirements also apply. Typically these regulations apply to higher-risk products which are subject to more detailed and/or specific requirements to try and reduce or mitigate particular risks or user vulnerabilities.

Product Labelling

Under GPSR 2005, producers and distributors of products have obligations to ensure that products have the necessary warnings to enable consumers to make an informed decision as to any risks posed by the product which are not immediately obvious. Products intended for consumer use should also be labelled with the name and address of the producer and batch number. A log of complaints alleging safety incidents should also be maintained by producers. Please see commentary above in relation to offences linked to breaches of GPSR 2005.

In addition to the GPSR 2005 there are further sector-specific labelling rules (e.g. for footwear, food and drink, or precious metals sectors, or for products which are aimed at children), there are also a number of product areas where the UK compliance mark (the “UK Conformity Assessed” or “UKCA”) is required to be affixed to the product (or a document accompanying the product) by the manufacturer (or its authorised representative) or anyone marketing the product under its own name or trade mark, to demonstrate that the product conforms with the relevant legal requirements when the goods are placed on the GB market. The mark may not be lawfully used unless there is a legal requirement to do so.

It is typically a criminal offence to fail to comply with these sector specific requirements, which can result in a fine and/or imprisonment, though the maximum punishment will depend on which sector-specific regulations apply.

Product Liability

Part 1 of the Consumer Protection Act 1987 (“CPA”) (implementing the Product Liability Directive 85/374/EEC) lays down a scheme dealing with strict civil liability for unsafe goods which cause death, personal injury or damage to personal property with a value of £275 or more. Despite the name of the statute, liability is not restricted to products intended for consumer use only or limited to where damage or loss is suffered by an individual in their capacity as a consumer.

Under the CPA a product will be considered defective if the safety of the product is not such as persons generally are entitled to expect, taking into account:

- the manner in which, and the purpose for which, the product has been marketed;
- any instructions for use or warnings;
- what might reasonably be expected to be done with or in relation to the product; and
- the time when the product was supplied.

REGULATORY OVERVIEW

The primary liability for defective products lies with the “producer” (namely the person who manufactured the product), persons who market products under their own brand name, and importers. In the event the claimant cannot identify the producer (as defined above), the supplier of the product may instead assume liability unless they can identify any of the producers specified above. Liability for damage caused by a defective product does not extend to all damage, but only to specified damage described above. In particular it does not cover pure economic loss, nor damage to the defective product itself.

The CPA imposes strict liability which means that people who are injured by defective products can sue for compensation without having to prove that the manufacturer was negligent. There are, however, a number of defences available.

Liability under the CPA exists alongside liability in negligence, and in some cases a tortious or common law claim may succeed where a claim would not be available under the CPA.

The Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024 (“pEPR Regulations”)

The pEPR establish a UK-wide extended producer responsibility regime for packaging. Its purpose is to shift the cost of managing packaging waste from local authorities onto the business that produce the packaging. They apply to businesses placing packaging on the UK market, defining a range of ‘producers’, including brand owners, packer/fillers, importers, distributors, sellers, online marketplace operators and service providers.

Large producers (i.e. those with turnovers of more than £2m that handle more than 50 tonnes of packaging per annum) have the most extensive obligations, including:

- Registering with the relevant national environmental regulator.
- Collecting and submitting detailed packaging data twice a year, reporting via the Government’s online packaging data portal. Submission dates are 1 April and 1 October each year.
- Funding the full net cost of household packaging waste management, including collection, recycling and disposal, in accordance with the polluter-pays principle.

Small producers (i.e. those with turnovers of more than £1m that handle between 25 and 50 tonnes of packaging per annum or those with turnovers of between £1m and £2m that handle more than 25 tonnes of packaging per annum) must:

- Register with the relevant national environmental regulator.
- Collect and report packaging data once per year (by 1 April), covering the preceding calendar year.

The Regulations take effect after their formal making in December 2024, with compulsory producer registration required by 1 April 2025. Non-compliance with these obligations may attract civil or criminal sanctions.

Plastic Packaging Tax (“PPT”)

PPT applies to plastic packaging containing less than 30% recycled plastic. Its purpose is to create an economic incentive for businesses to increase recycled content in packaging and reduce dependence on virgin plastics.

REGULATORY OVERVIEW

PPT applies to manufacturers and importers of plastic packaging components in the UK. Businesses that manufacture or import 10 tonnes or more of plastic packaging within a 12-month period must register, even where all packaging meets the 30% recycled content threshold.

The tax becomes due when plastic packaging is manufactured in the UK or imported, including packaging that is already filled. The current rate of PPT is £223.69 per tonne.

Businesses must submit quarterly returns and maintain detailed records as evidence of compliance. Failure to comply may result in penalties or enforcement action by HM Revenue & Customs.

Anti-Bribery and Corruption

In England and Wales, the primary legislation governing anti-bribery and corruption is the Bribery Act 2010 (“BA”). The BA has “extra territorial” effect with the aim of preventing the giving or receiving of bribes (including low-level facilitation or “grease” payments) regardless of where such acts take place, i.e. whether in the UK or any other country in the world. The BA also provides that if a relevant offence is proved to have been committed with the consent or connivance of a senior officer of a body corporate, or a person purporting to act in such a capacity, the senior officer (as well as the body corporate) is guilty of the offence. Senior officers are defined widely and includes not only directors but senior managers and the company secretary.

The BA includes a corporate offence of “failure to prevent bribery” which puts an onus on companies, such as Horen UK, to have in place a set of “adequate procedures” to prevent bribery within their organisation and supply chain globally. Such procedures may include staff and supplier training, policies, senior level commitment and due diligence on suppliers and associated parties. The BA creates both civil and criminal offences, while penalties for breaching the legislation include fines and imprisonment (including for directors where a company is liable for failure to prevent bribery).

Regulations in Relation to Anti-Money Laundering (“AML”)

AML Laws and regulations in England and Wales incorporate international standards set by the Financial Action Task Force (“FATF”) pursuant to the EU’s 5th Money Laundering Directive (“5MLD”).

Horen UK is subject to various AML regulations and guidance, including but not limited to, Proceeds of Crime Act 2002 (“POCA”), The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“MLR 2017”), The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (“MLR 2019”), and The Joint Money Laundering Steering Group’s (“JMLSG”) Guidance on the Prevention of Money Laundering and Terrorist Financing. Horen UK must maintain a robust AML compliance program, including risk assessments, customer due diligence, transaction monitoring, and reporting suspicious activities to the appropriate authorities.

General Taxation and Transfer Pricing

The following is a summary of certain principal UK tax considerations relevant to companies resident for tax purposes in the UK, assuming that the company has no employees or property in the UK.

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Corporation Tax

In broad outline, United Kingdom corporation tax is payable by a company resident for tax purposes in the UK on its worldwide income and gains (except where an election is made for UK exemption for foreign branch income).

A company, or the permanent establishment of an overseas company, is under a duty to notify HM Revenue & Customs (“HMRC”) when it comes within the charge to UK corporation tax for the first time (or back into charge after a period of dormancy). Failure to notify HMRC within the statutory time limits may give rise to penalties, irrespective of whether corporation tax is ultimately payable.

Non-UK resident taxpayers generally have no UK tax liability on dividends from UK companies and, accordingly, there is no UK withholding tax on dividends paid by a UK company. Naturally, cash may be remitted to the overseas parent through other mechanisms, such as interest, rent, royalties or management charges, and both UK and overseas tax and relevant anti-avoidance rules will need to be considered in relation to all such payments.

Transfer pricing

UK transfer pricing legislation requires transactions between associated persons to be conducted on arm’s length terms where a UK tax advantage would otherwise arise. While UK law provides an exemption for small and medium-sized enterprises, the scope and application of that exemption are subject to ongoing legislative reform and may be further narrowed in future. In addition, certain cross-border transactions may give rise to transfer pricing compliance or reporting obligations notwithstanding the availability of an exemption. Accordingly, reliance on the SME exemption should be approached with caution.

Furthermore, most double tax treaties provide for the profits of a permanent establishment or a subsidiary to be determined on the basis that transactions are carried out on an arm’s length basis.

Value Added Tax (VAT)

VAT is a general turnover tax which applies to the import of goods into the UK and the sale of goods and services in the UK. It is charged each time most goods and services are provided to another person, not solely on provision to the final consumer. VAT is currently at the rate of 20% on most sales made in the UK.

Anyone whose taxable turnover at any time has exceeded a certain level in a year (currently £90,000) or that expects they will exceed that level in the next 30-day period is required to be registered for VAT purposes. Failure to register promptly or to charge VAT or to keep proper records can give rise to significant penalties. Whether an overseas entity establishes itself in the UK through a permanent establishment or a subsidiary, if they are making taxable supplies in the UK they will be required to register for VAT immediately, regardless of the value of those supplies (without the benefit of any registration threshold).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a global green supply chain intelligent circular service platform. Our history can be traced back to 1998 when Shanghai Hongrun Technology Co., Ltd.* (上海鴻潤科技有限公司), one of our subsidiaries, was founded by Mr. Liao, our founder, chairman of the Board, executive Director and chief executive officer. Subsequently, Shanghai HongYan Reusable Transit Packagings Co., Ltd. (上海鴻研物流技術有限公司), the predecessor of our Company, was established in the PRC as a limited liability company under the PRC Company Law on September 2, 2013, which was then renamed as “上海箱箱智能科技有限公司” on January 27, 2021. Our Company was converted into a joint stock company with limited liability and renamed as HOREN CORTP Co., Ltd.* (上海箱箱智能科技股份有限公司) on December 26, 2025.

As the founder of our Group, Mr. Liao has extensive managerial experience in the global green supply chain sector. Our achievements have been enabled under the leadership of Mr. Liao, who is responsible for the overall strategic planning, international business development, as well as the establishment and management of our research and development system. For details of the biographical background and relevant industry experience of Mr. Liao, see “Directors and Senior Management.”

MILESTONES

The following is a summary of our key business development milestones since the commencement of our business:

Time	Milestone
2013	Our Company was established in the PRC
2014	We launched our first generation of intelligent reusable packaging products
	We entered the European market and launched our proprietary foldable IBC, OF1040PRO, and its fitments
	We completed series A financing, which was led by Vertex China
2015	We were recognized as a “National High-tech Enterprise” (國家級高新技術企業)
2017	We completed series B financing, which was led by Lantern Capital
2018	We completed series C financing, which was led by 7 Seas Capital and 7 Seas VC
	The Taizhou facility for manufacturing foldable IBCs commenced operations, improving the national production capacity layout
	We entered into the Japanese market and launched our T11 series products
	We launched our brand, Horen, achieving a strategic transformation from manufacturing to green recycling services
2019	We launched our OF330 and FC330 for the North American market and obtained the certification of the Association of American Railroads (AAR), which was pivotal to our entering into the North American market

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Time	Milestone
2020	We launched our intelligent packaging digital management platform, CoRTP platform, starting to provide services for liquid, dry goods and fresh foods industries in the PRC We completed series D financing, which was led by Asia Green Fund
2023	We completed series E financing, which was led by Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司), whose shares are listed on the Stock Exchange (stock code: 1601.HK) Our Nantong facility for manufacturing liquid liners for consumables, reusable accessories and consumables for liquid packaging was put into operation, upgrading global production capacity layout
2024	Based on our DPU, we launched our strategy of business platformisation and introduced the “Zero-Carbon Circular Entrepreneurship Program”
2025	We obtained the title of National-level Specialized, Refined, and Innovative “Little Giant” Enterprise (專精特新“小巨人”企業) We initiated the construction of our smart facility in Xianju, Zhejiang Province
2026	We completed series F financing, which was led by Times Bole

OUR MAJOR SUBSIDIARIES

Set forth below are details for each of our major subsidiaries. All of them were wholly-owned by our Company.

Name of Subsidiary	Date of Establishment	Place of Incorporation	Principal Business
Shanghai Xiangxiang Logistics Technology Co., Ltd.* (上海箱箱物流科技有限公司) (“ Shanghai Xiangxiang ”)	September 15, 2017	PRC	Supply chain management; leasing of logistics packaging equipment
Jiangsu Xiangxiang Smart Technology Co., Ltd.* (江蘇箱箱智能科技有限公司) (“ Jiangsu Xiangxiang ”)	July 15, 2022	PRC	Plastic manufacturing; sales of packaging equipment
Shanghai Xiangxiang Recycling Technology Co., Ltd.* (上海箱箱循環科技有限公司) (“ Xiangxiang Recycling ”)	October 13, 2023	PRC	Supply chain management; leasing of logistics packaging equipment
Taizhou Xiangxiang Intelligent Technology Co., Ltd.* (台州箱箱智能科技有限公司) (“ Taizhou Xiangxiang ”)	February 2, 2018	PRC	Plastic manufacturing; sales of plastic products
HOREN PLASTICS UK LTD (鴻潤(英國)有限公司) (“ Horen UK ”)	May 24, 2022	United Kingdom	Sales of plastic products

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MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(1) Establishment of our Company

On September 2, 2013, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB1,000,000. The shareholding structure of our Company upon establishment is set forth in the table below:

Name of Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Liao	750,000	75.00
Mr. Liao Xigui (廖錫桂) ^(Note)	250,000	25.00
Total	1,000,000	100.00

Note: Mr. Liao Xigui is the father of Mr. Liao and a former Director of our Company.

(2) Capital Increase in October 2013

On September 25, 2013, our then Shareholders resolved to increase the registered capital of our Company from RMB1,000,000 to RMB2,640,000, and the increase in registered capital of RMB1,640,000 was subscribed as to RMB1,095,000, RMB95,000 and RMB450,000 by Mr. Liao, Mr. Liao Xigui (廖錫桂) and Shanghai Honghe Investment Management Partnership (Limited Partnership)* (上海鴻合投資管理合夥企業(有限合夥)) (“Shanghai Honghe”), our employee shareholding platform, respectively.

The shareholding structure of our Company upon the completion of such increase is set forth in the table below:

Name of Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Liao	1,845,000	69.89
Mr. Liao Xigui (廖錫桂)	345,000	13.07
Shanghai Honghe	450,000	17.04
Total	2,640,000	100.00

(3) Overview of Pre-[REDACTED] Investments

Our Company entered into seven rounds of Pre-[REDACTED] Investments pursuant to the respective capital increase agreements with our Pre-[REDACTED] Investors. Apart from such capital increases, since our incorporation, there were also equity transfers among our Pre-[REDACTED] Investors and our Controlling Shareholders for Pre-[REDACTED] Investment purposes. For details, see “— Pre-[REDACTED] Investments”.

(4) Conversion into a joint stock company

On December 9, 2025, our then Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company. Pursuant to the promoters’ agreement dated December 10, 2025, entered into by all the then Shareholders, all promoters approved the conversion of RMB10,000,000 in the net asset value of our Company as of August 31, 2025 into 10,000,000 Shares at par value of RMB1.00 each. Upon completion of the conversion, the registered capital of our Company became RMB10,000,000

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divided into 10,000,000 Shares, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on December 26, 2025, when our Company obtained a new business license.

Immediately after the conversion into a joint stock company, the Company is held by the following shareholders who acted as promoters for the purpose of the stock conversion of our Company. The information of our promoters is set forth as follows:

Shareholders	Number of Shares	Ownership percentage
Mr. Liao	4,955,775	49.56%
Beijing China-US Green Investment Center (L.P.) (北京中美綠色投資中心(有限合夥)) (“ Beijing Green Investment ”)	1,146,548	11.47%
Shanghai Honghe	1,116,584	11.17%
Shanghai Lingzhong Longzhi Venture Capital Center (Limited Partnership)* (上海領中龍智創業投資中心(有限合夥)) (“ Lingzhong Longzhi ”)	562,783	5.63%
Zhuhai Lingzhong Xingchen Phase II Equity Investment Fund (Limited Partnership)* (珠海領中 星辰二期股權投資基金(有限合夥)) (“ Lingzhong Xingchen ”)	548,379	5.48%
Xianju Times Bole New Energy Investment Partnership (Limited Partnership)* (仙居時代伯樂 新能源投資合夥(有限合夥)) (“ Times Bole ”)	448,720	4.49%
Shanghai Qipeng Venture Capital Center (Limited Partnership)* (上海七鵬創業投資中心(有限合夥)) (“ Qipeng VC ”)	394,504	3.95%
7 Seas Venture Capital Limited (“ 7 Seas VC ”)	296,917	2.97%
Beijing Zhongnuo Vision Innovation Investment Fund Center (Limited Partnership)* (北京中諾遠見 創新投資基金中心(有限合夥)) (“ Beijing Zhongnuo ”)	191,050	1.91%
Zhuhai Shenzhou Fangzhou Enterprise Management Partnership (Limited Partnership)* (珠海神州方舟 企業管理合夥企業(有限合夥)) (“ Zhuhai Shenzhou ”)	175,415	1.75%
Zhuhai Lingzhong Qingyan Equity Investment Fund (Limited Partnership)* (珠海領中清研股權投資基 金(有限合夥)) (“ Lingzhong Qingyan ”)	69,876	0.70%
Shanghai Qipeng Yihao Venture Capital Center (Limited Partnership)* (上海七鵬乙皓創業投資中 心(有限合夥)) (“ Qipeng Yihao ”)	60,085	0.60%
Zhuhai Gongyi Equity Investment Fund (Limited Partnership)* (珠海公億股權投資基金(有限合夥)) (“ Zhuhai Gongyi ”)	20,213	0.20%
Shanghai Lingxiang Zhihang Business Consulting Co., Ltd.* (上海領箱智航商務諮詢有限公司) (“ Lingxiang Zhihang ”)	13,151	0.13%
Total	10,000,000	100.00%

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(5) Capital Increase in January 2026

On January 5, 2026, our then Shareholders resolved to increase the registered capital of our Company from RMB10,000,000 to RMB10,256,410. The newly increased registered capital of RMB256,410 was subscribed by Times Bole at a total consideration of RMB50,000,000 and such capital increase registration with the SAMR has been completed on January 28, 2026.

The shareholding structure of our Company upon the completion of such increase is set forth in the table below:

Shareholders	Number of Shares	Ownership percentage
Mr. Liao	4,955,775	48.32%
Beijing Green Investment	1,146,548	11.18%
Shanghai Honghe	1,116,584	10.89%
Times Bole	705,130	6.88%
Lingzhong Longzhi	562,783	5.49%
Lingzhong Xingchen	548,379	5.35%
Qipeng VC	394,504	3.85%
7 Seas VC	296,917	2.89%
Beijing Zhongnuo	191,050	1.86%
Zhuhai Shenzhou	175,415	1.71%
Lingzhong Qingyan	69,876	0.68%
Qipeng Yihao	60,085	0.59%
Zhuhai Gongyi	20,213	0.20%
Lingxiang Zhihang	13,151	0.13%
Total	10,256,410	100%

(6) [REDACTED] before the [REDACTED]

Pursuant to the resolutions of the Shareholders dated January 27, 2026, the Shares will be split on a one-for-twenty basis immediately prior to the [REDACTED], and the nominal value of the Shares will be changed from RMB1.0 each to RMB[REDACTED] each. Immediately after the [REDACTED], the registered share capital of the Company will be RMB10,256,410 with [REDACTED] Shares in a nominal value of RMB[REDACTED] each.

COMPLIANCE WITH PRC LAWS AND REGULATIONS

As advised by our PRC Legal Advisers, the procedures, methods and capital contribution for the establishment of our Company are in compliance with the relevant provisions of the PRC laws effective at that time, the necessary procedures prescribed by law have been completed, and the establishment of our Company is legal and valid. All the past changes in the equity structure of our Company have been conducted in accordance with the law by fulfilling the internal decision-making procedures of the Company, obtaining the approvals from the competent authorities and completing the relevant industrial and commercial registration changes. All the past changes in the equity structures of our Company in all material aspects are legal and valid.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MERGER, ACQUISITION AND DISPOSAL

Throughout the Track Record Period and up to the Latest Practicable Date, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the date of the document.

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company’s business, to strengthen our Company’s working capital and to further raise our business profile and global presence. For further details of our future plans, see “Future Plans and Use of [REDACTED].”

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, our Company adopted share awards arrangements and an employee incentive scheme. Shanghai Honghe, Shanghai Hongyan Xiangxiang Enterprise Management Consulting Partnership (Limited Partnership)* (上海鴻研箱箱企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Hongyan**”), Shanghai Huixiang Enterprise Management Consulting Partnership (Limited Partnership)* (上海慧箱企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Huixiang**”), Shanghai Zhixiang Enterprise Management Consulting Partnership (Limited Partnership)* (上海智箱企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Zhixiang**”), Shanghai Runxiang John Enterprise Management Consulting Partnership (Limited Partnership)* (上海潤箱約翰企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Runxiang**”) and Shanghai Haixiang David Enterprise Management Consulting Partnership (Limited Partnership)* (上海海箱戴衛企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Haixiang**”) were established as our employee shareholding platforms.

Shanghai Honghe was established as a limited partnership under the laws of the PRC on June 27, 2013. Mr. Liao is the sole general partner of Shanghai Honghe, holding approximately 1.22% partnership interest. Shanghai Honghe is also directly owned as to approximately 0.26% and approximately 0.13% by Mr. Tang Junfeng (our executive Director, senior vice president and general manager for China region) and Ms. Liu Haihua (our executive Director), respectively. Besides, Shanghai Honghe is owned as to approximately 49.00% by Shanghai Hongyan. Apart from the above, the remaining partnership interests in Shanghai Honghe are directly or indirectly held by 11 employees of the Company.

Shanghai Hongyan was established as a limited partnership under the laws of the PRC on March 11, 2016. Mr. Liao is the sole general partner of Shanghai Hongyan, directly and indirectly holding approximately 10.07% partnership interest. Shanghai Hongyan is also directly and indirectly owned as to approximately 7.05%, approximately 3.91% and approximately 1.55% by Mr. Tang Junfeng, Ms. Liu Haihua and Mr. Yang Jie (our director of treasury department and joint company secretaries), respectively. Besides, Shanghai Hongyan is owned as to approximately 41.56%, approximately 32.76%, approximately 0.91% and approximately 0.91% by Shanghai Huixiang, Shanghai Zhixiang, Shanghai Runxiang and Shanghai Jixiang, respectively. Apart from the above, the remaining partnership interests in Shanghai Hongyan are directly or indirectly held by 16 employees of the Company.

Shanghai Huixiang was established as a limited partnership under the laws of the PRC on March 23, 2021. Mr. Liao is the sole general partner of Shanghai Huixiang, holding approximately 11.68% partnership interest. Shanghai Huixiang is also owned as to approximately 2.76% by Mr. Yang Jie. Apart from the above, the remaining partnership interests in Shanghai Huixiang are held by 30 employees and one former employee of the Company.

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Shanghai Zhixiang was established as a limited partnership under the laws of the PRC on December 28, 2020. Mr. Liao is the sole general partner of Shanghai Zhixiang, holding approximately 7.97% partnership interest. Shanghai Zhixiang is also owned as to approximately 18.76%, approximately 11.16%, approximately 9.17%, approximately 0.69% by Mr. Tang Junfeng, Mr. Zhang Fan (our executive Director, vice president and financial director), Ms. Liu Haihua and Mr. Yang Jie, respectively. Besides, Shanghai Zhixiang is owned as to approximately 2.77% by Shanghai Haixiang. Apart from the above, the remaining partnership interests in Shanghai Zhixiang are held by 15 employees of the Company.

Shanghai Runxiang was established as a limited partnership under the laws of the PRC on July 3, 2023. Shanghai Runxiang is owned as to 99.99% and 0.01% by an employee of our Company and Mr. Liao, as its sole general partner, respectively.

Shanghai Haixiang was established as a limited partnership under the laws of the PRC on July 17, 2023. Shanghai Haixiang is owned as to 99.99% and 0.01% by an employee of our Company and Mr. Liao, as its sole general partner, respectively.

As of the Latest Practicable Date, Shanghai Honghe owned approximately 10.89% of our issued Shares and none of the shares under the Employee Incentive Scheme has been granted.

Please refer to the section headed “Appendix VI — Statutory and General Information — Employee Incentive Scheme” for more details on the employee shareholding platform.

PRE-[REDACTED] INVESTMENT

Our Company entered into seven rounds of Pre-[REDACTED] Investments pursuant to the respective capital increase agreements with our Pre-[REDACTED] Investors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Principal Terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors’ Rights

As at the Latest Practicable Date, we have conducted seven rounds of Pre-[REDACTED] Investments.

Pre-[REDACTED] Investors	Date of initial investment agreement(s)	Date of last payment of consideration	Number of registered capital/shares subscribed/acquired ⁽¹⁵⁾	Number of registered capital/shares subscribed/acquired as adjusted by the [REDACTED] ⁽¹⁵⁾	Implied post-money valuation (approx.) ⁽¹⁾	Consideration paid (approx.)	Cost per Share ⁽²⁾	Discount to the [REDACTED] (approx.) ⁽³⁾
<i>Series A Pre-[REDACTED] Investment</i>								
Xiangen Phase I ⁽⁴⁾	September 25, 2013	February 19, 2014	360,000	[REDACTED]	RMB100,000,000	RMB12,000,000	0.67	[REDACTED]
<i>Series B Pre-[REDACTED] Investment⁽⁵⁾</i>								
Lingzhong Longzhi	January 13, 2017	October 26, 2017	215,592	[REDACTED]	RMB411,600,000	RMB33,034,199	2.69	[REDACTED]
Lingzhong Yongbai (Shanghai) Investment Holding Co., Ltd.* (永柏(上海)投資控股有限公司) (“Yongbai Investment”)			38,451	[REDACTED]				
<i>Series B+ Pre-[REDACTED] Investment⁽⁶⁾</i>								
Zhuhai Shenzhou	May 29, 2017	April 2, 2026	95,238	[REDACTED]	RMB411,200,000	RMB13,000,000	3.80	[REDACTED]
Lingxiang Zhihang			5,300	[REDACTED]				
<i>Series C Pre-[REDACTED] Investment⁽⁷⁾</i>								
Lingzhong Longzhi	August 8, 2017	May 16, 2018	24,610	[REDACTED]	RMB657,200,000	RMB57,222,622	3.80	[REDACTED]
7 Seas VC			119,662	[REDACTED]				
Qipeng VC			158,991	[REDACTED]				
<i>Series D Pre-[REDACTED] Investment⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾</i>								
Beijing Green Investment	August 28, 2019	August 21, 2020	366,649	[REDACTED]	RMB1,050,000,000	RMB100,000,000	5.50	[REDACTED]
<i>Series E Pre-[REDACTED] Investment⁽¹³⁾</i>								
Beijing Zhongguo	November 23, 2023	November 30, 2023	76,996	[REDACTED]	RMB1,530,000,000	RMB30,000,000	7.85	[REDACTED]
<i>Series F Pre-[REDACTED] Investment⁽¹⁴⁾</i>								
Times Bole	July 23, 2025	December 30, 2025	465,019	[REDACTED]	RMB1,950,000,000	RMB100,000,000	9.75	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) The post-money valuation of our Company equals the total consideration paid by each round of Pre-[REDACTED] Investors divided by the percentage of equity interests held of such investors immediately following completion of the corresponding Pre-[REDACTED] Investment in accordance with the relevant share capital increase agreements.
- (2) The approximate cost per Share paid by the Pre-[REDACTED] Investors was calculated based on dividing the consideration by the number of Shares subscribed or acquired (taking into account the valuation adjustment in accordance with the relevant share capital increase agreements) and by the [REDACTED] to be undertaken immediately prior to the [REDACTED], to facilitate the illustration of premium or discount to the [REDACTED].
- (3) The discount to the [REDACTED] is calculated based on the foreign exchange rate as of the Latest Practicable Date and the assumption that the [REDACTED] is HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED]).
- (4) Xiangen Phase I Equity Investment Fund (Shanghai) Partnership (Limited Partnership)* (祥恩一期股權投資基金(上海)合夥企業(有限合夥)) (“Xiangen Phase I”) is a limited partnership established in the PRC. The general partner of Xiangen Phase I is Vertex Venture Management Co., Ltd. (祥恩股權投資管理(上海)有限公司), which is wholly owned by Vertex China Management (CI) Ltd (“Vertex China”).
- (5) The valuation of the Company increased in series B investment compared with series A was due to the recognition as a National High-tech Enterprise in 2015 and the growth in revenue from our core products in 2016.
- (6) The valuation of the Company increased in series B+ investment compared with series B was due to the growth of business in 2017.
- (7) The valuation of the Company increased in series C investment compared with series B+ was due to that our RPCs entered into mass production.
- (8) The valuation of the Company increased in series D investment compared with series C was due to our expansion into the Japanese market.
- (9) On September 1, 2019, Yongbai Investment and Mr. Jin Yi (金毅) (“Mr. Jin”), an independent third-party, entered into an equity transfer agreement, pursuant to which Yongbai Investment transferred the registered capital of RMB38,451 to Mr. Jin Yi in consideration of RMB5,500,000. The consideration was fully settled on January 20, 2020.
- (10) On August 17, 2020, the Company, Mr. Liao, Mr. Liao Xigui, Shanghai Honghe, Shanghai Hongyan Xiangxiang Enterprise Management Consulting Partnership (Limited Partnership) (上海鴻研箱企業管理諮詢合夥企業(有限合夥)) (“Shanghai Hongyan”) and Beijing Green Investment entered into an equity transfer agreement, pursuant to which Mr. Liao transferred the registered capital of RMB57,747 in our Company to Beijing Green Investment in consideration of RMB1, as performance commitment compensation because it was expected that the Company would fail to meet the performance requirements stipulated in the series D financing.
- (11) On April 28, 2021, Xiangen Phase I and the Company entered into equity transfer agreements with Beijing Green Investment, Qipeng Yihao and Lingzhong Xingchen, respectively, pursuant to which, Xiangen Phase I transferred the registered capital of RMB64,703, RMB21,568 and RMB234,054 in the Company to Beijing Green Investment, Qipeng Yihao and Lingzhong Xingchen in consideration of RMB15,000,000, RMB5,000,000 and RMB46,121,324, respectively. The consideration was determined based on arm’s length negotiations among the relevant parties and was fully settled on September 23, 2021.
- (12) On the same day, Zhuhai Shenzhou, Qipeng Yihao and the Company entered into an equity transfer agreement, pursuant to which, Zhuhai Shenzhou transferred the registered capital of RMB20,369 in the Company to Qipeng Yihao in consideration of RMB5,000,000. The consideration was determined based on arm’s length negotiations among the relevant parties and was fully settled on July 12, 2021.
- (13) On the same day, Mr. Jin, Lingzhong Qingyan and Zhuhai Gongyi entered into an equity transfer agreement, pursuant to which, Mr. Jin Yi transferred the registered capital of RMB29,824 and RMB8,627 in the Company to Lingzhong Qingyan and Zhuhai Gongyi in consideration of RMB6,914,290 and RMB2,000,000, respectively. The consideration was determined based on arm’s length negotiations among the relevant parties and was fully settled on July 21, 2021.
- (14) On August 25, 2021, Mr. Liao Xigui and Mr. Liao entered into an equity transfer agreement, pursuant to which, Mr. Liao Xigui transferred approximately 7.10% equity interest in our Company to Mr. Liao in consideration of RMB273,489. The consideration was determined based on arm’s length negotiations between both parties and was fully settled on March 1, 2026.
- (15) The valuation of the Company increased in series E investment compared with series D was due to the improvement of the nationwide warehouse network.
- (16) The valuation of the Company increased in series F investment compared with series E was due to the growth of our revenue in 2025.
- (17) On December 26, 2025, the Company was converted from a limited liability company into a joint stock company. Upon completion of the conversion, the registered capital of the Company became RMB10,000,000 divided into 10,000,000 Shares, which were subscribed by all the then Shareholders in proportion to their respective equity interests in the Company before the conversion.

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We set out below the principal terms of the Pre-[REDACTED] Investments.

Basis of determination of the valuation and consideration	The considerations for each round of Pre-[REDACTED] Investments were determined based on arm’s length negotiation amongst the respective Pre-[REDACTED] Investors and our Group after taking into consideration of the timing of the investments, the status of our business development and the commercial potentials of our business.
Lock-up period	Pursuant to the PRC Company Law, Shares issued by our Company prior to the [REDACTED] (including those held by the Pre-[REDACTED] Investors) will be subject to a lock-up period of one year from the [REDACTED].
Use of proceeds	We utilized the proceeds from the Pre-[REDACTED] Investments for the principal business of our Group, including but not limited to research and development of our products, the growth and expansion of our business and general working capital purposes. As of the Latest Practicable Date, we have utilized approximately 86.3% of the proceeds from the Pre-[REDACTED] Investments.
Strategic benefits to our Group	Our Group would benefit from the additional capital injected by the Pre-[REDACTED] Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them. Our Pre-[REDACTED] Investors include private equity funds and other professional investment companies, many of which are highly experienced in investing in the sustainable technology industry. Our Directors believed that our Company could benefit from their industry insights and guidance. Our Directors were also of the view that the Pre-[REDACTED] Investments demonstrate the Pre-[REDACTED] Investors’ commitment and confidence in the business performance and operations, strengths and long-term prospects of our Group.

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] investors were granted certain special rights including, but not limited to information rights, redemption rights, liquidation preferences and performance-related rights. Pursuant to a supplemental agreement entered into by our Company with, among others, the then Shareholders of the Company dated December 31, 2025, (a) the Company’s obligations to redeem and under liquidation preferences have been irrevocably terminated and shall be void ab initio on the day before the first filing of the [REDACTED] by our Company (the “[REDACTED]”) with the Stock Exchange, and the founding shareholder’s obligations to redeem and under liquidation preferences have been terminated before the [REDACTED] and is subject to reinstatement in the event of (i) the Company withdrawing its [REDACTED]; (ii) the [REDACTED] not being accepted (including being rejected or returned); (iii) the Company failing to obtain hearing approval within 18 months after date of the [REDACTED]; or (iv) the Company and its founder changing the shareholding structure of the Company, including increasing or reducing registered capital during the period from the day before the [REDACTED] to the [REDACTED] (the “Reinstatement”); and (b) all other special rights granted to the Pre-[REDACTED] Investors by our Company shall irrevocably be terminated one day before [REDACTED].

Sole Sponsor’s Confirmation

On the basis that (i) the [REDACTED] will take place more than 120 clear days after the completion of the Pre-[REDACTED] Investments, and (ii) the special rights granted to the Pre-[REDACTED] Investors shall cease to be effective and be discontinued prior to the [REDACTED] by our Company with the Stock Exchange subject to Reinstatement or one day before [REDACTED] as disclosed in the section headed “Special Rights of the Pre-[REDACTED] Investors” above, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with the Pre-[REDACTED] Investment Guidance in Chapter 4.2 of the Guide for New Listing Applicants.

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PRC Legal Adviser’s Confirmation

As advised by our PRC Legal Adviser, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of SAMR in respect of the Pre-[REDACTED] Investments in material aspects set out above.

Information of the Pre-[REDACTED] Investors

Set forth below are details for each of our Pre-[REDACTED] Investors.

Asia Green Fund

Beijing Green Investment is a limited partnership established in the PRC on November 30, 2016. China-US Green Fund Management (Beijing) Co., Ltd.* (中美綠色基金管理(北京)有限公司) (“**China-US Green Fund**”) is the sole general partner of Beijing Green Investment, holding approximately 1.00% partnership interest therein. China-US Green Fund is owned as to 88.00% by Asia Green Fund Management Co. Ltd. (綠動投資管理有限公司) (“**AGF**”). AGF is held by five shareholders, each holding less than 30.00% equity interests therein. Beijing Green Investment is ultimately owned as to approximately 45.64% by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). The remaining partnership interests in Beijing Green Investment is held by 14 limited partners, each holding less than 15.00% partnership interests therein.

To the best knowledge of our Directors, all of the abovementioned parties are Independent Third Parties.

Lantern Capital

Lingzhong Longzhi is a limited partnership established in the PRC on August 2, 2016. Shanghai Lingzhong Assets Co., Ltd.* (上海領中資產管理有限公司) (“**Lingzhong Assets**”) is the sole general partner of Lingzhong Longzhi, holding approximately 0.01% partnership interests therein. Lingzhong Assets is owned as to 97.50% and 2.50% by Mr. Huang Yan (黃岩) (“**Mr. Huang**”) and Mr. Li Yuguang (李宇光), respectively. Lingzhong Longzhi is owned as to approximately 14.50% and approximately 10.50% by Lingzhong Qingyan and Zhuhai Lingzhong Dingfeng Equity Investment Fund (Limited Partnership)* (珠海領中鼎峰股權投資基金(有限合夥)) (“**Lingzhong Dingfeng**”), respectively. Lingzhong Dingfeng is owned as to 99.98% and 0.02% by Mr. Huang and Lingzhong Assets, its sole general partner, respectively. The remaining partnership interests in Lingzhong Longzhi is held by seven other limited partners, each holding less than 15.00% partnership interests.

Lingzhong Xingchen is a limited partnership established in the PRC on October 10, 2017. Lingzhong Assets is the sole general partner of Lingzhong Xingchen, holding approximately 0.02% partnership interests therein. Lingzhong Xingchen is also owned as to approximately 38.00%, approximately 33.33% and approximately 28.65% by Ingenious Development (Shanghai) Investment Holding Co., Ltd. (銀基發展(上海)投資控股有限公司) (“**Ingenious Development**”), Ms. Zhang Xuefang (張雪芳) and Ms. Yuan Mingchun (袁明春), respectively. Ingenious Development is owned as to approximately 75.88% and approximately 24.12% by Shanghai Zhuoquan Enterprise Development Co., Ltd.* (上海卓全企業發展有限公司) (“**Shanghai Zhuoquan**”) and Shanghai Jinyu Trading Co., Ltd.* (上海金彥貿易有限公司) (“**Shanghai Jinyu**”), respectively. Shanghai Zhuoquan is ultimately owned as to 70.00% and 30.00% by Mr. Liu Bowei (劉博巍) and Mr. Yuan Yanshun (袁彥順), respectively. Shanghai Jinyu is ultimately wholly owned by Mr. Liu Bowei (劉博巍).

Lingzhong Qingyan is a limited partnership established in the PRC on July 31, 2018. Lingzhong Assets is the sole general partner of Lingzhong Qingyan, holding approximately 0.01% partnership interests therein. Lingzhong Qingyan is also owned as to approximately 9.20% and approximately 2.80% by Zhuhai Lingzhong Zhirui Investment Partnership (Limited Partnership)* (珠海領中智睿投資合夥企業(有限合夥)) (“**Lingzhong Zhirui**”) and Lingzhong Dingfeng, respectively. Lingzhong Zhirui is owned as to 99.96% and 0.04% by Mr. Huang and Lingzhong Assets, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Zhuhai Gongyi is a limited partnership established in the PRC on April 6, 2021. Lingzhong Assets is the sole general partner of Zhuhai Gongyi, holding approximately 0.97% partnership interests therein. Mr. Huang also directly holds approximately 21.36% partnership interests in Zhuhai Gongyi. The remaining partnership interests in Zhuhai Gongyi is held by five individual limited partners, each holding less than 30.00% partnership interests.

Lingxiang Zhihang is a private limited liability company incorporated in the PRC on August 26, 2016. Lingxiang Zhihang is owned as to 90.00% and 10.00% by Mr. Huang and Mr. Li Yuguang (李宇光), respectively.

To the best knowledge of our Directors, apart from Mr. Huang being our non-executive Director, all of the abovementioned parties are Independent Third Parties.

Times Bole

Times Bole is a limited partnership established in the PRC on April 20, 2023. Shenzhen Timesbole Venture Capital Investment Management Co., Ltd. (深圳市時代伯樂創業投資管理有限公司) (“**Timesbole VC**”) is the sole general partner of Times Bole, holding 2.00% partnership interests therein. Timesbole VC is owned as to approximately 69.27% and approximately 23.35% by Shenzhen Hanxin Asset Management Co., Ltd. (深圳市瀚信資產管理有限公司) (“**Shenzhen Hanxin**”) and Shenzhen Gongchuang Bole Management Partnership (Limited Partnership)* (深圳市共創伯樂管理合夥企業(有限合夥)) (“**Gongchuang Bole**”), respectively. The remaining equity interests in Timesbole VC is ultimately owned by five individuals, each holding less than 5.00% equity interests therein. Mr. Jiang Zhongjun (蔣中軍) is the sole general partner of Gongchuang Bole, holding approximately 0.65% partnership interests therein. Gongchuang Bole is owned as to approximately 78.32% by Shenzhen Hanxin. The remaining partnership interests in Gongchuang Bole is held by 15 other individual limited partners, each holding less than 10.00% partnership interests therein. Shenzhen Hanxin is owned as to approximately 81.10% by Mr. Jiang Guoyun (蔣國雲) and the remaining equity interests of Shenzhen Hanxin is held by four other individual shareholders, each holding less than 20.00% equity interests therein.

Times Bole is also owned as to 68.00%, 20.00% and 10.00% by Xianju County Economic Construction and Development Group Co., Ltd.* (仙居縣經濟建設發展集團有限公司) (“**Xianju Development**”), Zhejiang Province Xianju County Industrial Fund Management Co., Ltd.* (浙江省仙居縣產業基金管理有限責任公司) (“**Xianju Fund**”) and Xianju County Industrial Investment and Development Group Co., Ltd.* (仙居縣產業投資發展集團有限公司) (“**Xianju Industrial**”). Xianju Development, Xianju Fund and Xianju Industrial are wholly owned by Zhejiang Xianju Development Holding Co., Ltd.* (浙江仙居發展控股有限公司), which is in turn ultimately owned as to 92.00% and 8.00% by Xianju County State-owned Assets Management Center* (仙居縣國資工作中心) and Zhejiang Provincial Department of Finance* (浙江省財政廳).

To the best knowledge of our Directors, all of the abovementioned parties are Independent Third Parties.

7 Seas Capital

Qipeng VC is a limited partnership established in the PRC on July 12, 2016. Shanghai Qipeng Investment Management Co., Ltd.* (上海七鵬投資管理有限公司) (“**Shanghai Qipeng**”) is the sole general partner of Qipeng VC, holding approximately 2.55% partnership interests therein. Shanghai Qipeng is owned as to approximately 90.91% and approximately 9.10% by Mr. Li Huide (李輝德) (“**Mr. Li**”) and Mr. Meng Guanghui (孟光輝). Qipeng VC is also owned as to approximately 17.83%, approximately 14.86% and approximately 4.46% by Envision Energy (Jiangsu) Co., Ltd. (遠景能源有限公司) (“**Envision Energy**”), Shanghai Qirui Investment Center (Limited Partnership)* (上海七睿投資中心(有限合夥)) (“**Shanghai Qirui**”) and Mr. Li. Envision Energy is owned as to 99.999% by Envision Energy International Limited. Shanghai Qirui is owned as to approximately 85.71% and approximately 14.29% by Mr. Li and Mr. Mao Jiayue (毛家躍). The remaining partnership interests in Qipeng VC is held by ten other limited partners, each holding less than 20.00% partnership interests therein.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Qipeng Yihao is a limited partnership established in the PRC on November 3, 2018. Shanghai Qipeng is the sole general partner of Qipeng Yihao, holding approximately 9.01% partnership interests therein. Qipeng Yihao is owned as to approximately 27.93% by Envision Energy. The remaining partnership interests in Qipeng Yihao is held by five other limited partners, each holding less than 30.00% partnership interests therein.

To the best knowledge of our Directors, all of the abovementioned parties are Independent Third Parties.

ZGC Science-Tech

Beijing Zhongnuo is a limited partnership established in the PRC on May 6, 2022. Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd. (北京中諾同創投資基金管理有限公司) (“**Zhongnuo Tongchuang**”) is the general partner of Beijing Zhongnuo, holding 0.71% partnership interests therein. Zhongnuo Tongchuang is owned as to 51.00%, 39.00% and 10.00% by Tianjin Zhongnuo Tongchuang Management Consulting Co., Ltd.* (天津中諾同創管理諮詢有限責任公司) (“**Tianjin Zhongnuo**”), Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司) (“**ZGC Science-Tech**”), whose shares are listed on the Stock Exchange (stock code: 1601.HK), and Beijing Zhongguancun Co-Innovative Fund Management Co., Ltd. (北京中關村協同創新投資基金管理有限公司). Tianjin Zhongnuo is owned as to 65.00% and 35.00% by Mr. Ren Yanhao (任彥浩) and Beijing Houde Wenhua Investment Consulting Co., Ltd.* (北京厚德文華投資諮詢有限公司), which is in turn owned by Mr. Li Zhu (李竹) with approximately 36.32% equity interests and nine other shareholders, each with less than 20.00% equity interests.

Beijing Zhongnuo is also owned as to 48.40% and 40.00% by Dajia Investment Holding Co., Ltd.* (大家投資控股有限責任公司) (“**Dajia Investment**”) and ZGC Science-Tech. Dajia Investment is wholly owned by Dajia Insurance Group Co., Ltd.* (大家保險集團有限責任公司), which is in turn ultimately owned as to approximately 98.23%, approximately 1.22% and approximately 0.55% by Ministry of Finance (財政部), Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會) and State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), respectively. The remaining partnership interests in Beijing Zhongnuo is held by three other limited partners, each holding less than 10.00% partnership interests therein.

To the best knowledge of our Directors, all of the abovementioned parties are Independent Third Parties.

Zhuhai Shenzhou

Zhuhai Shenzhou is a limited partnership established in the PRC on May 25, 2017. Zhuhai Shenzhou is owned as to approximately 99.93% and approximately 0.07% by Lingzhong Dingfeng and Shanghai Ruzhan Enterprise Management Consulting Partnership (Limited Partnership)* (上海如瞻企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Ruzhan**”), the sole general partner of Zhuhai Shenzhou, respectively. Shanghai Ruzhan is owned as to 90.00% and 10.00% by Ms. Zhang Jingya (張靜雅), its general partner, and Mr. Jiang Dong (江棟), its limited partner, respectively.

To the best knowledge of our Directors, all of the abovementioned parties are Independent Third Parties.

7 Seas VC

7 Seas VC is a private limited liability company incorporated in Hong Kong on August 6, 2015. 7 Seas VC is owned as to 90.00% by 7 Seas Venture Capital, L.P. To the best knowledge and information of our Directors, none of 7 Seas Venture Capital, L.P.’s partners hold more than one third of its interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

FULL CIRCULATION

Our Company [has applied] for H Share full circulation to convert an aggregate of [REDACTED] Unlisted Shares held by all of the existing Shareholders, representing 100.00% of the total issued Shares of our Company as of the Latest Practicable Date and approximately [REDACTED] of the total issued Shares of our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

CAPITALIZATION

The table below is a summary of the capitalization of our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the [REDACTED] of Unlisted Shares into H Shares:

Name of Shareholder	As of the Latest Practicable Date without taking into account the [REDACTED]		Immediately upon completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] is not exercised)		
	Number of Unlisted Shares	Percentage of Shareholding in the Shares (%)	Number of H Shares	Percentage of Shareholding in the H Shares (%)	Percentage of Shareholding in the Total [REDACTED] (%)
Controlling Shareholders					
Mr. Liao	4,955,775	48.32	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Honghe ⁽¹⁾	1,116,584	10.89	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	6,072,359	59.21	[REDACTED]	[REDACTED]	[REDACTED]
Pre-[REDACTED] Investors					
Lantern Capital	1,214,402	11.84	[REDACTED]	[REDACTED]	[REDACTED]
– Lingzhong Longzhi . .	562,783	5.49	[REDACTED]	[REDACTED]	[REDACTED]
– Lingzhong Xingchen .	548,379	5.35	[REDACTED]	[REDACTED]	[REDACTED]
– Lingzhong Qingyan . .	69,876	0.68	[REDACTED]	[REDACTED]	[REDACTED]
– Zhuhai Gongyi	20,213	0.20	[REDACTED]	[REDACTED]	[REDACTED]
– Lingxiang Zhihang . . .	13,151	0.13	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Green Investment	1,146,548	11.18	[REDACTED]	[REDACTED]	[REDACTED]
Times Bole	705,130	6.88	[REDACTED]	[REDACTED]	[REDACTED]
7 Seas Capital	454,589	4.43	[REDACTED]	[REDACTED]	[REDACTED]
– Qipeng VC	394,504	3.85	[REDACTED]	[REDACTED]	[REDACTED]
– Qipeng Yihao	60,085	0.59	[REDACTED]	[REDACTED]	[REDACTED]
7 Seas VC	296,917	2.89	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Zhongnuo	191,050	1.86	[REDACTED]	[REDACTED]	[REDACTED]
Zhuhai Shenzhou	175,415	1.71	[REDACTED]	[REDACTED]	[REDACTED]
Public Shareholders taking part in the [REDACTED]					
[REDACTED]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total	10,256,410	100.00	[REDACTED]	100.00	100.00

Notes:

- (1) Such Shareholders are close associates of Mr. Liao and therefore are our core connected persons. Hence, Shares held by such Shareholders will not be counted towards the public float.
- (2) A total of [REDACTED] Unlisted Shares (taking into account the [REDACTED]) held by Lantern Capital, being the substantial shareholders and core connected persons of our Company, will not be counted as part of the public float, representing [REDACTED] of our issued share capital as of the Latest Practicable Date.
- (3) Save as otherwise indicated in Note 1 and Note 2 above, H Shares held by other Shareholders and the H Shares to be held by Investors taking part in the [REDACTED] will be counted as part of the public float.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT

Immediately upon completion of the [REDACTED] of Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised), [REDACTED] H Shares, representing approximately [REDACTED] of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards the public float of our Company according to Rule 19A.13A(1) of the Listing Rules, as such H Shares are held by our Controlling Shareholders (Mr. Liao and Shanghai Honghe) and our substantial Shareholders (Lingzhong Longzhi, Lingzhong Xingchen, Lingzhong Qingyan, Zhuhai Gongyi and Lingxiang Zhihang), the core connected persons of our Company. To the best of our Directors’ knowledge, information and belief and having made all reasonable inquiries, save as disclosed above, upon the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, [REDACTED] H Shares to be held by our current Shareholders who are not our core connected persons, representing approximately [REDACTED] of our total issued Shares upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will be counted towards the public float. Together with [REDACTED] H Shares to be issued pursuant to the [REDACTED], [REDACTED] H Shares, representing approximately [REDACTED] of our total issued Shares (assuming the [REDACTED] is not exercised) will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules upon [REDACTED].

Assuming that the [REDACTED] is not exercised, based on an [REDACTED] of (i) HK\$[REDACTED] per [REDACTED] (being the minimum [REDACTED] of the indicative [REDACTED]), the market capitalization of our Shares immediately upon [REDACTED] is expected to be approximately HK\$[REDACTED]; (ii) HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), the market capitalization of our Shares immediately upon [REDACTED] is expected to be approximately HK\$[REDACTED]; and (iii) HK\$[REDACTED] per [REDACTED] (being the maximum [REDACTED] of the indicative [REDACTED]), the market capitalization of our Shares immediately upon [REDACTED] is expected to be approximately HK\$[REDACTED].

Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value of our Shares at the time of [REDACTED] does not exceed HK\$6,000,000,000, H Shares representing at least 25% of our total share capital must be held by the public at the time of [REDACTED]; where the expected market value of our Shares at the time of [REDACTED] is over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000, minimum number of H shares held by the public at the time of [REDACTED] as a percentage of the total number of shares in the class to which H shares belong must be the higher of: (i) the percentage that would result in the expected market value of H shares held by the public to be HK\$1,500,000,000 at the time of [REDACTED]; and (ii) 15%.

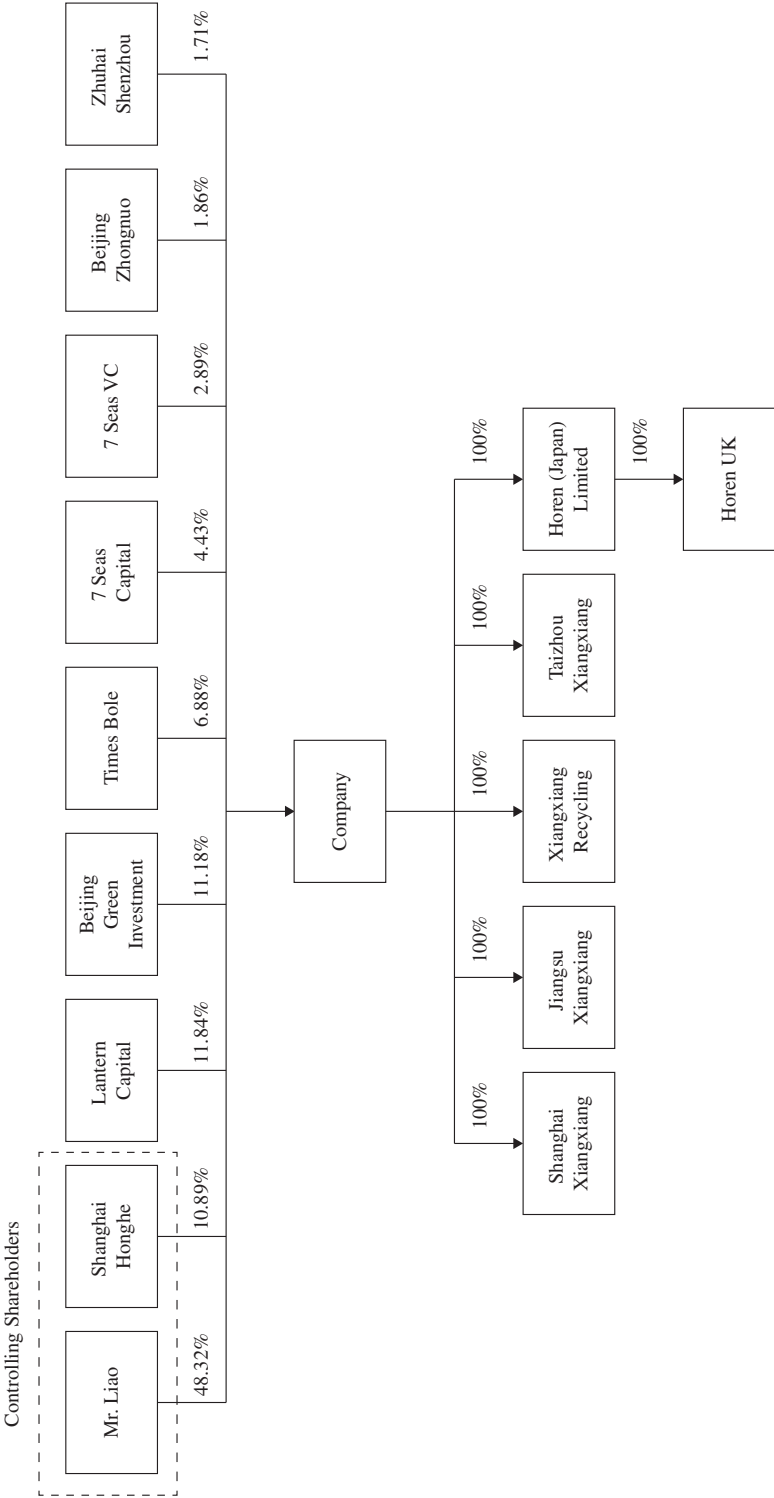
With respect to the indicative [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the indicative [REDACTED]), the expected market capitalization of our Shares at the time of [REDACTED] would not exceed HK\$6,000,000,000. Hence, our Company will be able to comply with Rule 19A.13A(1) of the Listing Rules.

[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

SHAREHOLDING STRUCTURE IMMEDIATELY BEFORE THE [REDACTED]

The following chart sets forth our simplified shareholding structure and subsidiaries immediately before the [REDACTED]:



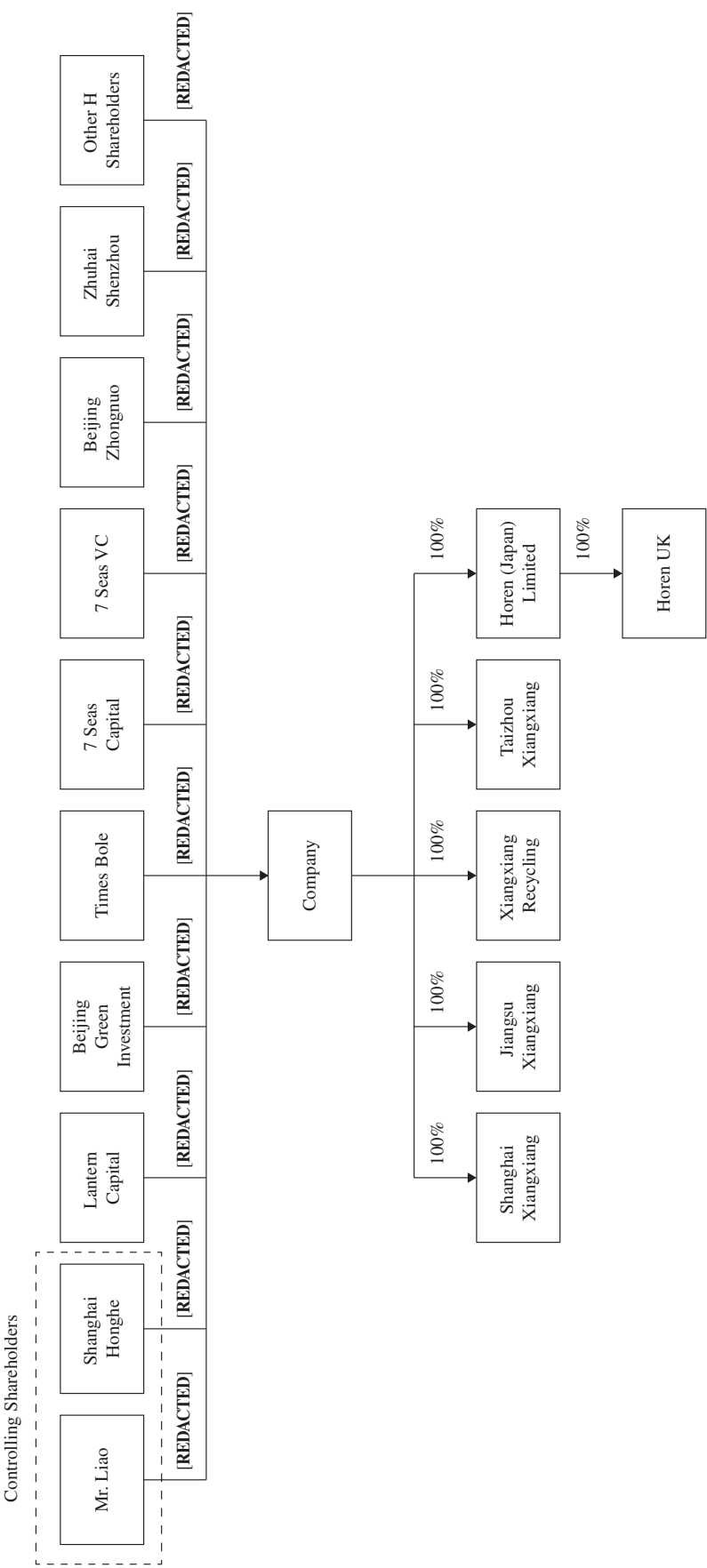
Notes:

- (1) Shanghai Honghe is one of our employee shareholding platforms. Mr. Liao is the sole general partner of Shanghai Honghe. See “— Employee Shareholding Platform” for details.
- (2) Includes Shares held by Lingzhong Longzhi, Lingzhong Xingchen, Lingzhong Qingyan, Zhuhai Gongyi and Lingxiang Zhihang. See “— Pre-[REDACTED] Investment — Information of the Pre-[REDACTED] Investors — Lantern Capital” for details.
- (3) Includes Shares held by Beijing Green Investment. See “— Pre-[REDACTED] Investment — Information of the Pre-[REDACTED] Investors — Asia Green Fund” for details.
- (4) Includes Shares held by Qipeng VC and Qipeng Yihao. See “—Pre-[REDACTED] Investment — Information of the Pre-[REDACTED] Investors — 7 Seas Capital” for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth our simplified shareholding structure and subsidiaries immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note: See notes (1) to (4) of the subsection headed “— Shareholding Structure Immediately Before the [REDACTED]” above for details.

BUSINESS

OVERVIEW

We are a global green supply chain intelligent circular service platform. We address the growing needs across industries for reduction in pollution and carbon footprint, help our customers save costs, and make green supply chain circular services as convenient and accessible as everyday utilities.

Through our reusable packaging product solutions and circular services, we are building a worldwide infrastructure that powers green supply chains. As of the Latest Practicable Date, our business has expanded to major global markets including China, the EU, UK, United States, Japan, South Korea and Southeast Asia. As of December 31, 2025, our service network covered nearly 30 countries and regions, with 26 regional RDCs deployed and over 8,500 FDCs. Our products and services have been adopted by a large number of enterprise customers across various industries. As of the Latest Practicable Date, we have served over 2,700 enterprise customers across over 80 industry verticals, including over 30 Fortune Global 500 companies and over 30 publicly listed companies. We are able to reach a broader range of users through third-party poolers within our worldwide infrastructure.

According to Frost & Sullivan, we hold a leading position in both technological advancement and market presence in the global green supply chain intelligent circular services sector. Among the top five local Chinese peers, we ranked first in revenue growth rate, with a CAGR of 33.8% from 2023 to 2025. In 2025, we ranked first in terms of revenue among independent Chinese green supply chain circular service providers. With globalization being a key driver of our growth, our revenue from outside China accounted for 44.4%, 53.0% and 47.9% of total revenue in 2023, 2024 and 2025, respectively. According to Frost & Sullivan, as of December 31, 2025, we ranked first globally and in China in our industry by number of granted invention patents.

We have achieved various accomplishments across our principal business areas, as highlighted below.

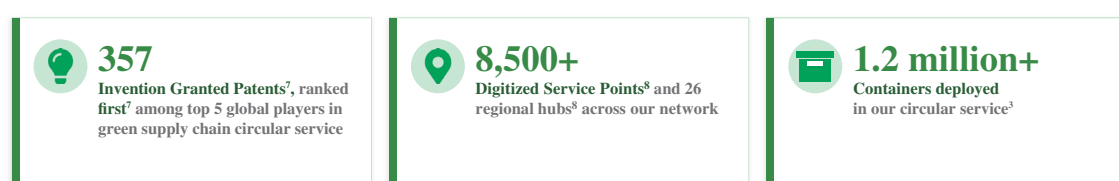
Financial Performance



Customer Excellence



Innovation and Scale



Notes:

1. Revenue growth rate from 2023 to 2025;
2. Calculated by revenue growth from 2023 to 2025, according to Frost & Sullivan;
3. As of financial year ended December 31, 2025;
4. Calculated as the revenue generated in financial year 2025 from Key Accounts retained from year 2024, divided by the revenue generated from Key Accounts in year 2024;
5. Number of Key Accounts retained in 2025 from year 2024;
6. As of the Latest Practicable Date;
7. Calculated by the number of invention granted patents as of December 31, 2025, according to Frost & Sullivan; and
8. As of December 31, 2025

BUSINESS

As a national-level SRDI “Little Giant” enterprise recognized by MIIT, and a National High-Tech enterprise, we provide highly reliable, reusable intelligent packaging solutions for a wide range of industries including non-hazardous chemicals, food and beverage, new energy vehicle components, semiconductor chips, pharmaceuticals, beauty and personal care, and fresh cold chain logistics. We leverage technological innovation and data analytics to support the secure circulation of critical raw materials and help customers upgrade their supply chains in a greener and more cost-efficient manner. Consequently, our green supply chain intelligent circular service solutions enable customers to reduce overall logistics packaging costs by over 30% and related carbon emissions by approximately 75% to 95%.

We have three business models that allocate asset ownership, operating responsibilities and revenue streams according to market maturity and ecosystem readiness. The SP model enables us to directly build and operate circular service infrastructure in emerging markets; the TP model allows us to participate in mature overseas markets primarily through product, consumables and accessories supply to independent circular service providers; and the CP model enables us to co-develop standardized and digitalized circular systems with chain-owner enterprises and strategic partners.

In tandem with our three business models and through our end-to-end digital capabilities and self-developed CoRTP platform, we have built a lean operating system for our circular services with DPU as the minimum operational and measurement unit. Unlike traditional circular service models, which are typically managed by batch, project or service cycle, our model captures the daily status, usage and movement of each individual packaging asset throughout its lifecycle, including deployment, circulation, customer use, return, maintenance and redeployment. This provides us with end-to-end visibility and traceability over our circular packaging assets, and enables reliable lifecycle management based on asset-level operating data. Such data further allows us to conduct cost analysis and efficiency assessment by route, customer scenario and packaging type, and to optimize asset allocation and turnover efficiency, thereby improving asset utilization and overall operating efficiency. In addition, we are making our product solutions DPU-ready, enabling customers to integrate more effectively with intelligent supply chains. See “— Our Business Model.”

We play a leading role in connecting participants across the industry chain, including users, circular service providers, manufacturers and industrial finance institutions, thereby fostering a more coordinated and transparent green supply chain circular ecosystem. Our industry leadership is further demonstrated by our (i) membership in 15 domestic and international industry organizations, including the China Federation of Logistics & Purchasing and the Reusable Packaging Association (“RPA”), and (ii) participation in the formulation of four national technical standards and one industry standard as of December 31, 2025. Leveraging our frontline operating experience and industry insights, we are able to contribute to the development of industry standards and promote best practices across the green supply chain circular ecosystem.

Our Technologies

Technology is a core driver of our business model and our ability to manage total cost across the value chain. We have developed and integrated in-house technology system spanning engineering and intelligent manufacturing technology, AIoT hardware, intelligent robotic equipment and digital platform technology. These end-to-end capabilities are embedded across the product design, operations management, service delivery, supporting the standardized deployment and scalable replication of the DPU model across various industries.

- ***Engineering and Intelligent Manufacturing Technology.*** We integrate material modification, structural optimization, forming processes, and welding technologies into a cohesive technology matrix, enabling adaptability across diverse application scenarios such as food, pharmaceuticals, and chemicals, enhancing functional performance and durability. On intelligent manufacturing, we deploy MES systems and a digital control platform to achieve coordinated control across the full process in our global production bases, significantly improving mass production efficiency, product quality stability, and flexible manufacturing.

BUSINESS

- ***AIoT Hardware.*** We have developed proprietary IoT solutions that upgrade traditional industrial packaging into always-online smart terminals. The hardware layer integrates industrial-grade low-power chips and multi-mode communications (4G Cat.1 and other bands), supported by contactless sensing modules and adaptive mesh networking protocols. This achieves a fundamental transformation of assets from “offline” to “online,” providing a tamper-proof, real-time data foundation for precise DPU measurement, as well as anti-loss and anti-theft functions.
- ***Intelligent Robotic Equipment.*** We have developed a matrix of robotic solutions for key reusable packaging workflows, including filling, discharging, washing, unfolding and folding. Our self-developed filling robots, discharge robots, washing robots and container erecting and folding robots provide automated support for packaging operations and daily workflows.
- ***Digital Platform Technology.*** We have built the CoRTP platform as an integrated hardware-software infrastructure. Based on IoT sensing capabilities, the platform integrates asset identification, status capture, data governance and business collaboration on a unified system, enabling visibility and traceability across reusable packaging assets of different sizes. Through data-driven decision-making and resource allocation, the platform supports dynamic route planning and predictive scheduling. As a result, each “DPU” becomes identifiable, measurable, traceable, and billable, providing a transparent and trustworthy collaboration environment for multiple stakeholders while accumulating high-value circular data assets.

Market Trends and Opportunities

The global green supply chain market is enormous and growing rapidly, supporting the structural upgrade of packaging, warehousing, logistics and related supply chain services. According to Frost & Sullivan, the global green supply chain circular service market was RMB406.2 billion in 2025 and is expected to reach RMB633.7 billion by 2030, representing a CAGR of 9.3%. We believe this growth is driven by climate goals, circular economy policies and industrial upgrades, which are encouraging global supply chains to shift from traditional linear models dependent on one-time consumption towards circular, low-carbon and digital sustainable models. The policy direction of major economies generally encourages reduction, reuse, improved recycling of packaging, and greater transparency with traceability.

In China, the 15th Five-Year Plan (2026 to 2030) identifies logistics networks as a core element of new-type infrastructure, accelerating upgrades in digitalization, connectivity and intelligent operations. In the EU, regulation-led standard setting, particularly through initiatives such as the PPWR, is pushing a rapid shift from single-use packaging toward circular, recyclable, and digitally traceable packaging solutions across the supply chain. In Japan and South Korea, the convergence of carbon-neutrality targets with digital transformation strategies is elevating requirements for measurable, technology-enabled decarbonization, supporting a premium market for intelligent pooling and high value-added reusable packaging applications. In Southeast Asia, multiple countries are aligning national carbon-neutrality commitments with resource-recycling and circular-economy roadmaps, accelerating the formation of a regional green ecosystem and driving structural demand for greener supply chain services. Taken together, these developments indicate that major economies globally are embracing circular economy practices, carbon reduction and digital transformation, creating significant market opportunities for green supply chain circular services, and we are well positioned to capture these opportunities through our integrated capabilities and established global network.

BUSINESS

Our Value Proposition

Green supply chain circular products and services in general offers significant market potential because potential clients are constrained by high entry barriers, fragmented infrastructure, and operational complexity to implement by themselves. We are therefore committed to making these products services more accessible and have developed our differentiated competitiveness around the following three core value propositions:

Lowering Container Usage Costs and Enhancing Returns through DPU as a Refined Operating Unit

We use DPU as a digitalized operating unit for circular services. By redefining how reusable packaging services are measured, managed and evaluated, DPU moves beyond the limitations of traditional circular service arrangements that are relatively longer term and creates value that is measurable, traceable and transparent for stakeholders across the industry chain.

- **For end users:** DPU provides a more transparent and reliable billing and operating environment. It supports more refined cost accounting and utilization analysis by route and by individual packaging unit, helping users identify packaging idling, loss and other inefficient links across the supply chain, improve return-flow efficiency, shorten circulation cycles and optimize total supply chain costs.
- **For service providers and owner-operators:** DPU serves as a more refined operating metric for full-lifecycle asset tracking, turnover management and value assessment. This supports the digitalization and lean upgrading of their operating systems and enhances asset returns.
- **For capital providers:** DPU-level operating data allows clearer assessment of asset utilization efficiency, return cycles and investment visibility. This may support access to lower-cost funding and contributes to a post-investment management and evaluation framework centered on operating quality.

Accordingly, by advancing refined operations with DPU as the basic management unit, we continue to improve asset utilization and return levels, support the scalable deployment of circular services and make such services more accessible to our customers on an economically sustainable basis for us.

Delivery Reliable Solutions through End-to-End Capabilities across the Full Value Chain

By connecting material science research, structural design, process engineering, intelligent manufacturing and digital operations, we have built an integrated end-to-end capability system spanning R&D, production and operations. This system enables us to efficiently respond to diverse application scenarios, shorten product development and deployment cycles, maintain greater consistency in product quality and significantly lower barriers for customers and partners transitioning to reusable packaging.

These full-chain capabilities provide a solid, reliable and scalable industrial foundation for the broader replication of circular product and service solutions and support the long-term sustainability of value creation. At the same time, by improving deployment efficiency and execution reliability across the full value chain, these capabilities also help reduce the cost of placing and operating circular packaging assets. This promotes the adoption of circular product and services in a more cost-efficient manner and making them more accessible.

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Driving Platform Value Growth through the Accumulation of Data Assets

Leveraging our CoRTP platform, we continue to accumulate multi-dimensional, high-value and multi-modal data assets. These data assets include information such as packaging type, real-time asset status, geolocation, user industry, participating upstream and downstream enterprises, the name, form and quantity of packaged products, circulation cycles, usage frequency and relevant regional and seasonal patterns. The continued accumulation of such data drives the ongoing optimization and evolution of both our digital platform and our operating system.

- **For enterprise customers:** we apply these data capabilities to operating scenarios such as demand forecasting, route optimization and carbon footprint accounting, helping them improve efficiency and reduce costs. Our digital carbon accounting framework also enables us to provide more transparent and verifiable data to support customers in ESG disclosure, supply chain decarbonization and related sustainability management.
- **For the platform:** the scaled accumulation and intelligent application of data support more refined control across the full operating chain and more systematic cost optimization. These capabilities improve dispatch and resource allocation efficiency, reduce asset idling and loss risk and support coordinated online operations across regions and countries.

On this basis, data-driven optimization supports the continuous iteration and upgrading of our business model, as well as reinforces our ability to optimize total cost across the full value chain. We believe these data assets strengthen the scalability and value of our platform, support the replacement of one-time packaging with reusable packaging and make reliable and transparent circular services more accessible.

OUR STRENGTHS

We believe the following competitive advantages enable us to capture the growing demand for green supply chain intelligent circular service:

Global Intelligent Circular Service Platform with Broad Industry Coverage and Operations

We are a worldwide participant in the global green supply chain circular service industry. This position reflects technological capabilities, global operating experience and scaled execution capabilities that we have developed over time.

As of December 31, 2025, we had 357 granted invention patents and, according to Frost & Sullivan, ranked first globally in our industry by number of granted invention patents. In 2025, 47.9% of our revenue was generated outside China, the highest proportion among independent Chinese participants in the green supply chain circular services sector. As of the Latest Practicable Date, we have served over 2,700 enterprise customers across over 80 industry verticals, including over 30 Fortune Global 500 companies and over 30 publicly listed companies.

On this basis, we have established a green supply chain infrastructure network covering nearly 30 countries and regions. As of December 31, 2025, our network comprised 26 RDCs and over 8,500 FDCs, enabling us to provide relatively consistent intelligent circular services across a range of geographies and operating scenarios. Supported by our self-developed CoRTP platform and DPU-based operating model, we connect users, circular service providers, manufacturers and industrial finance institutions across the reusable packaging lifecycle.

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Drawing on our industry experience, we have adapted our solutions across a broad range of end markets. By providing consistent service quality and operational reliability, we have built customer trust and integrated our services into customers’ supply chains. These long-term relationships enable us to continue accumulating industry know-how and operating data, which in turn supports further refinement of our offerings for sector-specific global needs. As of the Latest Practicable Date, our circular service solutions covered, including non-hazardous chemicals, food and beverage, automotive and home appliance parts and fresh cold chain.

Integrated End-to-End Industrial Capabilities and Infrastructure Across the Full Value Chain

We have built integrated end-to-end industrial capabilities and infrastructure spanning research and development, engineering and manufacturing, circular services and ecosystem collaboration. We believe this integrated platform is a key competitive strength, as it enables us to develop, manufacture, deploy and operate reusable packaging solutions within a unified, standardized and digitalized framework. This enhances our ability to maintain product quality and service consistency, respond efficiently to customer needs and support scalable deployment across different industries and application scenarios.

On the upstream side, we have established integrated product development, engineering and manufacturing capabilities that support both standardized and customized solutions. We operate three R&D centers in Shanghai, Suzhou and Jiaxing, and have built a product library comprising over 50 standardized stock keeping units and over 100 customized liquid-liner variants as of the Latest Practicable Date. As of December 31, 2025, we had applied for 968 patents globally, including 179 granted invention patents in China and 161 PCT international applications. Together, these capabilities support relatively rapid solution development and adaptation across multiple industry applications while helping us maintain supply stability and technical depth as we expand across markets.

We have also established substantial engineering and manufacturing capabilities that support product reliability, process consistency and scalable delivery. We operate two manufacturing facilities in Zhejiang and Jiangsu covering more than 40,000 square meters in aggregate, together with a flexible third-party manufacturing network operating under our technical standards and process requirements. Supported by in-house testing, quality verification and MES-based production management, we are able to maintain process visibility, traceability and quality consistency across scaled production. This integrated manufacturing platform allows us to support both standardized and customized product solutions across different industry applications.

On the midstream side, we have built a nationwide and international service network that is embedded into our customers’ supply chains. Through our grid-based operating model and self-developed CoRTP platform, we are able to provide standardized lifecycle services covering collection and dispatch, cleaning, repair, storage and consumables management, while enabling full-lifecycle visibility, centralized scheduling and coordinated resource deployment across regions. These capabilities allow us to deliver responsive and reliable service across a distributed network and support efficient asset circulation under different service arrangements.

On the downstream side, we have developed standardized operating methods, professional training systems and partner governance mechanisms that support broader participation across the value chain. During the Track Record Period, we formulated various operating SOPs and provided more than 1,000 training sessions for partners. We believe this combination of upstream industrial capabilities, operating infrastructure and ecosystem enablement strengthens our execution, lowers implementation complexity for customers and partners and supports the replicable deployment of our solutions across industries, geographies and operating scenarios.

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Taken together, our integrated end-to-end industrial capabilities and infrastructure enable us to deliver more than standalone products by providing reusable packaging solutions supported by coordinated product development, manufacturing, operations and ecosystem collaboration. This integrated model enhances our ability to maintain consistent quality and service standards, respond efficiently to customer requirements, support reliable and timely delivery, and reduce implementation complexity for customers and partners. It also strengthens our ability to optimize total cost across the value chain and replicate our solutions across industries, geographies and application scenarios, thereby supporting sustainable growth and deeper customer integration.

An Early Mover in Global Expansion with Strong Positioning in High-Growth Markets

We have strong global operating capabilities and first-mover advantages in developed markets with our proprietary products. Our global expansion is value-driven and propelled by three pillars: manufacturing internationalization, technology internationalization, and brand internationalization, which underpins sustainable international growth.

- ***Manufacturing internationalization.*** We have established a flexible production network comprising core manufacturing bases and regional partners. In China, we operate two high-tech automated manufacturing bases in Zhejiang and Jiangsu, which support the implementation of our core technologies. Overseas, we adopt localized manufacturing arrangements. In the United Kingdom, we have cooperated with a local OEM supply chain partner to achieve nearly 70% localized production and delivery, which has shortened delivery lead times.
- ***Technology internationalization.*** Leveraging our accumulated industry experience, we have established local teams in China and multiple overseas markets comprising sales, engineering and technical personnel. These teams support technical consultation, solution planning, delivery and after-sales service. We study local market characteristics, industry standards and customer requirements and use those insights to develop products and solutions for international markets. As of December 31, 2025, we had completed deliveries for 782 customers across nearly 30 countries and regions.
- ***Brand internationalization.*** We have moved away from the traditional OEM model and focus on developing our own brand. In overseas markets, we use “HOREN” as our core brand. Through the Madrid system, we have secured trademark protection in the European Union, the United States, Japan and other major markets. Through continuous product innovation and dedicated service, we received the “UNIDO Director General’s Recognition — Single Champion in Innovation Index”, and were named a “Shanghai Foreign Trade Independent Brand Demonstration Enterprise”, showcasing the competitiveness of leading Chinese intelligent manufacturing going global under an independent brand, laying a solid foundation for the long-term growth of our business.

Deeply Integrated with Global Leading Customers, Creating Strong Multiplier Effects

Through long-term cooperation and service delivery with leading enterprises in various industries, we believe our industry-leading technological solutions and strong service capabilities have enabled us to establish highly trusting collaborative relationships with customers. This deep integration not only provides us with a stable and high-quality business foundation, but also produces a significant benchmark and demonstration effect in the industry.

We have successfully integrated ourselves into the green supply chain systems of numerous global leading companies, and in many cases have become a core partner in their green transformation. As of the Latest Practicable Date, we have served over 2,700 global enterprise customers, including over 30 Fortune Global 500 companies and over 30 publicly listed companies, covering at least 30 world-renowned leading circular service providers. This fully showcases our powerful global business development and channel integration capabilities. These customers

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typically impose strict requirements on product performance, operating efficiency, sustainability, and total lifecycle cost. By providing comprehensive solutions that integrate packaging products, supporting consumables, network-based pooling services and system integration, we fulfill our customers’ core needs for safe and reliable supply chain management in industrial scenarios, thereby continuously strengthening our industry reputation. Our retention rate from Key Accounts was 98.5% in 2025.

We believe the proven track record and best practices accumulated through serving top customers have generated a strong demonstration and spillover effect across the industry. Our solutions and operating model have become important references for enterprises in various industries as they implement green supply chain upgrades. This enables us to replicate the technology, products and operational experience honed in large customers complex projects and apply them to a broader customer base, including established mid-sized enterprises and fast-growing firms, thereby supporting the adoption of reusable packaging and intelligent circular service in a wider range of scenarios.

Data-Driven Cost Efficiency Across the Value Chain

Our ability to optimize total cost across the chain derives from our focus on manufacturing cost, operating cost and the funding cost of asset pools. Leveraging data accumulated on the CoRTP platform, we are able to improve efficiency and cost control across the following dimensions.

- ***Data-driven manufacturing cost optimization.*** Using in-house capacity supplemented by integrated third-party capacity, we use historical data analysis and trend forecasting to support production planning. By coordinating molds, equipment and personnel across plants and combining in-house and outsourced production, we seek to improve capacity utilization and manufacturing cost efficiency.
- ***Data-driven operating cost optimization.*** Using DPU as the smallest value unit, we use data to optimize network layout and asset turnover across logistics, warehousing, washing and settlement. Leveraging this system, we enable our customers to enhance coordination with their upstream and downstream partners, accurately identify abnormal routes with potential risks of asset idling, loss or damage, and implement timely rectification measures, thereby driving down the total operating costs across the supply chain.
- ***Data-driven capital cost optimization.*** Using our “one container, one code” digital identification technology, we build a transparent asset management and value-tracking system. By using data on DPU operations and returns, we enhance asset transparency and help capital providers assess the economics of the relevant assets, which in turn facilitates our access to financing on more favorable terms. As of December 31, 2025, we had secured nearly RMB200 million in debt financing from a Hong Kong-listed leasing partner.

We have obtained certification under the Integration of Informatization and Industrialization Management System promoted by the MIIT (standard number GB/T 23001), achieving an AAA rating, the highest level under this system. This certification supports the compliance, security and credibility of our data and provides a foundation for further data utilization, such as carbon credit trading. The data we accumulate supports internal operations and has broader industry applications. Our operational data is closely linked with physical assets, and encompasses multiple data points such as location, status, number of circulation cycles, wear and loss conditions, and customer behavior.

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Management Team with Deep Industry Insight and Global Operating Experience

We are led by a senior management team with substantial industry experience and global perspectives. Throughout the Company’s development, management has been responsible for strategic planning and disciplined execution in support of our growth and market position.

Our team is led by our founder, Chairman and Chief Executive Officer, Mr. Liao Qingxin, who has over 25 years of experience in the global reusable packaging industry. He has accumulated experience in technology trends, market development, global expansion and industrial implementation. He currently serves as a Vice Chairman of the China Federation of Logistics & Purchasing’s Logistics Equipment Committee, an Executive Director of the China Association of Circular Economy, among other roles. He has received recognitions including National “Ten Thousand Talents Plan” Tech Entrepreneurship Leading Talent, Technology Innovation & Entrepreneurship Talent under the Ministry of Science and Technology’s “Innovation Talent Promotion Plan,” Distinguished Innovation & Entrepreneurship Talent of the Zhangjiang National Independent Innovation Demonstration Zone and Leading Figure in Shanghai’s industry and commerce community. With this experience, he has led the Company through product innovation, digital transformation and global expansion and has played a central role in the development of our core strategies.

Our core management team brings complementary experience and has a well-integrated skillset. On average, team members have over 20 years of industry experience and have been involved across technology R&D, standard-setting and scaled operations. Collectively, they hold hundreds of patents and have led or participated in the drafting of numerous national and industry standards. They combine R&D capabilities with commercialization experience.

Since inception, we have focused on building a global talent pipeline. Through an open platform ecosystem and a clear vision for development, we have attracted many top talents from the global industry to join us. These include Mr. Martin Thornhill, formerly of CEVA Pallex in Europe, and Mr. David Allen Edwards, formerly of Loscam Asia-Pacific, among other core talents with professional overseas operations management experience. They not only bring valuable international networks and operational expertise, aiding our expansion in Europe and accelerating our global business, but also underscore the appeal of our platform to top global talent.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business:

End-to-End Upgrade from Data-Driven to Agent-Driven Operations

We plan to continue increasing our investment in digitalization and intelligence, reinforcing the CoRTP platform as the core operating layer of our circular services, and to upgrade our end-to-end management capabilities and develop industry- and scenario-specific digital modules to support standardized execution across different customers and operating environments. We also plan to further unlock the value of our operational data by expanding into higher value-added digital services, including tools and modules to support carbon management and other sustainability applications, thereby enhancing customer integration capabilities and our overall value contribution. Based on our “one container, one code” mechanism, we plan to strengthen end-to-end data connectivity across the full operating chain and improve the quality of data captured across our network, which we believe will support more balanced circulation, higher asset utilization and improved DPU economics. As we progressively establish a closed-loop digital operating model, we plan to introduce and strengthen AI capabilities for optimizing asset dispatch and demand forecasting, and combine this with IoT monitoring to improve real-time visibility into the lifecycles of our reusable assets. We aim to continuously build a closed-loop operating model that integrates data accumulation, algorithm iteration, and full-chain cost optimization.

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We also plan to progressively introduce automated equipment for network loading and extend our capabilities toward smart warehouses and unmanned warehouses, advancing from digital tools to self-learning, self-evolving, industry-grade AI agents, delivering structural efficiency improvements to the circular economy.

Build a Global Footprint Centered on Localization, Collaboration and Innovation

We pursue a globalization strategy centered on localization, collaboration and innovation. Through local talent, local manufacturing and local intellectual property arrangements, we seek to build localized operating foundations. Through joint sales, marketing, service delivery and investment, we aim to deepen collaboration with local partners. We also intend to improve the applicability of our products and services through continued innovation in technology, application scenarios and operating models.

Within this framework, we plan to accelerate the expansion of our global footprint and strengthen local execution capabilities, with a focus on three priority markets: Europe, Southeast Asia and North America. In Europe, we plan to strengthen local manufacturing and service capabilities. In Southeast Asia, we plan to build localized service networks and complement our China network with cross-border capabilities. In North America, we plan to focus on customers with strong customization needs and provide application-specific solutions.

We may also pursue overseas expansion through strategic partnerships, minority investments and acquisitions. In selecting potential partners or targets, we intend to prioritize those that can enhance local delivery capabilities, expand network coverage, provide high-quality customer scenarios or add complementary technology or operational capabilities, while maintaining integration discipline and financial prudence.

Upgrade Global Intelligent Manufacturing Capacity

To support our globalization strategy and business growth, we plan to implement a structured capacity-expansion roadmap. In China, we intend to invest in the construction of the Xianju low-carbon intelligent factory to support the rapid expansion of asset pools in China and emerging markets in Asia. Overseas, we plan to establish localized production arrangements, such as OEMs in Europe as demand grows and, through our European presence, further support the development of the North American market.

In all new capacity, we intend to incorporate intelligent and green-manufacturing concepts, including automated production lines, energy-efficient equipment and net-zero intelligent energy-management systems. We believe these investments can improve efficiency, ensure product-quality consistency and support sustainable operations. We expect capacity expansion to remain one of our core investment priorities over the next several years.

Accelerate Expansion into High-Growth Scenarios and Standardized Replication

Building on the industries we already serve, including non-hazardous chemicals, food and beverage, new energy vehicle components, semiconductor chips, biopharmaceuticals, fresh cold chain logistics and beauty and personal care, we plan to accelerate our expansion into other strategic emerging industries. In particular, we intend to focus on high-potential, high-value-added scenarios with urgent needs for green transition, such as raw materials for new energy batteries, specialty chemical materials and liquid-material transportation in biopharmaceutical processes.

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We intend to leverage our capabilities in identifying emerging sub-segments and to co-develop targeted solutions together with leading customers. By rapidly establishing standardized DPU service networks in key scenarios, we aim to support scaled contract conversion and cross-regional replication and increase the use of DPU in our circular services. In parallel, we intend to strengthen our intellectual property layout in these new fields. We also plan to convert validated solutions into more standardized offerings and promote them more efficiently through our ecosystem partner network, thereby creating benchmark cases and expanding coverage among a broader customer base.

Advancing a Collaborative Ecosystem that Shares Growth and Value

We continue to advance our platform strategy by integrating resources across the industry value chain in order to improve operating efficiency and expand the scalable growth potential of our circular services.

- For end users, we plan to provide standardized assets and services and to use our digital systems to expand service coverage, improve responsiveness and enhance customer experience. This is intended to support customers transitioning from one-time packaging to reusable solutions, including through advisory services, solution testing, pilot programs and scaled deployment.
- For ecosystem partners, including manufacturing, logistics, warehousing and capital partners, we plan to provide standardized system interfaces and collaboration mechanisms to facilitate their integration into our service network. This is intended to enable such partners to use our platform in providing circular services for third-party assets and to participate in end-to-end process coordination and value creation.
- For new service entrants, we plan to provide highly standardized services for specific application scenarios. We also plan to continue advancing our “Industrial Green Collar Initiative” in order to attract additional operating resources and service talent. Our objective is to support broader participation through a lighter and more scalable model.

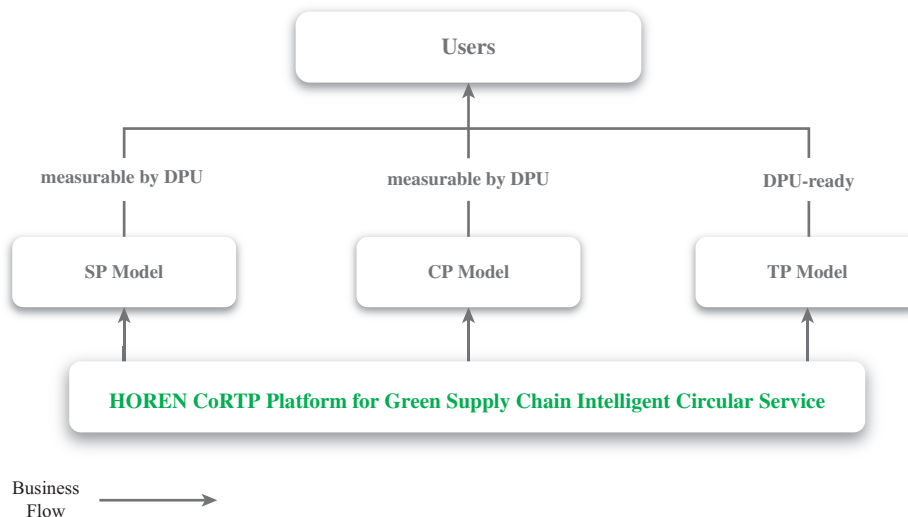
We also plan to continue participating in industry standard-setting initiatives and related exchanges. Through standardized practices and continued technological development, we aim to improve industry coordination and strengthen our position in the green supply chain circular services sector. We believe platform development is not solely about competing for existing market share, but also about expanding the addressable market by enabling broader participation in circular services.

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OUR BUSINESS MODEL

Overview

We are a global green supply chain intelligent circular service platform. We use DPU, defined as one packaging for one day of use, as the smallest value unit in our operating model. Through standardized and digitalized operating methods, we convert traditional rental model into a time-based model priced on a daily basis. This approach addresses longstanding constraints in the traditional reusable packaging industry, including lack of value added services and low operating efficiency. We developed three business models, namely SP, TP and CP, to address different customer requirements, capital allocation preferences and delivery arrangements.



The following table summarizes our three business models.

Business Models	Features
SP	• Applicable Markets. Emerging markets where demand is growing rapidly but infrastructure and industry ecosystems remain underdeveloped (e.g., China, Southeast Asia and other emerging markets along the Belt and Road). • Operating Model. We provide reusable packaging circular services directly to our customers through our own operations. We are responsible for the key elements of service delivery, including solution design, packaging manufacturing, asset deployment, and day-to-day operations across the service network. Our operational scope typically includes the collection, inspection, cleaning, repair and redeployment of packaging assets, as well as the supporting planning and scheduling. • Revenue Sources. Customer charges are calculated primarily by reference to DPU together with other agreed service fees and charges under the relevant contract. • Asset Ownership. Circular assets are invested in and owned by the Group. We bear depreciation, maintenance, and operating costs and are entitled to all related returns.

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Business Models	Features
TP	• Applicable Markets. Mature markets with substantial sophisticated pooler bases that require intelligent and low-carbon upgrading (e.g., European and North American markets) • Operating Model. We sell reusable packaging solutions with DPU-ready products and related parts and consumables to third parties in a buyer-seller relationship. The third party is responsible for operating the packaging assets and organizing any pooling, recycling and related operational activities. Our role under this model focuses on product-based delivery, which may include product specification alignment, customization, manufacturing coordination, delivery support and after-sales support. • Revenue Sources. Primarily generated from product sales, together with sales of consumables, spare parts and accessories and any agreed service fees. • Asset Ownership. Circular assets are owned by third-party circular service providers. The Group does not bear asset investment or depreciation costs.
CP	• Applicable Markets. Segmented markets where chain-owner enterprises and strategic partners seek to establish or upgrade green, standardized, and digitalized circular service system. • Operating Model. We co-develop circular services with industry leading enterprises, which are able to set operating standards across upstream suppliers and downstream customers through the DPU model. We work with industry leading enterprises to establish a standardized and digitalized reusable packaging service system, supporting the upgrading of their supply chains towards reusable and circular packaging. The industry leading enterprise typically leads the formulation and rollout of reusable packaging standards within its supply chain, while we provide reusable packaging assets, the pooling network and related services, and access to the CoRTP platform. • Revenue Sources. We charge chain-owner enterprises or their designated entities for our circular packaging services, comprising platform service fees and asset usage fees depending on the ownership of the relevant circular packaging assets: (i) if the assets are owned by us, we charge platform service fees and asset usage fees; and (ii) if the assets are owned by chain-owner enterprises or our partners, we charge platform service fees only. Platform service fees include CoRTP platform access fees, digital system usage fees, supporting circular operation service fees and contractually agreed value-added service fees. • Asset Ownership. Circular asset pools are invested in and owned by the Group and/or the chain-owner enterprises.

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The following table sets forth our revenue by three business models for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
TP	118,152	44.4	199,988	53.0	228,017	47.9
SP	107,656	40.5	121,630	32.2	176,872	37.2
CP	40,102	15.1	55,609	14.7	71,002	14.9
Total	265,910	100.0	377,227	100.0	475,891	100.0

DPU — Bedrock of Our Green Supply Chain Circular Service Platform

DPU is the bedrock of our green supply chain circular service platform. By using DPU as our smallest unit of value, we integrate our digital capabilities with our industrial capabilities and continue to support the scaled deployment and replicable expansion of our circular service business.

DPU as a Transparent and Reliable Billing Capability

We define DPU as the basic unit for revenue generation, measurement and accounting in our circular service business. One DPU represents one standard reusable packaging unit being available for use under a circular service arrangement for one calendar day. Based on this smallest unit of value, we are able to conduct refined cost accounting and utilization analysis for each packaging unit and each day of use, which in turn allows customers to implement transparent and reliable billing management on a route-by-route basis. We also provide flexible and diversified billing arrangements, including dispatch billing, loaded-container billing, collection billing, two-stage billing (dispatch and collection), DPU billing, order-based daily rental billing (based on order volume with batch write-offs on a first-in, first-out basis) and annual rental billing, in order to accommodate different customer needs and capital allocation preferences.

Under our SP and CP models, we use DPU as a measurement and operating concept to support pricing transparency, asset management precision and network operating efficiency. Under our TP model, we provide reusable packaging product solutions that are DPU-ready. Under DPU-based circular service arrangements, customers generally pay service fees based on the actual number of reusable packaging units used and the duration of use, rather than purchasing packaging assets or entering into traditional fixed-term rental arrangements for dedicated reusable packaging products. Our CoRTP platform supports DPU-based billing, reconciliation and settlement.

DPU as a Refined Cost Control Model

Leveraging our CoRTP platform, we have built a cost control model covering the full lifecycle of reusable packaging assets, including packaging materials, consumables, logistics expenses, cleaning and repair and other end-to-end circular service cost elements. Through this model, we are able to analyze upstream and downstream circular routes across our customers’ supply chains, identify packaging idling, loss and other inefficient links across the full chain, diagnose abnormal routes with elevated circular service costs and work with customers on upstream-downstream joint governance measures, thereby helping reduce total operating costs across the supply chain.

This model also supports decision-making relating to new asset pool investments. By integrating existing asset utilization data, expected customer demand data and regional empty-container recovery data, it provides decision-support capabilities across multiple dimensions, including peak and trough forecasting, order fulfillment capacity forecasting, cost optimization analysis and carbon reduction effect estimation.

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DPU as a Reliable Quality System

Leveraging our full-chain capabilities across research and development, manufacturing, service network operations and digital systems, we optimize product design and operating processes from the perspective of circular products and service scenarios, with a view to enhancing the durability and reliability of each packaging unit throughout its circulation cycle and extending its service life. This helps maximize the total number of DPUs generated over the full lifecycle of each packaging unit and supports a safer and more reliable user experience.

From the perspective of DPU-based service delivery, addressing user needs extends beyond the packaging asset itself to the related operating equipment that supports the service. We have also developed automated operating equipment, including filling, discharge, cleaning and container erecting and folding robots. These automated systems improve operating efficiency and operational safety, further reduce labor input and enhance ease of operation, thereby supporting the standardized deployment of the DPU model across different industries.

We continue to expand the application of DPU from bulk liquid circular solutions into additional application scenarios. We first applied DPU-based measurement and billing on a comprehensive basis in our bulk liquid circular solutions. During the Track Record Period, the number of DPUs generated under our bulk liquid circular solutions was approximately 16 million, 21 million and 25 million in 2023, 2024 and 2025, respectively. During the same period, revenue from container services under our bulk liquid circular solutions increased from RMB42.7 million in 2023 to RMB56.2 million in 2024 and further to RMB65.5 million in 2025. We have also started to introduce DPU-based billing in selected component parts circular solutions. As the penetration of DPU across our service offerings continues to increase, we expect our operating capabilities and profitability to continue to strengthen, making efficient and reliable circular services more accessible. Through the integration of our AIoT hardware, our products are designed to be DPU-ready. Together with our CoRTP platform, this provides the technological foundation for DPU level daily operations and management of each container on each route. For the technology infrastructure supporting our DPU-based operations, see “— Our Technology Architecture.”

OUR PRODUCTS AND SERVICES

We are a platform for green supply chain intelligent circular services . We provide reusable packaging solution products through our containers, their consumables and accessories, and circular services through pooling services and rental services. We provide containers, relevant consumables and accessories and circular services in three key application scenarios among bulk liquid, component parts and fresh produce with seven major solutions, see “— Overview of Solutions.”

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The following table sets forth our revenue by types of goods and services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of products:						
– Sales of containers	155,589	58.5	228,318	60.5	279,338	58.7
– Sales of consumables and accessories ⁽¹⁾	11,304	4.3	15,893	4.3	20,776	4.3
Subtotal	166,893	62.8	244,211	64.8	300,114	63.0
Container services:						
Pooling services	81,123	30.5	117,028	31.0	160,202	33.7
Rental income	17,894	6.7	15,988	4.2	15,575	3.3
Subtotal	99,017	37.2	133,016	35.2	175,777	37.0
Total	265,910	100.0	377,227	100.0	475,891	100.0

Note:

(1) Sales of consumables and accessories mainly arose from our pooling service during the Track Record Period.

The following table sets forth our revenue by geographical regions from external customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	147,758	55.6	177,239	47.0	247,874	52.1
Other countries/regions ⁽¹⁾	118,152	44.4	199,988	53.0	228,017	47.9
Total	265,910	100.0	377,227	100.0	475,891	100.0

Note:

(1) Other countries/regions mainly included United Kingdom, Netherlands, United States, Japan and Italy.

Our products and services sold to a long-serving customers, especially Key Accounts, as further demonstrated below.

	Year ended December 31,								
	2023			2024			2025		
	Chinese Mainland	Overseas	Total	Chinese Mainland	Overseas	Total	Chinese Mainland	Overseas	Total
Total Customers:									
Number of Customers ⁽¹⁾	540	95	635	552	88	640	692	90	782
Retention Rate ⁽²⁾	87.4%	84.6%	87.0%	62.4%	52.6%	60.8%	74.8%	69.0%	74.0%
Net Cash Retention Rate ⁽³⁾	97.7%	96.9%	97.3%	76.8%	85.9%	80.8%	97.2%	96.6%	96.9%
Key Accounts:									
Number of Key Accounts ⁽⁴⁾	38	25	63	41	25	66	49	26	75
Retention Rate of Key Accounts ⁽⁵⁾	100.0%	94.1%	97.9%	86.8%	84.0%	85.7%	100.0%	96.0%	98.5%

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	Year ended December 31,								
	2023			2024			2025		
	Chinese Mainland	Overseas	Total	Chinese Mainland	Overseas	Total	Chinese Mainland	Overseas	Total
Net Cash Retention of Key Accounts ⁽⁶⁾	100.0%	97.4%	98.5%	75.1%	89.5%	82.6%	100.0%	98.3%	99.0%
Percentage of Total Sales from Key Accounts	65.4%	89.5%	76.1%	67.3%	94.7%	81.8%	68.3%	94.4%	80.8%

Notes:

- (1) The “Number of Customers” refers to customers that generated revenue during the year.
- (2) The “Retention Rate” refers to the percentage of customers from the previous year who generated revenue in the current year.
- (3) The “Net Cash Retention Rate” for year N is calculated as the revenue generated in year N from customers retained from year (N-1), divided by the revenue generated by the total number of customers in year (N-1). Here, N refers to a specific year, and (N-1) refers to the year preceding year N.
- (4) The “Number of Key Accounts” refers to customers who generated revenue of at least RMB1 million during the year.
- (5) The “Retention Rate of Key Accounts” refers to the percentage of Key Accounts from the previous year who generated revenue in the current year.
- (6) The “Net Cash Retention Rate of Key Accounts” is calculated as the revenue generated in year N from Key Accounts retained from year (N-1), divided by the revenue generated by the total number of Key Accounts in year (N-1).

Overview of Solutions

We provide our circular packaging solutions across three key application scenarios with seven major solutions. As of the Latest Practicable Date, our circular service solutions covered over 80 industry verticals, including non-hazardous chemicals, food and beverage, automotive and home appliance parts and fresh cold chain logistics, serving over 2,700 enterprise customers in China and overseas.

- Our bulk liquid circular solutions comprise BlueCycle, GreenCycle and SeasoningCon, which are designed for liquid non-hazardous chemicals, liquid foods and condiments, respectively.
- Our component parts circular solutions comprise HeavyLoad Cycle, FlexFlow and ChipCon, which serve high-precision heavy components for NEVs and related applications, small and medium components for the automotive and home appliance industries, and printed circuit boards, semiconductor chips and other electronic components.
- Our fresh produce circular solution comprise FreshCycle application scenario.

Across these solutions, we combine reusable packaging products, customized internal configurations, digital management under a “one container, one code” mechanism and full life-cycle operating services to address customers’ requirements for safety, protection, traceability, operating efficiency and sustainability.

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The following table sets forth our revenue breakdown for sales of products in each of the application scenarios and the related consumables and accessories for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Sales Volume	ASP	Revenue	Sales Volume	ASP	Revenue	Sales Volume	ASP
	RMB'000	(000' units)	(RMB/unit)	RMB'000	(000' units)	(RMB/unit)	RMB'000	(000' units)	(RMB/unit)
Bulk Liquid Circular Solutions	60,236	21	2,824	114,117	40	2,876	157,646	62	2,525
Component Parts									
Circular Solutions . .	37,105	135	275	23,254	74	315	34,014	106	322
Fresh Produce Circular Solutions	18,184	454	40	29,917	784	38	30,272	876	35
Consumables and accessories									
– Liquid liners	12,055	184	66	17,904	288	62	24,523	575	43
– Valves	14,501	458	32	26,147	749	35	20,748	595	35
– Others	24,812	2,642	9	32,872	2,510	13	32,910	2,384	14
Total	166,893	3,894	43	244,211	4,445	55	300,114	4,598	65

(1) Our ASP of bulk liquid circular service decreased from RMB2,876 to RMB2,525, primarily due to changes in product mix, as we launched the IF1040 product, a simplified version of our IBC 1040 product, to meet the needs of a broader customer base.

The following table sets forth our revenue breakdown for container services and the unit of containers deployed in each of the application scenarios for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Number of containers		Revenue	Number of containers		Revenue	Number of containers	
	RMB'000	%	(units)	RMB'000	%	(units)	RMB'000	%	(units)
Bulk Liquid Circular Solutions	42,697	43.1	71,553	56,229	42.3	96,066	65,531	37.3	109,941
Component Parts Circular Solutions . .	55,020	55.6	721,915	75,433	56.7	812,907	108,329	61.6	954,694
Fresh Produce Circular Solutions . . .	1,300	1.3	83,237	1,354	1.0	124,528	1,917	1.1	176,567
Total	99,017	100.0	876,705	133,016	100.0	1,033,501	175,777	100.0	1,241,202

Bulk Liquid Circular Solutions

Industry Challenges and Solution

Liquid products such as fine chemicals, food products and condiments impose stringent requirements on safety, regulatory compliance and operating efficiency across packaging, storage, transportation and logistics processes. In particular, non-hazardous liquid chemicals may be exposed to risks such as leakage, residual contamination and solid waste disposal challenges, while liquid food products and condiments are subject to high standards for hygiene, traceability and cross-contamination control. Against the backdrop of increasingly stringent environmental regulations and rising operating costs, enterprises require a mature, system-level solution that can differentiate the management of non-hazardous liquid chemicals and liquid food packaging while taking into account safety, environmental performance and operating efficiency.

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In response to these market needs, we have launched an integrated bulk-liquid solution system centred on high-standard foldable IBCs, supported by Bag-in-Box (“BIB”) technology, digital management and professional operating services. These containers and configurations are distinguished by different colours and component combinations for different application solutions, thereby reducing cross-contamination risks at the physical level and enabling safer, more efficient and more traceable bulk-liquid packaging and logistics management.

The following table sets forth three types of bulk liquid circular solutions:

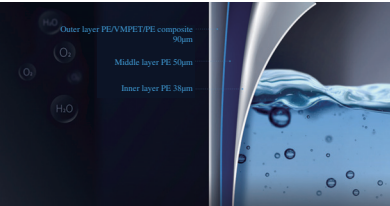
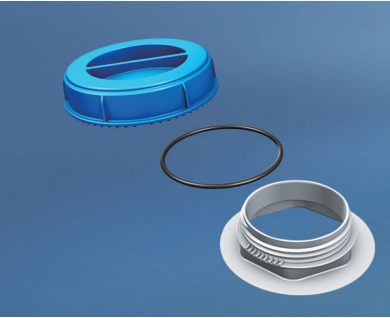
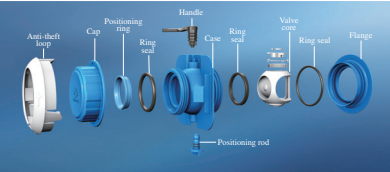
Solutions	Features
BlueCycle: Liquid Non-Hazardous Chemical Circular Service 	We provide reusable IBC packaging solutions for fine chemical customers handling products such as polymeric MDI, modified MDI, water-based resins, lubricating oils and daily chemical raw materials. Based on product characteristics, including barrier-performance requirements, electrostatic sensitivity and viscosity, the solution can be configured with OF1040PRO containers, aluminized high-barrier liners, transparent or anti-static liners, PP ball valves or pull-type valves, filling ports and tamper-evident pins, to support sealing integrity, operational safety and handling efficiency during filling, storage, transportation and discharge.
GreenCycle: Liquid Food Circular Service 	We provide food-grade reusable IBC packaging solutions for food and beverage customers handling products such as syrup, concentrated fruit and vegetable products, dairy and egg products, and food additives. Based on product requirements for food safety, barrier performance, aseptic filling or discharge methods, the solution can be configured with OF330 or IF1040 containers, transparent liners, aluminized high-barrier liners or aseptic liners, 1-inch or 2-inch filling ports, PP ball valves, cutter membrane valves, aseptic fittings and tamper-evident pins, to support food-grade storage and transportation, controlled handling and traceability requirements.
SeasoningCon: Condiment Circular Service 	We provide reusable IBC packaging solutions for condiment and pickled food customers handling products such as soy sauce, vinegar, oyster sauce, oyster extract, chili sauces, salt-pickled chili peppers and chopped chili peppers. Based on product form, filling method and discharge requirements, the solution can be configured with OF330 containers, food-grade transparent liners, aseptic transparent liners or double-layer PE open-top liquid liners, 2-inch filling ports, 3-inch cutter membrane valves, PP ball valves and tamper-evident pins, to facilitate product identification and segregation, mechanical handling, standardized warehousing and the replacement of fragmented small-container packaging.

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BIB Technology

Our BIB solution for bulk-liquid applications is built around foldable plastic IBCs and disposable inner liquid liners. The solution typically adopts a 1,040-liter container configuration, such as IF1040 and is designed to combine reusable outer-container circulation with dedicated single-use inner-liner protection. The foldable outer-container design achieves a folding ratio of approximately 3.5:1, which can reduce return-trip logistics space requirements by approximately 70%. The solution also incorporates low-residue discharge technology, leaving as little as 0.1% residual content. According to the BSI report, our BIB solution can reduce carbon emissions by approximately 169 to 202 kg CO₂ per container per trip and by approximately 95% over the full lifecycle as compared with iron-drum packaging.

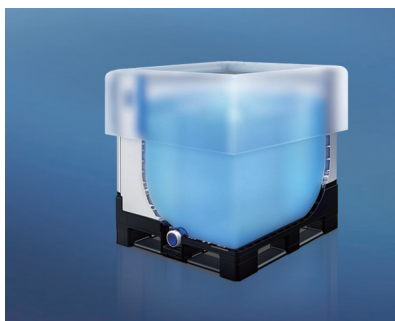
The following table sets forth key components of our BIB technology:

Key components	Features
	Tri-layer safety liquid liner The liquid liner is composed of a co-extruded tri-layer composite film structure (PE+VMPET+PE composite), which offers higher ductility, stretch resistance, highly efficient oxygen barrier and greater barrier properties.
	4-Inch Large Diameter Filling Port High filling efficiency. The filling cap adopts an innovative locking and non-return structure, offers effective dislodge prevention and a better seal performance.
	Proprietary ball valve Utilizing the industry-leading low-torque, full-low structure design, it is easy to open and close, and the discharge process is smooth and quick. At the same time, the valve and liquid liner adopt advanced strengthening welding technology, being secure and stable against desoldering. The upgraded ball valve ring seal is made of special, highly stable proprietary material, which is resistant to corrosion, oxidation, aging and leakage.

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Key components

Features



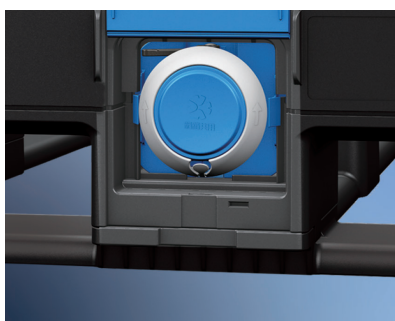
Outer protective safety liner

Safety and leak-proof barrier liners were added to reduce the risk of liquid liner exposure and leakage.



Safe and traceable

The liquid liner is in-built with a traceable code, which offers convenient, quick and efficient tracing back to the production process controls and records on its day of manufacture, making quality management safer and more efficient.



Ball valve buckle

Secures and clamps the ball valve, avoiding the displacement of the bottom ball valve and leakage caused by pitching during transportation.

Outcomes

In applicable use cases, our bulk liquid circular service solutions have demonstrated the potential to reduce per-unit packaging costs by over 30%, reduce solid waste disposal volumes by over 80% compared with single-use steel drums, and lower total packaging costs across the supply chain by over 30%. Through standardized reusable large-capacity containers, flexible segmented charging, dedicated-container deployment and end-to-end traceability, our solutions replace fragmented small-format and one-way packaging, improve packaging utilization, loading and unloading efficiency, warehouse utilization and multimodal transportation compatibility, and support customers' safety, environmental compliance, food safety and ESG objectives. We have provided these services to listed fine chemicals companies and industry-leading enterprises in connection with their green supply chain initiatives.

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Component Parts Circular Solutions

Industry Challenges and Solution

In component logistics for new energy vehicle (“NEV”), automotive, home appliance and electronics applications, components such as motor stators, rotors, battery packs, printed circuit boards and semiconductor chips are typically high-value, precision-sensitive, heavy or vulnerable to electrostatic discharge. These characteristics impose higher requirements on packaging strength, positioning accuracy, moisture resistance, handling efficiency, automation compatibility and reusability. Conventional corrugated cartons, wooden containers and single-use electrostatic discharge (“ESD”) packaging generally have limitations in protection performance, standardization and compatibility with automated handling, while the wide variety and frequent iteration of components may also lead to repeated packaging redevelopment and lower warehousing and transportation efficiency. As a result, customers require reusable packaging solutions that combine standardized circulation capability with flexible protection design for different component specifications.

In response to these requirements, we have developed an integrated component logistics packaging solution based on a “standardized exterior and customized interior” approach. The solution uses standardized reusable outer containers to support circular logistics, automated handling and standardized storage, and adopts customized inner linings to provide protection, positioning, separation and ESD-control functions according to the size, weight, surface characteristics and handling requirements of specific components.

The following table sets forth three types of component parts circular solutions:

Solutions	Features
HeavyLoad Cycle: High-Precision Heavy Component Circular Service	For customers handling heavy-duty and precision components, such as new energy vehicle motor stators, rotors, shafts and home appliance motors, we provide the HeavyLoad Cycle reusable packaging solution. Based on component weight, geometry, load-bearing requirements, stacking requirements and protection needs during transportation, the solution can be configured with high-load-bearing collapsible sleeve pack, customized thermoformed trays, EPE inner linings and TPU cushioning pads. This configuration provides separated and secured placement for individual components, helps reduce movement, collision and vibration-related damage during logistics, and supports double stacking and standardized circulation.



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Solutions	Features
FlexFlow: Small & Medium Component Circular Service 	For automotive and home appliance customers handling small- and medium-sized components, such as springs, shock absorbers, gears and small housings, we provide reusable component packaging solutions based on standardized collapsible sleeve pack and a matrix of EUO Crate sizes. Based on component dimensions, product iteration cycles, handling methods and protection requirements, the solution can be configured with customized partition systems and thin-sheet thermoformed inner linings. By combining standardized exterior dimensions with customized internal protection, the solution supports precise positioning, cushioning, unitized packaging, standardized warehousing and improved transportation efficiency across different component categories.
ChipCon: Full-Link ESD Circular Service 	For customers handling printed circuit boards, semiconductor chips and other ESD-sensitive electronic components, we provide the ChipCon reusable ESD-safe packaging solution. Based on component dimensions, electrostatic protection requirements, moisture and dust control needs and circulation scenarios, the solution can be configured with reusable ESD-safe EUO standard containers, ESD-safe inner linings and, where applicable, ESD-safe pallet lids. This configuration provides both physical protection and layered electrostatic protection during storage, transportation and handling, while supporting stable ESD-control performance and repeated circulation of packaging assets.

Outcomes

In applicable use cases, our reusable component packaging solutions have demonstrated the potential to reduce carbon emissions by over 75% compared with one-way wooden and paper-based packaging, accommodate approximately 24 parts per pallet with double-layer stacking, and shorten packaging development cycles from weeks to days. Leveraging standardized unitized containers, tooling-grade inner linings, ESD protection and digital traceability, our solutions reduce impact-related and ESD-related component damage and scrap rates, eliminate secondary unpacking, interface with automated production lines, and enhance truck loading capacity, high-bay warehousing and warehouse utilization. These solutions also support diversified high-density storage, reduce packaging redesign costs, enable batch traceability and environmental alerts, and support customers’ lean-manufacturing, green supply chain and ESG objectives. We have deployed these solutions across upstream and downstream supply-chain scenarios for multiple Fortune Global 500 companies and other leading industry participants.

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Fresh Produce Circular Solutions

Industry Challenge and Solution

Fresh agricultural produce and fresh-cut flowers are highly sensitive to timeliness, freshness preservation, ventilation, temperature control and packaging standardization across the supply chain. Conventional corrugated cardboard packaging may have limitations in structural strength, moisture resistance, thermal insulation and repeated handling performance, and is prone to deformation or damage during multiple transfers, unpacking and repacking. In addition, frequent changes of packaging containers from production areas to retail outlets may cause physical damage to products, while non-standard packaging sizes may reduce palletization, loading, unloading and warehousing efficiency, particularly during peak seasons. As a result, customers require standardized reusable packaging solutions that can reduce handling-related damage, improve circulation efficiency and support cold-chain logistics from origin to retail.

In response to these requirements, we developed the FreshCycle reusable packaging solution. The solution uses standardized reusable produce crates with a 600 mm × 400 mm base footprint, which allows four layers of crates to fit on a 1.2 m × 1.0 m pallet and supports palletized transportation from the place of origin. Fresh produce and fresh-cut flowers can be packed into the crates at the harvesting or production site and delivered through distribution centers to retail outlets without changing containers during the logistics process. This helps reduce product damage caused by repeated handling, while improving loading, unloading, storage and circulation efficiency across the fresh produce supply chain.

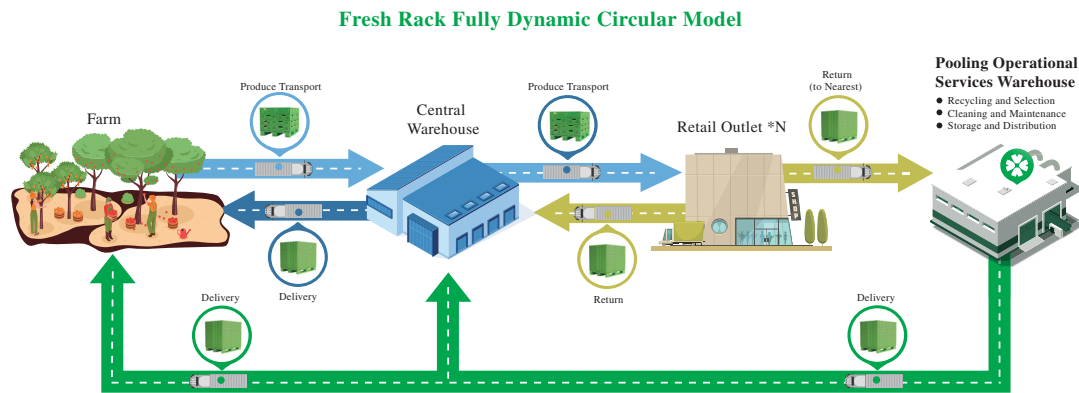
The following table sets forth selected fresh produce circular solutions:

Solutions	Features
FreshCycle: Fresh Produce Circular Service 	For end-point scenarios such as community grocers and small farm’s market, FreshCycle offers a medium-sized unitized mobile rack (“RDU”) measuring 800×600×1009 mm. These rolling rack units can be loaded at the point of origin and delivered directly into stores, serving as shelf displays for “one-step” merchandising. This eliminates intermediate unpacking and restocking, significantly shortening the supply chain and reducing labor and time costs, all while keeping fresh products in a controlled, standardized container environment. Coupled with digital technology, part of the FreshCycle solution provides smart management features that help businesses achieve supply chain transparency and digital upgrades, optimizing the consumer shopping experience and giving companies a competitive edge in new retail formats.

Our “One Touch” solution was developed to address certain operational challenges associated with traditional packaging models in the fresh produce supply chain, including frequent unpacking and transshipment, product loss during circulation, limited reuse of disposable packaging and fragmented supply chain data. Through a standardized reusable packaging container solution and CoRTP platform, the solution covers multiple stages from on-site harvesting and cold-chain transportation to end-market sales, and helps improve product handling efficiency, packaging turnover and supply chain visibility.

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The flow chart of circulation from farm to retail outlet is illustrated as below:



Outcomes

FreshCycle is designed for all stages from harvest, through cold-chain transport, to in-store display, cutting out repacking steps and reducing product loss in transit. Each crate has a lifespan of over 5 years and can sustain more than 1,800 DPUs use, reducing per-trip packaging costs by more than 30% versus single-use cartons. Built-in RFID and tracking systems enable intelligent tracking and inventory management of packaging, lowering loss rates and improving turnaround efficiency.

Case Studies for Platform Users

Case 1: Platform User Enablement

Background. Company A is a leading enterprise in China’s chemical new materials industry. Under the binding constraints of China’s national “dual-carbon” goals (carbon peaking and carbon neutrality) and the revised Solid Waste Law, the high disposal costs and compliance risks associated with traditional single-use steel drums had become increasingly difficult to sustain. As a result, Company A required an efficient, green and scalable RTP solution.

Cooperation Model. We adopted the SP model, under which the platform supports business partners and partners serve end users, and provided a full-cycle solution. We provided an end-to-end solution covering investment in circular packaging assets, deployment of a nationwide service network and digitalized fulfillment. Our platform invested in and deployed reusable packaging assets tailored to the customer’s operations, which were compatible with the customer’s automated production lines and multimodal transport processes. Around Company A’s core supply hubs, we established an integrated network of central and front warehouses to support rapid response to the customer’s container requirements. Under this model, business partners focused on frontline customer service and market development, while the platform concentrated on supply-chain capabilities, operating services and warehouse-network infrastructure.

Cooperation Results. With our comprehensive enablement, we helped Company A achieve a greener supply chain and a digital operating upgrade. Compared with the previous steel drum solution, Company A’s per-unit packaging cost was reduced by over 30%, and solid waste generation was reduced by over 80%. In 2025, our solution helped reduce approximately 3,955 tons of solid waste and approximately 11,998 tons of carbon emissions. As of the Latest Practicable Date, we had incubated nearly 30 independently accounted-for SP business units, which directly serve thousands of upstream and downstream enterprise customers.

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Case 2: DPU-Based Platform Cooperation

Background. Company B is a leading enterprise in the condiment industry and serves as a chain-leading enterprise linking numerous upstream raw material suppliers with a wide network of downstream distributors. Company B’s supply chain is multi-tiered and spans the entire industry value chain. Prior to implementing a reusable packaging solution, Company B’s logistics for certain liquid products, such as oyster sauce, relied on single-use containers including plastic drums, IBC totes and steel drums. Under conventional model, separate packaging procurement for inbound raw materials and outbound finished goods contributed to high costs, fragmented standards, complex asset management, increased waste-disposal compliance risks and lower supply-chain efficiency, highlighting the need for an integrated full-chain green packaging solution.

Cooperation Model. To address Company B’s needs and facilitate upstream-downstream coordination, we integrated our facilities and services into the network of a chain-leading enterprise to form a full-chain reusable service system. Leveraging our GreenCycle and BIB solution, a single standardized packaging system was applied across the customer’s entire supply chain. This enabled an innovative “one container to the end” model for circular use, seamlessly covering both upstream bulk raw-material transport and downstream finished-product distribution. A segmented billing approach was adopted so that each supply-chain segment bore its share of costs. Specifically, the DPU cost incurred during upstream raw-material transport was borne by raw-material suppliers, while the DPU cost incurred during downstream distribution was borne by the chain-leading enterprise. Supported by the platform’s digital systems, segmented billing was automatically calculated and made transparent. Through open API interfaces and digital tools, the customer achieved data connectivity and system-level collaboration with our platform.

Cooperation Results. With Company B’s coordination, approximately 20 upstream raw material suppliers and dozens of downstream distributors were integrated into this unified circular service system, achieving meaningful cost savings and emissions reductions. Compared with the previous 200L steel drum solution, the new solution helped Company B and its partners reduce overall packaging costs by approximately 50%.

Case 3: Platform International Cooperation

Background. Company C is one of the world’s largest providers of RTP pooling services, specializing in reusable crates and containers for upstream and downstream customers. In Company C’s primary markets, R&D costs were high, development cycles were long, conversion of new solutions was inefficient and supply chains were complex. Company C therefore required innovative solutions to strengthen its service capabilities and better serve its customer ecosystem.

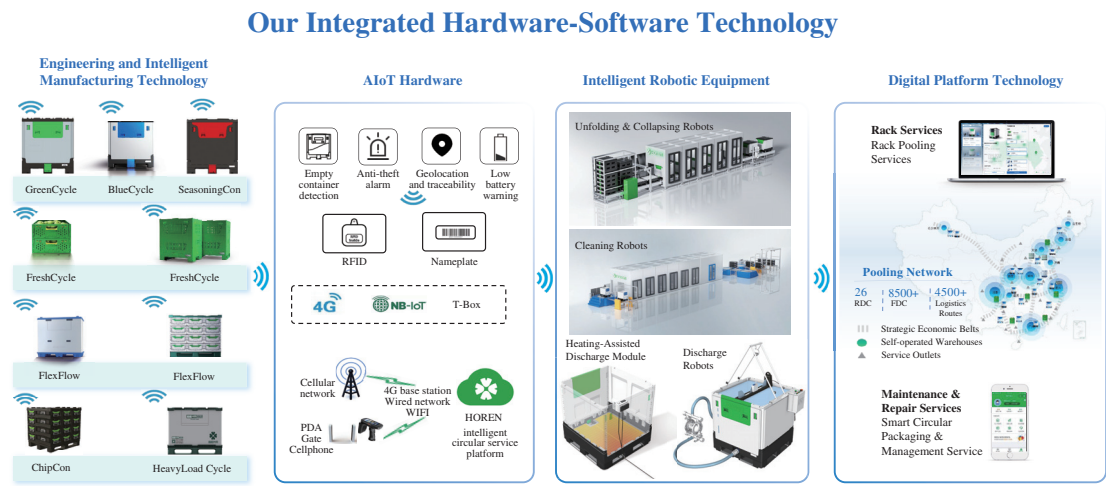
Cooperation Model. We supported Company C’s international expansion through a cooperation model centered on solution design and supply-chain collaboration. Leveraging our integrated capabilities in original design, in-house manufacturing capacity and lean manufacturing, we provided end-to-end support covering concept design, engineering prototyping, scaled production and the supply of consumables and related fitments, which shortened product development cycles and enhanced supply continuity for the customer. We assisted customers in building their own intellectual property systems by implementing localized patent strategies in their target markets, thereby supporting the application and commercial rollout of new products and facilitating compliant operations by the partner.

Cooperation Results. As of the Latest Practicable Date, we had maintained a strategic relationship with Company C for more than ten years. To date, we have delivered over 110,000 intelligent foldable IBCs to Company C, together with nearly 4 million sets of supporting fitments and consumables. This partnership has supported Company C’s local network expansion and enhanced its service capabilities, enabling it to better serve its upstream and downstream customers.

BUSINESS

OUR TECHNOLOGY ARCHITECTURE

Technology is a core driver of our business model and our ability to manage total cost across the value chain. We have developed and integrated the following in-house technology system spanning engineering and intelligent manufacturing technology, AIoT hardware, intelligent robotic equipment and digital platform technology. These end-to-end capabilities are embedded across the product design, operations management, service delivery, supporting the standardized deployment and scalable replication of the DPU model in various industries. The following diagram provides an overview of our technology architecture.



Engineering and Manufacturing Technology

Structural Design Technologies

To meet requirements arising from end-to-end use cases across the reusable packaging lifecycle, we apply structural design technologies to the container bodies, filling and discharge fittings and related ancillary products, including thin-wall and dual-surface sidewall designs, embedded steel-tube reinforcement, proprietary hinge structures and folding designs. These technologies form part of our in-house design capabilities for reusable packaging products and are intended to support functional performance and durability.

Core technology	Key design features	Principal application
Thin-wall dual-surface sidewall design	Provides smooth inner and outer sidewall surfaces. Applied in certain steel-plastic composite folding containers. In certain designs, the sidewall thickness can be reduced to approximately 33 mm.	Intended to facilitate cleaning and routine hygiene management. Intended to reduce corrosion exposure on side panels in certain operating environments. Supports higher folding utilization for empty containers.
Embedded steel-tube reinforcement design . . .	Integrates steel tube reinforcement within side panels and the base. Uses a load-distribution fastening approach to reduce local stress concentration.	Intended to improve side-panel resistance to deformation after door opening. Intended to reduce deformation under load and improve stability during transport and handling.

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Core technology	Key design features	Principal application
High folding-ratio folding structure	Applied in certain steel-plastic composite folding container designs. Designed to support a folding ratio of approximately three to one to four to one, subject to product specifications. Certain designs are intended to support static load up to 7.5 tons and dynamic load up to 3.0 tons per unit, subject to applicable specifications and conditions.	Intended to reduce space required for empty-container storage and return logistics. Supports warehouse and transportation efficiency.
Non-sequential folding hinge structure	Proprietary hinge structure connecting side panels and the base. Allows folding and upright positioning without a fixed sequence. Hinge profile is designed to reduce interference between panels and the base during operation.	Intended to simplify folding operations and reduce the risk of panel interference and damage. Supports standardized operating procedures.
Sealing structure design	Uses replaceable sealing materials to support different liquid cargo characteristics and operating requirements. Sealing geometry is configured for use in reusable liquid packaging applications.	Intended to support sealing performance under different operating conditions and reduce leakage risk, subject to cargo characteristics and usage conditions.
Full-bore valve structure	Full-bore flow path design. Low-torque actuation structure and compression sealing interface, depending on product configuration.	Used in the design and manufacture of discharge and liner valve fittings. Intended to support discharge efficiency and sealing performance in liquid packaging use cases.

Materials and Processing Technologies

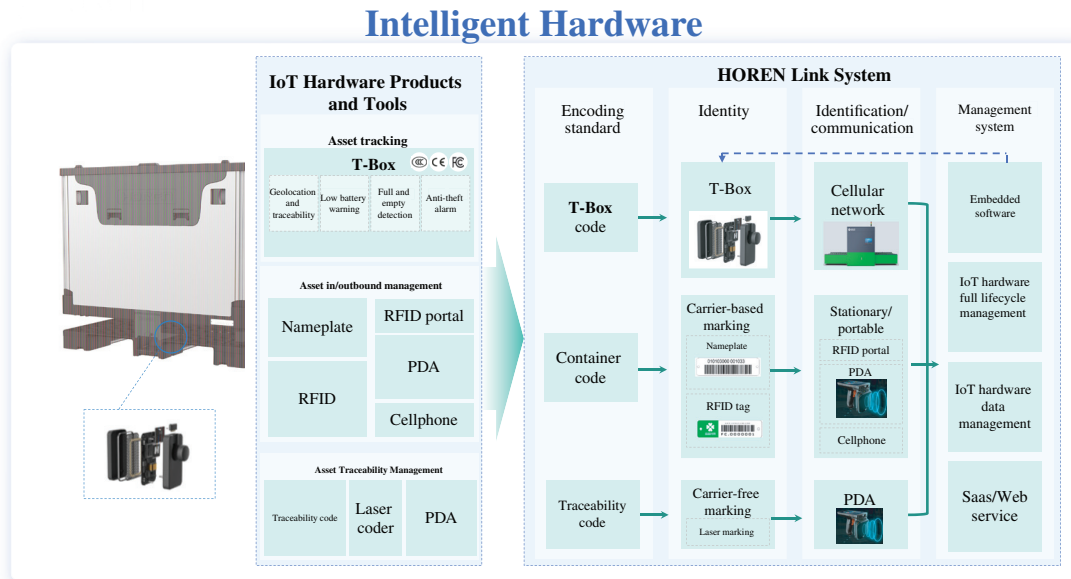
Our materials and processing technologies support reusable packaging products that require hygiene compliance, barrier performance, weight optimization and robust welded-structure integrity. In particular,

- ***Specialized Engineering Material Modification.*** For steam sterilization in food and pharmaceutical settings, we have developed a high-temperature resistant composite material (HTC) with key components achieving a glass transition temperature (T_g) of approximately 120°C-130°C and complying with top hygiene and safety standards (including FDA-compliant food-contact standards). In the chemical sector, we introduced a PE/VMBOPP high-barrier multilayer co-extrusion material with oxygen permeability below 0.2cm³/(m²·24h), establishing a molecular-level barrier to ensure storage safety.
- ***High-Performance Recycled Material (PCR) Application.*** We have developed expertise in the application of high-quality post-consumer recycled (PCR) materials for ultra-clean packaging. Using “sandwich” injection molding and multi-layer composite processes, the inner and outer packaging layers meet food-contact standards while a core layer incorporates over 30% recycled content.

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- Lightweight Molding Processes.** We employ advanced lightweight molding methods, such as gas-assisted molding, multi-material composite structures, and dual-layer thermoforming to substantially reduce product weight while ensuring the structural strength of the containers and meeting differentiated requirements across various application scenarios. Gas-assisted injection molding reduces product weight and enhances structural rigidity, while forming large-area double smooth surfaces that facilitate cleaning — particularly suitable for the high cleanliness requirements of the fresh food industry.
- Large-Scale Thermoplastic Welding Technologies.** For large containers exceeding 1,000 liters in volume that require an extended service life, we have developed thermoplastic welding techniques including hot-plate welding and linear vibration friction welding, optimized through thermal-mechanical simulations using ANSYS and Moldex3D. Hot-plate welding confines the heat-affected zone to within 3 mm and achieves weld strength over 90% of the base material. Linear vibration friction welding can resolve heat-stress distribution challenges in weld areas of more than 120,000 mm².

AIoT Hardware



Our self-developed IoT-based asset monitoring and traceability system employs a layered sensing architecture and a cost-adaptive, multi-protocol coordination strategy to achieve comprehensive visibility and traceability of reusable packaging assets. Higher-value assets are equipped with dual-mode communication modules (supporting 4G Cat.1 and NB-IoT) and industrial-grade low-power chips, enabling real-time location tracking, condition monitoring such as temperature, humidity, vibration and switch status, and automated anomaly alerts. Medium- and low-value assets are tagged with passive RFID chips to facilitate fast bulk scanning while maintaining cost efficiency. For complex environments such as high-density warehouses and enclosed transport vehicles, the system utilizes proprietary low-frequency mesh networking chips with adaptive parameter tuning to improve signal penetration and data transmission reliability. All sensing devices support remote over-the-air configuration and are centrally managed through a unified platform, helping reduce operational and maintenance costs at scale. The system delivers meter-level location accuracy, and provides core data to support asset tracking, measurement and risk control.

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Intelligent Robotic Equipment

By deploying fully integrated intelligent robotic equipment in place of manual labor, we improve operating efficiency, reduce labor costs, and minimize safety risks in routine operations. This automation also standardizes process outputs, ensuring consistency and seamless compatibility with customers’ automated production lines and warehouse systems. In the development of our automated equipment, we target the major pain points across the reusable container lifecycle including filling, discharging, washing, folding, and unfolding, and have developed a dedicated matrix of robotic solutions for each stage of the life cycle. Our core export equipment has obtained CE and other safety certifications, which are essential for compliance and global market access. Our systems are designed to integrate with client Warehouse WMS and enterprise resource planning platforms, enabling fully unmanned operations with secure data flow. Below is an overview of our four key robotic technologies and their capabilities:

Discharge Robots



- **High-Viscosity Handling.** Our custom discharge robots address the challenge of emptying viscous liquids (e.g. cosmetics, food syrups, industrial adhesives) that tend to leave high residue. The system includes an extrusion-based discharge mechanism capable of handling fluids with viscosities of approximately 300,000 mPa.s. It can evacuate a 1000 L intermediate bulk container in about 20 minutes, leaving as little as 0.1% residual content, significantly reducing product waste.
- **One-Button Automated Operation.** The discharge process is fully automated and initiated by a one-button control. The robot is equipped with multiple safety interlocks and pressure controls to ensure safe operation, thereby removing the need for manual intervention during the draining process.

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- **Heating-Assisted Discharge Module.** To tackle materials that become semi-solid or highly viscous at lower temperatures (such as certain greases or chocolate), an integrated heating unit module can be applied in tandem with the discharge robot. By warming the container or its contents, the system ensures smooth flow and prevents solidification, enabling more complete emptying of the container. This feature effectively minimizes residual deposits and addresses a long-standing industry challenge of fully cleaning out heavy or congealed products.

Cleaning Robots



BUSINESS

- **Fully Automated Cleaning Cycle.** Our industry leading cleaning robot is designed for unattended washing of reusable containers. It automates the entire cleaning workflow: de-stacking used containers, unfolding each collapsed container, feeding it into the washer, performing high-pressure internal and external wash cycles, blowing hot air for drying, then folding the cleaned containers. The spin-drying module uses centrifugal dehydration at speeds of up to 300 revolutions per minute and is configured to accommodate different container sizes, including reusable IBCs with a maximum unit weight of over 110 kg.
- **High Throughput & Efficiency.** The system can process up to 30 containers per hour. This increased throughput is achieved while maintaining uniform cleaning quality, as each container is subjected to the same timed wash and rinse regimen.

Unfolding & Collapsing Robots



- **Automated Container Erection.** These robots eliminate the manual labor previously required to set up large foldable containers. The unfolding robot can automatically remove or unlatch container lids, grip and raise the container’s side panels, and fold them outwards until locked into place, thereby erecting a collapsed folded container to its full usable form. This operation is performed smoothly and uniformly, preventing the jerking or damage that might occur with manual handling.
- **Automated Folding for Repacking.** Conversely, once containers are empty and ready for return, the folding robot collapses them in a standardized sequence. It releases side panel latches and systematically folds each wall inward, then closes the lid, achieving a flat, compact form for storage or transport. By automating both erecting and collapsing, the system can handle high volumes of reusable containers efficiently, maintaining a steady flow in reuse logistics.
- **Multi-Format Compatibility.** The unfolding/folding robots are equipped with vision systems and adaptive grippers to handle different container models and sizes. They can quickly recognize various container types and adjust their operation accordingly.

Digital Platform Technology

- **End-to-End Digital Closed-Loop Management.** We have developed the CoRTP platform as our core digital infrastructure. This platform is built on an integrated end-edge-cloud architecture, combining private and public cloud resources with an IoT network. It leverages container orchestration and AI services to provide a robust hybrid cloud support system. Through standardized APIs, the platform offers an efficient and secure collaborative

BUSINESS

environment for upstream and downstream supply chain partners. This architecture also enables end-to-end digital management of the entire lifecycle of reusable packaging containers, including collection, dispatch, cleaning, repair, and disposal, across 26 RDCs worldwide and over 8,500 service outlets, helping to reduce information silos.

- ***Intelligent Decision-Making and Resource Allocation.*** Drawing on operational data from more than 4,500 logistics routes and extensive container usage records, it employs multi-dimensional algorithmic models to form a closed-loop system. An embedded AI agent, namely DPU Master (“箱天管家”) uses techniques such as dynamic vehicle routing plan (“DVRP”) and time-sequence forecasting to achieve optimal distribution plan.

RESEARCH AND DEVELOPMENT

R&D is the cornerstone of our ability to deliver standardized yet scenario-ready circular packaging solutions that integrate hardware, including intelligent reusable containers and accessories, IoT modules and a proprietary intelligent platform for full-lifecycle management. Our research and development costs mainly consisted of (i) employee costs, (ii) professional fees, (iii) patent application fees, (iv) depreciation and amortization and (v) others, during the Track Record Period. We operate a three-tier research and development framework that covers short-term iteration within one year, mid-term development over two to three years and long-term development over three to five years and beyond, resulting in large numbers of product SKUs during the Track Record Period.

Our product development activities are organized to cover the full reusable-packaging value chain, including container structures, liners and consumables, automation equipment, Internet of Things hardware and the related software systems in the whole ecosystem. We maintain an iterative development cadence that generally results in new or upgraded products being introduced on a monthly basis, supported by a cross-functional process that integrates customer requirement confirmation, engineering design, prototyping, verification and tooling readiness. This process is intended to support timely response to customer orders and change requests, subject to the technical complexity and validation requirements of the relevant application. As of the Latest Practicable Date, we had established a product library comprising over 50 standardized stock keeping units (“SKU”) and over 100 customized liquid-liner variants, and we had also developed multiple series of automation equipment, digital systems and IoT solutions.

Our R&D Team

Our R&D team is led by Mr. Liao Qingxin, our chief executive officer, who has 25 years of industry experience. Our research and development engineers also possess relevant experience in automotive product development, enterprise information systems, logistics software and operational network engineering. See “Director and Senior Management — Executive Directors.”

Our R&D Center

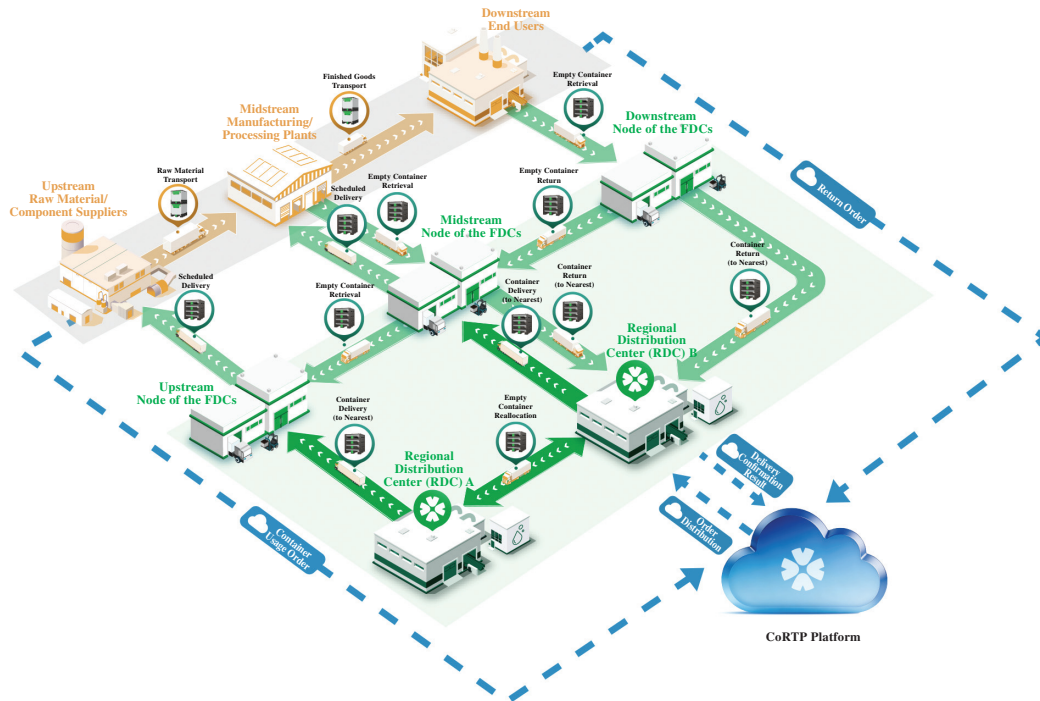
We operate three dedicated R&D centers that together provide an end-to-end capability across packaging hardware and digital technologies. Our center in Shanghai leads materials research, software and hardware development and component engineering, and is responsible for the design of next-generation circular-packaging solutions. The Jiaxing center undertakes structural design and development for both large-format and small-format reusable containers. The Suzhou center focuses on fluid-handling processes and system integration for robot design.

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Each center is staffed with specialized multidisciplinary teams and equipped with laboratories and validation facilities, forming an integrated, standardized R&D that supports accelerated productization, quality assurance and compliant commercialization.

OUR CIRCULAR NETWORK

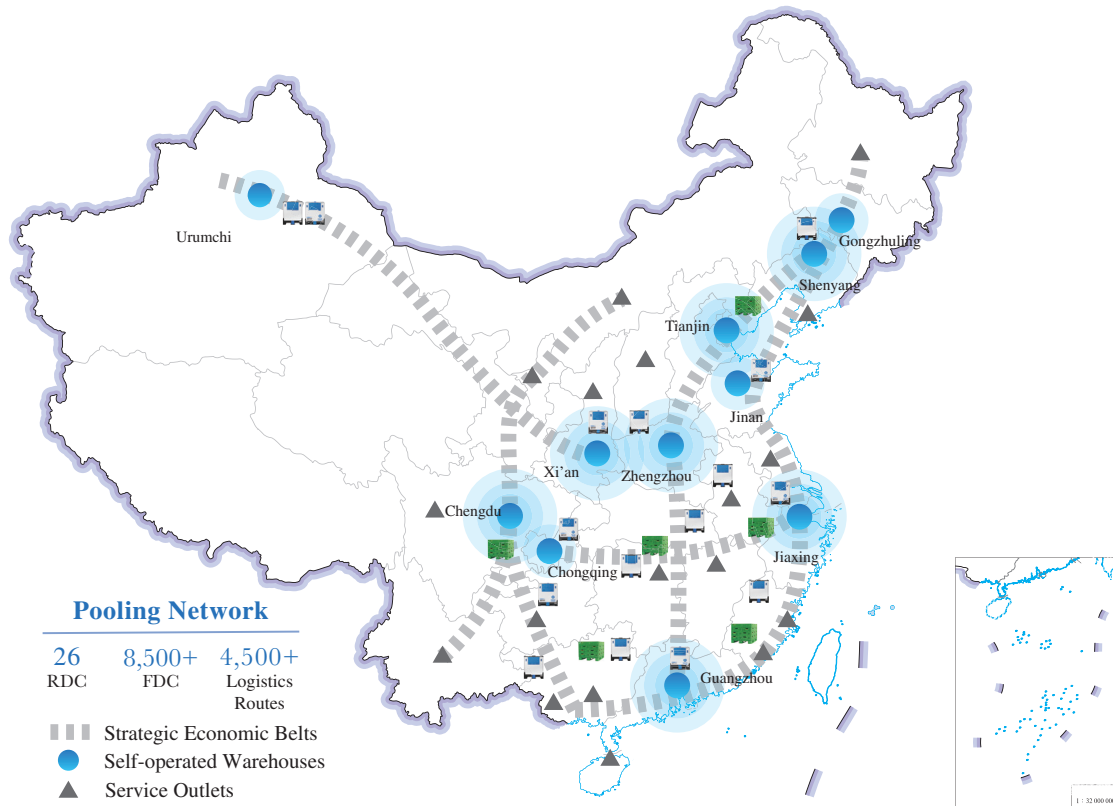
We have built and operate a real-time operations network and a digital dispatch network that are embedded into customers’ supply chains. This system is designed to support the circulation of packaging assets across multiple participants and scenarios and to reduce lifecycle operating inefficiency through standardized services and digitalized management.



We adopt a grid-based operating model consisting of RDCs and FDCs. RDCs serve as regional operating hubs integrating cleaning, maintenance, warehousing and dispatch functions. RDCs are typically located around industrial clusters (such as chemicals and automotive parts) and, in general, may cover a service radius of approximately 300 to 1,000 kilometers. RDCs are equipped with industry-specific container cleaning facilities and inspection equipment and support cross-region inventory re-allocation and flexible transfers under centralized dispatch management. FDCs are generally deployed near customer factories or warehouses to align with production demands. We manage FDC operations through our digital platform and standardized operating requirements to support consistent service delivery. As of December 31, 2025, we had deployed 26 RDCs, over 8,500 FDCs and over 4,500 logistics routes.

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The following map is an illustration of geographic coverage of our circular service as of December 31, 2025.



SALES AND MARKETING

Marketing

Our marketing activities are designed to support a solution-led sales process, focusing on lead generation and accelerating customer conversion through product and scenario education. In the PRC, we generate and cultivate leads through a combination of online channels (including our official website and official social media accounts) and offline industry exhibitions, supplemented by proactive outreach by our business development team. Leads generated by marketing activities are typically managed through an internal project initiation process and converted through cross-functional collaboration: marketing identifies and qualifies opportunities; the business team initiates internal project review; operations and network teams propose the delivery plan; and project operations/technical teams provide onsite support where necessary. Commercial terms are negotiated with customer engagement teams, followed by contract review and internal approval before order placement and service delivery coordination.

In overseas markets, we combine brand-building and lead acquisition activities, with a focus on market-specific positioning and channel partner enablement. Our key international customer acquisition channels include trade fairs, customer referrals with commission incentives, and conversion from online case/content marketing. For major overseas exhibitions, we may mobilize group-level branding and public relations resources to enhance event impact and improve lead conversion. Our international marketing and go-to-market approach is also region-specific: we align product SKU selection and price positioning with local logistics standards and industry characteristics (for example, Europe and Japan adopt different prevailing logistics standards), aiming to compete on product fit, safety and solution capability rather than engaging in purely price-driven competition. In addition, depending on the partner and the market, we may adopt co-branding arrangements, and we continue to strengthen marketing support to channel partners to expand coverage and improve sales efficiency.

We primarily manage our marketing efforts internally, ensuring that we maintain full control over our brand identity and marketing execution globally. This in-house approach allows us to integrate all aspects of our marketing operations, providing consistency and alignment with our overall business strategies.

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Pricing

Our pricing policy is designed to be market-responsive and may vary across countries and regions. In determining prices, we consider factors such as local market conditions, customer requirements, competitive landscape and our product and delivery costs, and we adopt a region-led approach to reflect differences in local logistics standards and product specifications. We may provide reference (market-guided) prices to selected channel partners for quoting purposes, and we seek to compete based on product fit, safety and overall value rather than solely on price. We maintain internal pricing governance to ensure consistency and discipline.

In Chinese Mainland, we adopt a structured pricing approach that is aligned with our business models and is designed to (i) cover costs, (ii) hedge operational risks and (iii) support sustainable cooperation with customers. Our charges vary depending on the relevant engagement, which may include (a) container pooling services (typically priced on a per-trip or per-day basis and may include overdue fees where applicable), (b) container rental services (typically under long-term contracts with fixed billing cycles, such as annual or quarterly arrangements), (c) value-added and operational services (including digital services and SaaS services, technical services, as well as delivery/collection and operational support), and (d) product sales (including the direct sale of solution packaging comprising containers and consumables/accessories). Our pricing generally comprises a combination of container usage and/or service fees and additional components.

For international markets, we implement a regional pricing framework and maintain regional price lists that may differ by region to reflect differences in market conditions, competitive dynamics and logistics costs. We generally apply tiered pricing by product, with different price tiers based on customers’ annual purchase volumes, and we set a basic (floor) price below which sales prices should not fall in principle. Discounts or special pricing are subject to our internal approval procedures, and requests exceeding prescribed thresholds are required to be escalated for higher-level approval. Pricing is generally established on an FOB basis and may also be established on an EXW basis, under which the price reflects only the cost of the product itself, and the buyer is responsible for subsequent costs including loading, transportation, insurance and duties/taxes from our facilities. Where contracts are agreed on DDU terms, pricing is adjusted to account for transportation and insurance costs to the named place of destination, while duties and taxes remain the buyer’s obligation. Our price lists are generally reviewed and updated on an annual basis with reference to factors such as exchange rate movements, cost changes and market value fluctuations, and new products are priced by reference to a combination of market value considerations and cost-plus calibration.

CUSTOMERS

Our customers primarily comprise brand owners and manufacturers in liquids and non-hazardous chemicals, food and cold-chain distribution, and automotive supply chains in the PRC, and leading rental operators and brand owners globally. In Europe, the United States and Japan, we also serve leading brand owners as an original design and manufacturing partner, supplying products under the customer’s own brand specifications in Europe, the United States and Japan.

Major Customers

Our revenue from the five largest customers in each year of the Track Record Period, amounted to RMB70.4 million, RMB136.6 million and RMB138.9 million, and contributed to 26.5%, 36.2% and 29.2% of our total revenue in 2023, 2024 and 2025, respectively. Our single largest customer amounted to RMB28.5 million, RMB64.8 million and RMB32.4 million, and contributed to 10.7%, 17.2% and 6.8% of our total revenue in 2023, 2024 and 2025, respectively. The following tables set forth the details of our top five customers during the Track Record Period.

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Customer	Location of business	Services/ Products provided	Credit term	Year of commencement of business relationship	Revenue amount <i>RMB'000</i>	Percentage of total revenue %
<i>For the year ended December 31, 2023</i>						
Customer A ⁽¹⁾	AU, UK, US	Sales of containers	60-120 days	2011	28,499	10.7
Customer B ⁽²⁾	China	Sales of containers	20% prepaid, 80% 30 days	2023	12,534	4.7
Customer C ⁽³⁾	UK	Sales of containers	30 days	2013	10,500	3.9
Customer D ⁽⁴⁾	China	Sales of containers, provision of pooling service	45-60 days	2019	9,764	3.7
Customer E ⁽⁵⁾	China	Sales of containers, provision of container rental services	10 business days	2020	9,093	3.5
Total					70,390	26.5
<i>For the year ended December 31, 2024</i>						
Customer A ⁽¹⁾	AU, UK, US	Sales of containers	60 days	2011	64,827	17.2
Customer F ⁽⁶⁾	US	Sales of containers	50% prepaid, 50% 30 days	2018	20,266	5.4
Customer D ⁽⁴⁾	China	Sales of containers, provision of pooling service	45-60 days	2019	19,093	5.1
Customer C ⁽³⁾	UK	Sales of containers	30 days	2013	17,797	4.7
Customer G ⁽⁷⁾	New Zealand	Sales of containers	30% prepaid, 70% 30 days	2018	14,571	3.8
Total					136,554	36.2
<i>For the year ended December 31, 2025</i>						
Customer F ⁽⁶⁾	AU, NL, UK, US	Sales of containers	50% prepaid, 50% 30 days	2018	32,423	6.8
Customer H ⁽⁸⁾	NL, UK, US	Sales of containers	30% prepaid, 70% before B/L release of each batch.	2025	29,072	6.1
Customer C ⁽³⁾	UK	Sales of containers	30 days	2013	27,021	5.7
Customer I ⁽⁹⁾	China	Sales of containers, provision of pooling service	30 days	2018	26,407	5.5
Customer D ⁽⁴⁾	China	Sales of containers, provision of pooling service	45-60 days	2019	23,999	5.1
Total					138,922	29.2

Notes:

- (1) Customer A provides logistics services to industries such as retail, automotive and food. Its pooling business model is based on the reuse and recovery of transport platforms, with the aim of reducing waste and improving efficiency.
- (2) Customer B was established in 2023 as a limited liability company, and is principally engaged in supply chain management and logistics services.

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- (3) Customer C is a leading UK manufacturer and supplier of storage, handling and logistics equipment with over 50 years of experience. It offers a diversified range of products, including roll pallets, metal frames and plastic boxes, and maintains inventory of more than 500,000 units available for immediate delivery. Its equipment is available for purchase or rental and serves industries including retail, warehousing and logistics.
- (4) Customer D was established in 2005 and was listed on the Shenzhen Stock Exchange, and Customer D is principally engaged in the research, development, production and sales of high-end spring products, which are primarily used in the automotive industry.
- (5) Customer E was established in 2016 and is principally engaged in instant retail, primarily focusing on the sale and delivery of fresh produce, food, beverages and daily necessities through an online platform. The relatively short credit period granted to Customer E was generally in line with the short turnover cycle and settlement practice typically observed in the fresh produce industry in which Customer E operates.
- (6) Customer F is a company in the United States and was founded in 2005. It focuses on sustainable packaging and logistics solutions and provides reusable packaging products and RFID tracking systems.
- (7) Customer G is a New Zealand-based company focused on providing reusable packaging solutions for the fresh produce industry. It supplies crates, pallets and containers intended to extend product shelf life and enhance market competitiveness. Its equipment is adopted by retailers and is intended to enhance supply chain efficiency and sustainability.
- (8) Customer H was incorporated in the Netherlands and principally engaged in reusable transport packaging and related logistics and supply chain management services.
- (9) Customer I was listed on the Shenzhen Stock Exchange, and is principally engaged in the research, development, production and sales of automotive braking systems, chassis electronic control systems, in-wheel motors and by-wire chassis products

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, Supervisors, their associates or any of our Shareholders (who or which to the knowledge of the Directors or Supervisors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Key Terms of Agreement with Our Customers

The following is a summary of the key contractual terms of our contracts with our customers in container sales:

- **Pricing.** Purchase prices are determined on a per-order basis and are set out in the relevant purchase order and/or other agreed transaction documents; ancillary charges (such as freight) may be charged separately if agreed.
- **Payment and credit terms.** Payment terms are specified in the relevant purchase order and/or agreed commercial arrangement. Depending on the customer and transaction, customers may be required to prepay or be granted a specified credit period.
- **Delivery and logistics arrangements.** We typically deliver products to the customer-designated delivery point in accordance with the agreed schedule, and shipments are generally required to be properly packed and accompanied by shipping documents. Where delivery is time-sensitive, late delivery may give rise to customer remedies and/or allocation of expedited shipping costs in accordance with the relevant contract.
- **Inspection and acceptance.** Customers are typically entitled to inspect the products and confirm acceptance in accordance with the procedures set out in the relevant contract. Products are generally not deemed accepted until acceptance is confirmed, and customers may reject non-conforming products in accordance with the contract.
- **Title and risk of loss.** Title and risk of loss are generally allocated in accordance with the relevant contract terms. In certain arrangements, title and risk may pass upon the customer’s acceptance following delivery.
- **Warranty and remedies for defects.** We typically provide warranties relating to conformity with agreed specifications and workmanship for a specified warranty period. Remedies for breach may include refund, repair or replacement, and in certain cases reimbursement of reasonable costs incurred as a result of defects, subject to the contract.

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- **Order changes/variations.** Customers may request changes to certain order parameters (such as delivery time/place, shipment method and quantities) prior to shipment, subject to the agreed change procedure. Any material change may require written confirmation and may result in an equitable adjustment to price and/or schedule as agreed by the parties.
- **Confidentiality, data protection and termination.** Contracts typically contain confidentiality and/or data protection obligations, which may survive for a specified period following completion/termination. Termination rights are generally included for specified events (such as material breach, insolvency events and prolonged force majeure), and certain obligations may survive termination.

The following is a summary of the key contractual terms of our contracts with our customers in pooling services:

- **Scope of services and service parameters.** Pooling service agreements typically specify the types of containers (and related accessories) covered, service content (such as delivery, collection, and other operational support where applicable) and relevant operational arrangements. Detailed service parameters (including product type, quantities and routes/locations) may be implemented through appendices, service orders and/or lease orders confirmed by both parties.
- **Fees, reconciliation and settlement.** Service fees are generally determined based on the agreed pricing items (which may include rental fees, logistics/transport fees and other agreed charges) and are settled based on periodic reconciliation. The parties generally reconcile based on delivery/receipt records and agreed statements, and customers are typically required to pay within the agreed period after confirmation and/or invoice issuance.
- **Rental cycle and overdue charges.** Pooling arrangements typically specify a standard rental cycle (or turnover cycle) or DPU and the method for calculating such cycle. Customers may be charged overdue fees where containers are retained beyond the agreed rental cycle, subject to agreed exceptions and calculation rules.
- **Return arrangements and acceptance upon return.** Customers are typically required to return containers to designated locations upon expiry/termination or based on agreed collection arrangements. Returned containers are generally subject to inspection/acceptance procedures, and settlement is typically based on the actual acceptance results (including quantity and condition).
- **Loss, damage and contamination.** Customers are generally responsible for loss of, or abnormal damage to, containers arising during use, as well as contamination beyond normal wear and tear, and may be required to compensate us accordingly. The specific compensation standard and handling approach are typically set out in the contract and/or determined based on the actual condition and mutual confirmation.
- **Operational coordination and forecasting.** Customers are typically required to cooperate on operational scheduling (including delivery/collection appointments and related confirmations). Where customers introduce new routes or expand usage, advance notice and reasonable forecasts may be required to facilitate container allocation and dispatch.
- **Term and termination.** Pooling service agreements typically have a specified term and may be terminated upon mutual agreement or for specified events, such as material breach (including non-payment), insolvency events, and force majeure affecting performance beyond an agreed period. Upon termination, accrued rights/obligations typically remain enforceable and settlement/return obligations continue to apply.

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- **Confidentiality, assignment and dispute resolution.** Pooling contracts typically include confidentiality obligations (often surviving for a specified period after termination), restrictions on assignment/transfer without prior consent, and provisions on governing law and dispute resolution (such as litigation in a competent court), depending on the relevant jurisdiction and contract form.

Distributorship

During the Track Record Period and as of the Latest Practicable Date, we had one distributor, which remained the same distributor throughout such period. Sales to this distributor accounted for less than 0.5% of our revenue in each year during the Track Record Period, respectively. We adopted the distributorship model to leverage the distributor’s local market coverage and customer resources in the relevant overseas markets, particularly in certain remote countries and regions where the distributor’s established local presence enabled us to extend our sales coverage and overseas market expansion more effectively. We consider various factors in selecting and renewing the distributorship arrangement, including but not limited to the distributor’s qualifications, sales and marketing capabilities, sales network, financial resources, customer resources and synergies with our brand. To the best of our Directors’ knowledge, the distributor is an Independent Third Party.

We entered into the distributorship agreement in 2024. Under the distributorship agreement, our relationship with the distributor is on a seller-buyer basis rather than on a consignment or agency basis. The key terms of the distributorship agreement are set out below:

- **Scope of Distributorship.** We appointed the distributor as our authorized distributor in the agreed territories for the sale of products set out in our product catalogue.
- **Term and Renewal.** The distributorship agreement is for a term of two years and may be renewed upon expiry subject to mutual agreement after our assessment of the distributor’s proposed business plan, sales targets and sales strategies.
- **Sales Target.** The distributor is subject to a non-mandatory annual sales target of RMB1.0 million based on actual receipts. We may adjust the selling price based on whether the distributor achieves this target.
- **Pricing and Payment.** We grant preferential prices based on the agreed sales target, while the distributor is required to comply with our market guidance prices. The distributor is required to prepay the purchase price.
- **Compliance and Brand Protection.** We proactively manage the distributor’s compliance with applicable laws and regulations. The distributor is prohibited from using our name to deceive consumers, selling counterfeit products under our brand or engaging in any conduct detrimental to our brand image.
- **After-sales Warranty and Product Return.** Our distributorship arrangement is subject to our after-sales warranty policy for quality issues. We typically do not accept return or exchange of products from the distributor. We only allow product exchanges under limited circumstances, such as quality defects or damages during transportation.

We have adopted internal control measures to prevent channel stuffing by the distributor. We review purchase orders from the distributor with reference to its historical ordering pattern, agreed annual sales target, payment status, expected market demand and our communications with the distributor regarding its sales plan. We also monitor any unusual increase in order volume or deviation from historical purchase patterns and seek clarification from the distributor where necessary.

The distributor is required to prepay the purchase price, and we generally do not accept returns or exchanges except under limited circumstances such as quality defects or damages during transportation. During the Track Record Period, our product return rate from this distributor was nil. We believe these arrangements help reduce the incentive for the distributor to place orders exceeding actual market demand.

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SUPPLIERS

Our suppliers principally comprise producers of raw materials, including polymer resins and multi-layer films for liquid liners, hardware and steel components, and specialized processors that produce customized single-roll films to our proprietary specifications for subsequent in-house lamination at our Nantong facility. The suppliers base is diversified with a geographic concentration in East China, and we also procure from a limited number of overseas counterparties, including an international petrochemical producer. Suppliers are normally liable for any product defects, including defects attributable to the supplier during their design, material procurement, inspection, manufacturing, technical guidance and/or service process, and defects that endanger personal or property safety.

Major Supplier

Our purchase from the five largest suppliers in each year of the Track Record Period, amounted to RMB51.1 million, RMB59.4 million and RMB74.9 million, and contributed to 39.4%, 26.4% and 31.7% of our total purchase in 2023, 2024 and 2025, respectively. Our single largest supplier amounted to RMB14.3 million, RMB14.0 million and RMB19.5 million, and contributed to 11.1%, 6.2% and 8.3% of our total purchase in 2023, 2024 and 2025, respectively. The following tables set forth the details of our top five suppliers during the Track Record Period.

Supplier	Type of Service	Credit term	Year of commencement of business relationship	Purchase amount RMB'000	Percentage of total purchase %
<i>For the year ended December 31, 2023</i>					
Supplier A ⁽¹⁾	Consigned processing	30 days	2022	14,346	11.1
Supplier B ⁽²⁾	Raw material	5 days	2017	10,986	8.5
Supplier C ⁽³⁾	Raw material	7 days	2017	10,316	8.0
Supplier D ⁽⁴⁾	Service	Prepayment	2019	9,400	7.2
Supplier E ⁽⁵⁾	Raw material	30 days	2020	6,033	4.6
Total				51,081	39.4
<i>For the year ended December 31, 2024</i>					
Supplier D ⁽⁴⁾	Service	Prepayment	2019	13,966	6.2
Supplier E ⁽⁵⁾	Raw material	7 days	2020	13,852	6.1
Supplier A ⁽¹⁾	Consigned processing	30 days	2022	11,367	5.1
Supplier F ⁽⁶⁾	Raw material	90 days	2018	10,538	4.7
Supplier G ⁽⁷⁾	Raw material	Monthly settlement	2018	9,719	4.3
Total				59,442	26.4
<i>For the year ended December 31, 2025</i>					
Supplier B ⁽²⁾	Raw material	7 days	2017	19,514	8.3
Supplier D ⁽⁴⁾	Service	Prepayment	2019	18,735	7.9
Supplier A ⁽¹⁾	Consigned processing	30 days	2022	17,924	7.6
Supplier H ⁽⁸⁾	Raw material	30 days	2024	10,254	4.3
Supplier E ⁽⁵⁾	Raw material	3 days	2020	8,476	3.6
Total				74,903	31.7

Notes:

- (1) Supplier A was established in 2010, and promotes circularity and a sustainable future through its packaging solutions, creating value without waste with its expertise and services, and is obsessed with optimizing efficiency and sustainability, with supporting smarter circular supply chains across North America, the United Kingdom, and Europe.

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- (2) Supplier B was established in 2003 and is principally engaged in bulk commodity trading, covering products including petrochemicals, metals and agricultural products.
- (3) Supplier C was established in 2011 and is principally engaged in logistics system technology development, manufacturing of packaging products and related equipment, and the provision of logistics technology solutions.
- (4) Supplier D was established in 2016 and is principally engaged in domestic freight forwarding, information system integration services and information technology consulting services.
- (5) Supplier E was established in 2013 and is principally engaged in the wholesale and retail of electronic materials.
- (6) Supplier F was established in 2020 and is principally engaged in the research, development and production of reusable packaging products, providing one-stop supporting procurement services, and is equipped with processing facilities including sheet extrusion lines, foldable panel production lines, thick sheet thermoforming machines and blow molding machines.
- (7) Supplier G was established in 2001 and is principally engaged in the research, development, production and sales of high performance new materials, with major products including modified plastics, environmentally friendly high-performance recycled plastics, fully biodegradable plastics, specialty engineering plastics, and carbon fiber and composite materials.
- (8) Supplier H is a subsidiary of a multinational energy and chemical company listed on the New York Stock Exchange. Supplier H is principally engaged in the marketing and sale of chemical products in China.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, Supervisors, their associates or any of our Shareholders (who or which to the knowledge of the Directors or Supervisors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

Selection and Engagement of Suppliers

We maintain a supplier admission and evaluation framework to support stable supply and consistent quality. When selecting suppliers, we generally consider, among other things, (i) corporate qualifications and credibility, (ii) technical and manufacturing capabilities (including production facilities and capacity), (iii) quality management capabilities and historical quality performance, (iv) delivery capabilities and responsiveness, (v) cost competitiveness and quotation reasonableness, and (vi) service attitude and cooperation. Potential suppliers are identified through various channels and are subject to preliminary screening and negotiation by our procurement team.

Before engaging a new supplier, we generally conduct supplier onboarding procedures which may include documentation review, sample provision and verification, cross-functional evaluation and on-site audit. Our procurement team typically coordinates supplier evaluation with relevant departments, and incoming materials are subject to inspection/testing by our quality function in accordance with internal requirements. We also maintain an approved/qualified supplier list, and purchases are generally made from suppliers that have passed our admission procedures and have been included in such list; for certain customer-nominated suppliers or suppliers in specific market circumstances, we may apply an adjusted admission process based on the relevant procurement needs and supporting documentation.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Among our top five customers in each year during the Track Record Period, Customer I was also our supplier, providing ancillary services for packaging containers, including sorting, folding and packing to us in 2023, 2024 and 2025. This overlap primarily arose from Customer I's normal sales to us and constitutes a negligible portion of our purchase for the same period. In 2023, 2024 and 2025, our revenue from top five customers who were also our suppliers was RMB5.3 million, RMB8.1 million and RMB26.4 million, respectively, representing 2.0%, 2.1% and 5.5% of our total revenue in the same years. In 2023, 2024 and 2025, our purchase amount from top five customers who were also our suppliers was less than 0.1% of our total purchase amount in the same periods, respectively.

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Among our top five suppliers in each year during the Track Record Period, Supplier C was also our customer. Supplier C mainly provided liquid liners, and we mainly provide our containers and pooling service to Supplier C. This overlap primarily arose from Supplier C’s normal purchases from us for the same years. In 2023, 2024 and 2025, our revenue from top five suppliers who were also our customers was RMB6.3 million, RMB6.4 million and RMB0.8 million, representing 2.4%, 1.7% and 0.2% of our total revenue in the same years. During the same years, our purchases from Supplier C amounted to RMB10.3 million, RMB4.7 million and RMB2.7 million, accounting for 8.0%, 2.1% and 1.1% of our total purchase amount, respectively.

According to Frost & Sullivan, such overlap is common, especially considering our leading market position and market share, as well as the depth of our collaboration with a wide customer and supplier base, which make it more common for our customers/suppliers to engage with us in both selling products and services to and purchasing products and services from us. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis, and these overlapping customers and suppliers are Independent Third Parties. Our Directors affirm that the prices of transactions with these overlapping customers and suppliers are comparable to those of similar transactions conducted with other customers and suppliers of our Group. Negotiations of the terms of our sales to and purchases from these overlapping supplier customers were conducted on an individual basis, and the sales and purchases were neither interconnected nor inter-conditional with each other. For each of the overlapping supplier-customers, the key terms of our sales and supply agreements were substantially similar to those of our other customers or suppliers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We uphold Environmental, Social and Governance (ESG) as the cornerstone of driving long-term sustainable growth, building corporate resilience, and creating enduring shareholder value.

As a global green supply chain intelligent circular service platform, we are guided by ESG as our strategic compass, continuously advancing the standardization, digitalization, and intelligentization of the green circular industry. Together with our global customers and ecosystem partners, we are committed to building scalable and replicable green supply chain infrastructure, making green supply chains truly accessible.

Our ESG targets are deeply integrated into the Company’s strategy, with a clear implementation pathway established. Leveraging the deep integration of IoT-based intelligent digitalisation technology and the circular economy model, we provide customers with an end-to-end green supply chain intelligent circular service solution covering smart reusable packaging, circular operations, digital systems, and carbon accounting.

In the assessment conducted by CDP, an authoritative environmental disclosure platform, we were awarded a B rating. Furthermore, the Company has been awarded the EcoVadis Bronze Medal, which signifies that the Company’s comprehensive performance in the areas of environment, labor and human rights, business ethics, and sustainable procurement ranks among the top 35% globally, laying a solid foundation of trust for its expansion into overseas markets.

Corporate Governance

We have established a comprehensive, robust, and multi-layered governance framework to systematically identify and manage environmental, climate, and social risks, providing strong support for the achievement of our sustainable development goals. The Board of Directors has overall responsibility for ESG matters. Upon [REDACTED], we will establish a Board-level ESG Committee, which will be responsible for guiding the overall ESG strategy, reviewing and approving significant ESG matters, and overseeing the implementation of related initiatives. To

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ensure the deep integration of corporate strategy with ESG principles, the professional backgrounds and core competencies of members are a primary consideration in forming the ESG Committee. The Committee currently includes experts from fields such as ESG, industry analysis, finance, and risk management, ensuring diversity and balance in its professional composition.

To ensure the effective implementation of ESG initiatives, the Company has established a dedicated ESG working group under the ESG Committee. We have also formed a cross-functional ESG working group to facilitate the implementation of ESG objectives across business and functional departments and submit progress reports to the ESG Committee. Meanwhile, our business and functional departments will implement ESG measures in accordance with established targets and action plans, and provide regular reports to the relevant ESG working groups. Upon its formation, our ESG Committee plans to hold regular coordination meetings with the dedicated ESG working group to review the progress of ESG target implementation and other relevant key matters.

To systematically promote sustainable development management, the Company has identified and compiled a list of material ESG issues based on the key concerns of internal and external stakeholders, its strategic and operational characteristics, updates to applicable laws, regulations and industry standards, thereby implementing refined risk management. The identified ESG issues cover the following dimensions: climate change response, green supply chain circular services, green production and operations, employees, supply chain management, intellectual property protection, as well as community investment and industry co-construction. Specific performance indicators have been assigned to the relevant responsible departments, with dedicated staff from each department collaborating to drive continuous optimization.

Environmental Performance

We attach the utmost importance to addressing climate challenges, developing the circular economy and promoting green supply chains. Through measures including providing innovative end-to-end green circular solutions as well as participating in and launching green innovation and entrepreneurship initiatives, we substantially enhance the environmental awareness and engagement of our customers and the public. In particular, we systematically assess the environmental and climate impacts arising from our business operations, and continuously mitigate such impacts while formulating adaptive strategies through technological innovation and product iteration.

Climate Change Response

Addressing climate change and promoting green circularity in the supply chain remain integral components of our core strategy. Against the backdrop of the severe global climate crisis and the increasing frequency of extreme weather events, we deeply recognize the physical risks and transitional challenges posed by climate change, while actively seizing the developmental opportunities presented by the low-carbon economy.

Category		Potential Impact	Management Measures
Physical Risks	Acute risks (e.g., typhoons, floods) and chronic risks (e.g., sea-level rise, persistent shifts in climate patterns).	Employee commuting disruptions, damage to office infrastructure and production equipment, impacting business continuity; adverse effects on production and operational activities, leading to increased operational costs and potential revenue decline.	Developing and continuously improving emergency response plans and recovery mechanisms for extreme weather events; safeguarding employee health and safety; ensuring the stability of products and services during client usage.

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Category		Potential Impact	Management Measures
Transition Risks	Policy risks (stemming from increasingly stringent carbon emission regulations); Reputational risks (due to escalating stakeholder expectations for green development).	May trigger operational challenges and increased compliance costs; the Company is exposed to transition pressure to align its products and services with low-carbon standards. Continuously monitoring the evolving regulatory environment;	Proactively engaging with stakeholders; developing and implementing more sustainable production and operational models to meet regulatory and market demands.

To systematically address these challenges, the Company will continuously improve the climate governance framework, actively identify, assess, and manage climate-related risks and opportunities.

Indicators and Targets

We consistently carry out climate management initiatives, closely monitor core indicators such as greenhouse gas (GHG) emissions and resource/energy consumption. We are committed to enhancing the Company’s climate change-related performance indicators and bolstering the green development process with data-driven insights.

Category	Unit	2023	2024	2025
GHG Emissions				
Scope 1 ¹	tCO2e	0	0	0
Scope 2 ²	tCO2e	4,209.25	6,232.57	6,477.60
Scope 3 – Category 5 Waste Generated in Operations ³	tCO2e	1,373.00	1,862.06	2,129.13
Total GHG Emissions	tCO2e	5,582.25	8,094.63	8,606.73
GHG Emission Intensity	tCO2e/RMB1 million of revenue	21.04	21.54	18.11
Resource and Energy Consumption				
Water Consumption	Tons	7,497.25	12,014.50	11,314.00
Water Intensity	Tons/RMB1 million of revenue	28.26	31.97	23.80
Purchased Electricity	MWh	6,783.64	10,788.59	11,212.74
Total Comprehensive Energy Consumption ⁴	MWh	6,783.64	10,788.59	11,212.74
Comprehensive Energy Intensity	MWh/RMB1 million of revenue	25.57	28.71	23.59

¹ The Company does not own any fleet or power generation facilities, and is not involved in Scope 1 emission sources such as gasoline, diesel, or natural gas.

² The Company’s Scope 2 GHG emissions stem from purchased electricity, which are calculated based on the national average CO₂ emission factors for electricity of 0.6205 kg CO₂/kWh and 0.5777 kg CO₂/kWh released by the Ministry of Ecology and Environment of the People’s Republic of China for 2023 and 2024 respectively.

³ This calculation covers wastewater emissions from our Nantong facility, Taizhou facility, and Shanghai Headquarters, with emission factors referenced from the *China Products Carbon Footprint Factors Database* published by the Chinese Academy of Environmental Planning of the Ministry of Ecology and Environment.

⁴ The only type of energy consumed by the Company during its operations is purchased electricity, calculated in accordance with the *General Rules for Calculation of the Comprehensive Energy Consumption* (GBT2589-2020).

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Based on the assessment of our Scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol, we have established clear greenhouse gas emission reduction targets as set out below. We plan to achieve the following:

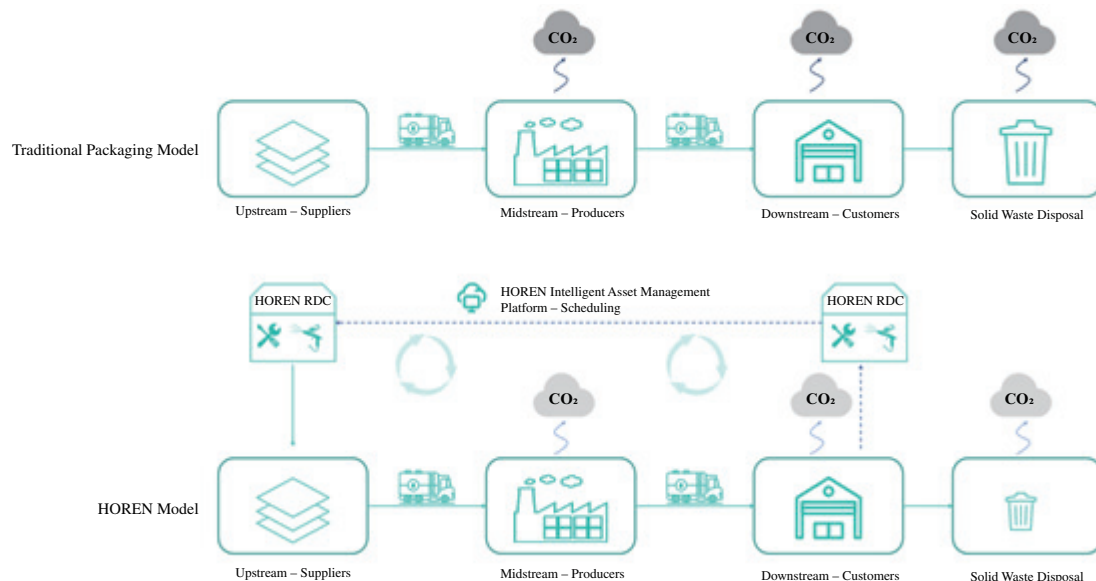
By 2040, reduce the carbon emission intensity of our own operations and Scope 3 emissions by 40% compared to 2025;

By 2050, achieve net-zero carbon emissions across the entire value chain.

To achieve our objectives, we have developed and plan to continue to strengthen a portfolio of green solutions that enable us, our customers and green supply chain ecosystem partners to reduce their carbon footprints.

Green Supply Chain Circular Services

Our green supply chain circular service solutions utilize intelligent technologies and digital management systems to reduce carbon emissions and promote the circular economy throughout our end-to-end supply chain processes, from packaging design and circular operations to carbon footprint management, with further support from our intelligent algorithms and digital tools.



Green Circular Packaging Design

Our green journey commences as early as when our customers select packaging solutions. We have innovated various technologies to digitalize packaging design and carbon footprint management, including the introduction of product full-life-cycle carbon footprint analysis and intelligent packaging scheduling algorithms, in order to promote efficiency and resource conservation. In 2023, 2024 and 2025, the carbon footprints of our four major products were certified. We also initiated the industry’s first *Technical Specifications for Project-Based Greenhouse Gas Emission Reduction Assessment – Returnable Logistics Packaging*, providing verifiable carbon emission reduction data for the industry.

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Through our intelligent recycling services, we have achieved significant carbon reduction benefits for our customers:

Product Solution	Alternative to Traditional Solutions	Full-life-cycle Carbon Emission Reduction per Product (kgCO ₂ e)	Carbon Reduction Percentage
GreenCycle – OF330 Green Box	4 220L steel drums + wooden pallet	19,323.68	>95%
BlueCycle – OF1040Pro Blue Box	4 220L steel drums + wooden pallet	23,221.94	>95%
HeavyLoad Cycle – SP1210-1080 + Spring Inner Materials	48 small cartons + wooden pallet	4,191.95	>75%
FlexFlow – EUO4323 Pallet Unit	30 small cartons + large cartons + wooden pallet	1,859.64	>80%

In 2025, through the abovementioned typical intelligent circular service solutions, we achieved carbon emission reductions of over 105,000 tons at the customer level.

Green Circular Services

We offer simple, eco-friendly and industry-specific green circular services. For example, we promote the use of reusable packaging as an alternative to single-use packaging, achieving a significant reduction in our customers’ packaging material usage in 2025, while simultaneously lowering packaging costs by 30% to 50%. In addition, we have optimized our recycling network design and developed a digital intelligent scheduling algorithm that provides recommendations on optimal empty container allocation, recycling routes and warehouse layouts based on specific customer and transportation requirements, thereby minimizing empty-run mileage and energy consumption.

In addition, our intelligent circular service model for green supply chains, powered by our proprietary “One Container, One Code” technology, helps customers in industries including non-hazardous chemicals, food and beverages, and automotive parts to identify, track, and manage intelligent circular packaging, while providing full-life-cycle circular operation services. We had provided intelligent circular services for green supply chains to a cumulative total of over 2,700 customers worldwide.

We have developed intelligent algorithms and digital tools to track carbon emission reductions from intelligent reusable packaging in green supply chain scenarios in an efficient, accurate, and verifiable manner. These tools can be used to support the sustainability initiatives of the Company, our customers, and our supply chain partners. In particular, our carbon emission reduction algorithms help our customers and business partners effectively manage carbon assets and track carbon footprints, while providing functions including carbon emission calculation, forecasting, and target planning.

Green Production and Operations

Waste and Pollutant Management

We strictly comply with the emission management laws and regulations applicable to our operating locations. We have established the internal management system *Identification and Evaluation Control Procedures for Environmental Factors* covering all production facilities to manage the discharge and disposal of wastewater and solid waste generated during production and

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operations. Our Taizhou facility obtained ISO 14001 environmental management system certification in 2025. In addition, we have constantly reduced the discharge of all types of waste through emission and consumption reduction initiatives across the entire industrial chain.

To control air pollution, our Nantong facility completed an upgrade of its exhaust gas treatment system in 2022, focusing on particulate matter and organic waste gas. The system covers equipment for extrusion, blister forming, injection molding and other production processes. Treated waste gas is discharged through a 15-meter-high exhaust stack, with all indicators meeting the requirements of the *Integrated Emission Standard of Air Pollutants* (GB16297-1996). We have achieved stable compliance with emission standards, which has significantly mitigated the environmental impact. Additionally, our Taizhou facility centralized its welding processes in a newly constructed factory building in 2025, and constructed a high-standard waste gas treatment project in parallel. This project adopts a systematic treatment plan; at the source, all welding equipment is equipped with waste gas collection hoods, pipelines and activated carbon adsorption equipment, which ensures compliance with emission standards and markedly enhances our environmental performance.

We have established the *Circulating Cooling Water System Operating Procedures* to implement refined management of closed-loop water systems to minimize system discharge. At the initial operation stages of the Taizhou and Nantong facilities, we implemented industry-leading open-loop cooling tower systems in the workshops. This system achieves highly efficient cooling based on the physical principle of heat absorption through water evaporation, and only requires a small amount of electrical energy to power the fans and water pumps, thus reducing energy consumption significantly in comparison with the traditional compression refrigeration method. Furthermore, the system adopts a circulating cooling mode, requiring only minor replenishment for evaporation losses (approximately 1%-3% of circulating water volume), achieving over 95% water savings compared to once-through cooling systems. By 2025, both Taizhou and Nantong facilities had achieved zero industrial wastewater discharge.

Category	Unit	2023	2024	2025
Pollutants				
Hazardous Waste Generation Volume	Ton	0.39	1.10	0.86
Hazardous Waste Intensity	Ton/RMB1 million of revenue	0.001	0.003	0.002
Non-hazardous Waste Generation Volume	Tons	123.17	221.08	275.39
Non-hazardous Waste Intensity . .	Tons/RMB1 million of revenue	0.46	0.59	0.58
Wastewater Generation Volume . .	Tons	1,855.40	2,516.30	2,877.20
Wastewater Intensity	Tons/RMB1 million of revenue	6.99	6.70	6.05

Circular Economy

As a company providing intelligent circular services for green supply chains to customers, our core business embodies the practice of the circular economy. Our Taizhou and Nantong facilities have formulated the *Packaging Material Management Measures* based on headquarters guidelines.

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Through our “circular and shared usage” model, we maximize the reuse of packaging materials, reducing resource consumption and waste at the source. We integrate the principles of circular economy throughout the entire production and operation process to achieve efficient resource utilization.

Category	Unit	2023	2024	2025
Packaging Material Usage				
Total Packaging Material Consumption	Tons	157.55	402.67	413.22
Packaging Materials Usage Intensity per Unit Output . . .	Tons/RMB1 million of revenue	0.59	1.07	0.87
Total Volume of Recyclable Packaging Materials	Tons	85.68	191.13	198.73
Recyclable Packaging Materials Usage Intensity per Unit Output	Tons/RMB1 million of revenue	0.32	0.51	0.42

Society

Employees

Employee Rights and Interests

We care about our employees and strive to provide a high-quality platform for employment and growth. We adhere to principles of fairness, impartiality, and transparency in our hiring practices, and are committed to creating a work environment that offers equal opportunities and promotes diversity. The Company maintains a zero-tolerance policy toward any form of discrimination, including on the basis of gender, race, religion, or cultural background. We respect and protect our employees’ rights and strictly comply with applicable labor and employment laws in China and globally, including prohibitions against child labor and forced labor.

Our employee composition is as follows:

Indicators	Unit	2023	2024	2025
By gender				
Male employees	Persons	222	276	335
Female employees	Persons	95	108	120
By age				
< 30	Persons	77	90	94
30 – 50	Persons	227	280	342
> 50	Persons	13	14	19

Occupational Health and Safety

We place a high priority on occupational health and safety, striving to achieve the goal of zero workplace injuries. We strictly comply with the *Labor Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations. We have established a robust governance framework with clear accountability and responsibilities for safety management, including a dedicated safety department led by experienced management personnel. We have formulated a system compliant with the ISO 45001 standard, covering key aspects including safety management, incident classification, investigation and reporting, and emergency response. In addition, we provide annual safety training

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tailored to employees’ duties and responsibilities. Our management team also holds regular meetings to review our safety management plan and identify areas for improvement, while organizing periodic fire drills and emergency evacuation drills to ensure that every employee possesses basic safety knowledge and emergency response capabilities.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material fines or other penalties for violations of health, occupational safety, social, or environmental regulations, nor have there been any material accidents or claims by employees for personal injury or property damage that have had a material adverse effect on our financial condition or business operations. We have established a “zero accident” goal for work safety, which has been consistently achieved during the Track Record Period, with no fatalities or workplace injuries among employees occurring.

Employee Development

We implement diverse employee development initiatives, including the Industrial Green Collar Talent Development Center, to support our employees’ professional growth. We believe that our commitment to social goals, along with our infrastructure network and capabilities, will enable us to effectively serve the local communities where we operate.

Supply Chain Management

We have established a full-life-cycle management system covering supplier qualification, dynamic evaluation, and exit processes. In accordance with the *Supplier Evaluation Criteria*, we conduct systematic assessments on the qualifications, quality, and environmental compliance of all 284 suppliers. We have fully integrated ESG strategies into supplier management. At every stage of procurement, we evaluate suppliers’ ESG performance to promote the establishment of a green, low-carbon, and sustainable operation model.

The Company places high importance on the health and integrity of its supply chain, adopting a zero-tolerance attitude towards bribery and other dishonest practices. Internally, the Company requires every procurement employee to strictly abide by the *Procurement Integrity System* and sign the integrity pledge. The Company regularly organizes training sessions on laws, regulations, and internal policies to systematically mitigate fraud risks.

Intellectual Property Protection

As a core intangible asset, intellectual property constitutes a foundational driver of the competitive advantage and long-term value creation. In accordance with laws and regulations such as the *Patent Law of the People’s Republic of China*, we have established internal policies including the *Management Measures for the Full Life Cycle of Patents*, the *Management Measures for the Encryption and Decryption of Electronic Documents* and the *Incentive Measures for Patent Achievements*, implementing full-life-cycle management for the creation, application, maintenance and protection of intellectual property. We have obtained international certifications for ISO 27001 Information Security Management System and ISO 20000-1 Information Technology Service Management to implement full-life-cycle permission and confidentiality management for core technical documents.

Community Investment and Industry Co-construction

We are committed to fulfilling corporate social responsibilities. Throughout the process of development and operation, we consistently give back to society and support the collective progress of the entire industry.

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Empowering Emergency Logistics

We have extended our intelligent circular technology to the emergency response sector and have formed a strategic partnership with a European company specializing in water treatment to provide modular and highly reliable emergency water transport and storage solutions for use in international humanitarian aid and municipal emergency response systems in Northern Europe.

Talent Cultivation and Industry Empowerment

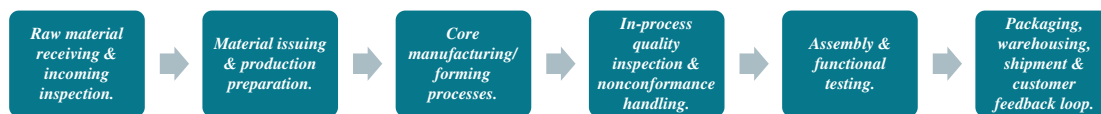
In 2025, in collaboration with Tsinghua University’s Entrepreneurship Research Center on G20 Economies, the Company co-hosted the G20 Entrepreneurship Roundtable and launched the “Industrial Green-Collar Talents Initiative” G20 Collaborative Development and Global Cooperation Platform. This initiative promotes high-quality youth employment through green entrepreneurship. In Xuyong County, Luzhou City, Sichuan Province, the Company has launched a targeted assistance program, implementing a closed-loop “education-employment” support system for 20 families. By funding vocational education, the Company cultivates local talents for rural revitalization.

We empower green entrepreneurs by initiating the Net-Zero Cycle Industry Innovation Forum and the Net-Zero Cycle Entrepreneurship Program. As a founding member of the China ESG Alliance and a partner of the Siemens China Low-carbon Pioneer Initiative, we collaborate with industry peers to drive green transformation across supply chains. We released the report *Towards Zero Carbon Recycle – Industrial Internet’s Contribution to Carbon Neutrality* to share our exploration results in circular economy and the carbon-neutral pathways.

PRODUCTION AND MANUFACTURING

Production and Manufacturing Processes

We operate a highly structured production system, underpinned by stringent quality controls and modern manufacturing methodologies, to design and manufacture reusable containers and compatible accessories, as illustrated in the flow chart below.



Below are detailed descriptions of the key aspects of our production and manufacturing processes:

- **Raw material receiving & incoming inspection.** Raw materials are received and inspected upon arrival; non-conforming materials are either returned or scrapped, and accepted materials are put into inventory.
- **Material issuing & production preparation.** Materials (and required accessories/components) are issued to production based on production requirements, and preparatory steps are completed before manufacturing starts.
- **Core manufacturing/forming processes.** Key manufacturing steps are performed (e.g., forming/molding of components and composite forming/bag-making operations), with key parameters controlled during critical operations (such as temperature, pressure and time where applicable).
- **In-process quality inspection & nonconformance handling.** Inspections are conducted at key stages; any non-conforming output is isolated and handled through rework, scrap or other disposition procedures.

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- **Assembly & functional testing.** Components are assembled and tested (including functional/quality testing) to confirm that the product meets specifications before release.
- **Packaging, warehousing, shipment & customer feedback loop.** Qualified products are packaged, moved into finished goods storage, and shipped out. Customer complaints (if any) are received and handled through the non-conformance control process.

Our production operations are supported by materials processing, mold design and maintenance, manufacturing know-how, in-house testing and MES-based production management. We apply a range of molding and forming processes, including injection molding, thermoforming, vacuum forming, blow molding, gas-assisted injection molding, two-shot injection molding, hot-melt welding and vibration friction welding. Our production equipment includes injection molding machines with clamping force ranging from 150 tons to 2,500 tons, together with approximately 400 sets of self-designed and internally maintained molds, including stack molds, high-precision molds, two-shot molds, gas-assisted molds and insert molds. These processes and equipment support the production of large-sized and precision-molded structural components and the integration of selected functional parts. We also process certain resins and compounded materials in-house and use recycled materials in selected products, with traceability procedures for raw materials containing post-consumer recycled content. Quality controls are embedded across the production process through in-process inspection, release controls, air-tightness and leakage testing, machine-vision inspection and MES-based production traceability.

Our Production Facilities

We principally manufacture in the PRC at our facilities, with a limited portion of international orders fulfilled by local original equipment manufacturers. Our footprint comprises two principal facilities: Taizhou, our center for large-size containers, and Nantong, which covers liquid liners, valves, reusable plastic containers and the New Trunkline series. Our key production equipment primarily included injection molding, vacuum forming and welding equipment for plastic processing, multilayer film lamination equipment for film production, air-tightness and leakage testing equipment (air-tightness leak detectors) for quality verification, visual inspection (VI) systems for quality control, as well as heat sealing equipment (heat press/sealing machines) and pressing equipment (press machines) used in key sealing and assembly processes, during the Track Record Period.

The following table sets forth a summary of our manufacturing facilities for our major products as of December 31, 2025.

Manufacturing Facility	Location	Site area (sq.m)	Principal Products	Property Interest
Taizhou Facility	Taizhou, Zhejiang	approximately 23,000	Containers	Leased
Nantong Facility	Nantong, Jiangsu	approximately 20,000	Containers, consumables and accessories	Leased

Production Expansion in Xianju, Taizhou

We expect to expand our manufacturing capacity through the development of a new production facility project in Xianju, Taizhou, Zhejiang, China, with a total gross floor area of approximately 100,000 sq.m., which is intended to be used primarily for the manufacturing of reusable packaging products, including bulk liquid packaging and reusable packaging used in cold-chain and industrial logistics, as well as supporting functions such as production workshops and ancillary facilities. We commenced preparations for the construction of this facility in December 2025 and expect it to become fully operational by 2028, upon which we expect to fully transition from our leased premises to our owned Xianju facility.

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The following table provides detailed information on our production facilities in Taizhou and Nantong.

	Year Ended December 31,								
	2023			2024			2025		
	Production capacity ⁽¹⁾	Production volume	Utilization rate ⁽²⁾	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate
	(units)	(units)	%	(units)	(units)	%	(units)	(units)	%
Taizhou Facility									
Containers	64,800	39,782	61.4	97,200	84,125	86.5	113,400	94,132	83.0
Nantong Facility									
Containers	891,000	582,629	65.4	1,603,800	932,463	58.1	1,603,800	916,256	57.1
Valves	480,000	392,092	81.7	800,000	804,961	100.6	800,000	736,936	92.1
Liquid bags	—	—	—	320,000	232,233	72.6	400,000	338,166	84.5
Others	106,903	58,322	54.6	113,537	75,849	66.8	113,538	67,842	59.8
Total	1,542,703	1,072,825	69.5	2,934,537	2,129,631	72.6	3,030,738	2,153,332	71.0

Notes:

- (1) Production capacity is calculated by multiplying the monthly output of each production line at each facility by 12 months, assuming 26 operating days per month. Monthly capacity is determined based on the production equipment deployed on each production line. Variations in capacity utilization during the periods presented were primarily attributable to the initial ramp-up of certain production lines that commenced operations in March 2023, during which output had not yet stabilized, resulting in a lower utilization rate.
- (2) Utilization rate is calculated by dividing the production volume of a given period by the production capacity of the same period.

Our production and operations are governed by a robust control framework aligned with applicable national and international standards. We conduct scheduled inspections and preventive maintenance to keep facilities in optimal condition. Incidents and equipment faults are captured through a formal reporting and escalation mechanism, with complete records and prompt corrective actions.

INVENTORY MANAGEMENT

Our inventory primarily includes (i) raw materials, (ii) work in progress, and (iii) finished goods. Our inventory turnover days were 95 days, 84 days and 74 days in 2023, 2024 and 2025, respectively. See “Financial Information — Discussion of Selected Items From The Consolidated Statements of Financial Position — Inventories.”

We implement inventory control procedures to monitor inventory movements and maintain appropriate stock levels in support of production and fulfillment. Inbound materials and products are generally received based on delivery documents and are subject to inspection and acceptance processes before being recorded into inventory. Inventory items are stored by category and condition, with labeling/identification practices designed to facilitate traceability and stock management. Inventory issuance and outbound dispatch are generally handled on a documented and authorized basis (e.g., requisition and delivery instructions), with routine operational principles such as “first-in-first-out” applied where appropriate. We also have procedures for identifying and handling non-conforming, obsolete or damaged items, which may involve quarantine, return, scrapping or other disposition methods following internal assessment and approval processes.

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LOGISTICS AND WAREHOUSING

We have established a logistics and warehousing management framework to support the efficient storage and circulation of our reusable containers and related accessories. We operate a hybrid model that combines self-operated warehousing with third-party outsourced services, which allows us to coordinate logistics activities across different regions while maintaining operational flexibility and scale efficiency. Our self-operated warehouses primarily store raw materials, work-in-progress and finished goods, which supports inventory control and product quality management. Products that have completed the relevant quality inspection and release processes may be shipped directly from our production sites to customers or transferred to regional warehouses for subsequent distribution.

To maintain inventory accuracy and traceability, we implement basic warehouse discipline such as item classification, orderly stacking, labeling/stock cards, and timely record-keeping for inbound and outbound movements. We also conduct periodic physical inventory checks (including regular monthly checks and annual comprehensive counts involving relevant functions such as warehouse and finance) and reconcile discrepancies in accordance with our internal approval procedures.

For outbound logistics, shipments are arranged based on customer delivery requirements after completion of the relevant inspection and release processes. We work with professional third-party logistics providers for transportation and last-mile delivery to customer-designated locations. We maintain shipment documentation and operational records to support delivery tracking and internal reconciliation. This hybrid model supports operational flexibility and service reliability across our delivery network.

QUALITY CONTROL AND ASSURANCE

We have implemented rigorous quality control systems that oversee all aspects of our production processes. Our quality management strategy operates at every phase of operations, including design, development, sourcing, production, packaging, delivery, and after-sales service. We adhere to international standards such as ISO 9001, ISO14001, and ISO27001. During the design phase, we focus on identifying and addressing potential quality issues early on, ensuring that quality is embedded into the product from the very beginning. In the production phase, we maintain strict oversight by continuously monitoring and testing our products to ensure they meet required standards before leaving the factory. This thorough management of each stage guarantees consistently high product quality, which is widely recognized by our customers.

Our products are distributed across multiple countries and regions and are therefore subject to different safety regulatory requirements and quality standards in the relevant markets. To support compliance and market access, we maintain quality control procedures tailored to the requirements of different jurisdictions and work with reputable independent third-party testing and certification bodies in the PRC and overseas to conduct testing and obtain the relevant certifications, so as to ensure our products comply with applicable local laws, regulations and technical standards. We maintain quality assurance policies and a dedicated after-sales service team. Our products are generally covered by a warranty period of no less than 12 months, and we provide 24-hour after-sales support. During the warranty period, where a product defect or failure is not attributable to customer misuse or other non-product-related factors, we will arrange repair or replacement, as applicable, at no additional cost.

We have not experienced any significant product returns, liability claims, or legal issues related to product safety or quality control during the Track Record Period, nor have we had any product or service recalls up to the Latest Practicable Date.

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DATA PRIVACY AND SECURITY

We are headquartered in the PRC and market our solutions globally. In the course of delivering these solutions, we process only the data that is necessary to support the functionality, operational efficiency and security of our products and services. Where required under applicable laws and regulations, we provide appropriate notice and obtain valid consent prior to processing. Our data processing activities primarily involve (i) business contact information of enterprise customers, channel partners and suppliers, as well as operational records generated by them in the course of business interactions and service usage, and (ii) non-personal operational data generated in connection with service delivery. We may also collect and use general personal information, such as name, email address, telephone number, company, department and job title, for purposes including business communications, contract performance and ongoing relationship management.

In our ordinary course of business, we do not collect or access sensitive personal information from customers. During customer acquisition, we typically obtain general contact details through our website, customer service channels or marketing activities. During service delivery and after-sales support, we communicate with customers to understand service requirements and provide ongoing support. We follow similar practices in our interactions with ecosystem partners and suppliers, collecting only the general information necessary for routine business operations. We have established an internal management framework for cybersecurity, data security and personal information protection, with clearly defined roles and responsibilities. We have also designated responsible personnel for cybersecurity and data security to fully implement cybersecurity and data security protection responsibilities. In addition, we provide cybersecurity, data security and personal information protection training to our employees to enhance awareness and ensure ongoing compliance with applicable laws and regulations.

We have established an information security management framework supported by a range of technical and organizational safeguards. Our security measures include, among others, network firewalls, intrusion prevention controls, regular penetration testing, vulnerability scanning, and disaster recovery planning. We maintain a data privacy and security governance structure designed to safeguard system integrity and protect customer data, and we implement internal protocols governing the collection, storage, use, transmission and retention of data throughout its lifecycle.

We also track developments in cybersecurity and data protection laws and regulations and conduct periodic compliance reviews and remediation to keep our practices aligned with evolving requirements. We have adopted internal policies and procedures, including our Data Security Management Policy, Personal Information Protection Policy and Network Security Management Policy, which set out the key requirements for data protection and cybersecurity across our operations.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any litigation, arbitration or material administrative penalties in relation to data security or privacy. Based on advice from our local legal advisers in our major operating jurisdictions, we are not aware of any existing privacy or personal data laws and regulations that have had a material adverse effect on our business or financial performance. We believe that, as a result of our internal controls and compliance efforts, our operations were, and continue to be, in compliance with all material respects with applicable data security and privacy laws and regulations in the markets in which we operate.

INTELLECTUAL PROPERTY

We believe our patents, know-how, proprietary technologies, trademarks, copyrights, domain names, and similar intellectual property are critical to our success. To protect these rights, we have implemented several key measures, including: (i) developing comprehensive internal policies to ensure effective IP management; (ii) establishing an intellectual property taskforce to guide, supervise, and monitor daily IP-related activities; (iii) regularly registering, filing, and applying for

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ownership of our intellectual properties; (iv) actively tracking registration and authorization statuses and promptly addressing potential conflicts; and (v) clearly outlining IP ownership and protection rights in our employment agreements.

As of December 31, 2025, we had filed 968 patent applications globally, of which 534 had been granted, and had filed 161 PCT patents. Our intellectual property portfolio includes an aggregate of 357 granted invention patents in the PRC and major overseas markets, covering reusable packaging structures and materials, circular management and IoT tracking, and automation equipment. These granted invention patents include 179 in the PRC, 48 in the United States, 35 in Europe, 40 in Japan and 23 in Australia. According to Frost & Sullivan, we have the largest number of granted invention patents among companies in our industry. In addition, we held 12 software copyrights. See “Statutory and General Information — Further Information About Our Business — Intellectual property rights” in Appendix VI.

We are committed to vigorously protecting our technology and proprietary rights, though there is no guarantee of success. During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any material intellectual property infringement claims, nor had we experienced significant infringement of our intellectual property rights by third parties. During the Track Record Period and as of the Latest Practicable Date, we have not been involved in any major intellectual property disputes with third parties. However, there remains the possibility that third parties may initiate litigation or claims against us, alleging infringement of their proprietary rights or seeking declarations of non-infringement regarding our intellectual property. For more details, see “Risk Factors — Risks Relating to Our Business and Industry — We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies” and “Risk Factors — Risks Relating to Our Business and Industry — We may be involved in intellectual property disputes and claims.”

INTRA-GROUP TRANSACTIONS

During the Track Record Period, we engaged in intra-group transactions within our Group, primarily involving transfers of ownership of tangible assets to our wholly-owned subsidiaries in the United States, Japan and the United Kingdom. Such intra-group transactions primarily consisted of sales of finished goods and raw materials to our subsidiaries in the United States and Japan for onward sale to third-party customers, and sales of raw materials, finished goods and moulds to our subsidiary in the United Kingdom for outsourced processing and subsequent sale to third-party customers. The transfer pricing policy for such intra-group sales was to enable the relevant overseas subsidiary to retain a certain level of profit in its distribution business.

We assessed the arm’s length nature of the foregoing transactions by benchmarking the relevant overseas subsidiaries against comparable independent distributors in North America, Asia-Pacific and Europe, respectively, using the transactional net margin method with operating margin as the profit level indicator. Our Directors are of the view that our intra-group transactions during the Track Record Period were consistent with the arm’s length principle and no transfer pricing adjustment has been made in respect of such transactions. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any penalties, investigations, queries or transfer pricing audits by the relevant tax authorities in respect of such intra-group transactions. See “Risk Factors — We are subject to regulatory risks with respect to tax compliance regulations and policies.”

COMPETITION

The markets in which we operate are competitive, fragmented and evolving, and we face competition in all aspects of our business, including product performance and reliability, solution design capabilities, service coverage, operational execution, digital platform functionality, customer responsiveness, and pricing. Our business spans reusable packaging solutions and related

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lifecycle services (including pooling/rental, circulation management and supporting operations), and we compete both against providers of reusable packaging circular services and against traditional one-time industrial packaging alternatives.

Our current and potential competitors primarily include: (i) global pooling operators and other established reusable packaging service providers (including pallet, container and tote pooling players); (ii) specialized reusable packaging manufacturers and solution providers that emphasize product sales and/or provide services in selected segments, industries or regions; (iii) traditional single-use industrial packaging manufacturers (such as suppliers of one-way packaging products) that compete on upfront pricing and customer relationships; and (iv) local or regional service providers (including logistics/warehousing-related players) that may offer adjacent solutions or localized services. As the industry continues to develop, competition is increasingly focused not only on manufacturing cost, but also on end-to-end operational capabilities, network coverage, and digital systems and data-driven management that support scalable circulation and multi-party collaboration.

We believe we are well-positioned to compete by continuing to enhance our technology-enabled operating and service system, expanding our global service network and improving operational efficiency. However, certain competitors may have longer operating histories, stronger brand recognition, deeper supplier relationships, broader customer bases, more established local networks, or greater financial, technical or marketing resources than we do, and we cannot assure you that we will be able to compete successfully in the future.

SEASONALITY

Demand for our products and services is generally linked to our customers’ production, procurement, inventory and logistics cycles. We typically experience stronger order intake and sales activities in the fourth quarter, driven by seasonal demand in overseas markets and year-end procurement and production cycles in Chinese Mainland. In overseas markets, customer purchasing decisions are often influenced by the year-end retail season, while in Chinese Mainland, customers in certain industries tend to advance procurement and production plans toward year-end. In particular, demand from the new energy vehicle sector generally increases during the fourth quarter production and delivery peak, and customers in the food and fresh produce sectors typically increase inventory build-up and distribution activities ahead of major holidays. By contrast, business activities in the first quarter are generally affected by the Spring Festival holiday, during which manufacturing and logistics activities may slow. As a result, our revenue, margins and cash flows may vary between interim periods, and the first half of the year generally contributes less than the second half, which is generally consistent with normal industry practice.

EMPLOYEEE

As of December 31, 2025, we had a total of 455 employees globally, including nine employees under labor outsourcing arrangements. The following table shows our employees categorized by functions as of the same date.

Function	Number of Employees
Production and Supply Chain	258
Sales and Marketing	89
R&D and Engineering	61
Finance	23
General Administrative	24
Total	455

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Our success depends significantly on our ability to attract, retain and motivate qualified talent, and we believe that our high-quality talent pool is an important strength and a key source of our competitive advantage. We maintain rigorous recruitment standards and structured hiring procedures, and we recruit through multiple channels, including campus recruitment, online recruitment, internal referral and third-party recruiters, to identify and select suitable candidates in response to our evolving talent needs. We also invest in employee development through continuing education and training programs, including regular and tailor-made internal and external training, to enhance employees’ professional capabilities and management skills, strengthen their technical and operational competencies, and enable them to keep abreast of relevant industry standards and best practices. We provide pre-employment induction training and orientation to all new hires and organize internal activities designed to reinforce employees’ understanding of our culture and values. We offer a market-competitive remuneration and benefits package comprising a fixed base salary and performance-based components. Our compensation arrangements are determined with reference to factors including job level, individual performance and our operating results, and certain roles may also be eligible for additional project-based incentives or sales commissions. In addition, we have implemented incentive mechanisms, including performance appraisals, annual bonuses and equity awards, to recognize and reward outstanding performance and to further align employee incentives with the long-term development of the Company.

As required by relevant PRC laws and regulations, we participate in various employee social security plans, including pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. Considering that (i) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay any shortfall with respect to social insurance and housing provident funds or imposing any administrative penalties on us, (ii) we were not aware of any material employee complaints or involved in any material labor disputes with our employees with respect to social insurance and housing provident fund, (iii) we had not been subject to any material administrative penalties with respect to our social insurance contributions during the Track Record Period and up to the Latest Practicable Date, (iv) Mr. Liao has undertaken to, pursuant to the terms and conditions of his confirmation, indemnify us against any losses and penalties which we may suffer as a result of the failure of our Group to comply with relevant laws, rules and regulations concerning housing provident fund contributions, and (v) the relevant regulatory assurances of no penalty and the facts stated above, as advised by our PRC Legal Advisor, we consider the residual risk associated with social insurance and housing provident fund contributions to be remote and not material to our operations, financial condition, or prospects, See “Risk Factors — Risks Relating to Our Business and Industry — We may be demanded to pay the outstanding contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities.”

We typically enter into employment agreements, confidentiality agreements and non-compete agreements with our senior management and core employees. These employees are prohibited from joining companies that compete with us or our affiliates during their employment and for a certain period of time thereafter. We have maintained a good relationship and expect to maintain an amicable relationship in the future with our employees. During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operation and no material disputes between the Group and our employees.

PROPERTIES

As of the Latest Practicable Date, most of our production facilities, machinery, transportation and electronic equipment were located in the PRC with certain manufacturing plants and warehouses in Taizhou, Zhejiang, China and Nantong, Jiangsu, China. Our corporate headquarters are located in Shanghai, China. As of the Latest Practicable Date, we owned land use rights of 74,871 sq.m of land. All of these land parcels have been granted land use right certificates. For the land with land use certificates, we have the right to legally occupy, use, transfer, lease, mortgage, or otherwise dispose of such land and there is no restriction on the seizure, mortgage and other forms of rights in the ownership of such lands or existence of any third-party rights during the Track Record Period.

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We also own or lease certain properties in Chinese Mainland and Japan. As of the Latest Practicable Date, we leased 25 properties relating to our business operations in total with an aggregate gross floor area of approximately 76,000 sq.m, which have been mainly used as office and manufacturing facilities. 11 of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of such lease agreements nor the lawful and effective use of leased properties pursuant to the lease agreements. However, the relevant authorities may require us to rectify such noncompliance within a prescribed period and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each of such properties if we fail to rectify such non-compliance within the prescribed period. During the Track Record Period and up to the Latest Practicable Date, we had not received any order from the relevant government authorities requiring us to register these lease agreements, and no administrative penalty had been imposed on us for non-registration of these lease agreements. Based on the above, our PRC Legal Advisor and Directors are of the view that the failure to register and file the leased properties will not have any material adverse effect on our operation and financial condition. See “Risk Factors — Risks Relating to Our Business and Industry — We may be liable for failure to register and file our lease agreements, which may expose us to penalties.”

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

INSURANCE

We consider our insurance coverage adequate and in accordance with the commercial practices in the industry in which we operate. We provide social security insurance, including pension insurance, work injury insurance, maternity insurance, medical insurance and unemployment insurance for our employees. We have also purchased insurance for the assets in our central warehouse and for logistics transportation to ensure the safety of such assets. We do not maintain business interruption insurance or key-man insurance. Our management evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. During the Track Record Period, we did not make any material insurance claim in relation to our business.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board has overall responsibility for overseeing the effectiveness of our risk management and internal control systems. We have established policies, procedures and governance practices that are designed to address our operational needs and to support the identification, assessment, management and ongoing monitoring of key risks across our business. Management is responsible for the day-to-day design, implementation and operation of our internal controls, while the Board reviews the overall effectiveness of such systems and considers updates as our business expands and our operating environment evolves. Notwithstanding the above, our risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and are subject to inherent limitations.

Financial Reporting Risk Management

We manage financial reporting risks through standardized accounting and reporting policies and procedures covering budgeting, periodic financial close processes and management reporting. Key controls include defined approval and authorization arrangements, segregation of duties, reconciliation procedures and management review over significant balances, transactions, and key accounting estimates and judgments. We typically apply dual review procedures for periodic

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financial statements (including quarterly and annual financial statements). We also conduct periodic training to ensure that finance personnel understand and consistently apply relevant accounting policies, and that financial information is accurately captured, reviewed and reported in a timely manner.

Data Privacy and Security Risk Management

We depend on secure IT systems to support our business operations and to manage business and customer-related data. We manage data privacy and cybersecurity risks through an information security governance framework and internal policies governing network and database security, access controls, user permission management, data encryption (where applicable), system logging and monitoring, and backup and restore procedures. We implement cybersecurity measures to prevent unauthorized access, data leakage, service disruption or other security incidents, and we continually monitor and improve our defenses to address evolving threats. Protecting data integrity is an important priority in our IoT-enabled packaging and logistics services, and we adopt technical and organizational measures intended to safeguard the confidentiality, integrity and availability of our systems and data. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material system failure in our IT infrastructure, or any material leakage or loss of customer data.

Compliance and Intellectual Property Management

Our intellectual property team handles applications, renewals, and filings for our trademarks, copyrights, and patents to protect our innovations and intellectual property assets. Our legal and compliance function supports risk management across our operations by implementing compliance-related policies and procedures and advising on legal and regulatory matters. Before entering into contracts with customers, suppliers or other counterparties, our legal team typically works with the business teams to review key contract terms, verify relevant supporting documents and, where appropriate, conduct due diligence to identify and mitigate legal, regulatory and counterparty risks. We also coordinate with the business and internal control functions to obtain and maintain the government approvals, licenses and permits required for our operations and to monitor ongoing compliance obligations. We manage intellectual property risks through processes covering applications, renewals and recorded filings for trademarks, copyrights and patents, and through internal confidentiality measures and contractual protections with employees and business partners. These measures are designed to protect our innovations and intellectual property assets and to reduce risks relating to potential infringement, leakage of proprietary information, or disputes over ownership of intellectual property.

Human Resource Risk Management

A key part of our risk management involves developing and maintaining a skilled and knowledgeable workforce. Our human resources function oversees recruitment, training and performance evaluation programs, with the objective of maintaining an appropriately qualified team and ensuring that employee capabilities remain aligned with our operational needs. We apply internal processes to support workforce planning, employee development and retention, and we carry out periodic performance reviews to help identify training needs and potential key-person dependencies.

Our employee handbook, which has been approved by management and distributed to employees, includes internal guidelines on workplace conduct, confidentiality, ethics, fraud prevention and anti-corruption standards. Our anti-corruption policy promotes integrity throughout our organization by defining prohibited conduct and adopting a zero-tolerance approach to corruption and misconduct. We maintain an anonymous reporting channel that enables employees to raise concerns regarding potential misconduct, and we have established procedures for relevant functions (including business, finance, legal and internal control) to review, investigate and respond to reported matters in order to uphold ethical standards and mitigate compliance risks.

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Supply Chain and Operational Risk Management

We manage supply chain and operational risks through procedures covering supplier coordination, inbound receiving and inspection, warehousing, inventory control and outbound fulfillment. We seek to manage supplier-related risks through supplier selection and performance management practices and, where appropriate, by maintaining alternative sourcing arrangements for key materials or components to mitigate disruption risk. We generally implement quality control measures for incoming materials and items prior to storage or use, and we maintain procedures for identifying, segregating and handling non-conforming items through defined disposition methods (such as return, scrapping or other approved treatment), as appropriate.

LICENSES AND APPROVALS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant governmental authorities that are material to our business operations in markets in which we operate. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations and we do not expect any material difficulties in such renewals so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations.

The following table sets forth the details of the material licenses and permits necessary for our business operations.

License/approval/permit	Holder	Issuing Authority	Grant date	Expiration date
Importer/Exporter Consignee/Consignor Filing	the Company	Shanghai Customs	February 3, 2021	N/A
Production License for Industrial Products	Jiangsu Xiangxiang	Jiangsu Administration for Market Regulation	September 5, 2023	September 5, 2028

As advised by our PRC Legal Advisor, we had obtained all material licenses, permits and approvals necessary for our business operations from the relevant government authorities in the PRC as of the Latest Practicable Date. We will apply for renewal of our licenses and permits prior to their expiration, and we do not foresee any legal impediment for the renewal of our certifications that are about to expire as of the Latest Practicable Date.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are subject to legal proceedings, investigations and claims incidental to the regular operation of our business from time to time. During the Track Record Period and up to the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to us to be pending or threatened by or against us.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Year	Awards and recognitions	Award parties
2023	Top 10 Sci-Tech Innovation Achievements Empowering Green Transformation through Digital Technology	China Circular Economy Association
2023	2023 Top 10 Green and Low-Carbon Technology Achievements	National Green Technology Exchange Center
2023	“Future Sustainable Investment” 2023 Outstanding Case	Beijing Fund Association
2023	First-Batch Nationwide Participant in CNIPA “Thousand Enterprises, Hundred Cities” Trademark Brand Value Enhancement Action Plan (2023-2025)	China National Intellectual Property Administration (CNIPA)
2023	24th China Patent Award	China National Intellectual Property Administration (CNIPA)
2024	National Intellectual Property Advantage Enterprise	China National Intellectual Property Administration (CNIPA)
2024	National Filing of Patented Products and Recognition of Patent-Intensive Products	China National Intellectual Property Administration (CNIPA)
2024	2nd Yangtze River Delta High-Value Patent Operation Competition (2024) — Most Investment-Value Award	National IP Operation (Shanghai) International Service Platform
2024	Criteria 1. Innovation Award	United Nations Industrial Development Organization (UNIDO)
2024	Zero Pioneer Partner	Siemens China
2024	COFCO Group Outstanding Supplier	COFCO Group
2025	2025 Top 100 Chinese Enterprises with New Momentum for Globalization	Cyzone
2025	National-Level Specialized, Refined, Differentiated and Innovative (SRDI) “Little Giant” Enterprise	Ministry of Industry and Information Technology of the PRC (MIIT)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Liao was interested in approximately 59.21% of our total issued share capital, comprising (i) approximately 48.32% directly held by him and (ii) approximately 10.89% of our total issued share capital controlled by Mr. Liao in his capacity as the sole general partner of our employee shareholding platform, Shanghai Honghe. Accordingly, Mr. Liao and Shanghai Honghe constitute a group of Controlling Shareholders before the [REDACTED]. For details of the relationship among the group of our Controlling Shareholders and their shareholding in our Company, see the sections headed “History, Development and Corporate Structure” and “Substantial Shareholders.”

Immediately following the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) no new Shares are issued under our Employee Incentive Scheme and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), Mr. Liao will continue to control, directly and indirectly (through Shanghai Honghe), the exercise of approximately [REDACTED] voting rights of the enlarged issued share capital of our Company. Therefore, Mr. Liao and Shanghai Honghe will remain as a group of Controlling Shareholders of our Company upon [REDACTED].

Mr. Liao is our chairman of the Board, executive Director and chief executive officer. See “Directors and Senior Management” for further details.

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER COMPETING BUSINESSES

Our Controlling Shareholders confirmed that, as of the Latest Practicable Date, they did not have any interest in other business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

The Company’s Directors are of the view that the Company will be capable of carrying on its business independently from the Controlling Shareholders and their respective close associates upon completion of the [REDACTED]. The independence of the Company is set out below in three aspects of management independence, operational independence and financial independence:

Management Independence

The day-to-day management of the business of our Group rests primarily with our Board and our senior management. Our Board consists of 11 Directors comprising four executive Directors, three non-executive Directors and four independent non-executive Directors. Although Mr. Liao is the chairman of our Board and the chief executive of our Company, our management and operational decisions are made by our Board and senior management members collectively.

We consider that our Company will function independently from the Controlling Shareholders for the following reasons:

- each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the best interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- our management and operational decisions are made by the Board and senior management, all of whom have substantial experience in the industry in which we operate and in their respective areas of expertise. We have established sound internal control and decision-making mechanisms, whereby the senior management is accountable to the Board and is supervised by experienced independent non-executive Directors;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- four out of our 11 Directors are independent non-executive Directors who have extensive experience in various professional fields. They have been appointed in accordance with the requirements of the Listing Rules to ensure that the decision of our Board shall be made only after due consideration of independent and impartial opinions. We believe that the independent non-executive Directors will bring independent judgement to the Board’s decision-making process;
- a Director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates is materially interested, and shall not be counted in the quorum present at the particular Board meeting; and
- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. Please refer to “— Corporate Governance Measures” below.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or our company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate our business independently from our Controlling Shareholders and their close associates.

Financial Independence

We have established an independent financial management and internal control system, enabling us to make financial decisions independently in accordance with our own business needs. We maintain an independent finance department responsible for daily financial management, fund operations and accounting, and have implemented a comprehensive internal audit system to ensure financial transparency and compliance. As we anticipate that our working capital will be derived from, among other things, operating activities, bank loans and the cash flows generated from the [REDACTED], we do not expect to rely on the Controlling Shareholders and their close associates for financing following the [REDACTED].

During the Track Record Period, our Controlling Shareholders and their respective close associates have provided guarantees (the “**Guarantees**”) to 17 banks and financial institutions to secure certain bank loans and other borrowings to our Group for further business expansion (“**Guaranteed Loans**”). For further details of the bank loans and other borrowings and the corresponding guarantee from the Controlling Shareholders and their respective close associates, please see notes 27 and 34 to the Accountants’ Report set out in Appendix I, respectively.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, we had a total outstanding Guaranteed Loans with principal amount of approximately RMB346.76 million. Our Directors are of the view that our Group remains financially independent of our Controlling Shareholders and their close associates for the following reasons:

- (a) as of the Latest Practicable Date, we are in the process of obtaining release consent from all relevant banks and financial institutions, and 16 of them have agreed in principle to release the Guarantees with principal amount of approximately RMB345.96 million;
- (b) the remaining amount of Guaranteed Loans of RMB795,000 will be fully repaid before the [REDACTED].

Taking into consideration the above, our Directors are of the view that we are financially independent from our Controlling Shareholders or their close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that a Director shall not vote on any resolution in which such Director is connected to the company or individual involved;
- we have established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if we enter into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors and believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in “Directors, and Senior Management — Board of Directors — Independent Non-executive Directors”;
- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group and our Controlling Shareholders and/or our Directors, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and the independent non-executive Directors shall review compliance with the non-competition undertakings, and our Company shall disclose the resolutions of the independent non-executive Directors either through interim and annual reports or by way of announcements; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- we have appointed SPDB International Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.

Based on the above, the Directors of the Company are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders and to protect minority Shareholders’ interests after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon the [REDACTED], the Board of Directors will consist of eleven Directors, including four executive Directors, three non-executive Directors and four independent non-executive Directors. Pursuant to the Articles of Association, our Directors are elected and appointed by our Shareholders at a Shareholders’ meeting for a term of three years, which is renewable upon re-election and re-appointment.

The following table sets forth the key information about our Directors:

Name	Age	Position	Time of joining our Group	Date of appointment as a Director	Responsibility
<i>Executive Directors</i>					
LIAO Qingxin (廖清新)	51	Chairman of the Board, executive Director and chief executive officer	December 8, 1998	September 2, 2013	Responsible for overall strategic planning, international business development, as well as the establishment and management of our research and development system
TANG Junfeng (唐俊峰)	48	Executive Director, senior vice president and general manager for China region	October 9, 2009	November 17, 2017	Responsible for strategic planning, business development and operational management related to the China market
LIU Haihua (劉海花)	43	Executive Director	November 12, 2007	January 26, 2026	Responsible for overseas market expansion and customer collaboration
ZHANG Fan (張帆)	43	Executive Director, vice president and finance director	January 8, 2026	January 26, 2026	Responsible for financial management and capital market compliance
<i>Non-executive Directors</i>					
HUANG Yan (黃岩)	53	Non-executive Director	November 17, 2017	November 17, 2017	Responsible for providing management and strategic advice to our Group
XIONG Ming Hua (熊明華)	60	Non-executive Director	November 17, 2017	November 17, 2017	Responsible for providing management and strategic advice to our Group

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Time of joining our Group	Date of appointment as a Director	Responsibility
ZHANG Guojin (張國津)	60	Non-executive Director	August 28, 2019	August 28, 2019	Responsible for providing management and strategic advice to our Group
<i>Independent non-executive Directors</i>					
Mr. IP Wang Hoi (葉耘開)	49	Independent non-executive Director	January 27, 2026	January 27, 2026	Responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board
Mr. Cheung Yik Man (張奕敏) . .	53	Independent non-executive Director	January 27, 2026	January 27, 2026	Responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board
Mr. ZUO Xinyu (左新宇)	48	Independent non-executive Director	January 27, 2026	January 27, 2026	Responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board
Mr. WU Dennis Pak Kit (胡伯杰)	51	Independent non-executive Director	January 27, 2026	January 27, 2026	Responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. LIAO Qingxin (廖清新), aged 51, is our founder, chairman of the Board, executive Director and chief executive officer. He founded our Company and has been appointed as a director, chairman of the Board and chief executive officer since incorporation and was re-designated as an executive Director in January 2026. He is primarily responsible for the overall strategic planning, international business development, as well as the establishment and management of our research and development system.

Mr. Liao is a recognised industrial technology expert in the field of intelligent reusable packaging, with over 25 years of deep industry experience. Under his leadership, our Company has become the enterprise holding the largest number of invention patents in the global intelligent reusable packaging sector. As the inventor, Mr. Liao holds 16 granted invention patents in China, 23 granted invention patents overseas, and has filed 14 PCT international applications, one of which was awarded the “China Patent Excellence Award” (中國專利優秀獎).

Mr. Liao is also a pioneer in advancing digitalisation and platform-based strategies in the industry. He originated the innovative value unit concept known as DPU (箱天), catalysing the transformation of the sector from traditional manufacturing towards service-platform integration, and thereby driving our Company’s rapid growth.

Due to his outstanding contributions to technological commercialisation and industrial innovation, Mr. Liao has received numerous national and industry-level honours, including: the “National Science and Technology Ministry Innovation and Entrepreneurship Talent” in 2018; selection into the national “Ten Thousand Talents Plan — Leading Talent in Scientific and Technological Innovation” in 2019; recognition as an “Outstanding Innovation and Entrepreneurship Talent of Zhangjiang National Independent Innovation Demonstration Zone” in 2021; the AABI Torch Entrepreneur Internationalisation Award in 2022; the “Pioneer in Sci-Tech Hard-tech Business Leader” by STAR Market Daily in 2023; and being named among the Seventh Session of “Shanghai Industrial and Commercial Leaders” in 2025.

Mr. Liao obtained his master’s degree in business administration from Tsinghua University (清華大學) in June 2024. He was admitted to the National Science and Technology Expert Database administered by the Ministry of Science and Technology of the People’s Republic of China. In 2025, he was accredited as a senior engineer by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局).

Mr. Liao actively contributes to the professional associations and currently serves as vice president of both the Logistics Equipment Committee and the Automotive Logistics Branch of the China Federation of Logistics & Purchasing, and as a Standing Director of the China Circular Economy Association. Furthermore, he led the formulation of China’s first national technical standard for “Green Product Evaluation — Reusable Logistics Containers”, laying a solid foundation for the green transformation of the industry.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liao was also previously a director, supervisor, or member of senior management of the following companies prior to their respective dissolution:

Name of Company	Place of Incorporation	Position held	Period of Office	Nature of Business	Status	Date of dissolution	Reasons for dissolution
Shanghai Horen Logistics Technological Co., Ltd. (上海鴻潤物流技術有限公司)	PRC	Executive Director	01/2013-04/2020	Logistics Technology	De-registered	7 April 2020	Cessation of Business
Suzhou Horen Intelligent Technology R&D Co., Ltd. (蘇州箱箱智能科技研發有限公司)	PRC	Executive Director	08/2021-03/2025	Internet of Things (IoT) Services	De-registered	24 March 2025	Cessation of Business
Taizhou Horen Logistics Packaging Technology Co., Ltd. (台州鴻潤物流包裝技術有限公司)	PRC	Executive Director, General Manager	07/2014-12/2024	Wholesale of Electronic Products	De-registered	20 December 2024	Cessation of Business
Shanghai Honghui Logistics Technology Co., Ltd. (上海鴻慧物流技術有限公司)	PRC	Executive Director, General Manager	01/2013-07/2017	Wholesale of Plastics and Plastic Products	De-registered	21 July 2017	Cessation of Business
Zhuhai Hongxi Business Management Partnership (Limited Partnership) (珠海鴻西企業管理合夥企業(有限合伙))	PRC	Executive Partner	04/2018-12/2019	Socioeconomic Consulting	De-registered	24 December 2019	Cessation of Business
Shanghai Hongxi Investment Management Partnership (Limited Partnership) (上海鴻西投資管理合夥企業(有限合伙))	PRC	Executive Partner	01/2016-12/2020	Investment and Asset Management	De-registered	3 December 2020	Cessation of Business

Mr. Liao confirmed that (i) to the best of his knowledge, information and belief after making reasonable inquiries, the above companies were solvent prior to its dissolution; (ii) there was no wrongful act on his part leading to the dissolution of the above companies; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above companies.

Mr. TANG Junfeng (唐俊峰), aged 48, was appointed as a director of our Company in November 2017 and was re-designated as an executive Director in January 2026. He is primarily responsible for strategic planning, business development and operational management related to the China market. Mr. Tang joined our Group in October 2009, and has held various senior management positions of our Company, including assistant to the general manager, deputy general manager, general manager for China region and senior vice president.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tang has accumulated extensive managerial experience in organisational development, operations management, strategic planning and marketing, and played an instrumental role in the Company’s business transformation initiatives, particularly in relation to the implementation of the platform-based strategy for our business operations in China.

Mr. Tang obtained his bachelor’s degree in economics from Southwest Normal University (西南師範大學) in Chongqing in July 1999, and his master’s degree in business administration from Tsinghua University (清華大學) in June 2025.

Ms. LIU Haihua (劉海花), aged 43, is our executive Director. She was in charge of our international sales business since November 2007 and was re-designated as executive Director in January 2026. Ms. Liu is primarily responsible for overseas market expansion and customer collaboration.

Ms. Liu has over 10 years of experience in the reusable logistics packaging industry. After joining our Group, she has successively held key positions including head of international business, head of China regional operations centre, and head of operational coordination at the office of the president. During her tenure, she played an integral role in the Company’s transition of service models and the development of its digitalisation framework. In particular, she accumulated substantial expertise in operational management and strategic execution through leading the build-out of our overseas business operations from inception.

Ms. Liu obtained her bachelor’s degree in finance from Anhui University of Finance and Economics (安徽財經大學) in China in July 2006.

Mr. ZHANG Fan (張帆), aged 43, has been serving as the vice president and finance director of our Company since January 2026 and was re-designated as an executive Director in January 2026. He is primarily responsible for financial management and capital market compliance.

Prior to joining our Group, he served as chief financial officer of Shanghai Xiaobeike Catering Management Co., Ltd. (上海小貝殼餐飲管理有限公司) from January 2025 to December 2025. He also held as chief financial officer at Sichuan Renzhong Investment Management Co., Ltd. (四川仁眾投資管理有限公司) from July 2022 to December 2024, and worked at Shanghai G-lyra Cultural Industry Co., Ltd. (上海格樂麗雅文化產業有限公司) from January 2021 to March 2022, and senior finance manager at Shanghai Wanda Network Technology Co., Ltd. (上海萬達網絡科技有限公司) from January 2017 to January 2018. Earlier in his career, Mr. Zhang served as finance director at several entities under Rongshu Group (融數集團) from April 2015 to December 2016. He also has previous working experience at Alibaba (China) Co., Ltd. (阿裡巴巴(中國)有限公司).

Mr. Zhang obtained his bachelor of management degree in accounting from Wuhan University (武漢大學) in China in June 2005.

Non-executive Directors

Mr. HUANG Yan (黃岩), aged 53, was appointed as a director of our Company in November 2017 and was re-designated as a non-executive Director in January 2026. Mr. Huang is primarily responsible for providing management and strategic advice to our Group. Mr. Huang has also been serving as a director of Horen (Japan) Limited (ホーレン・ジャパン株式会社) since July 2022.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Huang has also been experienced in serving directorship or supervisorship in multiple companies. Prior to joining our Group, he has been serving as an independent director of Shanghai Waigaoqiao Free Trade Zone Development Co., Ltd. (上海外高橋集團股份有限公司) (stock code: 600648.SH) since August 2022, as a director at Shanghai Dalinghaowan Technology Development Co., Ltd. (上海大零號灣科技發展有限公司) since May 2023, and as an executive director at Shanghai Lingxiang Zhihang Business Consulting Co., Ltd. (上海領箱智航商務諮詢有限公司) (previously known as Shanghai Caohejing Angel Venture Capital Co., Ltd. (上海漕河涇天使創業投資有限公司)) since April 2024, as an executive director at Shanghai Lingzhong Asset Management Co., Ltd. (上海領中資產管理有限公司) since August 2016. Mr. Huang worked at Vertex Venture Management Co. Ltd. (祥恩股權投資管理(上海)有限公司) from September 2011 to September 2016, with his last position being an investment partner and head of Shanghai office.

Mr. Huang obtained his bachelor’s degree in economics from Fudan University (復旦大學) in July 1993, and MBA degree from Fudan University in July 2000, and a master’s degree in computer science from University College London (倫敦大學學院) in November 2002.

Mr. Huang was previously a supervisor of the following company at the time of its dissolution:

Name of Company	Place of Incorporation	Position held	Period of Office	Nature of Business	Status	Date of dissolution	Reasons for dissolution
Ningbo Kelang Machinery Co., Ltd. (寧波克浪機械製造有限公司) (“Ningbo Kelang”) . .	PRC	Supervisor	09/2012-02/2021	Equipment manufacturing	Liquidated	February 19, 2021	Voluntary winding up

Mr. Huang confirmed that to the best of his knowledge, information and belief after making reasonable inquiries, Ningbo Kelang was dissolved by voluntary winding up due to inability to repay its debts. Mr. Huang confirmed that, as of the Latest Practicable Date, no claims had been made against him and he was not aware of any threatened or potential claims made against him and there were no outstanding claims and/or liabilities as a result of the voluntary winding-up of Ningbo Kelang.

Mr. XIONG Ming Hua (熊明華), aged 60, was appointed as a director of our Company in November 2017 and was re-designated as a non-executive Director in January 2026. Mr. Xiong is primarily responsible for providing management and strategic advice to our Group.

Mr. Xiong is the director of 7 Seas Venture Capital Limited, an investment company. He was the former Chief Technology Officer for Tencent Technology (stock code: 700.HK), whose shares are listed on the Main Board of the Stock Exchange, from 2005 to 2013.

Mr. Xiong has also been serving as an independent director of SOHO China Limited (SOHO 中國有限公司) (stock code: 410.HK), whose shares are listed on the Main Board of the Stock Exchange, and Telling Telecommunication Holding Co., Ltd. (天音通信控股股份有限公司) (stock code: 000829.SZ), since May 2015 and September 2018, respectively.

Mr. Xiong obtained his bachelor of engineering degree in Information System Engineering and a master degree in science from Intelligence Research Institute of the Commission of Science, Technology and Industry for National Defense, People’s Liberation Army (中國人民解放軍國防科學技術工業委員會情報研究所) in National University of Defense Technology (國防科技大學) in China in July 1987 and September 1990 respectively.

DIRECTORS AND SENIOR MANAGEMENT

Mr. ZHANG Guojin (張國津), aged 60, was appointed as a director of our Company in August 2019 and was re-designated as a non-executive Director in January 2026. Mr. Zhang is primarily responsible for providing management and strategic advice to our Group.

Mr. Zhang is a founding partner of Asia Green Fund Management Co. Ltd. (綠動投資管理有限公司) and has been with the company since May 2017. He worked at Russell Reynolds Associates (Shanghai) Co., Ltd., Beijing Branch, with his last position being the managing director from November 2009 to May 2017. He also worked at Halliburton from October 2001 to October 2009. He also has previous working experience at McKinsey & Co.

Mr. Zhang obtained his bachelor's degree in nuclear electronics from the University of Science and Technology of China (中國科學技術大學) in China in July 1987, his master's degree and doctoral degree in nuclear engineering from Purdue University in the United States in July 1992 and December 1994, respectively.

Independent Non-executive Directors

Mr. IP Wang Hoi (葉耘開), aged 49, is appointed as our independent non-executive Director with effect from January 27, 2026. He is primarily responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

Mr. Ip has more than 25 years of experience in accounting, investment banking and corporate finance. Prior to joining our Group, Mr. Ip joined Arthur Andersen in September 1998 and was transferred to PricewaterhouseCoopers in July 2002, where he served until April 2004 with his last position being a manager. From March 2011 to March 2016, he served at J.P. Morgan Securities (Asia Pacific) Limited, with his last position being an executive director in the global investment banking department. From March 2017 to February 2020, Mr. Ip was employed by Tuspark Financial Holdings (HK) Limited, where his last position was the chief executive officer of TUS Corporate Finance Limited. Since February 2020, Mr. Ip has served as the responsible officer of Wings Securities Limited (永時證券有限公司). Since December 2021, he has served as an independent non-executive director of Vanov Holdings Company Limited (環龍控股有限公司) (stock code: 2260.HK), whose shares are listed on the Main Board of the Stock Exchange, where he provides independent advice on the group's operations and management. From December 2021 to June 2022 and since September 2024, Mr. Ip has served as an independent non-executive director of CF PharmTech, Inc. (長風藥業股份有限公司) (stock code: 2652.HK), whose shares are listed on the Main Board of the Stock Exchange, where he provides independent advice on and judgment to the board of CF PharmTech, Inc..

Mr. Ip obtained a bachelor's degree in business administration (accounting and finance) from the University of Hong Kong in December 1998 and a master of business administration degree from the University of Chicago Graduate School of Business in the United States in March 2008. Mr. Ip has been a member of the Hong Kong Institute of Certified Public Accountants since September 2001 and a fellow of CPA Australia since March 2019. He was designated as a Chartered Financial Analyst by the CFA Institute in September 2005.

Mr. Cheung Yik Man (張奕敏), aged 53, was appointed as our independent non-executive Director with effect from January 27, 2026. He is primarily responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, since September 1999, Mr. Cheung has served as the dean of the Hong Kong Financial Services Institute, where he is responsible for institutional operational decision-making and market development. Since September 1999, he has also been involved in the management and overall decision-making of Recom Education (Group) Limited. Since January 2015, he has served as the managing director of Dining Workshop (Hong Kong) Limited (飲食工房(香港)有限公司), where he is responsible for corporate operations, strategic decision-making and market development.

Mr. Cheung obtained his bachelor’s degree in business administration from Hosei University in Japan in January 1997. He further obtained a master’s degree in business administration from the University of Southern California in the United States in August 1999.

Mr. ZUO Xinyu (左新宇), aged 48, is appointed as our independent non-executive Director with effect from January 27, 2026. He is primarily responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

Prior to joining our Group, from July 2000 to February 2006, Mr. Zuo served as a Section Chief at the Business Development Center of the State Bureau of Domestic Trade. Mr. Zuo joined China Federation of Logistics and Purchasing in February 2006 and served from February 2006 to December 2024 as Assistant Secretary-General and Deputy Secretary-General of the Automobile Logistics Branch, Deputy Secretary-General and Secretary-General of the Logistics Equipment Professional Committee, Secretary-General of the Automobile Logistics Branch, and Secretary General of the Apparel Logistics Branch; he has been serving as the Director of the Exhibition Department, the Director of the Logistics Equipment Professional Committee, and the Executive Vice President of the Automobile Logistics Branch since December 2024; serving as the Executive Vice President of the Apparel Logistics Branch since January 2025, and serving as the Director of the Pallet Professional Committee since February 2025. Mr. Zuo has extensive experience in logistics engineering. Since February 2006, Mr. Zuo has also served at Beijing Zhongwulian Conference and Exhibition Co., Ltd. (北京中物聯會展有限公司), where he has successively served as a staff member, a director and the managing director.

Mr. Zuo has also served as an independent director of a number of listed companies. Since May 2022, he has served as an independent director of Jiangsu Hichain Logistics Co., Ltd. (江蘇海晨物流股份有限公司) (stock code: 300873.SZ). Since May 2021, he has served as an independent director of West Shanghai Automotive Service Co., Ltd. (西上海汽車服務股份有限公司) (stock code: 605151.SH). From May 2022 to January 2025, he served as an independent director of Beijing Rui Ze Heng Yi Technology Co., Ltd. (北京睿澤恆鑑科技股份有限公司) (stock code: 831275.NEEQ). From May 2022 to June 2025, he served as an independent director of San Yang Ma (Chongqing) Logistics Co., Ltd. (三羊馬(重慶)物流股份有限公司) (stock code: 001317.SZ). Since November 2025, he has served as an independent non-executive director of Chongqing Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司) (stock code: 01292 HK), whose shares are listed on the Main Board of the Stock Exchange.

Mr. Zuo obtained his bachelor of engineering degree in computer applications from Heilongjiang Business College (黑龍江商學院) (now Harbin University of Commerce) in China in July 2000. He further obtained a master of engineering degree in logistics engineering from Beijing Jiaotong University (北京交通大學) in China in July 2011.

Mr. Wu Dennis Pak Kit (胡伯杰), aged 51, is appointed as our independent non-executive Director with effect from January 27, 2026. He is primarily responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Wu accumulated extensive experience in accounting, investment banking, corporate finance and sustainable finance. From April 2003 to June 2020, Mr. Wu joined CITIC Capital Holdings Limited, a company focusing on alternative asset management including private equity, real estate, mezzanine venture capital and marketable securities, with his last position being executive director of principal investments. Mr. Wu has also been serving at Allied Sustainability and Environmental Consultants Group Limited (沛然環保顧問有限公司) (stock code: 8320), since November 2015, initially as a non-executive director and subsequently re-designated as an executive director in July 2020 and appointed as chief executive officer in July 2022. During his tenure, he has led the overall operational management and strategic development, including overseeing its successful listing on the GEM Board of the Stock Exchange in 2016, formulating regional expansion strategies covering Asia, Chinese Mainland and the Middle East, and driving the development of green finance, ESG advisory, carbon management and green technology-related businesses.

Mr. Wu obtained his bachelor’s degree of science with honours from the Marshall School of Business of the University of Southern California in the United States in 1996. He further obtained a master’s degree in accountancy from The Chinese University of Hong Kong in 2001. He also completed executive and professional training programmes in sustainable finance and digital transformation, including a sustainable finance programme at the Cambridge Institute for Sustainability Leadership in 2020 and a digital transformation programme at Imperial College Business School in 2021. Mr. Wu holds a number of professional qualifications. He has been accredited as a fellow member of the Hong Kong Institute of Certified ESG Strategists for the period from April 2024 to March 2026. He has also been accredited as an ESG Certified Professional by the Chamber of Hong Kong Listed Companies since December 2024, and as a GRI Certified Professional by the Global Reporting Initiative since April 2021. In addition, he has been accredited as an ISO 14064 Greenhouse Gas Accounting and Verification Certified Professional by SGS since April 2022. Mr. Wu has been recognised as a GRESB Accredited Professional (Real Estate Team Leader) since December 2025. He was also appointed as a Platform Delegate Operator to the Core Climate Platform acting on behalf of Allied Sustainability Consultants Limited since September 1, 2023.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Senior Management

Name	Age	Position	Time of joining our Group	Date of appointment as a member of senior management	Responsibility
LIAO Qingxin (廖清新)	51	Chairman of the Board, executive Director and chief executive officer	September 2, 2013	September 2, 2013	Responsible for the overall strategic planning, international business development, as well as the establishment and management of our research and development system
TANG Junfeng (唐俊峰)	48	Executive Director, senior vice president, general manager in the PRC	October 9, 2009	June 5, 2020	Responsible for strategic planning, business development and operational management related to the China market
ZHANG Fan (張帆)	43	Executive Director, vice president and financial director	January 8, 2026	January 26, 2026	Responsible for financial management and capital market compliance
YANG Jie (楊杰)	40	Director of treasury department and joint company secretaries	March 12, 2015	January 26, 2026	Responsible for establishing and managing the Group’s treasury function and liquidity management and corporate governance matters

Mr. LIAO Qingxin (廖清新), aged 51, is the chairman of the Board, executive Director and chief executive officer of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. TANG Junfeng (唐俊峰), aged 48, is the executive Director, senior vice president and general manager for China region of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. ZHANG Fan (張帆), aged 43, is the executive Director, vice president and financial director of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. YANG Jie (楊杰), aged 40, joined our Company in March 2015 and his current position is the director of the treasury department. He was appointed as one of joint company secretaries since January 2026. He is responsible for establishing and managing the Group’s treasury function

DIRECTORS AND SENIOR MANAGEMENT

and liquidity management and corporate governance matters. He has actively developed diversified financing channels, including finance leasing, commercial banking and equity capital markets, effectively ensuring funding availability and security during the Company’s phase of rapid business growth.

Mr. Yang has over ten years of professional experience in financial management. Prior to joining our Group, he held positions at Shanghai Beautyland Industrial Co., Ltd. (上海必優蘭實業有限公司), Shanghai Yihua Food Co., Ltd. (上海意華食品有限公司) and Shanghai Want Want Food Group Co., Ltd. (上海旺旺食品集團有限公司), where he was primarily engaged in cost management.

Mr. Yang obtained his bachelor’s degree in accounting from Jiamusi University (佳木斯大學) in China in June 2009. He is currently pursuing a master of business administration degree at Shanghai Jiao Tong University (上海交通大學) in China through part-time study since September 2025. Mr. Yang was approved an intermediate professional title in accounting by the Shanghai Municipal Human Resources and Social Security Bureau in October 2014. He was also awarded the Certified Management Accountant designation by the Institute of Certified Management Accountants in September 2020.

OTHER INFORMATION

Save as disclosed in this section and in “Statutory and general information — Further information about our Directors, Chief Executive and substantial shareholders of our Company” in Appendix VI to this Document:

- (1) each of our Directors and members of senior management does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;
- (2) other than Mr. Zuo Xinyu, Mr. Ip Wang Hoi, Mr. Xiong Ming Hua, Mr. Huang Yan and Mr. Wu Dennis Pak Kit each of our Directors and members of senior management has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date;
- (3) none of our Directors and members of the senior management is related to other Directors and members of the senior management;
- (4) each of our Directors did not have any interest in our Shares within the meaning of Part XV of the SFO; and
- (5) to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Mr. YANG Jie (楊杰), see “— Senior Management” for his biographical details.

Mr. Yau Tsz Lun (游子麟) is our joint company secretary and has been appointed on January 26, 2026.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yau is a manager of Company Secretarial Services of Tricor Services Limited. Mr. Yau has over six years of experience in the company secretarial field. He has been providing professional corporate services, corporate governance and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. Yau is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations, the Corporate Governance Code and the Listing Rules, the Company has established five committees under the Board of Directors, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and ESG Committee.

Audit Committee

We established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and with the written terms of reference in compliance with the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. Ip Wang Hoi, Mr. Zuo Xinyu and Mr. Zhang Guojin with Mr. Ip Wang Hoi currently serving as the chairperson, who has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and have with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

We established a Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and with the written terms of reference in compliance with the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Cheung Yik Man, Mr. Wu Dennis Pak Kit and Mr. Huang Yan, with Mr. Cheung Yik Man currently serving as the chairperson. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and have with terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

Nomination Committee

We established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and with the written terms of reference in compliance with the Corporate Governance Code. The Nomination Committee consists of five Directors, namely Mr. Liao Qingxin, Ms. Liu Haihua, Mr. Cheung Yik Man, Mr. Zuo Xinyu and Mr. Wu Dennis Pak Kit, with Mr. Liao Qingxin currently serving as the chairperson. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and have with terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Strategy Committee

We have established the Strategy Committee with written terms of reference, which consists of Mr. Liao Qingxin, Mr. Tang Junfeng, Mr. Zhang Fan, Mr. Huang Yan, Mr. Xiong Ming Hua and Mr. Zhang Guojin, with Mr. Liao Qingxin being the chairperson of the Strategy Committee according to the relevant laws and regulations of the PRC. The main duties of the Strategy Committee are to research and recommend development strategy and capital operation of our Company.

ESG Committee

We have established the ESG Committee with written terms of reference, which consists of Mr. Wu Dennis Pak Kit, Mr. Ip Wang Hoi, Mr. Cheung Yik Man and Mr. Zhang Guojin, with Mr. Wu Dennis Pak Kit being the chairperson of the ESG Committee according to the relevant laws and regulations of the PRC. The main duties of the ESG Committee are to establish, review our ESG strategies and goals, and evaluate, determine and address our ESG-related risks.

GENERAL

Save as disclosed above, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company.

To the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 27, 2026, and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointments.

DIRECTORS AND SENIOR MANAGEMENT

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and logistics. They obtained degrees in diversified majors including economics, computer science, system engineering, logistics, physics, finance and management.

In addition, our Board of Directors has a wide range of age, ranging from 43 years old to 60 years old. One Director is also female. Our Board is of the view that our Board of Directors satisfies the Board Diversity Policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors’ expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of our Board. After the [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED], except for Code Provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual.

We do not have a separate chairperson and general manager, and Mr. Liao, our Chairman of the Board, executive Director and chief executive officer, currently performs these two roles. Our Board considers that vesting the roles of chairman and general manager in the same person is beneficial to the management of our Group. With extensive experience in the industry and having served in our Company since its establishment, Mr. Liao is the Director best suited to steer the overall management, business, sales, strategic development and research and development of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Our Board currently comprises four executive Directors, three non-executive Directors, and four independent non-executive Directors, and therefore has a strong independence element in its composition.

The Board will continue to review and consider splitting the roles of chairperson and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders’ meetings and our Board as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders’ meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Company and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, allowances, benefits, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, allowances and benefits in kind, performance-related bonuses, share-based payment compensation, pension scheme contributions and social welfare) paid to the Directors and supervisor for the three years ended December 31, 2023, 2024 and 2025 were RMB4.0 million, RMB15.6 million and RMB4.1 million respectively.

For each of the years ended December 31, 2023, 2024 and 2025, there were two, two and two directors among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to RMB5.0 million, RMB4.0 million and RMB5.8 million, for the years ended December 31, 2023, 2024 and 2025, respectively.

It is estimated that remuneration equivalent to approximately RMB5.0 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2026, based on the arrangements in force as of the date of this Document.

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

For more details on remuneration paid to our Directors and senior management and, on an aggregate basis, the five highest paid individuals of our Group during the Track Record Period, see Notes 9 and 10 to the Accountants’ Report as set out in Appendix I; and for details regarding the share awards granted to our Directors and senior management, see “Appendix VI — Statutory and General Information — Employee Incentive Scheme”.

COMPLIANCE ADVISOR

Our Company appointed SPDB International Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances pursuant to Rule 3A.22 of the Listing Rules:

- (i) before the publication of any regulatory announcement, circular or financial report;

DIRECTORS AND SENIOR MANAGEMENT

- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this Document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this Document; and
- (iv) responding to inquiries made by the Exchange to the Company pursuant to Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The terms of the appointment of the compliance advisor will commence on the [REDACTED] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and [REDACTED] of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), the following persons will have, or be deemed, or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	As of the Latest Practicable Date without taking into account the [REDACTED]		Immediately upon the completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] is not exercised)	
		Number of Shares ⁽¹⁾	Percentage of shareholding in our total issued share capital (%)	Number of Shares ⁽¹⁾	Percentage of shareholding in our total issued share capital ⁽²⁾ (%)
Mr. Liao	Beneficial interest	4,955,775 Unlisted Shares	48.32	[REDACTED]	[REDACTED]
	Interest in a controlled corporation ⁽³⁾	1,116,584 Unlisted Shares	10.89	[REDACTED]	[REDACTED]
Shanghai Honghe Investment Management Partnership Enterprise (Limited Partnership) (上海鴻合投資管理合夥企業) (“Shanghai Honghe”)	Beneficial interest	1,116,584 Unlisted Shares	10.89	[REDACTED]	[REDACTED]
Shanghai Lingzhong Longzhi Venture Capital Center (Limited Partnership)* (上海領中龍智創業投資中心(有限合夥)) (“Lingzhong Longzhi”)	Beneficial interest	562,783 Unlisted Shares	5.49	[REDACTED]	[REDACTED]
Zhuhai Lingzhong Xingchen Phase II Equity Investment Fund (Limited Partnership)* (珠海領中星辰二期股權投資基金(有限合夥)) (“Lingzhong Xingchen”)	Beneficial interest	548,379 Unlisted Shares	5.35	[REDACTED]	[REDACTED]
Zhuhai Lingzhong Qingyan Equity Investment Fund (Limited Partnership)* (珠海領中清研股權投資基金(有限合夥)) (“Lingzhong Qingyan”)	Beneficial interest	69,876 Unlisted Shares	0.68	[REDACTED]	[REDACTED]
Zhuhai Gongyi Equity Investment Fund (Limited Partnership)* (珠海公億股權投資基金(有限合夥)) (“Zhuhai Gongyi”)	Beneficial interest	20,213 Unlisted Shares	0.20	[REDACTED]	[REDACTED]
Shanghai Lingxiang Zhihang Business Consulting Co., Ltd.* (上海領箱智航商務諮詢有限公司) (“Lingxiang Zhihang”)	Beneficial interest	13,151 Unlisted Shares	0.13	[REDACTED]	[REDACTED]
Shanghai Lingzhong Assets Co., Ltd.* (上海領中資產管理有限公司) (“Lingzhong Assets”)	Interest in a controlled corporation ⁽⁴⁾	1,201,251 Unlisted Shares	11.71	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	As of the Latest Practicable Date without taking into account the [REDACTED]		Immediately upon the completion of the [REDACTED] (taking into account the [REDACTED] and assuming the [REDACTED] is not exercised)	
		Number of Shares ⁽¹⁾	Percentage of shareholding in our total issued share capital (%)	Number of Shares ⁽¹⁾	Percentage of shareholding in our total issued share capital ⁽²⁾ (%)
Mr. Huang Yan (黃岩) (“Mr. Huang”)	Interest in a controlled corporation ⁽⁴⁾⁽⁵⁾	1,214,402 Unlisted Shares	11.84	[REDACTED]	[REDACTED]
Beijing China-US Green Investment Center (L.P.) (北京中美綠色投資中心(有限合夥)) (“Beijing Green Investment”)	Beneficial interest	1,146,548 Unlisted Shares	11.18	[REDACTED]	[REDACTED]
China-US Green Fund Management (Beijing) Co., Ltd.* (中美綠色基金管理(北京)有限公司) (“China-US Green Fund”)	Interest in a controlled corporation ⁽⁶⁾	1,146,548 Unlisted Shares	11.18	[REDACTED]	[REDACTED]
Asia Green Fund Management Co. Ltd. (綠動投資管理有限公司) (“AGF”)	Interest in a controlled corporation ⁽⁶⁾	1,146,548 Unlisted Shares	11.18	[REDACTED]	[REDACTED]
Xianju Times Bole New Energy Investment Partnership (Limited Partnership)* (仙居時代伯樂新能源投資合夥(有限合夥)) (“Times Bole”)	Beneficial interest	705,130 Unlisted Shares	6.88	[REDACTED]	[REDACTED]
Shenzhen Timesbole Venture Capital Investment Management Co., Ltd. (深圳市時代伯樂創業投資管理有限公司) (“Timesbole VC”)	Interest in a controlled corporation ⁽⁷⁾	705,130 Unlisted Shares	6.88	[REDACTED]	[REDACTED]
Shenzhen Hanxin Asset Management Co., Ltd. (深圳市瀚信資產管理有限公司) (“Shenzhen Hanxin”)	Interest in a controlled corporation ⁽⁷⁾	705,130 Unlisted Shares	6.88	[REDACTED]	[REDACTED]
Mr. Jiang Guoyun (蔣國雲) (“Mr. Jiang”)	Interest in a controlled corporation ⁽⁷⁾	705,130 Unlisted Shares	6.88	[REDACTED]	[REDACTED]
Xianju County Economic Construction and Development Group Co., Ltd.* (仙居縣經濟建設發展集團有限公司) (“Xianju Development”)	Interest in a controlled corporation ⁽⁷⁾	705,130 Unlisted Shares	6.88	[REDACTED]	[REDACTED]
Zhejiang Xianju Development Holding Co., Ltd.* (浙江仙居發展控股有限公司) (“Xianju Holding”)	Interest in a controlled corporation ⁽⁷⁾	705,130 Unlisted Shares	6.88	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long positions.
- (2) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

SUBSTANTIAL SHAREHOLDERS

- (3) As of the Latest Practicable Date, Mr. Liao was interested in approximately 59.21% of our total issued share capital, comprising (i) approximately 48.32% directly held by him and (ii) approximately 10.89% of our total issued share capital controlled by Mr. Liao in his capacity as the sole general partner of our employee shareholding platform, Shanghai Honghe. Therefore, Mr. Liao is deemed to be interested in all the Shares held by Shanghai Honghe for the purpose of the SFO.
- (4) As of the Latest Practicable Date, Lingzhong Assets is the sole general partner of Lingzhong Longzhi, Lingzhong Xingchen, Lingzhong Qingyan and Zhuhai Gongyi, which were interested in 562,783 Unlisted Shares, 548,379 Unlisted Shares, 69,876 Unlisted Shares, and 20,213 Unlisted Shares, respectively. Lingzhong Assets is owned as to 97.50% by Mr. Huang. Accordingly, Lingzhong Assets and Mr. Huang are deemed to be interested in all the Shares held by Lingzhong Longzhi, Lingzhong Xingchen, Lingzhong Qingyan and Zhuhai Gongyi, respectively, under the SFO.
- (5) As of the Latest Practicable Date, Lingxiang Zhihang, which was interested in 13,151 Unlisted Shares, is owned as to 90.00% by Mr. Huang, our non-executive Director. Accordingly, Mr. Huang is deemed to be interested in all the Shares held by Lingxiang Zhihang under the SFO.
- (6) As of the Latest Practicable Date, China-US Green Fund is the sole general partner of Beijing Green Investment, which was interested in 1,146,548 Unlisted Shares. China-US Green Fund is owned as to 88.00% by the AGF. Therefore, China-US Green Fund and AGF are deemed to be interested in all the Shares held by Beijing Green Investment under the SFO.
- (7) As of the Latest Practicable Date, Timesbole VC is the sole general partner of Times Bole, which was interested in 705,130 Unlisted Shares. Timesbole VC is owned as to approximately 69.27% by Shenzhen Hanxin. Shenzhen Hanxin is owned as to approximately 81.10% by Mr. Jiang. Therefore, Timesbole VC, Shenzhen Hanxin and Mr. Jiang are deemed to be interested in all the Shares held by Timesbole VC under the SFO.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] and [REDACTED] of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

BEFORE THE [REDACTED]

Our registered share capital as of the Latest Practicable Date was RMB10,256,410, comprising 10,256,410 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED] AND THE [REDACTED]

Immediately following the completion of the [REDACTED], the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the share capital of the Company will be as follows.

Description of Shares	Number of Shares	Approximate percentage of issued share capital
H Shares to be [REDACTED] from Unlisted Shares (<i>Note</i>)	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

Immediately following the completion of the [REDACTED], the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, assuming that the [REDACTED] is fully exercised, the share capital of the Company will be as follows.

Description of Shares	Number of Shares	Approximate percentage of issued share capital
H Shares to be [REDACTED] from Unlisted Shares (<i>Note</i>)	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

Note: See “Shareholding Structure Immediately Following the Completion of the [REDACTED]” in the section headed “History, Development and Corporate Structure” for details of the identities of our Shareholders whose Shares will remain as Unlisted Shares and whose Shares will be [REDACTED] into H Shares upon [REDACTED].

The above table assumes that the [REDACTED] has become unconditional and the H Shares are issued pursuant to the [REDACTED].

RANKING

Upon the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, our Shares will only consist of H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company and are considered as one class of Shares. Apart from certain [REDACTED] in the Chinese Mainland, the qualified Chinese Mainland investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC Law or upon filing with any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural Chinese Mainland persons.

SHARE CAPITAL

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and shall rank pari passu with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi. Other than cash, dividends could also be paid in the form of Shares.

[REDACTED] OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, our Unlisted Shares may be [REDACTED] into [REDACTED] Shares. Such [REDACTED] Shares could be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that prior to the [REDACTED] and [REDACTED] of such [REDACTED] Shares, any requisite internal approval process has been duly completed and all the filing procedures with relevant Chinese Mainland regulatory authorities, including the CSRC are followed. In addition, such [REDACTED] and [REDACTED] shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of our Unlisted Shares are to be [REDACTED], [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such [REDACTED], [REDACTED] and [REDACTED] will be undertaken upon completion of the filing procedures with the CSRC and the approval of the Stock Exchange.

Filing with the CSRC for Full Circulation

In accordance with the Guidelines for Applying “Full Circulation” for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請“全流通”業務指引), the Trial Administrative Measures and the relevant five guidelines announced by the CSRC, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for [REDACTED] and circulation on the Stock Exchange shall conform to relevant regulations promulgated by the CSRC, and authorize the company to file with the CSRC on their behalf.

Our Company applied for a “Full Circulation” with the CSRC on [●], and submitted the application reports, authorization documents of the Shareholders of Unlisted Shares for which an H-share “Full Circulation” was applied, commitment about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. Our Company has received the reply from the CSRC dated [●] 2026, pursuant to which, a total of [REDACTED] Unlisted Shares (with a nominal value of RMB[REDACTED] each) held by eleven Shareholders (the “**Domestic Participating Shareholders**”) were approved to be [REDACTED] into H Shares, and the relevant Shares may be [REDACTED] on the Stock Exchange upon completion of the [REDACTED]. The aforesaid shall remain effective within twelve months from the date of approval.

The [REDACTED] of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares held by the eleven existing Shareholders, representing 100.00% of the total issued Shares of our Company as of the Latest Practicable Date and approximately [REDACTED] of the total issued Shares of our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the [REDACTED] of Unlisted Shares into H Shares.

[REDACTED] Approval by the Stock Exchange

We have applied to the Stock Exchange for the granting of [REDACTED] of, and permission to deal in, our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and the H Shares to be [REDACTED] from [REDACTED] Unlisted Shares, which is subject to the approval by the Stock Exchange. We will perform the following procedures for the [REDACTED] of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our [REDACTED] regarding the relevant share certificates of the [REDACTED] H Shares; and (2) enabling the [REDACTED] H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

SHARE CAPITAL

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares [REDACTED] prior to the [REDACTED] shall not be transferred within one year from the [REDACTED]. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the [REDACTED], nor within half a year after they leave their positions as Directors or members of the senior management in our Company.

See “[REDACTED]” and “— [REDACTED]” for details of the lock-up undertakings.

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix III — Summary of Articles of Association of the Company.”

GENERAL MANDATES TO [REDACTED] SHARES, SELL AND/OR TRANSFER TREASURY SHARES

Subject to the completion of the [REDACTED], pursuant to the Shareholders resolutions of the Company, our Directors [have been granted] general unconditional mandates to [REDACTED] our Shares and sell and/or transfer our Shares out of treasury that are held as treasury shares and repurchase our Shares. See “Appendix VI — Statutory and General Information — Further Information about our Company — Resolutions of Our Shareholders.”

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC, the domestic shareholders of our Shares that are not [REDACTED] on the overseas stock exchange shall handle share transfer registration business in accordance with the relevant business rules of the CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of such shares involved in the application is completed.

SHARE SCHEMES

Certain employees of our Company and our subsidiaries are eligible to subscribe in interests of our Shares through the Share Schemes. For details, please refer to “Statutory and General Information — Employee Incentive Scheme” in Appendix VI.

FINANCIAL INFORMATION

You should read the following discussion and analysis with our consolidated financial information as of and for the Track Record Period, including the notes thereto, included in the Accountants’ Report in Appendix I (“Historical Financial Information”). The consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

Potential [REDACTED] should read the whole Historical Financial Information and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Past performance is no guarantee of future results. In evaluating our business, you should carefully consider the information provided in this Document, including, but not limited to, the sections headed “Risk Factors” and “Business.”

OVERVIEW

We are a global green supply chain intelligent circular service platform. We address the growing needs across industries for reduction in pollution and carbon footprint, help our customers save costs, and make green supply chain circular services as convenient and accessible as everyday utilities.

Through our reusable packaging product solutions and circular services, we are building a worldwide infrastructure that powers intelligent green supply chains. As of the Latest Practicable Date, our business has expanded to major global markets including China, the EU, UK, United States, Japan, South Korea and Southeast Asia. As of December 31, 2025, our service network covered nearly 30 countries and regions, with 26 regional RDCs deployed and over 8,500 FDCs. Our products and services have been adopted by a large number of enterprise customers across various industries. As of the Latest Practicable Date, we have served over 2,700 enterprise customers across over 80 industry verticals, including over 30 Fortune Global 500 companies and over 30 publicly listed companies. We are able to reach a broader range of end users through third-party poolers within our worldwide infrastructure.

According to Frost & Sullivan, we hold a leading position in both technological advancement and market presence in the global green supply chain intelligent circular services sector. Among the top five local Chinese peers, we ranked first in revenue growth rate, with a CAGR of 33.8% from 2023 to 2025. Globalization is a key driver of our growth. In 2025, we ranked first in terms of revenue among independent Chinese green supply chain circular service providers. Our revenue from outside China accounted for 44.4%, 53.0% and 47.9% of total revenue in 2023, 2024 and 2025, respectively. According to Frost & Sullivan, as of December 31, 2025, we ranked first globally and in China in our industry by number of granted invention patents.

FINANCIAL INFORMATION

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Demand for Our Solutions

Our financial performance is fundamentally driven by market demand for our returnable packaging products and pooling services. This demand is tied to the logistics activity and production levels in our end markets, including non-hazardous chemicals, food and beverage, new energy vehicle components, semiconductor chips, biopharmaceuticals, beauty and personal care, and fresh cold chain logistics. During the Track Record Period, we benefited from robust growth in demand both in China and internationally, as reflected by significant revenue increases in both Chinese Mainland and overseas markets, including the United Kingdom, Netherlands, United States, Japan and Italy.

In recent years, the underlying market trend has been characterized by increasing adoption of reusable packaging solutions, which has supported the overall growth of our business. According to Frost & Sullivan, the global green supply chain circular service market was RMB406.2 billion in 2025 and is expected to reach RMB633.7 billion by 2030, representing a CAGR of 9.3%, driven by the growing adoption of sustainable and cost-efficient logistics solutions across multiple industries. We believe that our established position in this expanding market enables us to effectively capture incremental market demand, thereby supporting our revenue growth and facilitating the realization of economies of scale in our operations.

Building Strong Relationships with Key Accounts and Growing Our Customer Base

Another critical factor affecting our results of operations is our ability to maintain stable relationships with our key customers while continuing to expand our customer base. We derive a significant portion of our revenue from Key Accounts, particularly international circular service provider and large high-value industrial customers, and our revenue from Key Accounts accounted for 76.1%, 81.8%, and 80.8% of our total revenue in 2023, 2024 and 2025, respectively. Our retention rate for Key Accounts amounted to 97.9%, 85.7% and 98.5% in 2023, 2024 and 2025, respectively. We believe this demonstrates the stability of our major customer base and the recurring nature of demand from such customers. By delivering reliable services and tailored solutions and continuing to strengthen our customer service and account management capabilities, we have been able to maintain and deepen our relationships with Key Accounts, which supports the stability and visibility of our revenue streams. In addition, our net cash retention rate in 2025 was 96.9%, further evidencing the stable and sustainable nature of our revenue growth.

At the same time, our ability to acquire new customers across industries and geographic markets has also contributed to our revenue growth and business expansion. We have continued to invest in sales and marketing initiatives and business development efforts to broaden our customer base in both China and overseas markets. A broader customer base not only supports our revenue growth, but also helps diversify our customer mix and reduce reliance on any single customer or end market, thereby enhancing the resilience of our business. Overall, our ability to maintain stable business relationships with key customers while continuing to acquire new customers has been an important driver of our revenue growth, market expansion and operating performance.

Broadening Product Matrix and Introducing New Solutions and Functions

Our results of operations are also affected by the breadth of our product and service offerings and our continual introduction of new solutions to meet customer needs. We offer a comprehensive range of reusable packaging products and related services, which enables us to address a wide variety of logistics scenarios and industry requirements. Our container product portfolio includes reusable foldable liquid carriers, specialized carriers for fresh fruits and vegetables, reusable automotive parts containers, custom-developed inner linings, and customized metal racks, among others. This broad product matrix allows us to serve customers in different sectors (from automotive manufacturing to agriculture to chemicals) and to cross-sell multiple solutions to the same client.

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By having an extensive lineup of solutions, we can capture a larger share of each customer’s logistics packaging needs, which supports higher revenue per customer and overall revenue growth. It also means we are not overly dependent on any single product category; instead, growth in one line of products or services can complement and offset fluctuations in another. The diversity of our offerings thus contributes to the scalability and resilience of our business model.

Cost Management and Operational Efficiency

Effective cost management and operational efficiency are key factors affecting our profitability and scalability. Our business involves the manufacturing of reusable packaging products and the operation of asset-intensive circular services, which requires disciplined cost control across procurement, production, asset deployment and ongoing operations. Fluctuations in raw material prices and other input costs may affect our cost of sales and gross margins. We manage such risks through diversified sourcing strategies, continuous process optimization and prudent procurement practices, with a view to maintaining cost stability as our business scales.

Our cost structure is also influenced by the scale and configuration of our manufacturing and service network. We have made strategic investments in our manufacturing footprint to support stable production capacity and quality control, while adopting a flexible capacity model that combines in-house manufacturing with qualified third-party suppliers. This approach allows us to respond efficiently to changes in customer demand while managing capital expenditure and unit costs. As our production volumes increase, we are able to benefit from economies of scale, which supports improvements in manufacturing efficiency and cost competitiveness.

Seasonality

Our results of operations are affected in part by seasonal factors. Demand for our products and services is generally linked to our customers’ production, procurement, inventory and logistics cycles. We typically experience stronger order intake and sales activities in the fourth quarter, driven by seasonal demand in overseas markets and year-end procurement and production cycles in Chinese Mainland. In overseas markets, customer purchasing decisions are often influenced by the year-end retail season, while in Chinese Mainland, customers in certain industries tend to advance procurement and production plans toward year-end. In particular, demand from the new energy vehicle sector generally increases during the fourth quarter production and delivery peak, and customers in the food and fresh produce sectors typically increase inventory build-up and distribution activities ahead of major holidays. By contrast, business activities in the first quarter are generally affected by the Spring Festival holiday, during which manufacturing and logistics activities may slow. As a result, our revenue, margins and cash flows may vary between interim periods, and the first half of the year generally contributes less than the second half, which is generally consistent with normal industry practice.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). Our Directors believe that we have adequate resources to continue operations and meet our liabilities when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period, by taking into account: (a) our expected cash inflows from operating activities and (b) the bank facilities obtained subsequent to the reporting date. Therefore, our Directors are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

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The Historical Financial Information has been prepared under the historical cost convention, except for financial liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value during the Track Record Period.

MATERIAL ACCOUNTING POLICIES, MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of the Historical Financial Information. Accounting policies that are material for understanding our financial condition and results of operations are set forth in detail in notes 2.3 and 3 of the Accountants’ Report in Appendix I of this Document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. There has not been any material deviation from our management’s estimates or assumptions and actual results and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

DESCRIPTION OF KEY STATEMENT OF PROFIT OR LOSS ITEMS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	265,910	100.0	377,227	100.0	475,891	100
Cost of sales	(170,930)	(64.3)	(233,101)	(61.8)	(295,615)	(62.1)
Gross profit	94,980	35.7	144,126	38.2	180,276	37.9
Other income and gains	9,329	3.5	3,129	0.8	6,793	1.4
Selling and distribution expenses . .	(45,279)	17.0	(53,631)	(14.2)	(64,999)	13.7
Administrative expenses	(35,965)	13.5	(34,197)	(9.1)	(42,311)	8.9
Research and development costs . .	(16,157)	(6.1)	(20,936)	(5.5)	(16,824)	3.5
(Impairment losses)/reversal of impairment losses on financial assets, net	(619)	0.2	97	0.0	(578)	(0.1)
Other expenses	(2,099)	(0.8)	(1,513)	(0.4)	(3,988)	(0.8)
Finance costs	(15,692)	(5.9)	(18,423)	(4.9)	(19,078)	(4.0)
(Loss)/profit before tax	(11,502)	(4.3)	18,652	5.0	39,291	8.3
Income tax credit/(expense)	2,755	1.0	(2,887)	(0.8)	(7,111)	(1.5)
(Loss)/profit for the year	(8,747)	3.3	15,765	4.2	32,180	6.8

Non-IFRS Measures

To supplement our consolidated financial information that is presented in accordance with IFRS Accounting Standards, we also use adjusted net (loss)/profit, EBITDA and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. Non-IFRS adjusted net (loss)/profit for the year/period was calculated by taking (loss)/profit for the year and adding back (i) share-based payment compensation and (ii) [REDACTED] expenses. We define adjusted EBITDA as EBITDA which refers to (loss)/profit for the year/period plus (i) income tax expense, (ii) finance costs and (iii) depreciation and amortization, which represents the depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortization of intangible assets adjusted by adding back (i) share-based payment compensation and (ii) [REDACTED] expenses.

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We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of adjusted net profit, EBITDA and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table sets forth a reconciliation of our adjusted net (loss)/profit, EBITDA and adjusted EBITDA (non-IFRS measures) to the nearest measure prepared in accordance with IFRS Accounting Standards for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(8,747)	15,765	32,180
Adjusted for:			
Share-based payment compensation	4,117	12,444	3,221
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net (loss)/profit (non-IFRS measure)	<u>(4,630)</u>	<u>28,209</u>	<u>38,481</u>

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(8,747)	15,765	32,180
Adjusted for:			
Income tax (credit)/expenses	(2,755)	2,887	7,111
Finance costs	15,692	18,423	19,078
Depreciation of items of property, plant and equipment	46,538	48,721	60,635
Depreciation of right-of-use assets	12,548	15,335	17,460
Amortization of intangible assets	149	1,893	2,674
EBITDA (non-IFRS measure)	63,425	103,024	139,138
Adjusted for:			
Share-based payment compensation	4,117	12,444	3,221
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA (non-IFRS measure)	<u>67,542</u>	<u>115,468</u>	<u>145,439</u>

Revenue

During the Track Record Period, we generated revenue from (i) sales of products and (ii) container services. Our revenue amounted to RMB265.9 million, RMB377.2 million and RMB475.9 million in 2023, 2024 and 2025, respectively.

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By Types of Goods and Services

The following table sets forth our revenue by types of goods and services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of products:						
– Sales of containers	155,589	58.5	228,318	60.5	279,338	58.7
– Sales of consumables and accessories ⁽¹⁾	11,304	4.3	15,893	4.3	20,776	4.3
Subtotal	166,893	62.8	244,211	64.8	300,114	63.0
Container services:						
Pooling services	81,123	30.5	117,028	31.0	160,202	33.7
Rental income	17,894	6.7	15,988	4.2	15,575	3.3
Subtotal	99,017	37.2	133,016	35.2	175,777	37.0
Total	265,910	100.0	377,227	100.0	475,891	100.0

Note:

- (1) Sales of consumables and accessories mainly arose from our pooling service during the Track Record Period.

By Geographical Regions

The following table sets forth our revenue by geographical regions from external customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	147,758	55.6	177,239	47.0	247,874	52.1
Other countries/regions	118,152	44.4	199,988	53.0	228,017	47.9
Total	265,910	100.0	377,227	100.0	475,891	100.0

Note:

- (1) Other countries/regions mainly included United Kingdom, Netherlands, United States, Japan and Italy.

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Cost of Sales

During the Track Record Period, our cost of sales mainly consisted of (i) container costs, (ii) shipment costs, (iii) depreciation and amortization, (iv) storage costs, (v) employee costs and (vi) others. In 2023, 2024 and 2025, our cost of sales amounted to RMB170.9 million, RMB233.1 million and RMB295.6 million, respectively. The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Container costs	98,103	57.4	128,179	55.0	164,256	55.6
Shipment costs	26,080	15.3	43,430	18.6	52,800	17.9
Depreciation and amortization	26,077	15.3	30,476	13.1	37,625	12.7
Storage costs	15,893	9.3	24,514	10.5	33,075	11.2
Employee costs	2,562	1.5	2,828	1.2	3,660	1.2
Others ⁽¹⁾	2,215	1.2	3,674	1.6	4,199	1.4
Total	170,930	100.0	233,101	100.0	295,615	100.0

Note:

(1) Others mainly included taxes and surcharges and low-value consumables during the Track Record Period.

Gross Profit

Our gross profit represents our revenue less our cost of sales and our gross margin represents gross profit divided by our revenue, expressed as a percentage. Our gross profit amounted to RMB95.0 million, RMB144.1 million and RMB180.3 million in 2023, 2024 and 2025, respectively. The table below sets forth a breakdown of our gross profit and gross profit margin by types of goods and services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of products	64,012	38.4	103,035	42.2	125,455	41.8
Container services	30,968	31.3	41,091	31.0	54,821	31.2
Total	94,980	35.7	144,126	38.2	180,276	37.9

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Other Income and Gains

Our other income and gains mainly consisted of (i) government grants, which were received to support our innovation and patent-related activities and were recognized in profit or loss upon receipt and there were no unfulfilled conditions attached to these government grants, (ii) income from value-added tax super deduction, which was related to an additional 5% VAT input tax deduction for taxpayers of productive services from 1 January 2023 to 31 December 2023, (iii) interest income, (iv) foreign exchange gains, net, (v) compensation income, (vi) gain on disposal of items of property, plant and equipment, net and (vii) others, during the Track Record Period. The table below sets forth a breakdown of our other income and gains by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Government grants	2,777	29.8	1,167	37.3	2,136	31.4
Income from value-added tax super deduction	5,389	57.8	—	—	—	—
Interest income	185	2.0	299	9.6	1,292	19.0
Foreign exchange gains, net	666	7.1	1,658	53.0	—	—
Compensation income	312	3.3	5	0.1	2,002	29.5
Gain on disposal of items of property, plant and equipment, net	—	—	—	—	1,266	18.6
Others	—	—	—	—	97	1.5
Total	9,329	100.0	3,129	100.0	6,793	100.0

Selling and Distribution Expenses

Our selling and distribution expenses mainly consisted of (i) employee costs, (ii) depreciation and amortization, (iii) advertising expenses, (iv) office, entertainment and travel expenses, (v) share-based payment compensation, and (vi) others, during the Track Record Period. Our selling and distribution expenses amounted to RMB45.3 million, RMB53.6 million and RMB65.0 million in 2023, 2024 and 2025, respectively. The table below sets forth a breakdown of our selling and distribution expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee costs	31,559	69.7	39,522	73.7	45,595	70.1
Depreciation and amortization	2,557	5.7	4,934	9.2	7,453	11.5
Advertising expenses	3,085	6.8	2,421	4.5	2,675	4.2
Office, entertainment and travel expenses	5,154	11.4	5,201	9.7	6,647	10.2
Share-based payment compensation	1,101	2.4	620	1.2	1,254	1.9
Others ⁽¹⁾	1,823	4.0	933	1.7	1,375	2.1
Total	45,279	100.0	53,631	100.0	64,999	100.0

Note:

(1) Others mainly included logistics expenses.

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Administrative Expenses

Our administrative expenses mainly consisted of (i) employee costs, (ii) depreciation and amortization, (iii) professional fees, (iv) office, entertainment and travel expenses, (v) share-based payment compensation, (vi) others, during the Track Record Period. Our administrative expenses amounted to RMB36.0 million, RMB34.2 million and RMB42.3 million in 2023, 2024 and 2025, respectively. The table below sets forth a breakdown of our administrative expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee costs	15,612	43.4	16,868	49.3	20,419	48.3
Depreciation and amortization	10,349	28.8	4,238	12.4	5,352	12.6
Professional fees	2,030	5.6	1,226	3.6	8,212	19.4
Office, entertainment and travel expenses	4,346	12.1	3,526	10.3	5,055	11.9
Share-based payment compensation	2,023	5.6	7,098	20.8	1,065	2.5
Others ⁽¹⁾	1,605	4.5	1,241	3.6	2,208	5.3
Total	35,965	100.0	34,197	100.0	42,311	100.0

Note:

(1) Others mainly included taxes and surcharges, and bank charges during the Track Record Period.

Research and Development Expenses

Our research and development costs mainly consisted of (i) employee costs, (ii) professional fees, (iii) patent application fees, (iv) depreciation and amortization, (v) share-based payment compensation, and (vi) others, during the Track Record Period. Our research and development expenses amounted to RMB16.2 million, RMB20.9 million and RMB16.8 million in 2023, 2024 and 2025, respectively. The table below sets forth a breakdown of our research and development expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee costs	11,229	69.5	12,666	60.5	11,624	69.1
Professional fees	800	5.0	514	2.5	824	4.9
Patent application fees	2,539	15.7	2,018	9.6	1,841	10.9
Share-based payment compensation	993	6.1	4,726	22.6	902	5.4
Depreciation and amortization	322	2.0	821	3.9	977	5.8
Others ⁽¹⁾	274	1.7	191	0.9	656	3.9
Total	16,157	100.0	20,936	100.0	16,824	100.0

Note:

(1) Others mainly included travel expenses during the Track Record Period.

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(Impairment Losses)/Reversal of Impairment Losses on Financial Assets, Net

Our (impairment losses)/reversal of impairment losses on financial assets, net, mainly represented credit losses or reversal of credit losses on trade and bills receivables. We recorded impairment loss on financial assets of RMB619 thousand and RMB578 thousand in 2023 and 2025, respectively and reversal of impairment losses on financial assets of RMB97 thousand in 2024, respectively.

Other Expenses

Our other expenses mainly consisted of (i) loss on disposal of items of property, plant and equipment, net, (ii) penalties, (iii) foreign exchanges losses, net and (iv) fair value losses on financial assets at FVTPL, during the Track Record Period. Our other expenses amounted to RMB2.1 million, RMB1.5 million and RMB4.0 million in 2023, 2024 and 2025, respectively. The table below sets forth a breakdown of our other expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss on disposal of items of property, plant and equipment, net	1,950	92.9	1,340	88.6	—	—
Penalties	115	5.5	5	0.3	313	7.8
Foreign exchanges losses, net	—	—	—	—	3,580	89.8
Fair value losses on financial assets at FVTPL	34	1.6	168	11.1	95	2.4
Total	<u>2,099</u>	<u>100.0</u>	<u>1,513</u>	<u>100.0</u>	<u>3,988</u>	<u>100.0</u>

Finance Costs

Our financial costs mainly consisted of (i) interest on bank and other borrowings and (ii) interest on lease liabilities, during the Track Record Period. Our finance costs amounted to RMB15.7 million, RMB18.4 million and RMB19.1 million in 2023, 2024 and 2025, respectively. The table below sets forth a breakdown of our finance costs by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Interest on bank and other borrowings	14,419	91.9	17,164	93.2	18,062	94.7
Interest on lease liabilities	1,273	8.1	1,259	6.8	1,016	5.3
Total	<u>15,692</u>	<u>100.0</u>	<u>18,423</u>	<u>100.0</u>	<u>19,078</u>	<u>100.0</u>

Income Tax Credit/(Expense)

We recorded income tax credit of RMB2.8 million in 2023 and income tax expenses of RMB2.9 million, and RMB7.1 million in 2024 and 2025, respectively. We were subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate, during the Track Record Period.

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Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “CIT Law”), the Company and the subsidiaries which operate in Chinese Mainland are subject to corporate income tax at a rate of 25% on the taxable income except for those which are subject to tax exemption set out below.

We were qualified as “High and New Technology Enterprise” and therefore were entitled to a preferential income tax rate of 15% during the Track Record Period.

Except for Shanghai Cortp Logistics Technology Co., Ltd., Taizhou Honghui Logistics Packaging Technology Co., Ltd., Jiangsu Xiangxiang Intelligence Technology Co., Ltd. and Shanghai Xiangxiang Recycling Technology Co., Ltd, other subsidiaries of the Group in the PRC are qualified as “Small and Micro Enterprises” and therefore were entitled to a preferential income tax rate of 20% during the Track Record Period.

Hong Kong

Our subsidiaries incorporated in Hong Kong were subject to corporate income tax at a rate of 16.5% on the taxable income during the Track Record Period.

Japan

Our subsidiary incorporated in Japan was subject to the national corporate income tax at a rate of 23.2% and the local corporate tax rate at a rate of 2.4% on the taxable income during the Track Record Period.

United Kingdom

Our subsidiary incorporated in the United Kingdom was subject to corporate income tax at a rate of 25% on the taxable income during the Track Record Period.

United States of America

Our subsidiary incorporated in the United States was subject to the federal corporate income tax at a rate of 21% and the state income tax at a rate of 4% on the taxable income during the Track Record Period.

(Loss)/Profit for the Year

During the Track Record Period, we recorded loss for the year of RMB8.7 million in 2023 and profit for the years of RMB15.8 million and RMB32.2 million in 2024 and 2025, respectively.

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YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2025 Compared to Year ended December 31, 2024

Revenue

Our revenue increased by 26.2% from RMB377.2 million in 2024 to RMB475.9 million in 2025, primarily due to (i) continued growth in sales of products, particularly in overseas markets, and (ii) further expansion of our container services business in Chinese Mainland, driven mainly by higher pooling service revenue as our customer base expanded, existing customers increased usage intensity and our service network and circulating asset base continued to scale.

By Types of Goods and Services

Our revenue from sales of products and container services amounted to RMB244.2 million and RMB133.0 million in 2024, and RMB300.1 million and RMB175.8 million in 2025, respectively.

Revenue from sales of products increased by 22.9% from RMB244.2 million in 2024 to RMB300.1 million in 2025, primarily driven by (i) higher revenue generated in overseas markets, reflecting increased market demand and an expanded customer base supported by our continued enhancements to our sales and marketing initiatives; and (ii) higher revenue generated in Chinese Mainland, reflecting increased market demand, an expanded customer base attributable to our marketing efforts and strengthened market recognition, as well as pricing adjustments implemented in response to heightened market competition. In particular,

- Our sales of containers increased by 22.3% from RMB228.3 million in 2024 to RMB279.3 million in 2025, primarily due to (i) higher sales volume, supported by increased orders from overseas customers, continued expansion into additional industry verticals and broader application scenarios, continued customer expansion in Chinese Mainland, with the total number of customers increasing from 640 in 2024 to 782 in 2025, representing an increase of 19.3%, (ii) deeper penetration of our solutions across application scenarios including liquids, automotive parts and fresh produce, and (iii) continuing contribution from our existing customers.
- Our sales of consumables and accessories increased by 30.8% from RMB15.9 million in 2024 to RMB20.8 million in 2025, which was in line with the growth of our pooling services and the broader adoption of integrated solutions combining reusable containers with liquid liners, valves and other accessories.

Revenue from container services increased by 32.1% from RMB133.0 million in 2024 to RMB175.8 million in 2025. In particular,

- Our pooling services increased by 36.9% from RMB117.0 million in 2024 to RMB160.2 million in 2025, primarily driven by higher DPU-based service volume as a result of (i) expansion of our customer base in Chinese Mainland, particularly in liquids, (ii) increased usage by existing customers, including deeper penetration among Key Accounts, and (iii) the continued build-out of our service network and circulating asset base, which enhanced service coverage and execution efficiency.
- Our rental income remained relatively stable at RMB16.0 million in 2024 and RMB15.6 million in 2025, respectively.

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Cost of Sales

Our cost of sales increased by 26.8% from RMB233.1 million in 2024 to RMB295.6 million in 2025, which was in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 25.1% from RMB144.1 million in 2024 to RMB180.3 million in 2025, primarily due to continued revenue growth in both sales of products and container services. Our gross profit margin remained relatively stable at 38.2% and 37.9% in 2024 and 2025, respectively.

By Types of Goods and Services

Our gross profit from sales of products increased by 21.8% from RMB103.0 million in 2024 to RMB125.5 million in 2025, which was in line with our revenue growth. Our gross profit margin from sales of products remained relatively stable at 42.2% and 41.8% in 2024 and 2025, respectively.

Our gross profit from container services increased by 33.4% from RMB41.1 million in 2024 to RMB54.8 million in 2025, primarily attributable to the continued expansion of our container services business, supported by our ongoing strategic allocation of resources to, and continuous optimization of, our service platform. Our gross profit margin from container services remained stable at 30.9% and 31.2% in 2024 and 2025, respectively.

Other Income and Gains

Our compensation income and gains increased significantly from RMB3.1 million in 2024 to RMB6.8 million in 2025, primarily due to (i) an increase of RMB2.0 million in compensation income, resulting from compensation received for patent infringement and (ii) an increase in interest income of RMB0.9 million, which was in line with the average daily balance of our bank balances.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 21.2% from RMB53.6 million in 2024 to RMB65.0 million in 2025, primarily due to (i) an increase in employee costs of RMB6.1 million, mainly attributable to higher sales commissions paid to our sales team in line with our revenue growth and (ii) an increase in depreciation and amortization of RMB2.5 million.

Administrative Expenses

Our administrative expenses increased by approximately 23.7% from RMB34.2 million in 2024 to RMB42.3 million in 2025, primarily due to (i) an increase in employee costs of RMB3.6 million, resulting from expansion of administrative headcount and staff, remuneration adjustments and (ii) an increase in professional fees of RMB7.0 million, which was mainly related to our [REDACTED] and the conversion into a joint stock limited company, partially offset by a decrease in share-based payment compensation of RMB6.0 million, resulting from repurchases by the controlling shareholders triggered by employee departures.

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Research and Development Expenses

Our research and development expenses decreased by 19.6% from RMB20.9 million in 2024 to RMB16.8 million in 2025, primarily due to a decrease in share-based payment compensation of RMB3.8 million.

Other Expenses

Our other expenses increased significantly from RMB1.5 million in 2024 to RMB4.0 million in 2025, primarily due to the foreign exchange losses of RMB3.6 million in 2025.

Finance Costs

Our finance costs remained relatively stable at RMB18.4 million in 2024 and RMB19.1 million in 2025.

Income Tax Expense

Our income tax expense increased significantly from RMB2.9 million in 2024 to RMB7.1 million in 2025, primarily due to our increase in profit before tax.

Profit For the Year

As a result of the foregoing, our profit for the year increased significantly from RMB15.8 million in 2024 to RMB32.2 million in 2025.

Year ended December 31, 2024 Compared to Year ended December 31, 2023

Revenue

Our revenue increased by 41.9% from RMB265.9 million in 2023 to RMB377.2 million in 2024, driven by increased market demand for reusable packaging solutions, broader customer coverage and deeper penetration among existing customers.

By Types of Goods and Services

Our revenue from sales of products and container services amounted to RMB166.9 million and RMB99.0 million in 2023, and RMB244.2 million and RMB133.0 million in 2024, respectively.

Revenue from sales of products increased by 46.3% from RMB166.9 million in 2023 to RMB244.2 million in 2024, primarily driven by (i) increased market demand and (ii) an expanded customer base supported by our continued enhancements to our sales and marketing initiatives. In particular,

- Our sales of containers increased by 46.7% from RMB155.6 million in 2023 to RMB228.3 million in 2024, primarily due to higher sales volume, supported by stronger overseas demand, new customer acquisition and larger order volumes from existing customers.
- Our sales of consumables and accessories increased by 40.6% from RMB11.3 million in 2023 to RMB15.9 million in 2024, which was in line with the growth of our pooling service and increased sales of related liquid liners, valves and accessories as part of our integrated packaging solutions.

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Revenue from container services increased by 34.3% from RMB99.0 million in 2023 to RMB133.0 million in 2024. In particular,

- Our pooling services increased by 44.3% from RMB81.1 million in 2023 to RMB117.0 million in 2024, primarily driven by (i) continuing contribution from our existing customers, (ii) customer base expansion resulting from our marketing efforts and (iii) incremental customer additions supported by our ongoing product enhancements which improved service coverage and execution efficiency.
- Our rental income decreased by 10.7% from RMB17.9 million in 2023 to RMB16.0 million in 2024, primarily due to the shift in customer demand from traditional static rental arrangements to our more flexible DPU-based pooling model.

Cost of Sales

Our cost of sales increased by 36.4% from RMB170.9 million for the year ended December 31, 2023 to RMB233.1 million for the year ended December 31, 2024 in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 51.7% from RMB95.0 million in 2023 to RMB144.1 million in 2024, primarily due to (i) an increase in gross profit from sales of products of RMB39.0 million and (ii) an increase in gross profit from container services of RMB10.1 million. Our gross profit margin increased from 35.7% in 2023 to 38.2% in 2024, primarily due to improved gross margin from sales of products, reflecting a greater operating leverage from increased sales volume and manufacturing cost efficiencies.

By Types of Goods and Services

Our gross profit from sales of products increased by 61.0% from RMB64.0 million in 2023 to RMB103.0 million in 2024, broadly consistent with our revenue growth, primarily due to (i) a more favorable customer and geographical mix, as the contribution from our overseas business, which generally carried higher margins, increased during 2024, supported by stronger overseas demand and our customer expansion efforts, and (ii) lower unit manufacturing costs resulting from economies of scale and process improvements. Our gross profit margin from sales of products increased from 38.4% in 2023 to 42.2% in 2024, primarily due to (i) the higher contribution from higher-margin overseas business and (ii) a more favorable customer and product mix.

Our gross profit from container services increased by 32.7% from RMB31.0 million in 2023 to RMB41.1 million in 2024 in line with the continued expansion of our container services business. Our gross profit margin from container services remained relatively stable at 31.3% and 30.9% in 2023 and 2024, respectively.

Other Income and Gains

Our other income and gains decreased by 66.5% from RMB9.3 million in 2023 to RMB3.1 million in 2024, primarily due to the income from value-added tax super deduction of RMB5.4 million in 2023, which was related to an additional 5% VAT input tax deduction for taxpayers of productive services from January 1, 2023 to December 31, 2023.

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Selling and Distribution Expenses

Our selling and distribution expenses increased by 18.4% from RMB45.3 million in 2023 to RMB53.6 million in 2024, primarily due to an increase in employee costs of RMB8.0 million, mainly attributable to (a) higher performance-based bonuses driven by our enhanced sales performance, (b) an increase in headcount of selling and distribution personnel, and (c) the continued expansion of our sales network, in line with our revenue growth.

Administrative Expenses

Our administrative expenses decreased by 4.9% from RMB36.0 million in 2023 to RMB34.2 million in 2024, primarily due to a decrease in depreciation and amortization of RMB6.1 million, as certain depreciation of the Nantong facility was recognized as administrative expenses in 2023 due to idle capacity.

Research and Development Costs

Our research and development expenses increased by 29.6% from RMB16.2 million in 2023 to RMB20.9 million in 2024, primarily due to an increase in share-based payment compensation of RMB3.7 million.

Other Expenses

Our other expenses decreased by 27.9% from RMB2.1 million in 2023 to RMB1.5 million in 2024, primarily due to a decrease in loss on disposal of items of property, plant and equipment of RMB0.6 million, resulting from disposal of our containers.

Finance Costs

Our finance costs increased by 17.4% from RMB15.7 million in 2023 to RMB18.4 million in 2024, primarily due to increase in monthly average balance of our borrowings.

Income Tax (Credit)/Expenses

Our income tax (credit)/expenses changed from an income tax credit of RMB2.8 million in 2023 to an income tax expense of RMB2.9 million in 2024, primarily due to the profit we gained in 2024.

(Loss)/Profit For the Year

As a result of the foregoing, we recorded loss for the year of RMB8.7 million in 2023 and profit for the year of RMB15.8 million in 2024.

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DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Historical Financial Information included in Appendix I:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current Assets			
Property, plant and equipment	203,842	244,182	272,508
Right-of-use assets	36,639	30,944	77,479
Other intangible assets	19,759	22,898	24,935
Deferred tax assets	27,020	31,673	30,488
Other long-term assets	4,813	4,837	13,641
Total non-current assets	292,073	334,534	419,051
Current Assets			
Inventories	45,348	63,546	57,589
Trade and bills receivables	64,446	84,392	137,667
Financial assets at fair value through other comprehensive income	3,744	17,543	10,332
Prepayments, other receivables and other assets	21,197	30,245	43,300
Restricted cash	—	560	—
Cash and cash equivalents	98,031	69,275	139,565
Total current assets	232,766	265,561	388,453
Current Liabilities			
Trade payables	35,321	61,051	69,049
Other payables and accruals	32,401	34,491	55,768
Financial liabilities at fair value through profit or loss	—	107	—
Interest-bearing bank and other borrowings	195,524	181,753	216,479
Tax payable	165	7,448	9,675
Lease liabilities	13,745	14,043	16,916
Total current liabilities	277,156	298,893	367,887
Net current (Liabilities)/Assets	(44,390)	(33,332)	20,566
TOTAL ASSETS LESS CURRENT LIABILITIES	247,683	301,202	439,617
Non-current Liabilities			
Other non-current financial liabilities . . .	15,000	16,800	—
Interest-bearing bank and other borrowings	42,988	72,410	88,517
Lease liabilities	22,066	16,304	18,913
Total non-current liabilities	80,054	105,514	107,430

FINANCIAL INFORMATION

Property, Plant and Equipment

Our property, plant and equipment mainly consisted of (i) machinery, (ii) reusable packaging containers, (iii) electronic equipment, (iv) transportation equipment and others, (v) leasehold improvement, (vi) inner linings, and (vii) construction in progress, primarily comprising mold and customized equipment, during the Track Record Period. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Machinery	72,458	68,614	71,977
Reusable packaging containers	118,393	155,153	173,929
Electronic equipment	853	667	739
Transportation equipment and others	298	197	118
Leasehold improvement	4,481	5,656	9,803
Inner linings	4,721	10,194	12,811
Construction in progress	2,638	3,701	3,131
Total	203,842	244,182	272,508

Our property, plant and equipment increased by 19.9% from RMB203.8 million as of December 31, 2023 to RMB244.2 million as of December 31, 2024, primarily due to an increase in reusable packaging containers of RMB36.8 million, which is in line with the revenue growth of our pooling services. Our property, plant and equipment further increased by 11.6% from RMB244.2 million as of December 31, 2024 to RMB272.5 million as of December 31, 2025, primarily attributable to (i) an increase in reusable packaging containers of RMB18.8 million, which is in line with the revenue growth of our pooling service, (ii) an increase in leasehold improvement of RMB4.1 million, and (iii) an increase in machinery of RMB3.4 million, reflecting our continued investment in reusable packaging containers to support expansion of our pooling services together with additional machinery and leasehold improvements to support manufacturing and operational capacity.

Right-of-use Assets

Our right-of-use assets mainly consisted of (i) office premises and plant and (ii) land use rights, during the Track Record Period. The following table sets out a breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Office premises and plant	36,639	30,944	36,875
Land use rights	—	—	40,604
Total	36,639	30,944	77,479

Our right-of-use assets decreased by 15.5% from RMB36.6 million as of December 31, 2023 to RMB30.9 million as of December 31, 2024, primarily due to the depreciation of our right-of-use assets, and further increased significantly to RMB77.5 million as of December 31, 2025, primarily due to an increase in land use rights of RMB40.6 million, representing our manufacturing base in Xianju.

Other Intangible Assets

Our other intangible assets mainly consisted of software related to our CoRTP platform during the Track Record Period. Our other intangible assets increased by 15.9% from RMB19.8 million as of December 31, 2023 to RMB22.9 million as of December 31, 2024, primarily attributable to our continued development of the CoRTP platform, partially offset by amortization. Our other intangible assets remained relatively stable at RMB22.9 million as of December 31, 2024 and RMB24.9 million as of December 31, 2025.

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Net Current Assets/Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	February 28,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2026
				<i>(Unaudited)</i>
Current assets				
Inventories	45,348	63,546	57,589	82,438
Trade and bills receivables . .	64,446	84,392	137,667	128,318
Financial assets at fair value through other comprehensive income . . .	3,744	17,543	10,332	7,100
Prepayments, other receivables and other assets	21,197	30,245	43,300	56,847
Restricted cash	—	560	—	—
Cash and cash equivalents . .	98,031	69,275	139,565	102,509
Total current assets	232,766	265,561	388,453	377,212
Current liabilities				
Trade payables	35,321	61,051	69,049	47,624
Other payables and accruals .	32,401	34,491	55,768	36,215
Financial liabilities at fair value through profit or loss	—	107	—	—
Interest-bearing bank and other borrowings	195,524	181,753	216,479	226,244
Tax payable	165	7,448	9,675	10,602
Lease liabilities	13,745	14,043	16,916	12,063
Total current liabilities	277,156	298,893	367,887	332,748
Net current (liabilities)/assets	(44,390)	(33,332)	20,566	44,464

Our net current liabilities decreased by 24.9% from RMB44.4 million as of December 31, 2023 to RMB33.3 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB19.9 million, (ii) an increase in inventories of RMB18.2 million, (iii) an increase in financial assets at fair value through other comprehensive income of RMB13.8 million, (iv) an increase in prepayments, other receivables and other assets of RMB9.0 million and (v) a decrease in the current portion of interest-bearing bank and other borrowings of RMB13.8 million; partially offset by (i) a decrease in cash and cash equivalents of RMB28.8 million, (ii) an increase in trade payables of RMB25.7 million, (iii) an increase in tax payable of RMB7.3 million and (iv) an increase in other payables and accruals of RMB2.1 million.

Our net current liabilities changed to net current assets of RMB20.6 million as of December 31, 2025 from net current liabilities of RMB33.3 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB53.3 million, (ii) a decrease in inventories of RMB6.0 million, (iii) a decrease in financial assets at fair value through other comprehensive income of RMB7.2 million, (iv) an increase in prepayments, other receivables and other assets of RMB13.1 million, and (v) an increase in cash and cash equivalents of RMB70.3 million; partially offset by (i) an increase in trade payables of RMB8.0 million, (ii) an increase in other payables and accruals of RMB21.3 million, (iii) an increase in current portion of interest-bearing bank and other borrowings of RMB34.7 million, (iv) an increase in tax payable of RMB2.2 million, and (v) an increase in lease liabilities of RMB2.9 million.

Our net current assets increased significantly from RMB20.6 million as of December 31, 2025 to RMB44.5 million as of February 28, 2026, primarily due to (i) an increase in inventories of RMB24.8 million, (ii) a decrease in trade and bills payables of RMB21.4 million, (iii) a decrease in other payables and accruals of RMB19.6 million; partially offset by (i) a decrease in cash and cash equivalents of RMB37.1 million and (ii) an increase in current interest-bearing bank and other borrowings of RMB9.8 million.

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Inventories

Our inventories mainly consisted of (i) raw materials, (ii) work in progress and (iii) finished goods, taking into consideration in provision for impaired goods, during the Track Record Period. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	7,870	10,754	11,694
Work in progress	6,421	7,602	9,342
Finished goods	31,662	45,372	36,603
Subtotal	45,953	63,728	57,639
Provision for impairment of inventories . .	(605)	(182)	(50)
Total	45,348	63,546	57,589

Our inventories increased by 40.1% from RMB45.3 million as of December 31, 2023 to RMB63.5 million as of December 31, 2024, mainly attributable to an increase in finished goods of RMB13.7 million, resulting from the strong demand for our containers. Our inventories decreased by 9.4% from RMB63.5 million as of December 31, 2024 to RMB57.6 million as of December 31, 2025, primarily due to a decrease in finished goods of RMB8.8 million.

The following table sets forth our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(in days)	
Inventory turnover days ⁽¹⁾	95	84	74

Note:

- (1) Inventory turnover days for a year is the arithmetic mean of the beginning and ending balances of inventory for the relevant year divided by the sum of cost of sales for the relevant year and multiplied by 360 days for the full-year period.

Our inventory turnover days amounted to 95 days, 84 days and 74 days in 2023, 2024 and 2025, respectively, reflecting stronger sales execution and continued refinement of our inventory planning and deployment.

As of February 28, 2026, RMB58 million, or 72.7% of our inventories as of December 31, 2025, had been sold.

Trade and Bills Receivables

Our trade and bills receivables mainly consisted of trade receivables and bills receivable carried at amortized cost less impairment losses during the Track Record Period. The following table sets out a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	62,640	81,022	135,675
Bills receivable	2,425	3,892	3,092
Subtotal	65,065	84,914	138,767
Impairment	(619)	(522)	(1,100)
Total	64,446	84,392	137,667

Our trade and bills receivables increased by 30.9% from RMB64.4 million as of December 31, 2023 to RMB84.4 million as of December 31, 2024, and further increased by 63.1% from RMB84.4 million as of December 31, 2024 to RMB137.7 million as of December 31, 2025, primarily due to an increase in trade receivables in line with our revenue growth.

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The following table sets forth an aging analysis based on the invoice date and net of loss allowance of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	56,158	75,674	129,699
3 months to 6 months	7,382	8,641	7,469
6 months to 9 months	863	47	441
9 months to 1 year	43	30	58
Total	64,446	84,392	137,667

The following table sets forth our trade and bills receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(in days)		
Trade and bills receivables turnover days ⁽¹⁾	85	71	84

Note:

- (1) Trade and bills receivables turnover days for a period equals the arithmetic mean of the beginning and ending trade and bills receivable balances divided by revenue for that year and multiplied by 360 days for the full-year period.

Our trade and bills receivables turnover days amount to 85 days, 71 days and 84 days in 2023, 2024 and 2025, respectively, and such fluctuation was in line with our normal business operation.

As of February 28, 2026, RMB101.0 million, or 73.7% of our trade and bills receivables as of December 31, 2025, had been settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets mainly consisted of (i) prepayments, (ii) deposits, (iii) value-added tax recoverable, (iv) export tax rebate and (v) other receivables, primarily comprising petty cash, during the Track Record Period. The following table sets out a breakdown of our prepayment, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	10,282	14,443	20,526
Deposits	2,407	2,149	2,554
Value-added tax recoverable	6,366	9,663	13,030
Export tax rebate	913	2,546	4,936
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	1,229	1,444	1,873
Total	21,197	30,245	43,300

Our prepayments, other receivables and other assets increased by 42.7% from RMB21.2 million as of December 31, 2023 to RMB30.2 million as of December 31, 2024 and further increased by 43.2% to RMB43.3 million as of December 31, 2025, primarily due to higher purchase prepayments associated with procurement of raw materials, equipment and other inputs to support business expansion, together with higher value-added tax recoverable and export tax rebates in line with increased procurement and export activities.

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Trade Payables

Our trade payables mainly consisted of payables for purchases of raw materials and rental services, during the Track Record Period. Our trade payables increased from RMB35.3 million as of December 31, 2023 to RMB61.1 million as of December 31, 2024 and further to RMB69.0 million as of December 31, 2025, primarily in line with the higher procurement volume associated with business expansion.

The following table sets forth an aging analysis based on the invoice date of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	34,425	59,095	66,535
3 months to 6 months	405	1,616	1,743
6 months to 1 year	313	104	445
Over 1 year	178	236	326
Total	<u>35,321</u>	<u>61,051</u>	<u>69,049</u>

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
		<i>(in days)</i>	
Trade payable turnover days ⁽¹⁾	72	74	79

Note:

- (1) Trade payables turnover days for a year equals the arithmetic mean of the beginning and ending trade payables balances divided by the cost of sales for the relevant year and multiplied by 360 days for the full-year period.

Our trade payables turnover days remained relatively stable at 72 days, 74 days and 79 days in 2023, 2024 and 2025, respectively.

As of February 28, 2026, RMB40.0 million, or 58.0% of our trade payables as of December 31, 2025, had been settled.

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Other Payables and Accruals

Our other payables and accruals mainly consisted of (i) contract liabilities, (ii) salary and welfare payable, (iii) deposits, (iv) other payables, (v) other tax payables, (vi) accrued expense, (vii) [REDACTED], and (viii) others, during the Track Record Period. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	7,892	7,017	4,841
Advances from customers	1,644	1,346	1,447
Salary and welfare payable	12,725	18,267	17,057
Deposits	1,071	1,068	501
Other tax payables	5,449	2,086	5,099
Accruals	1,934	2,718	3,938
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Put option payable	—	—	18,816
Others	1,686	1,989	2,941
Total	32,401	34,491	55,768

Note:

(1) Others mainly included service fee and delivery expense, during the Track Record Period.

Our other payables and accruals increased by 6.5% from RMB32.4 million as of December 31, 2023 to RMB34.5 million as of December 31, 2024, primarily due to an increase in salary and welfare payable of RMB5.5 million, mainly reflecting higher accrued staff costs at year end in line with business growth, partially offset by a decrease in other tax payables of RMB3.4 million. Our other payables and accruals further increased by 61.7% from RMB34.5 million as of December 31, 2024 to RMB55.8 million as of December 31, 2025, primarily due to (i) the transfer of put option payable of RMB18.8 million from non-current liabilities to current liabilities, and (ii) an increase in other tax payables of RMB3.0 million.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been and is expected to continue to be, cash generated from operating activities together with available credit facilities and bank borrowings. Our liquidity requirements primarily relate to funding our working capital requirements and our capital expenditures. We had cash and cash equivalents of RMB98.0 million, RMB69.3 million and RMB139.6 million in 2023, 2024 and 2025, respectively. As of February 28, 2026, our unutilized banking facilities amounted to RMB35.0 million.

Sufficiency of Working Capital

Taking into account the estimated net [REDACTED] from the [REDACTED] and the financial resources presently available to us, including our cash and cash equivalents on hand, cash flows from operating activities, our Directors are of the opinion that we have sufficient funds to meet our working capital requirements for at least the next 12 months from the date of this Document. Our Directors confirm that there was no material default in the payment of trade and non-trade payables and/or breaches of financial covenants during the Track Record Period and up to the date of this Document.

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Cash Flow Analysis

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the years indicated:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows generated from operating activities	58,628	81,976	98,899
Net cash flows used in investing activities	(49,078)	(96,165)	(141,838)
Net cash flows generated from/(used in) financing activities	52,997	(16,117)	116,183
Net increase/(decrease) in cash and cash equivalents	62,547	(30,306)	73,244
Cash and cash equivalents at beginning of the period	34,895	98,031	69,275
Effects of foreign exchange rate changes on cash and cash equivalents	589	1,550	(2,954)
Cash and cash equivalents at the end of the period	98,031	69,275	139,565

Net Cash Flows Generated from Operating Activities

In 2025, our net cash generated from operating activities was RMB98.9 million, which primarily represented profit before tax of RMB39.3 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation of property, plant and equipment of RMB60.6 million, (b) depreciation of right-of-use assets of RMB17.5 million, (c) finance costs of RMB19.1 million and (d) amortization of other intangible assets of RMB2.7 million and (ii) changes in working capital, which primarily consisted of (a) an increase in prepayments, other receivables and other assets of RMB12.8 million, (b) an increase in trade payables of RMB8.0 million and (c) an increase in other payables and accruals of RMB2.5 million; partially offset by a decrease in inventories of RMB6.1 million.

In 2024, our net cash generated from operating activities was RMB82.0 million, which primarily represented profit before tax of RMB18.7 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation of property, plant and equipment of RMB48.7 million, (b) depreciation of right-of-use assets of RMB15.3 million, (c) finance costs of RMB18.4 million and (d) equity-settled share-based payment compensation of RMB12.4 million and (ii) changes in working capital, which primarily consisted of (a) an increase in trade and bills receivables of RMB19.8 million, (b) an increase in inventories of RMB17.8 million and (c) an increase in prepayments, other receivables and other assets of RMB9.2 million; partially offset by (a) an increase in trade payables of RMB25.7 million and (b) an increase in other payables and accruals of RMB2.1 million.

In 2023, our net cash generated from operating activities was RMB58.6 million, which primarily represented loss before tax of RMB11.5 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation of property, plant and equipment of RMB46.5 million, (b) depreciation of right-of-use assets of RMB12.5 million, (c) finance costs of RMB15.7 million and (d) equity-settled share-based payment compensation of RMB4.1 million and (ii) changes in working capital, which primarily consisted of (a) an increase in prepayments, other receivables and other assets of RMB5.1 million, (b) an increase in trade and bills receivables of RMB3.8 million and (c) a decrease in inventories of RMB1.5 million; partially offset by an increase in trade payables of RMB13.5 million.

FINANCIAL INFORMATION

Net Cash Flows Used in Investing Activities

In 2025, our net cash used in investing activities was RMB141.8 million, primarily due to (i) purchases of items of property, plant and equipment of RMB144.1 million, (ii) purchases of right-of-use assets — land use rights of RMB40.8 million and (iii) purchase of other intangible assets of RMB4.7 million, partially offset by (i) proceeds from disposal of items of property, plant and equipment of RMB47.4 million and (ii) decrease in restricted cash of RMB0.6 million.

In 2024, our net cash used in investing activities was RMB96.2 million, primarily due to (i) purchases of items of property, plant and equipment of RMB117.8 million, (ii) purchase of other intangible assets of RMB5.0 million and (iii) increase in restricted cash of RMB0.6 million, partially offset by proceeds from disposal of items of property, plant and equipment of RMB27.3 million.

In 2023, our net cash used in investing activities was RMB49.1 million, primarily due to purchases of items of property, plant and equipment of RMB62.3 million and purchase of other intangible assets of RMB6.3 million, partially offset by proceeds from disposal of items of property, plant and equipment of RMB20.0 million.

Net Cash Flows Generated from/(Used in) Financing Activities

In 2025, our net cash generated from financing activities was RMB116.2 million, primarily due to (i) proceeds from capital injection from shareholders of RMB50.4 million, (ii) Subscription monies received of RMB50.0 million and (iii) proceeds from interest-bearing bank and other borrowings of RMB277.0 million; partially offset by (i) repayment of interest-bearing bank and other borrowings of RMB226.4 million, (ii) payments of lease liabilities of RMB18.7 million and (iii) interest paid of RMB15.8 million.

In 2024, our net cash used in financing activities was RMB16.1 million, primarily due to (i) repayment of interest-bearing bank and other borrowings of RMB211.9 million, (ii) payments of lease liabilities of RMB16.4 million and (iii) interest paid of RMB14.3 million, partially offset by proceeds from interest-bearing bank and other borrowings of RMB226.5 million.

In 2023, our net cash generated from financing activities was RMB53.0 million, primarily due to (i) proceeds from interest-bearing bank and other borrowings of RMB253.4 million and (ii) proceeds from capital injection from shareholders of RMB30.0 million, and proceeds from a non-controlling shareholder of RMB15.0 million, partially offset by (i) repayment of interest-bearing bank and other borrowings of RMB218.1 million, (ii) payments of lease liabilities of RMB12.9 million and (iii) interest paid of RMB14.5 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of interest-bearing bank and other borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current				
Interest-bearing bank and other borrowings	195,524	181,753	216,479	226,244
Lease liabilities	13,745	14,043	16,916	12,063
Non-current				
Interest-bearing bank and other borrowings	42,988	72,410	88,517	118,479
Lease liabilities	22,066	16,304	18,913	16,893

FINANCIAL INFORMATION

Interest-bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings comprised current and non-current borrowings used to fund our operations and capital needs during the Track Record Period. The following table sets forth our interest-bearing bank and other borrowings, as of the dates indicated:

	As of December 31,								
	2023			2024			2025		
	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
	%		RMB'000	%		RMB'000	%		RMB'000
Current									
Bank borrowings – secured	3.35 to 6.00	2024	127,473	3.10 to 5.60	2025	124,333	2.60 to 5.60	2026	142,029
Bank borrowings – unsecured	1.36 to 5.49	2024	12,374						
Other borrowings – secured	5.75 to 10.64	2024	55,677	6.20 to 10.64	2025	57,420	6.20 to 8.80	2026	74,450
			<u>195,524</u>			<u>181,753</u>			<u>216,479</u>
Non-current									
Bank borrowings – secured	5.60	2025	4,200	5.50	2027	15,000	4.00 to 5.50	2027	26,629
Other borrowings – secured	6.70 to 10.64	2025 to 2026	38,788	6.20 to 8.80	2026 to 2027	57,410	6.20 to 8.80	2027-2028	61,888
			<u>42,988</u>			<u>72,410</u>			<u>88,517</u>
Total			<u>238,512</u>			<u>254,163</u>			<u>304,996</u>

Our interest-bearing bank and other borrowings amounted to RMB238.5 million, RMB254.2 million, RMB305.0 million and RMB344.7 million as of December 31, 2023, 2024 and 2025, and February 28, 2026, reflecting the increase in the balance of bank borrowings. See note 28 to the Accountants’ Report in Appendix I.

Lease Liabilities

Our lease liabilities represented the present value of lease payments in relation to our leases recognized under IFRS 16 during the Track Record Period. Our lease liabilities decreased by 15.3% from RMB35.8 million as of December 31, 2023 to RMB30.3 million as of December 31, 2024 primarily due to repayment of lease principal during the year; and increased by 18.1% to RMB35.8 million as of December 31, 2025, primarily due to an increase in leases of office premises, further decreased by 19.2% to RMB29.0 million as of February 28, 2026.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities. Our Directors confirm that there had been no material change in our contingent liabilities since December 31, 2025 and up to the Latest Practicable Date.

Indebtedness Statement

Except as disclosed above, as of February 28, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since February 28, 2026 and up to the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not enter into any outstanding off-balance sheet commitments or arrangements.

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CAPITAL EXPENDITURES

Our capital expenditure amounted to RMB67.6 million, RMB122.8 million and RMB180.5 million in 2023, 2024 and 2025, respectively. We have funded and expect to continue to fund our capital expenditure with our cash flow generated from operating activities. The following table sets forth a breakdown of our capital expenditure for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchase of land use right	–	–	40,808
Purchases of items of property, plant and equipment	61,365	117,707	135,006
Purchases of other intangible assets	6,261	5,032	4,711
Total	67,626	122,793	180,525

CAPITAL COMMITMENTS

Our capital commitments during the Track Record Period primarily related to the purchase commitments of property, plant and equipment. As of December 31, 2023, 2024 and 2025, the total amount of our outstanding capital commitments was RMB2.8 million, RMB3.9 million and RMB7.3 million, respectively. See note 33 to the Accountants’ Report in Appendix I.

KEY FINANCIAL RATIOS

	Year ended/as of December 31,		
	2023	2024	2025
Rates of return			
Return on assets (%)	(1.7)	2.6	4.0
Return on equity (%)	(5.2)	8.1	9.7
Liquidity ratios			
Current ratio	0.84	0.89	1.06
Quick ratio	0.68	0.68	0.89
Gearing ratio	0.68	0.67	0.59

Notes:

1. Return on assets ratio is calculated using net profit divided by total assets at the end of the period, multiplied by 100%.
2. Return on equity ratio is calculated using net profit divided by total equity at the end of the period, multiplied by 100%.
3. Current ratio is calculated using total current assets divided by total current liabilities.
4. Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
5. Gearing ratio is calculated using total liabilities divided by total assets.

FINANCIAL RISK MANAGEMENT

Our principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for our operations. Our Group has various other financial assets and liabilities such as trade and bills receivables, financial assets at fair value through other comprehensive income (“FVTOCI”), financial assets included in prepayments and other receivables, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

FINANCIAL INFORMATION

The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees on policies for managing each of these risks, and see note 38 to the Accountants’ Report in Appendix I.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See note 34 to the Accountants’ Report in Appendix I. Our Directors believe that these transactions were conducted in the ordinary and usual course of business and did not distort our results of operations or make our historical results unreflective of our future performance.

DIVIDEND

No dividend has been paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China.

According to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), [REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] (HK\$[REDACTED]), comprising: (i) [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisers and accountants of RMB[REDACTED] (HK\$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]), approximately RMB[REDACTED] (HK\$[REDACTED]) of which was charged or is expected to be charged to profit or loss and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]), among which RMB[REDACTED] (HK\$[REDACTED]) was recognized in profit or loss, and RMB[REDACTED] (HK\$[REDACTED]) was attributable to the [REDACTED] of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED] of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only and the actual amount may differ from this estimate.

FINANCIAL INFORMATION

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this Document, there had 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 Appendix I 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.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this Document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For further disclosure of our business objectives and strategies, see “Business — Growth Strategies.”

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative range of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), without the exercise of the [REDACTED].

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to establish our manufacturing base, in Xianju, Taizhou, Zhejiang, China, to enhance our production capacity and manufacturing capabilities and replace our existing leased facilities. This expansion is intended to support the scale-up of our reusable intelligent packaging and circular service operations and to strengthen our intelligent and sustainable manufacturing infrastructure. More specifically:
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for factory construction and setup, including production workshops, storage and logistics centers, cleaning and maintenance facilities, office spaces and dormitory buildings; and
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to machinery and equipment procurement and leasing, including large injection molding machines, specialized mold sets, quality inspection equipment, automated cleaning production lines, and packaging and logistics equipment. We expect such investments to further enhance our intelligent manufacturing capabilities and production efficiency.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for enhancing our R&D capabilities and advancing our core technologies. Consistent with our technology-driven positioning as a green supply chain intelligent circular service platform, we plan to continue strengthening our proprietary digital capabilities (including our CoRTP platform), expand the application of IoT-enabled intelligent packaging, and improve data-driven operational efficiency and scalability. More specifically:
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be strengthen our CoRTP platform, including (i) launching AI-enabled analytical and communication functions for customers to help them improve personnel efficiency, real-time warning, and optimize scheduling; (ii) developing integrated API interfaces to directly connect with large customers’ proprietary supply chain management systems and integrate into customers’ AI decision-making systems; (iii) developing localized versions of the CoRTP platform for overseas markets;
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used develop innovative packaging products and solutions for new scenarios and industries. For example, we will develop customized packaging products and solutions based on the product characteristics of specific industries’ need in consumer and healthcare sectors, addressing customer pain points such as transport safety and efficiency, and cleaning and maintenance;
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to develop intelligent automated robots and equipments to improve operating efficiency. We will upgrade existing automatic filling/emptying and cleaning robots, and develop new pusher robots and automatic unfolding/folding robots to achieve automatic operations of packaging containers across multiple processes at our facilities and customer sites, enhancing operational efficiency; and
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to other R&D activities.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for international expansion to strengthen our global market presence. Globalization is an important driver of our growth, and we plan to further execute a “global-local” strategy by enhancing localized warehousing and service capabilities and strengthening customer acquisition and market development in selected overseas regions. More specifically:
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used to establish regional headquarters and service networks in key overseas markets, including warehouse construction in the Netherlands, Brazil and Malaysia, local team recruitment covering sales, management and operations personnel, local marketing activities and trade show participation, and localized software system development, with the objective of improving local delivery and service responsiveness and providing a more consistent service experience to overseas customers; and
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be allocated to overseas customer acquisition and market development, including hiring local sales teams in Ireland, Malaysia and Brazil, office leasing and setup costs, marketing events, and comprehensive marketing campaigns to strengthen our international brand presence and accelerate penetration into targeted markets and customer segments.
 - approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for market development and brand promotion activities, including participation in domestic and overseas trade fairs and industry exhibitions, advertising and promotional activities through online and offline channels, preparation of product catalogues and marketing materials, and targeted marketing campaigns.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for domestic expansion of our warehouse network operations to deepen market penetration in China. We plan to further enhance our “warehouse + service points” operational network in key economic regions, to improve turnaround efficiency, support our circular service model and strengthen operational consistency at scale. We will expand our domestic operational network, including recruitment of warehouse personnel, warehouse leasing across key economic regions, and procurement of automated cleaning equipment to support our circular service model and to improve service capacity and responsiveness.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], will be used for potential strategic investments and acquisitions in upstream and downstream segments of our industry value chain, in order to generate synergies with our existing operations and further expand our business footprint across the industry chain.
- Approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED], for working capital and other general corporate purposes.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the mid-point of the indicative [REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the high end of our indicative [REDACTED], the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the low end of our indicative [REDACTED], the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED]. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro rata basis. In the event that the [REDACTED] is exercised in full, we will receive [REDACTED] of HK\$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of our indicative [REDACTED]).

To the extent that the [REDACTED] from the [REDACTED] are not immediately required for the above purposes and to the extent permitted by the relevant laws and regulations, we will only place the [REDACTED] from the [REDACTED] in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws in the relevant jurisdictions. We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HOREN CORTP CO., LTD. AND SPDB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of HOREN CORTP Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-70, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-70 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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ACCOUNTANTS’ REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
REVENUE	5	265,910	377,227	475,891
Cost of sales		(170,930)	(233,101)	(295,615)
Gross profit		94,980	144,126	180,276
Other income and gains	6	9,329	3,129	6,793
Selling and distribution expenses		(45,279)	(53,631)	(64,999)
Administrative expenses		(35,965)	(34,197)	(42,311)
Research and development costs	8	(16,157)	(20,936)	(16,824)
(Impairment losses)/reversal of impairment losses on financial assets, net		(619)	97	(578)
Other expenses	6	(2,099)	(1,513)	(3,988)
Finance costs	7	(15,692)	(18,423)	(19,078)
(LOSS)/PROFIT BEFORE TAX	8	(11,502)	18,652	39,291
Income tax credit/(expense)	11	2,755	(2,887)	(7,111)
(LOSS)/PROFIT FOR THE YEAR		(8,747)	15,765	32,180
Attributable to:				
Owners of the parent		(8,747)	15,765	32,180
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	13	(1.01)	1.78	3.57
OTHER COMPREHENSIVE (LOSS)/INCOME				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, after tax				
Exchange differences on translation of foreign operations		56	(150)	738
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(8,691)	15,615	32,918
Attributable to:				
Owners of the parent		(8,691)	15,615	32,918

For the details of pre-[REDACTED] investments, please refer to Note 29 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	203,842	244,182	272,508
Right-of-use assets	15	36,639	30,944	77,479
Other intangible assets	16	19,759	22,898	24,935
Deferred tax assets	17	27,020	31,673	30,488
Other long-term assets	18	4,813	4,837	13,641
Total non-current assets		292,073	334,534	419,051
CURRENT ASSETS				
Inventories	19	45,348	63,546	57,589
Trade and bills receivables	20	64,446	84,392	137,667
Financial assets at fair value through other comprehensive income	21	3,744	17,543	10,332
Prepayments, other receivables and other assets	22	21,197	30,245	43,300
Restricted cash	23	–	560	–
Cash and cash equivalents	23	98,031	69,275	139,565
Total current assets		232,766	265,561	388,453
CURRENT LIABILITIES				
Trade payables	24	35,321	61,051	69,049
Other payables and accruals	25	32,401	34,491	55,768
Financial liabilities at fair value through profit or loss	26	–	107	–
Interest-bearing bank and other borrowings	28	195,524	181,753	216,479
Tax payable		165	7,448	9,675
Lease liabilities	15	13,745	14,043	16,916
Total current liabilities		277,156	298,893	367,887
NET CURRENT (LIABILITIES)/ASSETS				
		(44,390)	(33,332)	20,566
TOTAL ASSETS LESS CURRENT LIABILITIES				
		247,683	301,202	439,617
NON-CURRENT LIABILITIES				
Other non-current financial liabilities	27	15,000	16,800	–
Interest-bearing bank and other borrowings	28	42,988	72,410	88,517
Lease liabilities	15	22,066	16,304	18,913
Total non-current liabilities		80,054	105,514	107,430
NET ASSETS				
		167,629	195,688	332,187
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	29	3,567	3,567	10,000
Subscription monies received	29	–	–	50,000
Reserves	30	164,062	192,121	272,187
TOTAL EQUITY		167,629	195,688	332,187

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Capital reserve*	Statutory surplus reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated Losses*	Total equity
	RMB'000 (note 29)	RMB'000 (note 30)	RMB'000 (note 30)	RMB'000 (note 30)	RMB'000	RMB'000	RMB'000
As at 1 January 2023	3,490	193,352	1,963	14,570	(66)	(71,106)	142,203
Loss for the year	–	–	–	–	–	(8,747)	(8,747)
Other comprehensive income for the year:							
Exchange differences related to foreign operations	–	–	–	–	56	–	56
Total comprehensive loss for the year	–	–	–	–	56	(8,747)	(8,691)
Capital injection from shareholders	77	29,923	–	–	–	–	30,000
Share-based payment compensation	–	–	–	4,117	–	–	4,117
As at 31 December 2023 . . .	<u>3,567</u>	<u>223,275</u>	<u>1,963</u>	<u>18,687</u>	<u>(10)</u>	<u>(79,853)</u>	<u>167,629</u>
As at 1 January 2024	3,567	223,275	1,963	18,687	(10)	(79,853)	167,629
Profit for the year	–	–	–	–	–	15,765	15,765
Other comprehensive income for the year:							
Exchange differences related to foreign operations	–	–	–	–	(150)	–	(150)
Total comprehensive income for the year	–	–	–	–	(150)	15,765	15,615
Share-based payment compensation	–	–	–	12,444	–	–	12,444
As at 31 December 2024 . . .	<u>3,567</u>	<u>223,275</u>	<u>1,963</u>	<u>31,131</u>	<u>(160)</u>	<u>(64,088)</u>	<u>195,688</u>

For the details of pre-[REDACTED] investments, please refer to Note 29 to the Historical Financial Information.

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	Share capital/ paid-in capital	Capital reserve*	Subscription monies received	Statutory surplus reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated Losses*	Total equity
	RMB'000 (note 29)	RMB'000 (note 30)	RMB'000 (note 29)	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000
As at 1 January 2025 .	3,567	223,275	–	1,963	31,131	(160)	(64,088)	195,688
Profit for the year . . .	–	–	–	–	–	–	32,180	32,180
Other comprehensive income for the year:								
Exchange differences related to foreign operations	–	–	–	–	–	738	–	738
Total comprehensive income for the year	–	–	–	–	–	738	32,180	32,918
Capital injection from shareholders	463	49,897	50,000	–	–	–	–	100,360
Transfer to statutory reserve	–	–	–	2,843	–	–	(2,843)	–
Conversion into a joint stock company	5,970	89,622	–	(1,837)	–	–	(93,755)	–
Share-based payment compensation	–	–	–	–	3,221	–	–	3,221
As at 31 December 2025	<u>10,000</u>	<u>362,794</u>	<u>50,000</u>	<u>2,969</u>	<u>34,352</u>	<u>578</u>	<u>(128,506)</u>	<u>332,187</u>

* These reserve accounts comprise the consolidated reserves of RMB164,062,000, RMB192,121,000 and RMB272,187,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax		(11,502)	18,652	39,291
Adjustments for:				
Depreciation of property, plant and equipment	14	46,538	48,721	60,635
Depreciation of right-of-use assets	15	12,548	15,335	17,460
Amortisation of other intangible assets	16	149	1,893	2,674
Amortisation of deferred expenses in other long-term assets		261	244	276
Impairment losses on financial assets, net	8	619	(97)	578
Write-down/(reversal of write-down) of inventories	8	59	(423)	(132)
Finance costs	7	15,692	18,423	19,078
Interest income	6	(185)	(299)	(1,292)
Loss/(gain) on disposal of items of property, plant and equipment		1,950	1,340	(1,266)
Loss arising from fair value changes on financial liabilities at fair value through profit or loss	6	34	168	95
Foreign exchange gain or loss, net		(666)	(1,658)	3,580
Share-based payment compensation	8	4,117	12,444	3,221
		69,614	114,743	144,198
Decrease/(increase) in inventories		1,500	(17,775)	6,089
Increase in trade and bills receivables		(3,808)	(19,849)	(53,853)
Decrease/(increase) in financial assets at fair value through other comprehensive income		631	(13,799)	7,211
Increase in prepayments, other receivables and other assets		(5,075)	(9,206)	(12,798)
Increase in trade payables		13,472	25,730	7,998
(Decrease)/increase in other payables and accruals		(17,891)	2,090	2,461
Cash generated from operations		58,443	81,934	101,306
Interest received	6	185	299	1,292
Income tax paid		—	(257)	(3,699)
Net cash flows from operating activities		58,628	81,976	98,899

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		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(62,295)	(117,817)	(144,086)
Purchase of other intangible assets		(6,261)	(5,032)	(4,711)
Purchases of right-of-use assets — land use rights		—	—	(40,808)
(Increase)/decrease in restricted cash		—	(560)	560
Proceeds from disposal of items of property, plant and equipment		19,985	27,305	47,409
Purchase of financial liabilities at fair value through profit or loss		(507)	(61)	(202)
Net cash flows used in investing activities		(49,078)	(96,165)	(141,838)
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital injection from shareholders		30,000	—	50,360
Subscription monies received		—	—	50,000
Proceeds from a non-controlling shareholder		15,000	—	—
Payments of [REDACTED] expense		[REDACTED]	[REDACTED]	[REDACTED]
Payments of lease liabilities	15	(12,876)	(16,404)	(18,707)
Proceeds from interest-bearing bank and other borrowings		253,404	226,526	277,004
Interest paid		(14,452)	(14,290)	(15,824)
Repayment of interest-bearing bank and other borrowings		(218,079)	(211,949)	(226,393)
Net cash flows from/(used in) financing activities		52,997	(16,117)	116,183
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		34,895	98,031	69,275
Effect of foreign exchange rate changes		589	1,550	(2,954)
CASH AND CASH EQUIVALENTS AT END OF YEAR		98,031	69,275	139,565
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	23	98,031	69,835	139,565
Less: restricted cash	23	—	(560)	—
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS	23	98,031	69,275	139,565

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STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	1,375	1,009	4,743
Right-of-use assets	15	4,467	2,792	5,909
Other intangible assets	16	13,639	17,354	18,592
Deferred tax assets	17	3,605	1,758	1,347
Investments in subsidiaries		148,610	147,342	169,299
Other long-term assets	18	831	850	1,198
Total non-current assets		172,527	171,105	201,088
CURRENT ASSETS				
Inventories	19	3,762	5,678	1,481
Trade and bills receivables	20	16,151	21,729	40,438
Financial assets at fair value through other comprehensive income	21	–	10,384	–
Prepayments, other receivables and other assets . .	22	5,720	7,561	13,205
Amounts due from subsidiaries		203,017	288,414	355,968
Restricted cash	23	–	560	–
Cash and cash equivalents	23	33,298	32,437	96,192
Total current assets		261,948	366,763	507,284
CURRENT LIABILITIES				
Trade payables	24	331	3,477	3,768
Other payables and accruals	25	11,626	10,946	9,280
Financial liabilities at fair value through profit or loss	26	–	107	–
Amounts due to subsidiaries		65,602	105,285	135,314
Interest-bearing bank and other borrowings	28	107,245	100,099	99,007
Tax payable		–	7,448	8,822
Lease liabilities	15	1,661	1,720	2,069
Total current liabilities		186,465	229,082	258,260
NET CURRENT ASSETS		75,483	137,681	249,024
TOTAL ASSETS LESS CURRENT LIABILITIES				
		248,010	308,786	450,112
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	28	–	10,000	16,558
Lease liabilities	15	2,900	1,180	3,941
Total non-current liabilities		2,900	11,180	20,499
NET ASSETS		245,110	297,606	429,613
EQUITY				
Paid-in capital/share capital	29	3,567	3,567	10,000
Reserves	30	241,543	294,039	369,613
Subscription monies received	29	–	–	50,000
TOTAL EQUITY		245,110	297,606	429,613

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

HOREN CORTP Co., Ltd. (the “Company”), formerly known as Shanghai HongYan Returnable Transit Packaging Co., Ltd., was established in the People’s Republic of China (“PRC”) as a limited liability company and on 26 December 2025, it was converted into a joint stock company with limited liability under the Company Law of the PRC (further details of which are set out in note 29 to the Historical Financial Information). The registered office of the Company is located at Room 303-16, Building 33, No. 680 Guiping Road, Xuhui District, Shanghai, PRC.

The Company was converted into a joint stock company with limited liability on 26 December 2025, pursuant to the shareholders’ resolution and the agreement of the then existing Shareholders.

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the “Group”) were reusable packaging solution providers in China. The Group primarily focused on manufacture and sale of reusable packaging products and providing pooling services to various customers, including domestic brand owners and manufacturers in liquids and non-hazardous chemicals, food and cold-chain distribution, and automotive supply chains, as well as international rental operators and agents.

As at the date of this report, the Company had direct or indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of the Company’s principal subsidiaries are as follows:

Name	Notes	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Shanghai Xiangxiang Logistics Technology Co., Ltd. (“上海箱箱物流科技有限公司”)	(2)	PRC/Chinese Mainland, 15 September 2017	RMB50,000,000	100%	–	Supply chain management; leasing of logistics packaging equipment
Jiangsu Xiangxiang Intelligence Technology Co., Ltd. (“江蘇箱箱智能科技有限公司”)	(2)	PRC/Chinese Mainland, 15 July 2022	RMB30,000,000	100%	–	Plastic manufacturing; sales of plastic products
Taizhou Xiangxiang Intelligence Technology Co., Ltd. (“台州箱箱智能科技有限公司”)	(2)	PRC/Chinese Mainland, 2 February 2018	RMB5,000,000	100%	–	Plastic manufacturing; sales of plastic products
HOREN PLASTICS UK LTD (“鴻潤(英國)有限公司”)	(2)	United Kingdom, 24 May 2022	GBP100	100%	–	Plastic manufacturing; sales of plastic products
Shanghai Xiangxiang Recycling Technology Co., Ltd (“上海箱箱循環科技有限公司”)	(2)	PRC/Chinese Mainland, 13 October 2023	RMB42,800,000	100%	–	Supply chain management; leasing of logistics packaging equipment

Notes:

- (1) The English names of the subsidiaries registered in the PRC represent the best efforts made by management of the Company to translate the Chinese names of these companies as they do not have official English names.
- (2) No audited financial statements have been prepared and issued for these subsidiaries as they are not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of establishment.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-[REDACTED] investors, pursuant to the supplemental agreements entered into between the Company and the pre-[REDACTED] Investors in relation to the termination of certain of special rights granted by the Company, including redemption rights and liquidation preferences, which are void ab initio as described in note 29 to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-[REDACTED] Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 29 the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial liabilities at fair value through profit or loss (“FVTPL”) and financial assets at fair value through other comprehensive income (“FVTOCI”) which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiary for the Relevant Periods. A subsidiary is an entity, directly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

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2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in this Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7 . . .	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7 . . .	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28 . .	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i> .	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group’s presentation of the statement of profit or loss and disclosures of the Group’s financial performance. Except for IFRS 18, the Group considers that the new and amended standards are unlikely to have a significant impact on the Group’s results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures certain of its financial assets at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the historical financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the reporting periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person’s family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

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- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third-party;
- (iv) one entity is an associate of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Machinery	9.50%-31.67%
Reusable packaging containers	9.00%-11.25%
Electronic equipment	19.00%-31.67%
Transportation equipment and others	23.27%-23.75%
	Over the shorter of the lease
Leasehold improvement	terms and 20%
Inner linings	33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

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Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Research and development expenses

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises and plant	2 to 5 years
Land use rights	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for

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termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a stand-alone selling price basis. Revenue from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from operating leases. Contingent rents or variable lease payments are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while

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financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

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A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade payables, other payables and accruals and interest-bearing bank and other borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

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Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

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- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

The Group is a reusable packaging solution provider in China, primarily focusing on manufacture and sale of reusable packaging products and providing pooling services to customers.

(a) Pooling services

When providing pooling services, in addition to providing the rental of reusable packages to the customers for use, the Group also handles package storage, distribution, returns, maintenance, operational scheduling, and so on. The customer pays based on the number of times the reusable packages are circulated.

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The nature of the Group’s pooling service is a single performance obligation under the service contract. Revenue from the pooling service is recognised over the scheduled period of time.

(b) Sales of products

Sales of products business is designed to meet the logistical capabilities and procurement needs of the customers, offering them a direct supply of the specialized products. These products primarily include recyclable foldable liquid carriers, fresh fruit and vegetables carriers, automotive parts carriers, custom-developed inner linings.

Revenue from the sales of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Revenue from other sources

Revenue from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from an operating lease. Contingent rents or variable lease payments are recognised as revenue in the period in which they are earned.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates multiple share incentive plans. Employees of the Group receive remuneration in the form of share-based payment compensation, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using discounted cash flow method and back-solve method, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each of the reporting periods until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment compensation or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Employee benefits

Pension scheme

The Group contributes monthly to various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions considering the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

This Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on

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translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below:

Estimated useful life and residual value of property, plant and equipment

The Group’s management determines the estimated useful lives and residual value for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and also consideration of technical or commercial obsolescence of property, plant and equipment of similar nature and functions.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

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Provision for expected credit losses on financial assets

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 20 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised. Further details are contained in note 17 to the financial statements.

4. OPERATING SEGMENT INFORMATION

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment, and the measurement of segment results is based on the profit from operations as presented in the consolidated statements of profit or loss and other comprehensive income.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	147,758	177,239	247,874
Other countries/regions	118,152	199,988	228,017
Total revenue	<u>265,910</u>	<u>377,227</u>	<u>475,891</u>

The revenue information above is based on the locations of the customers.

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(b) Non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	259,901	295,391	379,383
Other countries/regions	2,342	4,592	6,496
Total non-current assets	262,243	299,983	385,879

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

The revenue generated from sales to customers, which individually contributed more than 10% of the Group’s total revenue during each of the Relevant Periods, is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	28,499	64,827	N/A*
Customer B	N/A*	N/A*	32,423

* Less than 10% of the Group’s total revenue.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	248,016	361,239	460,316
Revenue from other sources:			
Rental income	17,894	15,988	15,575
Total	265,910	377,227	475,891

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Sales of products			
– Sales of containers	155,589	228,318	279,338
– Sales of consumables and accessories	11,304	15,893	20,776
Pooling services	81,123	117,028	160,202
Total	248,016	361,239	460,316

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Timing of revenue recognition			
Recognised at a point in time	166,893	244,211	300,114
Recognised over time	81,123	117,028	160,202
Total	248,016	361,239	460,316

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	3,659	5,484	3,965
Pooling services	—	6	5

(b) Performance obligations

Information about the Group’s performance obligations is summarised below:

Pooling services

Revenue from the pooling services is recognised over the scheduled period of time because customers simultaneously receive and consume the benefits provided by the Group.

Sales of products

Revenue from the sales of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

As the contracts are for periods of one year or less or the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group’s performance completed to date, thus the Group applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of each of the Relevant Periods.

6. OTHER INCOME AND GAINS, OTHER EXPENSES

Other income and gains

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants*	2,777	1,167	2,136
Income from value-added tax super deduction**	5,389	—	—
Interest income	185	299	1,292
Foreign exchange gains, net	666	1,658	—
Compensation income	312	5	2,002
Gain on disposal of items of property, plant and equipment, net	—	—	1,266
Others	—	—	97
Total	9,329	3,129	6,793

* The government grants related to income have been received to support the Group’s innovative patents. These grants related to income are recognised in profit or loss upon receipt of these rewards. There are no unfulfilled conditions related to these government grants.

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** Income from value-added tax (“VAT”) super deduction is related to an additional 5% VAT input tax deduction for taxpayers of productive services from 1 January 2023 to 31 December 2023.

Other expenses

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss on disposal of items of property, plant and equipment, net	1,950	1,340	–
Penalties	115	5	313
Foreign exchange losses, net	–	–	3,580
Fair value losses on financial assets at FVTPL	34	168	95
Total	<u>2,099</u>	<u>1,513</u>	<u>3,988</u>

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Interest on bank and other borrowings		14,419	17,164	18,062
Interest on lease liabilities	15	1,273	1,259	1,016
Total		<u>15,692</u>	<u>18,423</u>	<u>19,078</u>

8. (LOSS)/PROFIT BEFORE TAX

The Group’s (loss)/profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold		102,881	141,176	174,659
Cost of services provided		68,049	91,925	120,956
Employee benefit expense (including directors’ and chief executive’s remuneration):				
Wages, salaries and other benefits		60,927	78,906	86,341
Pension scheme contributions		9,988	10,592	13,128
Share-based payment compensation		4,117	12,444	3,221
Depreciation of items of property, plant and equipment*	14	46,538	48,721	60,635
Depreciation of right-of-use assets*	15	12,548	15,335	17,460
Expenses relating to short-term and low-value leases	15	373	852	638
Amortisation of intangible assets	16	149	1,893	2,674
Reversal of impairment losses/(impairment losses) on financial assets, net	20	619	(97)	578
Research and development costs		16,157	20,936	16,824
Loss/(gain) on disposal of items of property, plant and equipment	6	1,950	1,340	(1,266)
Write-down/(reversal of write-down) of inventories to net realizable values**		59	(423)	(132)
[REDACTED] expenses		<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

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- * The depreciation of property, plant and equipment and right-of-use assets is included in “cost of sales”, “selling and distribution expenses”, “administrative expenses” and “research and development costs” in profit or loss, respectively.
- ** Write-down/(reversal of write-down) of inventories to net realizable values is included in “Cost of Sales”.

For the details of pre-[REDACTED] investments, please refer to Note 29 to the Historical Financial Information.

9. DIRECTORS’ AND SUPERVISOR’S REMUNERATION

Directors’ and supervisor’s remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fees	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	1,913	2,182	2,220
Performance-related bonuses	200	389	460
Share-based payment compensation	1,746	12,855	1,158
Pension scheme contributions and social welfare	160	159	216
Total	<u>4,019</u>	<u>15,585</u>	<u>4,054</u>

During the Relevant Periods, certain directors were granted restricted shares, in respect of their services to the Group, under the equity incentive plan of the Company, further details of which are set out in note 31 to the Historical Financial Information. The fair value of such restricted shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors’ and supervisor’s remuneration disclosures.

The remuneration of each of the Company’s directors and supervisor is set out below:

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:					
Mr. Liao Qingxin (a)	913	100	1,529	80	2,622
Mr. Tang Junfeng (b)	1,000	100	217	80	1,397
Non-executive directors:					
Mr. Huang Yan (c)	—	—	—	—	—
Mr. Xiong Ming Hua (d)	—	—	—	—	—
Mr. Zhang Guojin (e)	—	—	—	—	—
Supervisor:					
Mr. Zhang Zhongyu (f)	—	—	—	—	—
Total	<u>1,913</u>	<u>200</u>	<u>1,746</u>	<u>160</u>	<u>4,019</u>

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Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Liao Qingxin (a)	1,041	250	12,637	87	14,015
Mr. Tang Junfeng (b)	1,141	139	218	72	1,570
Non-executive directors:					
Mr. Huang Yan (c)	—	—	—	—	—
Mr. Xiong Ming Hua (d)	—	—	—	—	—
Mr. Zhang Guojin (e)	—	—	—	—	—
Supervisor:					
Mr. Zhang Zhongyu (f)	—	—	—	—	—
Total	<u>2,182</u>	<u>389</u>	<u>12,855</u>	<u>159</u>	<u>15,585</u>

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Liao Qingxin (a)	1,069	250	896	108	2,323
Mr. Tang Junfeng (b)	1,151	210	262	108	1,731
Non-executive directors:					
Mr. Huang Yan (c)	—	—	—	—	—
Mr. Xiong Ming Hua (d)	—	—	—	—	—
Mr. Zhang Guojin (e)	—	—	—	—	—
Supervisor:					
Mr. Zhang Zhongyu (f)	—	—	—	—	—
Total	<u>2,220</u>	<u>460</u>	<u>1,158</u>	<u>216</u>	<u>4,054</u>

- (a) Mr. Liao Qingxin was appointed as a director of the Company in September 2013.
- (b) Mr. Tang Junfeng was appointed as a director of the Company in November 2017.
- (c) Mr. Huang Yan was appointed as a director of the Company in November 2017.
- (d) Mr. Xiong Ming Hua was appointed as a director of the Company in November 2017.
- (e) Mr. Zhang Guojin was appointed as a director of the Company in August 2019.
- (f) Mr. Zhang Zhongyu retired as the supervisor of the Company in August 2025.

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10. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group for the years ended 31 December 2023, 2024 and 2025 included two, two and two directors disclosed above, respectively. Details of the directors’ remuneration are set out in note 9 above. Details of the remuneration of the remaining three, three and three highest paid employees, respectively, who are neither a director nor chief executive of the Company for the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	2,945	2,132	1,926
Performance-related bonuses	868	1,220	3,389
Share-based payment compensation	725	253	190
Pension scheme contributions and social welfare	434	350	340
Total	<u>4,972</u>	<u>3,955</u>	<u>5,845</u>

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		
	2023	2024	2025
HK\$500,001 to HK\$1,000,000	–	1	–
HK\$1,000,001 to HK\$1,500,000	1	1	1
HK\$1,500,001 to HK\$2,000,000	1	–	1
HK\$2,000,001 to HK\$2,500,000	1	1	–
HK\$2,500,001 to HK\$3,000,000	–	–	–
HK\$3,000,001 to HK\$3,500,000	–	–	–
HK\$3,500,001 to HK\$4,000,000	–	–	1
Total	<u>3</u>	<u>3</u>	<u>3</u>

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “CIT Law”), the Company and the subsidiaries which operates in Chinese Mainland is subject to corporate income tax at a rate of 25% on the taxable income except for those which are subject to tax exemption set out below.

The Company is qualified as “High and New Technology Enterprise” and therefore was entitled to a preferential income tax rate of 15% for the Relevant Periods.

Except for Shanghai Cortp Logistics Technology Co., Ltd., Taizhou Honghui Logistics Packaging Technology Co., Ltd., Jiangsu Xiangxiang Intelligence Technology Co., Ltd. and Shanghai Xiangxiang Recycling Technology Co., Ltd. other subsidiaries of the Company in the PRC are qualified as “Small and Micro Enterprises” and therefore were entitled to a preferential income tax rate of 20% for the Relevant Periods.

Hong Kong

The subsidiaries incorporated in Hong Kong were subject to corporate income tax at a rate of 16.5% on the taxable income during the Relevant Periods.

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Japan

The subsidiary incorporated in Japan was subject to the national corporate income tax at a rate of 23.2% and the local corporate tax rate at a rate of 2.4% on the taxable income during the Relevant Periods.

United Kingdom

The subsidiary incorporated in the United Kingdom was subject to corporate income tax at a rate of 25% on the taxable income during the Relevant Periods.

United States of America

The subsidiary incorporated in United States was subject to the federal corporate income tax at a rate of 21% and the state income tax at a rate of 4% on the taxable income during the Relevant Periods.

The income tax expenses for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax	122	7,540	5,926
Deferred tax (<i>note 17</i>)	(2,877)	(4,653)	1,185
Total tax (credit)/charge for the year	<u>(2,755)</u>	<u>2,887</u>	<u>7,111</u>

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit before tax	(11,502)	18,652	39,291
Tax at the statutory tax rate of 25%	(2,875)	4,663	9,823
Effect of preferential and different income tax rate	(46)	(4,119)	(3,811)
Adjustments in respect of current tax of previous years	(39)	—	—
Expenses not deductible for tax	855	2,244	720
Additional deduction of research and development expenses	(334)	—	—
Tax losses utilised from previous periods	(349)	(22)	(53)
Tax losses and temporary differences not recognised	33	121	432
Total tax (credit)/charge for the year	<u>(2,755)</u>	<u>2,887</u>	<u>7,111</u>

12. DIVIDEND

No dividend has been paid and declared by the Company to its ordinary shareholders during the Relevant Periods.

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13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 8,692,000, 8,851,000 and 9,018,000 during the Relevant Periods, respectively. The weighted average number of ordinary shares in issue before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in December 2025.

The Group has no dilutive potential ordinary shares and accordingly, the diluted (loss)/earnings per share for the Relevant Periods were the same as the basic (loss)/earnings per share, respectively.

The calculations of the basic and diluted (loss)/earnings per share amounts are based on:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Earnings			
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculation (RMB'000)	(8,747)	15,765	32,180
Shares			
Weighted average number of ordinary shares in issue during the year, used in the basic and diluted (loss)/earnings per share calculation ('000)	8,692	8,851	9,018
(Loss)/earnings per share			
Basic and diluted (RMB)	(1.01)	1.78	3.57

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Leasehold Improvement	Inner linings	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023								
As at 1 January 2023								
Cost	124,750	177,223	3,570	745	5,768	5,216	2,190	319,462
Accumulated depreciation	(50,582)	(51,308)	(2,175)	(512)	(3,332)	(737)	–	(108,646)
Net carrying amount	74,168	125,915	1,395	233	2,436	4,479	2,190	210,816
Cost at 1 January 2023, net of accumulated depreciation	74,168	125,915	1,395	233	2,436	4,479	2,190	210,816
Additions	13,844	39,643	156	139	4,730	2,205	648	61,365
Transfers	200	–	–	–	–	–	(200)	–
Depreciation provided during the year	(15,301)	(25,818)	(697)	(74)	(2,685)	(1,963)	–	(46,538)
Disposals	(599)	(21,335)	(1)	–	–	–	–	(21,935)
Exchange realignment	146	(12)	–	–	–	–	–	134
As at 31 December 2023	72,458	118,393	853	298	4,481	4,721	2,638	203,842
As at 31 December 2023								
Cost	137,769	186,604	3,716	884	10,498	7,421	2,638	349,530
Accumulated depreciation	(65,311)	(68,211)	(2,863)	(586)	(6,017)	(2,700)	–	(145,688)

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	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Leasehold Improvement	Inner linings	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net carrying amount	72,458	118,393	853	298	4,481	4,721	2,638	203,842
31 December 2024								
As at 1 January 2024								
Cost	137,769	186,604	3,716	884	10,498	7,421	2,638	349,530
Accumulated depreciation	(65,311)	(68,211)	(2,863)	(586)	(6,017)	(2,700)	–	(145,688)
Net carrying amount	72,458	118,393	853	298	4,481	4,721	2,638	203,842
Cost at 1 January 2024, net of accumulated depreciation	72,458	118,393	853	298	4,481	4,721	2,638	203,842
Additions	10,589	92,656	349	2	2,878	8,581	2,652	117,707
Transfers	496	261	–	–	832	–	(1,589)	–
Depreciation provided during the year . .	(14,471)	(28,828)	(533)	(101)	(1,680)	(3,108)	–	(48,721)
Disposals	(475)	(27,311)	(2)	(2)	(855)	–	–	(28,645)
Exchange realignment	17	(18)	–	–	–	–	–	(1)
As at 31 December 2024	68,614	155,153	667	197	5,656	10,194	3,701	244,182
As at 31 December 2024								
Cost	147,547	234,313	4,043	848	14,208	16,002	3,701	420,662
Accumulated depreciation	(78,933)	(79,160)	(3,376)	(651)	(8,552)	(5,808)	–	(176,480)
Net carrying amount	68,614	155,153	667	197	5,656	10,194	3,701	244,182
31 December 2025								
As at 1 January 2025								
Cost	147,547	234,313	4,043	848	14,208	16,002	3,701	420,662
Accumulated depreciation	(78,933)	(79,160)	(3,376)	(651)	(8,552)	(5,808)	–	(176,480)
Net carrying amount	68,614	155,153	667	197	5,656	10,194	3,701	244,182
Cost at 1 January 2025, net of accumulated depreciation	68,614	155,153	667	197	5,656	10,194	3,701	244,182
Additions	25,336	93,823	437	7	4,245	8,710	2,448	135,006
Transfers	531	–	–	–	2,487	–	(3,018)	–
Depreciation provided during the year	(16,064)	(35,444)	(363)	(86)	(2,585)	(6,093)	–	(60,635)
Disposals	(6,546)	(39,595)	(2)	–	–	–	–	(46,143)
Exchange realignment	106	(8)	–	–	–	–	–	98
As at 31 December 2025	71,977	173,929	739	118	9,803	12,811	3,131	272,508
As at 31 December 2025								
Cost	163,092	279,068	4,479	855	20,940	24,712	3,131	496,277
Accumulated depreciation	(91,115)	(105,139)	(3,740)	(737)	(11,137)	(11,901)	–	(223,769)
Net carrying amount	71,977	173,929	739	118	9,803	12,811	3,131	272,508

As at 31 December 2023, 2024 and 2025, certain of the Group’s reusable packaging containers and machineries with net carrying amounts of approximately RMB47,161,000, RMB50,394,000 and RMB48,115,000, respectively, were pledged to secure certain other borrowings granted to the Group.

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The Company

	Machinery	Electronic equipment	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023				
As at 1 January 2023				
Cost	11,152	2,289	2,188	15,629
Accumulated depreciation	(10,412)	(1,324)	(1,376)	(13,112)
Net carrying amount	<u>740</u>	<u>965</u>	<u>812</u>	<u>2,517</u>
Cost at 1 January 2023, net of accumulated depreciation	740	965	812	2,517
Additions	53	53	99	205
Depreciation provided during the year	(93)	(532)	(722)	(1,347)
As at 31 December 2023	<u>700</u>	<u>486</u>	<u>189</u>	<u>1,375</u>
As at 31 December 2023				
Cost	11,205	2,342	2,287	15,834
Accumulated depreciation	(10,505)	(1,856)	(2,098)	(14,459)
Net carrying amount	<u>700</u>	<u>486</u>	<u>189</u>	<u>1,375</u>
31 December 2024				
As at 1 January 2024				
Cost	11,205	2,342	2,287	15,834
Accumulated depreciation	(10,505)	(1,856)	(2,098)	(14,459)
Net carrying amount	<u>700</u>	<u>486</u>	<u>189</u>	<u>1,375</u>
Cost at 1 January 2024, net of accumulated depreciation	700	486	189	1,375
Additions	99	138	–	237
Depreciation provided during the year	(97)	(344)	(160)	(601)
Disposals	(2)	–	–	(2)
As at 31 December 2024	<u>700</u>	<u>280</u>	<u>29</u>	<u>1,009</u>
As at 31 December 2024				
Cost	11,269	2,480	2,287	16,036
Accumulated depreciation	(10,569)	(2,200)	(2,258)	(15,027)
Net carrying amount	<u>700</u>	<u>280</u>	<u>29</u>	<u>1,009</u>
31 December 2025				
As at 1 January 2025				
Cost	11,269	2,480	2,287	16,036
Accumulated depreciation	(10,569)	(2,200)	(2,258)	(15,027)
Net carrying amount	<u>700</u>	<u>280</u>	<u>29</u>	<u>1,009</u>
Cost at 1 January 2025, net of accumulated depreciation	700	280	29	1,009
Additions	672	69	3,666	4,407
Depreciation provided during the year	(102)	(135)	(436)	(673)
As at 31 December 2025	<u>1,270</u>	<u>214</u>	<u>3,259</u>	<u>4,743</u>
As at 31 December 2025				
Cost	11,941	2,549	5,953	20,443
Accumulated depreciation	(10,671)	(2,335)	(2,694)	(15,700)
Net carrying amount	<u>1,270</u>	<u>214</u>	<u>3,259</u>	<u>4,743</u>

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15. LEASES

The Group as a lessee

The Group has lease contracts for office premises and plant used in its operations. Lump sum payments were made upfront to acquire the land use rights with lease periods of 50 years, and no ongoing payments will be made under the terms of these land use rights. Leases of office premises and plant generally have lease terms between 2 and 5 years.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises and plant	Land use rights	Total
	RMB’000	RMB’000	RMB’000
As at 1 January 2023	33,561	–	33,561
Additions	15,678	–	15,678
Depreciation charge	(12,548)	–	(12,548)
Exchange realignment	(52)	–	(52)
As at 31 December 2023 and 1 January 2024 . . .	36,639	–	36,639
Additions	9,705	–	9,705
Depreciation charge	(15,335)	–	(15,335)
Exchange realignment	(65)	–	(65)
As at 31 December 2024 and 1 January 2025 . . .	30,944	–	30,944
Additions	23,178	40,808	63,986
Depreciation charge	(17,256)	(204)	(17,460)
Exchange realignment	9	–	9
As at 31 December 2025	36,875	40,604	77,479

(b) Lease liabilities

The carrying amounts of the Group’s lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amount at beginning of the year	31,776	35,811	30,347
New leases	15,678	9,705	23,178
Accretion of interest recognised during the year . .	1,273	1,259	1,016
Payments	(12,876)	(16,404)	(18,707)
Exchange realignment	(40)	(24)	(5)
Carrying amount at end of the year	35,811	30,347	35,829
Analysed into:			
Current portion	13,745	14,043	16,916
Non-current portion	22,066	16,304	18,913

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The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,273	1,259	1,016
Depreciation charge of right-of-use assets	12,548	15,335	17,460
Expenses relating to short-term and low-value leases	373	852	638
Total amount recognised in profit or loss	14,194	17,446	19,114

The Company as a lessee

The Company has lease contracts for office premises used in its operations. Leases of office premises have lease terms of 3 years.

(a) Right-of-use assets

The carrying amounts of the Company’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises
	RMB'000
1 January 2023	—
Additions	5,165
Depreciation charge	(698)
As at 31 December 2023 and 1 January 2024	4,467
Depreciation charge	(1,675)
As at 31 December 2024 and 1 January 2025	2,792
Additions	5,039
Depreciation charge	(1,922)
As at 31 December 2025	5,909

(b) Lease liabilities

The carrying amounts of the Company’s lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of the year	—	4,561	2,900
New leases	5,165	—	5,039
Accretion of interest recognised during the year	68	123	102
Payments	(672)	(1,784)	(2,031)
Carrying amount at end of the year	4,561	2,900	6,010
Analysed into:			
Current portion	1,661	1,720	2,069
Non-current portion	2,900	1,180	3,941

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The Group as a lessor

The Group leases certain containers to customers under fixed-term rental agreements, with payments calculated based on the number of days rented. Rental income recognised by the Group for each of the Relevant Periods amounted to RMB17,894,000, RMB15,988,000 and RMB15,575,000, details of which are included in note 5 to the Historical Financial Information.

As at the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	7,318	7,305	8,467
1 to 2 years	1,334	409	178
2 to 3 years	122	64	82
Over 3 years	94	47	–
Total	<u>8,868</u>	<u>7,825</u>	<u>8,727</u>

16. OTHER INTANGIBLE ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Software			
At 1 January,			
Cost	14,426	20,687	24,059
Accumulated amortisation	(779)	(928)	(1,161)
Net carrying amount	<u>13,647</u>	<u>19,759</u>	<u>22,898</u>
Cost at 1 January, net of accumulated			
amortisation	13,647	19,759	22,898
Addition	6,261	5,032	4,711
Amortisation provided during the year	(149)	(1,893)	(2,674)
At 31 December	<u>19,759</u>	<u>22,898</u>	<u>24,935</u>
At 31 December,			
Cost	20,687	24,059	30,431
Accumulated amortisation	(928)	(1,161)	(5,496)
Net carrying amount	<u>19,759</u>	<u>22,898</u>	<u>24,935</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Software			
At 1 January,			
Cost	8,866	14,567	19,599
Accumulated amortisation	(779)	(928)	(2,245)
Net carrying amount	<u>8,087</u>	<u>13,639</u>	<u>17,354</u>

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	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost at 1 January, net of accumulated amortisation	8,087	13,639	17,354
Addition	5,701	5,032	3,275
Amortisation provided during the year	(149)	(1,317)	(2,037)
At 31 December	<u>13,639</u>	<u>17,354</u>	<u>18,592</u>
At 31 December,			
Cost	14,567	19,599	22,874
Accumulated amortisation	(928)	(2,245)	(4,282)
Net carrying amount	<u>13,639</u>	<u>17,354</u>	<u>18,592</u>

17. DEFERRED TAX

The movements in deferred tax during the Relevant Periods are as follows:

The Group

Deferred tax assets

	Lease liabilities	Unrealised profit	Loss available for offsetting against future taxable profits	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	–	7,071	15,274	1,798	24,143
Deferred tax credited/(charged) to profit or loss during the year . .	<u>7,749</u>	<u>2,459</u>	<u>546</u>	<u>77</u>	<u>10,831</u>
Gross deferred tax assets at 31 December 2023	<u>7,749</u>	<u>9,530</u>	<u>15,820</u>	<u>1,875</u>	<u>34,974</u>
At 1 January 2024	7,749	9,530	15,820	1,875	34,974
Deferred tax (charged)/credited to profit or loss during the year . .	<u>(1,194)</u>	<u>7,116</u>	<u>(2,400)</u>	<u>(85)</u>	<u>3,437</u>
Gross deferred tax assets at 31 December 2024	<u>6,555</u>	<u>16,646</u>	<u>13,420</u>	<u>1,790</u>	<u>38,411</u>
At 1 January 2025	6,555	16,646	13,420	1,790	38,411
Deferred tax credited/(charged) to profit or loss during the year . .	<u>1,420</u>	<u>3,761</u>	<u>(3,798)</u>	<u>(1,046)</u>	<u>337</u>
Gross deferred tax assets at 31 December 2025	<u>7,975</u>	<u>20,407</u>	<u>9,622</u>	<u>744</u>	<u>38,748</u>

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	–
Deferred tax credited to profit or loss during the year	<u>7,954</u>
Gross deferred tax liabilities at 31 December 2023	<u>7,954</u>
At 1 January 2024	7,954
Deferred tax charged to profit or loss during the year	<u>(1,216)</u>
Gross deferred tax liabilities at 31 December 2024	<u>6,738</u>

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	Right-of-use assets
	<i>RMB'000</i>
At 1 January 2025	6,738
Deferred tax credited to profit or loss during the year	<u>1,522</u>
Gross deferred tax liabilities at 31 December 2025	<u><u>8,260</u></u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position . .	<u>27,020</u>	<u>31,673</u>	<u>30,488</u>

The Company

Deferred tax assets

	Lease liabilities	Loss available for offsetting against future taxable profits	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	–	3,687	1,647	5,334
Deferred tax credited/(charged) to profit or loss during the year	<u>684</u>	<u>(1,814)</u>	<u>71</u>	<u>(1,059)</u>
Gross deferred tax assets at 31 December 2023 . . .	<u>684</u>	<u>1,873</u>	<u>1,718</u>	<u>4,275</u>
At 1 January 2024	684	1,873	1,718	4,275
Deferred tax (charged)/credited to profit or loss during the year	<u>(249)</u>	<u>(1,873)</u>	<u>24</u>	<u>(2,098)</u>
Gross deferred tax assets at 31 December 2024 . . .	<u>435</u>	<u>–</u>	<u>1,742</u>	<u>2,177</u>
At 1 January 2025	435	–	1,742	2,177
Deferred tax credited/(charged) to profit or loss during the year	<u>466</u>	<u>–</u>	<u>(410)</u>	<u>56</u>
Gross deferred tax assets at 31 December 2025 . . .	<u>901</u>	<u>–</u>	<u>1,332</u>	<u>2,233</u>

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Deferred tax liabilities

	Right-of-use assets
	<i>RMB'000</i>
At 1 January 2023	–
Deferred tax charged to profit or loss during the year	670
Gross deferred tax liabilities at 31 December 2023	670
At 1 January 2024	670
Deferred tax credited to profit or loss during the year	(251)
Gross deferred tax liabilities at 31 December 2024	419
At 1 January 2025	419
Deferred tax charged to profit or loss during the year	467
Gross deferred tax liabilities at 31 December 2025	886

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position . .	3,605	1,758	1,347

The tax losses of the Company’s subsidiaries in Chinese Mainland and Japan will expire within five years and ten years, respectively. During the Relevant Periods, pursuant to the PRC Enterprise Income Tax Law and its relevant regulations, the Company obtained High and New Technology Enterprise (HNTE) status for a valid term of three years, which entitles the Company to a preferential corporate income tax rate of 15% with an additional five-year period for using tax losses deductions. The tax losses of the Company’s other subsidiaries can be carried forward indefinitely for offsetting against future taxable profits.

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses arising in Chinese Mainland	93,072	77,056	61,944
Tax losses arising in Hong Kong	14,725	14,994	17,481
Tax losses arising in Japan	207	363	843
Tax losses arising in the United Kingdom	–	1,100	–
Tax losses arising in the United States	368	357	–
Total	108,372	93,870	80,268

There are deferred tax assets in respect of tax losses that have not been recognised as at 31 December 2023, 2024 and 2025, respectively:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses not recognised	2,851	2,912	3,412

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Those deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

18. OTHER LONG-TERM ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits	2,810	2,878	2,684
Long-term deferred expenses	330	244	368
Prepayments for property, plant and equipment . .	1,673	1,715	10,589
Total	<u>4,813</u>	<u>4,837</u>	<u>13,641</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits	501	612	315
Long-term deferred expenses	330	238	883
Total	<u>831</u>	<u>850</u>	<u>1,198</u>

19. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	7,870	10,754	11,694
Work in progress	6,421	7,602	9,342
Finished goods	31,662	45,372	36,603
	45,953	63,728	57,639
Provision for impairment of inventories	(605)	(182)	(50)
Total	<u>45,348</u>	<u>63,546</u>	<u>57,589</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	3,812	5,728	1,483
Provision for impairment of inventories	(50)	(50)	(2)
Total	<u>3,762</u>	<u>5,678</u>	<u>1,481</u>

20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	62,640	81,022	135,675
Bills receivable	2,425	3,892	3,092
Subtotal	65,065	84,914	138,767
Impairment	(619)	(522)	(1,100)
Total	<u>64,446</u>	<u>84,392</u>	<u>137,667</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	16,624	22,188	40,807
Bills receivable	—	—	584
Subtotal	16,624	22,188	41,391
Impairment	(473)	(459)	(953)
Total	<u>16,151</u>	<u>21,729</u>	<u>40,438</u>

The Group’s trading terms with its customers are mainly on credit. The credit period is generally 1 to 3 months, extending up to 4 months after invoice date for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. In view of the fact that the Group’s trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

For the bills receivable that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, they are measured at “financial assets at fair value through other comprehensive income” (“FVTOCI”). For details, please refer to note 21.

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An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	56,158	75,674	129,699
3 to 6 months	7,382	8,641	7,469
6 to 9 months	863	47	441
9 months to 1 year	43	30	58
Total	<u>64,446</u>	<u>84,392</u>	<u>137,667</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	13,844	17,663	37,429
3 to 6 months	2,296	4,058	2,931
6 to 9 months	11	–	78
9 months to 1 year	–	8	–
Total	<u>16,151</u>	<u>21,729</u>	<u>40,438</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	–	619	522
Impairment losses recognised/(reversed), net . . .	<u>619</u>	<u>(97)</u>	<u>578</u>
At end of the year	<u>619</u>	<u>522</u>	<u>1,100</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	–	473	459
Impairment losses recognised/(reversed), net . . .	<u>473</u>	<u>(14)</u>	<u>494</u>
At end of the year	<u>473</u>	<u>459</u>	<u>953</u>

An impairment analysis was made based on expected credit loss model on the recoverability of trade receivables. The identification of impairment requires management’s judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

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The Group considers that expected credit losses for bills receivable is limited because counterparties are high-quality corporate clients with good credit standing and are highly likely to be paid, and the expected credit losses are considered as insignificant.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

The Group

As at 31 December 2023

	Within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	More than 1 year	Total
On a collective basis:						
Expected credit loss rate. . . .	0.19%	1.45%	13.02%	46.25%	100.00%	0.49%
Gross carrying amount (RMB’000)	56,104	5,601	530	80	13	62,328
Expected credit losses (RMB’000)	<u>107</u>	<u>81</u>	<u>69</u>	<u>37</u>	<u>13</u>	<u>307</u>
On an Individual basis:						
Expected credit loss rate. . . .						100.00%
Gross carrying amount (RMB’000)						312
Expected credit losses (RMB’000)						<u>312</u>

As at 31 December 2024

	Within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	More than 1 year	Total
On a collective basis:						
Expected credit loss rate. . . .	0.22%	2.18%	16.67%	55.88%	100.00%	0.50%
Gross carrying amount (RMB’000)	73,144	7,602	60	68	30	80,904
Expected credit losses (RMB’000)	<u>160</u>	<u>166</u>	<u>10</u>	<u>38</u>	<u>30</u>	<u>404</u>
On an Individual basis:						
Expected credit loss rate. . . .						100.00%
Gross carrying amount (RMB’000)						118
Expected credit losses (RMB’000)						<u>118</u>

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As at 31 December 2025

	Within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	More than 1 year	Total
On a collective basis:						
Expected credit loss rate. . . .	0.37%	3.38%	18.84%	43.06%	100.00%	0.68%
Gross carrying amount (RMB’000)	127,984	6,795	539	72	107	135,497
Expected credit losses (RMB’000)	<u>474</u>	<u>230</u>	<u>80</u>	<u>31</u>	<u>107</u>	<u>922</u>
On an Individual basis:						
Expected credit loss rate. . . .						100.00%
Gross carrying amount (RMB’000)						178
Expected credit losses (RMB’000)						<u>178</u>

The Company

As at 31 December 2023

	Within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	More than 1 year	Total
On a collective basis:						
Expected credit loss rate. . . .	0.57%	3.33%	35.29%	57.87%	100.00%	1.01%
Gross carrying amount (RMB’000)	13,924	2,375	17	–	–	16,316
Expected credit losses (RMB’000)	<u>80</u>	<u>79</u>	<u>6</u>	<u>–</u>	<u>–</u>	<u>165</u>
On an Individual basis:						
Expected credit loss rate. . . .						100.00%
Gross carrying amount (RMB’000)						308
Expected credit losses (RMB’000)						<u>308</u>

As at 31 December 2024

	Within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	More than 1 year	Total
On a collective basis:						
Expected credit loss rate. . . .	0.78%	5.01%	18.20%	46.67%	100.00%	1.63%
Gross carrying amount (RMB’000)	17,802	4,272	–	15	–	22,089
Expected credit losses (RMB’000)	<u>139</u>	<u>214</u>	<u>–</u>	<u>7</u>	<u>–</u>	<u>360</u>
On an Individual basis:						
Expected credit loss rate. . . .						100.00%
Gross carrying amount (RMB’000)						99
Expected credit losses (RMB’000)						<u>99</u>

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As at 31 December 2025

	Within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	More than 1 year	Total
On a collective basis:						
Expected credit loss rate	1.54%	9.10%	22.77%	50.49%	100.00%	2.11%
Gross carrying amount (RMB’000)	38,014	2,582	101	1	15	40,713
Expected credit losses (RMB’000)	<u>585</u>	<u>235</u>	<u>23</u>	<u>1</u>	<u>15</u>	<u>859</u>
On an Individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB’000)						94
Expected credit losses (RMB’000)						<u>94</u>

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bills receivables at FVTOCI	<u>3,744</u>	<u>17,543</u>	<u>10,332</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bills receivables at FVTOCI	<u>—</u>	<u>10,384</u>	<u>—</u>

As at 31 December 2023, 2024 and 2025, certain bills which were held by the Group for the practice of endorsing to suppliers before the bills due for payment were classified as financial assets at FVTOCI. All the bills receivables were with a maturity period of less than 6 months.

The Group holds electronic trade receivable certificates issued by supply chain finance platforms, mainly China Enterprise Cloud Chain (Dichain), with carrying amount of RMB1,180,000, RMB5,210,000 and RMB4,170,000 as at 31 December 2023, 2024 and 2025, respectively.

The Group considers that the credit risk is limited because counterparties are high-quality corporate clients with good credit standing and are highly likely to be paid, and the expected credit losses are considered as insignificant.

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22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	10,282	14,443	20,526
Deposits	2,407	2,149	2,554
Value-added tax recoverable	6,366	9,663	13,030
Export tax rebate	913	2,546	4,936
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	1,229	1,444	1,873
Total	21,197	30,245	43,300

Prepayments mainly represent advanced payments to suppliers, and other receivables are unsecured and non-interest-bearing.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	2,421	2,769	4,809
Deposits	190	32	817
Recoverable value-added tax	1,183	1,053	867
Export tax rebate	913	2,546	4,936
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	1,013	1,161	1,395
Total	5,720	7,561	13,205

23. CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	98,031	69,835	139,565
Restricted cash	—	(560)	—
Cash and cash equivalents	98,031	69,275	139,565

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	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances			
Denominated in RMB	84,473	38,257	109,972
Denominated in JPY	5,858	3,785	5,705
Denominated in GBP	4,327	2,482	8,622
Denominated in USD	2,942	19,167	8,145
Denominated in EUR	431	6,144	7,121
Total	<u>98,031</u>	<u>69,835</u>	<u>139,565</u>
Restricted cash			
RMB	<u>—</u>	<u>560</u>	<u>—</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	33,298	32,997	96,192
Restricted cash	<u>—</u>	<u>(560)</u>	<u>—</u>
Cash and cash equivalents	<u>33,298</u>	<u>32,437</u>	<u>96,192</u>

The RMB is not freely convertible into other currencies, however, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

The restricted cash amounting to RMB560,000 as at 31 December 2024, was placed as deposits which are restricted to use.

24. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	34,425	59,095	66,535
3 months to 6 months	405	1,616	1,743
6 months to 1 year	313	104	445
Over 1 year	<u>178</u>	<u>236</u>	<u>326</u>
Total	<u>35,321</u>	<u>61,051</u>	<u>69,049</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	244	3,390	3,279
3 months to 6 months	—	—	—
6 months to 1 year	—	—	440
Over 1 year	87	87	49
Total	<u>331</u>	<u>3,477</u>	<u>3,768</u>

The trade payables are non-interest-bearing and are normally settled within 3 months after the invoice date.

25. OTHER PAYABLES AND ACCRUALS

The Group

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Contract liabilities	(a)	7,892	7,017	4,841
Advances from customers		1,644	1,346	1,447
Salary and welfare payable		12,725	18,267	17,057
Deposits		1,071	1,068	501
Other tax payables		5,449	2,086	5,099
Accruals		1,934	2,718	3,938
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]
Put option payable		—	—	18,816
Others		1,686	1,989	2,941
Total		<u>32,401</u>	<u>34,491</u>	<u>55,768</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	7,066	5,684	2,843
Salary and welfare payable	3,447	4,659	2,844
Deposits	101	101	101
Other tax payables	554	425	824
Accruals	437	24	1,529
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Others	21	53	11
Total	<u>11,626</u>	<u>10,946</u>	<u>9,280</u>

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Note:

- (a) Details of contract liabilities are as follows:

Contract liabilities include short-term advances received in relation to sales of products and pooling services. The decrease in contract liabilities as at 31 December 2024 and 2025 and the increase in contract liabilities as at 31 December 2023 were mainly due to the decrease or increase of short-term advances received from customers in relation to the sale of goods at the end of that year.

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term advances received from customers				
Sales of products	5,092	7,886	7,012	4,838
Pooling services	—	6	5	3
Total	<u>5,092</u>	<u>7,892</u>	<u>7,017</u>	<u>4,841</u>

26. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Foreign exchange options	—	107	—
	<u>—</u>	<u>107</u>	<u>—</u>

27. OTHER NON-CURRENT FINANCIAL LIABILITIES

In November 2023, the Company entered into agreements with an independent third party for the disposal of 35.05% equity interest in a subsidiary at a cash consideration of RMB15,000,000. Under this arrangement, the non-controlling shareholder of the subsidiary did not hold voting rights or entitlement to dividends of the relevant subsidiary. It was also agreed that the non-controlling shareholder could either (i) request the Company to repurchase the equity interest in the subsidiary at a predetermined price with a compound annualised return of 12%; or (ii) swap its equity interest in the subsidiary into equity interest in the Company at a predetermined valuation, after a specified period following the completion of capital contribution. Consequently, the carrying amount of the Group’s other non-current financial liabilities represent the estimated settlement amount for this put option. In December 2025, the Group entered into an equity transfer agreement with the non-controlling shareholder to acquire the 35.05% equity interest in the subsidiary at a cash consideration of RMB18,925,000, with the acquisition of the equity interest completed and full consideration settled in January 2026.

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28. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2023			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	3.35 to 6.00	2024	127,473
Bank borrowings – unsecured	1.36 to 5.49	2024	12,374
Other borrowings – sale leaseback – secured . . .	5.75 to 10.64	2024	55,677
			<u>195,524</u>
Non-current			
Bank borrowings – secured	5.60	2025	4,200
Other borrowings – sale leaseback – secured . . .	6.70 to 10.64	2025 to 2026	38,788
			<u>42,988</u>
Total			<u>238,512</u>

As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	3.10 to 5.60	2025	124,333
Other borrowings – sale leaseback – secured . . .	6.20 to 10.64	2025	57,420
			<u>181,753</u>
Non-current			
Bank borrowings – secured	5.50	2027	15,000
Other borrowings – sale leaseback – secured . . .	6.20 to 8.80	2026 to 2027	57,410
			<u>72,410</u>
Total			<u>254,163</u>

As at 31 December 2025			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	2.60 to 5.60	2026	142,029
Other borrowings – sale leaseback – secured . . .	6.20 to 8.80	2026	74,450
			<u>216,479</u>
Non-current			
Bank borrowings – secured	4.00 to 5.50	2027	26,629
Other borrowings – sale leaseback – secured . . .	6.20 to 8.80	2027-2028	61,888
			<u>88,517</u>
Total			<u>304,996</u>

As at 31 December 2023, 2024 and 2025, the Group’s bank borrowings amounting to RMB9,986,000, Nil and RMB21,477,000, respectively, were subject to financial covenants including but not limited to minimum current ratios and minimum net profit as tested quarterly until maturity. The Group has complied with the covenants under the relevant loan documents as at 31 December 2023, 2024 and 2025.

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As at 31 December 2023, 2024 and 2025, the Group’s secured bank borrowings were guaranteed under various arrangements involving Mr. Liao Qingxin, Mrs. Chen Fang, the Company’s subsidiaries, and the Company.

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bank borrowings were guaranteed by:			
Mr. Liao Qingxin	40,000	5,000	56,658
Mr. Liao Qingxin and his spouse, Mrs. Chen Fang	76,231	99,333	65,000
Mr. Liao Qingxin and the Company’s subsidiaries	9,986	–	–
Mr. Liao Qingxin, Mrs. Chen Fang and the Company’s subsidiaries	5,000	20,000	28,000
Mr. Liao Qingxin, Mrs. Chen Fang and the Company	456	15,000	19,000
Total	<u>131,673</u>	<u>139,333</u>	<u>168,658</u>

As at 31 December 2023, 2024 and 2025, the Group’s other borrowings were guaranteed under various arrangements involving Mr. Liao Qingxin, Mrs. Chen Fang, the Company’s subsidiaries, and the Company.

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other borrowings were guaranteed by:			
Mr. Liao Qingxin, the Company and its subsidiaries	9,273	–	6,179
Mr. Liao Qingxin, Mrs. Chen Fang, the Company and its subsidiaries	42,521	84,920	85,881
Mr. Liao Qingxin and the Company’s subsidiaries	1,645	–	–
Mr. Liao Qingxin, Mrs. Chen Fang and the Company	41,026	22,690	11,524
Mr. Liao Qingxin, Mrs. Chen Fang and the Company’s subsidiaries	–	7,220	32,754
Total	<u>94,465</u>	<u>114,830</u>	<u>136,338</u>

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Analysed into:			
Repayable within one year	195,524	181,753	216,479
Repayable within a period of more than one year but not exceeding two years	42,988	65,410	74,436
Repayable within a period of more than two years but not exceeding five years	–	7,000	14,081
Total	<u>238,512</u>	<u>254,163</u>	<u>304,996</u>

The Group’s borrowings are all denominated in RMB with fixed interest rates.

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The Company

As at 31 December 2023			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	3.45 to 4.35	2024	107,080
Other borrowings – secured	6.75	2024	165
			<u>107,245</u>

As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	3.10 to 5.50	2025	100,099
Non-current			
Bank borrowings – secured	5.50	2027	10,000
			<u>110,099</u>

As at 31 December 2025			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	2.60 to 3.53	2026	99,007
Non-current			
Bank borrowings – secured	5.50	2027	16,558
			<u>115,565</u>

29. SHARE CAPITAL/PAID-IN CAPITAL

Share Capital

A summary of movements in the share capital is as follows:

	Number of shares in issue (in thousand)	Share capital RMB’000
At 1 January 2023 and 2024 and 2025	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB1.00 each****	10,000	10,000
As at 31 December 2025	<u>10,000</u>	<u>10,000</u>

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Paid-in Capital

A summary of the movement in the Company’s paid-in capital is as follows:

	Paid-in capital
	RMB’000
As at 1 January 2023	3,490
Series E financing*	77
As at 31 December 2023 and 2024	3,567
As at 1 January 2025	3,567
Series A financing**	360
Series F financing***	103
Transfer from capital reserve****	5,970
Conversion into a joint stock company****	(10,000)
As at 31 December 2025	—

* In November 2023, the Company and its then shareholders entered into a capital increase agreement with investors (“Series E Investors”). The Series E Investors subscribed for the increased registered capital of RMB77,000 at the consideration of RMB30,000,000 (“Series E Financing”).

** In September 2013, the Company and its then shareholders entered into a capital increase agreement with investors (“Series A Investors”). According to the capital increase agreement, the investor has made up the unpaid portion of the subscribed capital with RMB360,000 in 2025.

*** In July 2025, the Company and its then shareholders entered into a capital increase agreement with investors (“Series F Investors”). The Series F Investors subscribed for the increased registered capital of RMB206,674 at the consideration of RMB100,000,000 (“Series F Financing”), of which the subscription for the registered capital of RMB103,337 at the cash consideration of RMB50,000,000 was completed in August 2025 and the subscription for the registered capital of RMB256,410 (after conversion into joint stock company) at the cash consideration of RMB50,000,000 was completed in January 2026.

**** In December 2025, the Company was converted from a limited liability company into a joint stock limited company under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and retain earnings, amounting to RMB374,533,000 were converted into 10,000,000 ordinary shares of RMB1.00 each. The gap between the paid-in capital and the registered capital as of the conversion base date was covered by capital reserves, and the excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s capital reserve.

As at 31 December 2025, the Company received subscription monies in the amount of RMB50,000,000 in relation to the subscription of registered capital of RMB256,410 which was completed in January 2026.

Since October 2013, the Company has entered into respective shareholders’ agreements and share subscription agreements (collectively, the “Pre-[REDACTED] Investors Agreements”) with certain pre-[REDACTED] investors (collectively, the “Pre-[REDACTED] Investors”) and issued ordinary shares thereto with a total consideration of approximately RMB273,479,000 (collectively the “Pre-[REDACTED] Investments”) with the respective par value being recorded as share capital and the remainder as capital reserve. Pursuant to the Pre-[REDACTED] Investors Agreements, the Pre-[REDACTED] Investors were granted by the Company with special rights (the “Special Rights”) which included redemption rights and liquidation preferences rights.

There was no exercise of the redemption rights granted by the Company throughout the Relevant Periods.

On 29 January 2026, the Company and the Pre-[REDACTED] Investors subsequently entered into supplemental agreements (the “Supplemental Agreements”), agreeing that certain of the Special Rights granted by the Company to the Pre-[REDACTED] Investors, including redemption rights and liquidation preferences rights, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the Supplemental Agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Periods.

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Had the redemption rights and liquidation preferences rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at fair value prior to entering into the Supplemental Agreements, the carrying amount of the corresponding financial liabilities, total current liabilities and net liabilities of the Group would have been:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities	482,234	611,416	732,516
Total current liabilities	759,389	910,309	1,100,403
Net liabilities	(314,410)	(415,550)	(400,329)

The fair value changes associated with the financial liabilities measured at fair value through profit or loss, the net loss for the year, the basic and diluted loss per share would have been:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fair value loss of the financial liabilities measured at fair value through profit or loss . .	(23,952)	(129,182)	(21,100)
(Loss)/profit for the year	(32,699)	(113,417)	11,080
Basic and diluted (loss)/earnings per share (RMB)	(3.46)	(11.99)	1.14

30. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve

The capital reserve represents the capital contributions from the then equity holders of the Group’s subsidiaries, after elimination of investments in subsidiaries. Details of the movements in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies’ registered capital. Subject to approval from the relevant PRC authorities, the statutory surplus reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory surplus reserve is not available for dividend distribution to equity holders of the PRC subsidiaries.

Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards granted, as further explained in note 31.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies in the Group of which the functional currency is not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.3 to the Historical Financial Information.

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The Company

	Share capital/ paid-in capital	Capital reserve	Subscription monies received	Statutory surplus reserve	Share-based payment reserve	(Accumulated losses)/ retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 . .	3,490	193,352	–	1,963	14,570	(8,613)	204,762
Profit and total comprehensive income for the year	–	–	–	–	–	6,231	6,231
Capital contribution by shareholders . .	77	29,923	–	–	–	–	30,000
Share-based payment compensation	–	–	–	–	4,117	–	4,117
As at 31 December 2023	<u>3,567</u>	<u>223,275</u>	<u>–</u>	<u>1,963</u>	<u>18,687</u>	<u>(2,382)</u>	<u>245,110</u>
At 1 January 2024 .	3,567	223,275	–	1,963	18,687	(2,382)	245,110
Profit and total comprehensive income for the year	–	–	–	–	–	40,052	40,052
Share-based payment compensation	–	–	–	–	12,444	–	12,444
As at 31 December 2024	<u>3,567</u>	<u>223,275</u>	<u>–</u>	<u>1,963</u>	<u>31,131</u>	<u>37,670</u>	<u>297,606</u>
At 1 January 2025 .	3,567	223,275	–	1,963	31,131	37,670	297,606
Profit and total comprehensive income for the period	–	–	–	–	–	28,426	28,426
Capital contribution by shareholders . .	463	49,897	50,000	–	–	–	100,360
Transfer to statutory reserve	–	–	–	2,843	–	(2,843)	–
Conversion into a joint stock company	5,970	89,622	–	(1,837)	–	(93,755)	–
Share-based payment compensation	–	–	–	–	3,221	–	3,221
As at 31 December 2025	<u>10,000</u>	<u>362,794</u>	<u>50,000</u>	<u>2,969</u>	<u>34,352</u>	<u>(30,502)</u>	<u>429,613</u>

31. SHARE-BASED PAYMENTS

Restricted Stock Incentive Plan 2018

In 2018, the Company initiated the Restricted Stock Incentive Plan 2018. The incentive targets were core employees who contributed to the development in marketing, technology and development, group management, and production and supply chain. The equity incentive was granted through the employee stock ownership platform Shanghai Honghe Investment Management Partnership (Limited Partnership). The incentive was granted by Mr. Liao Qingxin, the actual controller of the platform, in the form of transferring existing shares.

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In 2018, the Company arranged restricted equity incentive with 15 employees, indirectly granting 10,335 shares of the Company at a price of RMB10 per restricted share. Under the Restricted Stock Incentive Plan 2018, such rights and interests are subject to transfer restrictions until the date of the Company’s successful [REDACTED].

Restricted Stock Incentive Plan 2020

On 30 October 2020, the Company approved the proposal of the Restricted Stock Incentive Plan 2020. The incentive targets, classified by functional departments, were core employees who continuously contributed to the future development of the Company. The equity incentive was implemented through the employee stock ownership platform Shanghai Huixiang Enterprise Management Consulting Partnership (Limited Partnership) and Shanghai Zhixiang Enterprise Management Consulting Partnership (Limited Partnership). The incentive was granted by Mr. Liao Qingxin, the actual controller of the two platforms, in the form of transferring existing shares. The subscription price for the restricted shares under the Restricted Stock Incentive Plan 2020 is RMB10 per restricted share.

On 18 November 2020, the Company signed a restricted stock incentive agreement with 43 employees, indirectly granting 158,818 shares of the Company at a price of RMB10 per restricted share. According to the Restricted Stock Incentive Plan 2020, the Company would assess the performance of benefited employees based on the completion of the Company’s operating income indicators in 2021 and the implementation of the department management system before 31 March 2021. The agreement specifies the conditions under which repurchase may be triggered based on performance outcomes. In addition, such rights and interests are subject to transfer restrictions until the expiration of three years from the date of the Company’s successful [REDACTED].

In 2022, the Company signed restricted stock incentive agreements with four employees, and a total of 4,300 shares of the Company were indirectly granted by Mr. Liao Qingxin, the actual controller of Shanghai Huixiang Enterprise Management Consulting Partnership (Limited Partnership). The Company would assess the granted employees based on the completion of the Company’s operating income indicators in 2022 and the implementation of the department management system before 31 March 2022. The agreement specifies the conditions under which repurchase may be triggered based on performance outcomes. In addition, such rights and interests are subject to transfer restrictions until the expiration of three years from the date of the Company’s successful [REDACTED].

In 2023, the Company signed restricted equity incentive agreements with six employees, and a total of 13,680 shares of the Company were indirectly granted by Mr. Liao Qingxin, the actual controller of the employee stock ownership platform. Specifically, Shanghai Zhixiang Enterprise Management Consulting Partnership (Limited Partnership) signed an agreement with 2 employees, and the other four employees signed agreements separately with Shanghai Huixiang Enterprise Management Consulting Partnership (Limited Partnership), Shanghai Jixiang Martin Enterprise Management Consulting Partnership (Limited Partnership), Shanghai Haixiang Dai Wei Enterprise Management Consulting Partnership (Limited Partnership) and Shanghai Runxiang John Enterprise Management Consulting Partnership (Limited Partnership). Under the Restricted Stock Incentive Plan 2023, such rights and interests are subject to transfer restrictions until three years from the date of the Company’s successful [REDACTED].

In 2025, the Company signed restricted equity incentive agreements with fourteen employees, and a total of 20,000 shares of the Company were indirectly granted by Liao Qingxin, the actual controller of the employee stock ownership platform, and fourteen employees all signed with Shanghai Zhixiang Enterprise Management Consulting Partnership (Limited Partnership). Under the Restricted Equity Incentive Plan, such rights and interests are subject to transfer restrictions until the expiration of three years from the date of the Company’s successful [REDACTED].

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The following restricted shares were outstanding under the above Restricted Stock Incentive Plans during the Relevant Periods:

Restricted Stock Incentive Plan 2018

	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2023		2024		2025	
	Weighted average grant date fair value	Shares of the Company	Weighted average grant date fair value	Shares of the Company	Weighted average grant date fair value	Shares of the Company
	<i>RMB per share</i>		<i>RMB per share</i>		<i>RMB per share</i>	
At 1 January	235.63	10,335	235.63	10,335	243.34	10,335
Forfeited during the year	—	—	235.63	(464)	—	—
Repurchased by the controlling shareholder*	—	—	407.46	464	—	—
At 31 December	235.63	<u>10,335</u>	243.34	<u>10,335</u>	243.34	<u>10,335</u>

* A total of 464 shares were originally granted, and subsequently repurchased by the controlling shareholder upon the employee’s departure during the year ended 31 December 2024.

Restricted Stock Incentive Plan 2020

	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2023		2024		2025	
	Weighted average grant date fair value	Shares of the Company	Weighted average grant date fair value	Shares of the Company	Weighted average grant date fair value	Shares of the Company
	<i>RMB per share</i>		<i>RMB per share</i>		<i>RMB per share</i>	
At 1 January	236.33	163,118	252.29	176,798	277.96	176,798
Granted during the year	389.63	13,680	—	—	483.85	20,000
Forfeited during the year	240.99	(4,950)	260.71	(30,924)	277.96	(2,200)
Repurchased by the controlling shareholder*	389.63	4,950	407.46	30,924	483.85	2,200
At 31 December	252.29	<u>176,798</u>	277.96	<u>176,798</u>	301.19	<u>196,798</u>

* A total of 4,950, 30,924 and 2,200 shares were originally granted, and subsequently repurchased by the controlling shareholder upon the employee’s departure during the years ended 31 December 2023, 2024 and 2025 respectively.

The Company used the discounted cash flow method or referred to the most recent transaction price of the Company’s shares to determine the fair value of restricted shares as of the respective grant dates, which was to be expensed over the relevant vesting periods.

Key assumptions used in determining the fair value for the discounted cash flow method were as follows:

	At the grant dates of	
	2022	2024
Discount rate	14.5%	13.5%
Perpetual growth rate	2.0%	2.0%

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For the years ended 31 December 2023, 2024 and 2025, the Group recognised share-based payment compensation of RMB4,117,000, RMB12,444,000 and RMB3,221,000, respectively.

32. NOTE TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets of RMB15,678,000, RMB9,705,000 and RMB23,178,000, respectively, in respect of office premises and intralogistics equipment with the responding same amounts of lease liabilities.

During the years ended 31 December 2023, 2024 and 2025, the Group settled trade payables of RMB6,469,000, RMB12,401,000 and RMB38,953,000 through the endorsement of bills receivable, respectively.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Other non- current financial liabilities/put option payable	[REDACTED] expense payable	Total liabilities from financing activities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	203,220	31,776	—	—	234,996
Cash flows from financing activities	20,873	(12,876)	—	—	7,997
Accrued liabilities	—	—	15,000	—	15,000
Interest expense	14,419	1,273	—	—	15,692
New leases	—	15,678	—	—	15,678
Exchange realignment	—	(40)	—	—	(40)
At 31 December 2023 and 1 January 2024	238,512	35,811	15,000	—	289,323
Cash flows from financing activities	287	(16,404)	—	—	(16,117)
Interest expense	15,364	1,259	1,800	—	18,423
New leases	—	9,705	—	—	9,705
Exchange realignment	—	(24)	—	—	(24)
As at 31 December 2024 and 1 January 2025	254,163	30,347	16,800	—	301,310
Cash flows from/(used in) financing activities	34,787	(18,707)	—	(257)	14,128
Interest expense	16,046	1,016	2,016	—	19,078
New lease	—	23,178	—	—	23,178
Accrued [REDACTED] expense .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Exchange realignment	—	(5)	—	—	(5)
As at 31 December 2025	304,996	35,829	18,816	381	360,769

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(c) Total cash outflows for leases

The total cash outflows for leases included in the statement of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating activities	373	852	638
Within financing activities	12,876	16,404	18,707
Total	<u>13,249</u>	<u>17,256</u>	<u>19,345</u>

33. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:			
Property, plant and equipment	<u>2,797</u>	<u>3,947</u>	<u>7,262</u>

34. RELATED PARTY TRANSACTIONS

The directors of the Company are of the view that the following party is a related party that had material transactions or balances with the Group during the Relevant Periods.

(1) Name and relationship of the related party

Name of related party	Relationship with the Group and the Company
Liao Qingxin	Chief executive director and the controlling shareholder
Chen Fang	The spouse of the chief executive director and the controlling shareholder

(2) Significant related party transactions

As at 31 December 2023, 2024 and 2025, the Group’s secured bank and other borrowings were guaranteed by various related parties. For details, please refer to Note 28.

(3) Outstanding balances with the related party

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balances relating to non-trade activities:			
Prepayments, other receivables and other assets:			
Due from the controlling shareholder	<u>464</u>	<u>464</u>	<u>464</u>

The Group had outstanding balance due from the controlling shareholder of RMB464,000, RMB464,000 and RMB464,000 at 31 December 2023, 2024 and 2025, respectively. The balance was unsecured, interest-free and fully repaid in January 2026.

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(4) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	1,913	2,182	2,220
Performance-related bonuses	200	389	460
Share-based payment compensation	1,746	12,855	1,158
Pension scheme contributions and social welfare	160	159	216
Total compensation paid to key management personnel	<u>4,019</u>	<u>15,585</u>	<u>4,054</u>

Further details of directors’ emoluments are included in note 9 to the Historical Financial Information.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of the Group’s financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

As at 31 December 2023

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets	–	3,636	3,636
Trade and bills receivables	–	64,446	64,446
Financial assets at FVTOCI	3,744	–	3,744
Cash and cash equivalents	–	98,031	98,031
Other long-term assets	–	2,810	2,810
Total	<u>3,744</u>	<u>168,923</u>	<u>172,667</u>

As at 31 December 2024

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets	–	3,593	3,593
Trade and bills receivables	–	84,392	84,392
Financial assets at FVTOCI	17,543	–	17,543
Restricted cash	–	560	560
Cash and cash equivalents	–	69,275	69,275
Other long-term assets	–	2,878	2,878
Total	<u>17,543</u>	<u>160,698</u>	<u>178,241</u>

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As at 31 December 2025

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets	–	4,427	4,427
Trade and bills receivables	–	137,667	137,667
Financial assets at FVTOCI	10,332	–	10,332
Cash and cash equivalents	–	139,565	139,565
Other long-term assets	–	2,684	2,684
Total	<u>10,332</u>	<u>284,343</u>	<u>294,675</u>

Financial liabilities

Financial liabilities at amortised cost

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	35,321	61,051	69,049
Financial liabilities included in other payables and accruals	4,691	5,775	26,196
Other non-current financial liabilities	15,000	16,800	–
Interest-bearing bank and other borrowings	<u>238,512</u>	<u>254,163</u>	<u>304,996</u>
Total	<u>293,524</u>	<u>337,789</u>	<u>400,241</u>

Financial liabilities at FVTPL

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities at FVTPL	–	107	–
	<u>–</u>	<u>107</u>	<u>–</u>

For the details of pre-[REDACTED] investments, please refer to Note 29 to the Historical Financial Information.

36. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognized in their entirety

The Group endorsed certain bills receivable included in bills receivable, which were all accepted by banks in Chinese Mainland (the “Endorsed Bills”) to certain suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). The aggregate amounts of the Endorsed Bills that were not due were RMB530,000, RMB2,676,000 and RMB3,066,000 as at 31 December 2023, 2024 and 2025, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

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Transferred financial assets that are derecognized in their entirety

Bills endorsed

The Group endorsed certain bills receivable included in debt investments at fair value through other comprehensive income, which were accepted by banks in the Chinese Mainland (the “Derecognised Bills”) to certain suppliers to settle the trade and other payables due to such suppliers. The aggregate amounts of the Derecognised Bills that were not due were RMB1,640,000, Nil and Nil as at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity of 1 to 6 months at the end of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, regardless of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

Transfer of bills receivables

As at 31 December 2023, 2024 and 2025, the Group transferred certain bills receivables due from certain specified customers with an aggregate carrying amount of RMB1,600,000, Nil and Nil. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the transferred bills receivables. Accordingly, it has derecognised the full carrying amounts of the transferred bills receivables.

During the Relevant Periods, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills. No gains or losses were recognised from the Continuing Involvement, both during the reporting period and cumulatively. The endorsement has been made evenly throughout the Relevant Periods.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The management has assessed that the fair values of the Group’s financial instruments approximate to their carrying amounts due to the short-term maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at FVTOCI	—	—	3,744	3,744
	—	—	—	—

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As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at FVTOCI	—	—	17,543	17,543
Financial liabilities at FVTPL	—	107	—	107
	=	=	=	=

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at FVTOCI	—	—	10,332	10,332
	=	=	=	=

Note: The fair values of the financial assets measured at FVTOCI are determined using the discounted cash flow method and the significant unobservable input was the discount rate. As a 31 December 2023, 2024 and 2025, the discount rate used was 2.29%, 1.14% and 1.38% respectively.

There were no transfers between level 2 and level 3 during the Relevant Periods.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade and bills receivables, financial assets at FVTOCI, financial assets included in prepayments and other receivables, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units’ functional currencies.

The following table demonstrates the sensitivity as 31 December 2023, 2024 and 2025 to a reasonably possible change in the JPY and USD exchange rates, with all other variables held constant, of the Group’s loss/profit before tax and the Group’s equity.

	Increase/(decrease) in JPY/RMB rate	Decrease/(increase) in loss before tax or increase/(decrease) in profit before tax	Increase/ (decrease) in equity
	%	RMB'000	RMB'000
2023			
If RMB weakens against the JPY	5	(293)	293
If RMB strengthens against the JPY	(5)	293	(293)

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	Increase/(decrease) in JPY/RMB rate	Decrease/(increase) in loss before tax or increase/(decrease) in profit before tax	Increase/ (decrease) in equity
	%	RMB'000	RMB'000
If RMB weakens against the USD	5	(21)	21
If RMB strengthens against the USD	(5)	21	(21)
2024			
If RMB weakens against the JPY	5	189	189
If RMB strengthens against the JPY	(5)	(189)	(189)
If RMB weakens against the USD	5	157	157
If RMB strengthens against the USD	(5)	(157)	(157)
2025			
If RMB weakens against the JPY	5	285	285
If RMB strengthens against the JPY	(5)	(285)	(285)
If RMB weakens against the USD	5	338	338
If RMB strengthens against the USD	(5)	(338)	(338)

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and staging as at 31 December 2023, 2024 and 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023, 2024 and 2025.

The amounts presented are gross carrying amounts for financial assets.

31 December 2023

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	65,065	65,065
Financial assets at FVTOCI	–	–	–	3,744	3,744
Financial assets included in prepayments, other receivables and other assets					
– Normal**	3,636	–	–	–	3,636
Other long-term assets					
– Normal**	2,810	–	–	–	2,810
Cash and cash equivalents					
– Not yet past due	98,031	–	–	–	98,031
Total	104,477	–	–	68,809	173,286

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31 December 2024

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills					
receivables*	—	—	—	84,914	84,914
Financial assets at					
FVTOCI	—	—	—	17,543	17,543
Financial assets included					
in prepayments, other					
receivables and other					
assets					
– Normal**	3,593	—	—	—	3,593
Other long-term assets					
– Normal**	2,878	—	—	—	2,878
Restricted cash					
– Not yet past due	560	—	—	—	560
Cash and cash equivalents					
– Not yet past due	69,275	—	—	—	69,275
Total	<u>76,306</u>	<u>—</u>	<u>—</u>	<u>102,457</u>	<u>178,763</u>

31 December 2025

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills					
receivables*	—	—	—	138,767	138,767
Financial assets at					
FVTOCI	—	—	—	10,332	10,332
Financial assets included					
in prepayments, other					
receivables and other					
assets					
– Normal**	4,427	—	—	—	4,427
Other long-term assets					
– Normal**	2,684	—	—	—	2,684
Cash and cash equivalents					
– Not yet past due	139,565	—	—	—	139,565
Total	<u>146,676</u>	<u>—</u>	<u>—</u>	<u>149,099</u>	<u>295,775</u>

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix and exposure to credit risk is disclosed in note 20 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other long-term assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

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(c) Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on contractual undiscounted payments, is as follows:

31 December 2023	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank and other borrowings	3,374	206,403	45,180	254,957
Trade payables	–	35,321	–	35,321
Lease liabilities	–	16,397	25,515	41,912
Financial liabilities included in other payables and accruals	–	4,691	–	4,691
Total	<u>3,374</u>	<u>262,812</u>	<u>70,695</u>	<u>336,881</u>
31 December 2024	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank and other borrowings	–	196,861	77,644	274,505
Trade payables	–	61,051	–	61,051
Lease liabilities	–	15,296	18,167	33,463
Financial liabilities included in other payables and accruals	–	5,775	–	5,775
Financial liabilities at fair value through profit or loss	–	107	–	107
Total	<u>–</u>	<u>279,090</u>	<u>95,811</u>	<u>374,901</u>
31 December 2025	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank and other borrowings	–	225,138	94,915	320,053
Trade payables	–	69,049	–	69,049
Lease liabilities	–	18,340	20,889	39,229
Financial liabilities included in other payables and accruals	–	7,380	–	7,380
Total	<u>–</u>	<u>319,907</u>	<u>115,804</u>	<u>435,711</u>

(d) Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The Group’s policy is to maintain the gearing ratio at a reasonable level.

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The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total liabilities	357,210	404,407	475,317
Total assets	524,839	600,095	807,504
Gearing ratio	68.1%	67.4%	58.9%

39. EVENTS AFTER THE RELEVANT PERIODS

Save as mentioned above, there are no material subsequent events undertaken by the Company or by the Group after 31 December 2025.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

This Appendix contains a summary of the principal provisions of the Articles of Association. As the principal objective of this Appendix is to provide potential [REDACTED] with an overview of the Articles of Association, it may not contain all the information that is important to potential [REDACTED]. The full text of the Articles of Association in Chinese is available for inspection, as discussed in the Appendix to the document entitled “Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display.”

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be in the form of stock certificates. The [REDACTED] of the Company’s shares shall follow the principles of fairness and impartiality. Each share of the same class shall carry equal rights. Shares of the same class [REDACTED] at the same time shall be [REDACTED] under identical conditions and at the same price. Each share subscribed for by any entity or individual shall be paid for at the same price.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

In accordance with the needs of its operations and development, and in compliance with laws and administrative regulations, the Company may increase its registered capital by a resolution of the meeting of shareholders through the following methods:

- (1) Issuing shares to non-specific parties with approval from the relevant authorities;
- (2) Issuing shares to specific parties;
- (3) Distribution of bonus shares to existing shareholders;
- (4) Capitalization of capital reserves;
- (5) Other methods as prescribed by laws, administrative regulations, the CSRC, the securities regulatory authorities of the place where the Company’s shares are [REDACTED], and other regulatory authorities.

Any increase in registered capital shall be processed in accordance with the procedures prescribed by relevant laws and regulations, after obtaining approval under these Articles of Association and the regulations of the stock exchange where the Company’s shares are [REDACTED].

The Company may reduce its registered capital. Any reduction in registered capital shall be conducted in accordance with the procedures stipulated in the Company Law, the Hong Kong Stock Exchange Listing Rules, other relevant laws, administrative regulations and regulatory documents, as well as the regulations of the stock exchange where the Company’s shares are [REDACTED] and this Articles of Association.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Repurchase of Shares

The Company shall not acquire its own shares, except under any of the following circumstances, provided that the Company complies with the applicable laws, regulations, the regulations of the stock exchange where the Company’s shares are [REDACTED], the Hong Kong Stock Exchange Listing Rules, and the provisions of this Articles of Association:

- (1) reducing the Company’s registered capital;
- (2) merging with another company that holds shares of the Company;
- (3) using the shares for employee stock ownership plans or equity incentives;
- (4) At the request of a shareholder who objects to a resolution of the meeting concerning a merger or division of the Company, requiring the Company to repurchase their shares;
- (5) using the shares for converting corporate bonds issued by the Company that are convertible into shares;
- (6) necessary for maintaining the Company’s value and safeguarding shareholders’ rights and interests;
- (7) Other circumstances permitted by laws, administrative regulations, departmental rules, regulatory documents, the Hong Kong Stock Exchange Listing Rules and the regulations of the stock exchange where the Company’s shares are [REDACTED].

The Company may acquire its own shares through public centralized trading or other means recognized by laws, administrative regulations, regulatory documents, the Hong Kong Stock Exchange Listing Rules, the regulations of the stock exchange where the Company’s shares are [REDACTED] and the CSRC (if required).

If the Company acquires its own shares for the reasons specified under the circumstances (1) or (2), such acquisition shall be subject to a resolution of the meeting of shareholders. In case of the circumstances stipulated in (3), (5), or (6), a resolution of the Company’s Board shall be passed by more than two-thirds of the Directors attending the Board meeting in compliance with the securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED].

After the Company has repurchased its own shares in accordance the circumstance (1), the shares shall be cancelled within 10 days from the date of acquisition; under the circumstance (2) and (4), the shares shall be transferred or cancelled within six months; under the circumstances (3), (5), and (6), the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, and shall be transferred or

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

cancelled within three years. Where there are other provisions in laws, regulations, the Hong Kong Stock Exchange Listing Rules and the securities regulatory authorities in the place where the Company’s shares are [REDACTED] regarding matters related to share repurchase, such provisions shall prevail.

Transfer of Shares

The shares of the Company may be transferred in accordance with the law. The transfer of H-shares [REDACTED] in Hong Kong shall be registered with the share registration institution in Hong Kong appointed by the Company.

The Company shall not accept its own shares as the subject of a pledge.

Shares issued before the [REDACTED] of the Company shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED] on a stock exchange.

Directors and senior management of the Company shall report to the Company the number of Company shares they hold and any changes thereto. During their term of office, the number of shares they transfer each year shall not exceed 25% of the total shares they hold in the Company. Such personnel shall not transfer any shares they hold in the Company within one year from the date of the Company’s stock [REDACTED]. Within six months after their resignation, they shall not transfer any shares they hold in the Company. If shares are pledged during the restricted transfer period as stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right during such restricted period.

SHAREHOLDERS AND SHAREHOLDERS’ MEETINGS

The Company shall establish a register of shareholders, which shall serve as conclusive evidence of a shareholder’s ownership of the Company’s shares. Shareholders shall enjoy rights and undertake obligations in accordance with the type of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall have the following rights:

- (1) To receive dividends and other forms of distributions in proportion to the shares they hold;
- (2) To request, convene, preside over, attend, or appoint proxies to attend shareholders’ meetings and exercise corresponding voting rights in accordance with the law;
- (3) To supervise the Company’s operations and make suggestions or inquiries;
- (4) To transfer, gift, or pledge the shares they hold in accordance with laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules and this Articles of Association;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (5) To inspect and copy the Articles of Association, the register of shareholders, minutes of shareholders’ meetings, resolutions of the Board of Directors, and the financial and accounting reports in accordance with the regulations. Shareholders who meet the specified requirements may inspect the company’s accounting books and vouchers;
- (6) Upon the Company’s dissolution or liquidation, to participate in the distribution of the remaining assets of the Company in proportion to the shares they hold;
- (7) If dissenting to a resolution on merger or division adopted by the shareholders’ meeting, to request the Company to repurchase their shares;
- (8) Other rights prescribed by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, other regulatory rules of the place where the Company’s shares are [REDACTED], or this Articles of Association.

In the event that any resolution of the Shareholders’ meeting or resolution of the Board of Directors violates laws or administrative regulations, the Shareholder is entitled to request the People’s Court to deem it as invalid.

In the event that the convening procedure or voting method of the Shareholders’ meeting or the Board meeting violates any of laws, administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People’s Court to overturn the resolution within 60 days upon the resolution was adopted. However, this provision shall not apply if the procedural defects in convening the meeting or the voting methods are only minor and have no material effect on the resolution.

Resolutions adopted by the shareholders’ meeting or board of directors of the Company shall be deemed invalid under any of the following circumstances:

- (1) The resolution was adopted without convening a shareholders’ meeting or board meeting;
- (2) No voting was conducted on the proposed resolution at the shareholders’ meeting or board meeting;
- (3) The number of attendees or voting rights represented at the meeting failed to meet the quorum requirements prescribed by the Company Law or these Articles of Association;
- (4) The number of affirmative votes or voting rights in favor of the resolution failed to meet the approval thresholds prescribed by the Company Law or these Articles of Association.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw the shares unless required by the laws and administrative regulations;
- (4) not to abuse their shareholders’ rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (5) other obligations imposed by the laws, administrative regulations the Hong Kong Stock Exchange Listing Rules, other regulatory rules in the place where the Company’s shares are [REDACTED] and the Articles of Association.

Where any shareholder of the Company abuses the shareholders’ rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws. Where shareholders of the Company abuse the Company’s status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Any shareholder holding 5% or more of the Company’s shares with voting rights who pledges their shares shall submit a written report to the Company on the date the pledge occurs.

The Company’s controlling shareholders and actual controllers shall comply with the following provisions:

- (1) Exercise shareholder rights in accordance with the law, and refrain from abusing control rights or exploiting connected relationships to harm the legitimate interests of the Company or other shareholders;
- (2) Strictly fulfill all public statements and commitments made, and shall not arbitrarily modify or waive them;
- (3) Strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate in disclosure work, and promptly inform the Company of any material events that have occurred or are planned;
- (4) Shall not misappropriate Company funds in any form;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (5) Shall not coerce, direct, or demand the Company or its personnel to provide illegal or non-compliant guarantees;
- (6) Shall not exploit undisclosed material information of the Company for personal gain, disclose any undisclosed material information related to the Company in any manner, or engage in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (7) Shall not harm the legitimate interests of the Company or other shareholders through non-arm’s length connected transactions, profit distributions, asset reorganizations, external investments, or any other means;
- (8) Ensure the Company’s asset integrity, personnel independence, financial independence, organizational independence, and operational independence, and shall not impair the Company’s independence in any way;
- (9) Other requirements stipulated by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, the CSRC, the stock exchange where the Company’s shares are [REDACTED], and these Articles of Association.

General Provisions for Shareholders’ Meetings

The shareholders’ meeting is the supreme authority of the Company and shall exercise the following powers in accordance with the law:

- (1) To elect and replace directors, and to determine matters related to the remuneration of the Company’s directors;
- (2) To review and approve the report of the Board of Directors;
- (3) To review and approve the Company’s profit distribution plan and plan for making up losses;
- (4) To resolve on increasing or reducing the Company’s registered capital;
- (5) To resolve on the [REDACTED] of corporate bonds and the [REDACTED] plan;
- (6) To resolve on matters such as the Company’s merger, division, dissolution, liquidation, or change of corporate form;
- (7) To amend the Articles of Association;
- (8) To make resolutions on the appointment, dismissal, or non-renewal of the engagement of the accounting firm by the Company, and to determine its remuneration;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (9) To review and approve the guarantee matters specified in Article 47 of these Articles of Association;
- (10) To review the purchase or sale of major assets by the Company involving, either individually or cumulatively within twelve consecutive months, an asset value or transaction amount exceeding 30% of the Company’s most recently audited total assets;
- (11) To review and approve any changes in the use of funds raised through [REDACTED];
- (12) To review stock incentive plans and employee stock ownership plans;
- (13) To review and approve matters concerning the acquisition of the Company’s shares that are required to be reviewed by the shareholders’ meeting in accordance with laws and regulations, regulatory rules of the place where the Company’s shares are [REDACTED], and this Articles of Association;
- (14) To review and approve matters concerning related-party transactions that are required to be reviewed by the shareholders’ meeting in accordance with laws and regulations, regulatory rules of the place where the Company’s shares are [REDACTED], and this Articles of Association;
- (15) To review and approve other matters that, according to laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules and the regulatory rules of the place where the Company’s shares are [REDACTED], or this Articles of Association, should be decided by the shareholders’ meeting.

The shareholders’ meeting may authorize the board of directors to make resolutions on the [REDACTED] of corporate bonds.

The following external guarantee acts must be submitted to the shareholders’ meeting for approval:

- (1) Any guarantee provided when the aggregate amount of external guarantees for the Company and its controlled subsidiaries exceeds 50% of the most recently audited net assets;
- (2) Any guarantee provided when the Company’s total external guarantees exceed 30% of the most recently audited total assets;
- (3) Guarantees where the aggregate amount within one year exceeds 30% of the Company’s most recently audited total assets;
- (4) Guarantees provided to entities with a debt-to-asset ratio exceeding 70%;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (5) Single guarantees exceeding 10% of the most recently audited net assets;
- (6) Guarantees provided to shareholders, actual controllers, or their connected parties;
- (7) Other guarantee circumstances requiring shareholders' meeting approval as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the jurisdiction where the Company's shares are [REDACTED], or other normative documents..

Other external guarantee matters that do not meet the above thresholds shall be subject to approval by the Board of Directors.

For guarantee matters within the authority of the Board of Directors, approval by more than half of all directors is required, and at least two-thirds of the directors attending the Board meeting must consent.

When the shareholders' meeting deliberates on a proposal to provide a guarantee to shareholders, actual controllers, or their related parties, the relevant shareholders or shareholders under the control of the actual controller shall abstain from voting on such matters. The resolution shall be adopted by a majority of the voting rights held by the other shareholders present at the meeting.

Shareholders' meetings are classified into annual meetings and extraordinary meetings. An annual meeting shall be held once every year and must take place within six months after the end of the preceding fiscal year.

Under any of the following circumstances, the Company shall convene an extraordinary meeting within two months from the date the event occurs:

- (1) The number of directors falls below the statutory minimum or less than two-thirds of the number specified in these Articles of Association;
- (2) The Company's uncovered losses amount to one-third of the total paid-in share capital;
- (3) Shareholders individually or jointly holding 10% or more of the Company's shares request the meeting in writing;
- (4) The Board of Directors deems it necessary;
- (5) The Audit Committee proposes to convene the meeting;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules and securities regulatory requirements of the jurisdiction where the Company’s shares are [REDACTED], or these Articles of Association.

The shareholders’ meeting shall be held at the Company’s domicile, its regular place of business, or any other venue specified in the meeting notice.

The shareholders’ meeting shall be held with a physical venue for in-person attendance. The Company shall also provide means such as remote voting to facilitate shareholder participation. Shareholders participating through such means shall be deemed present.

Once a notice of the shareholders’ meeting has been issued, the venue of the on-site meeting shall not be changed without just cause. If a change is indeed necessary, the convener shall provide an explanation at least two working days before the scheduled on-site meeting.

Convening of Shareholders’ Meetings

Shareholders’ meetings shall be convened by the Board of Directors in accordance with the law.

The independent non-executive directors shall have the right to propose the convening of an extraordinary general meeting to the Board of Directors, subject to approval by a majority of all independent non-executive directors. Upon receiving such a proposal, the Board shall, in accordance with laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED] and these Articles of Association, provide a written response indicating whether it agrees to convene the meeting within ten days. If the Board agrees, it shall issue the notice for the shareholders’ meeting within five days of adopting the relevant board resolution. If it does not agree, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary meeting and shall make the proposal in writing. The Board shall, in accordance with laws, administrative regulations, and these Articles of Association, provide a written response indicating whether it agrees to convene the meeting within ten days of receiving the proposal.

If the Board agrees, it shall issue the meeting notice within five days of adopting the board resolution, and any changes to the original proposal must be approved by the Audit Committee.

If the Board disagrees or fails to respond within ten days, it shall be deemed as a failure or refusal to perform its duty to convene the meeting. In such case, the Audit Committee may convene and preside over the meeting on its own initiative.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Shareholders individually or jointly holding more than 10% of the Company’s shares have the right to request the Board of Directors to convene an extraordinary meeting, and such request shall be submitted in writing. The Board shall, in accordance with laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED] and these Articles of Association, provide a written response indicating whether it agrees to convene the meeting within ten days.

If the Board agrees, it shall issue the meeting notice within five days of adopting the board resolution, and any changes to the original request must be approved by the relevant shareholders.

If the Board disagrees or fails to respond within ten days, the shareholders holding more than 10% of the shares may submit the request in writing to the Audit Committee.

If the Audit Committee agrees, it shall issue the meeting notice within five days of receiving the request, and any changes to the original request must be approved by the relevant shareholders.

If the Audit Committee disapproves the convening of an extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the request, it shall be deemed that the Audit Committee refuses to convene and preside over the shareholders’ meeting. Shareholders who have individually or jointly held more than 10% of the shares for more than 90 consecutive days may convene and preside over the meeting themselves.

If the Audit Committee or shareholders decide to convene a shareholders’ meeting on their own initiative, they shall provide written notice to the Board of Directors. If the securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED] provide otherwise, such rules shall prevail, provided that they do not contravene domestic laws, administrative regulations, or these Articles of Association.

Before the announcement of the voting results of the shareholders’ meeting, the convening shareholders’ shareholding ratio shall not be less than 10%.

Where a shareholders’ meeting is convened by the Audit Committee or shareholders themselves, the Board of Directors and the Board Secretary shall provide necessary cooperation. The Board shall provide the shareholder register as of the date of the meeting.

All necessary expenses for a shareholders’ meeting convened by the Audit Committee or shareholders themselves shall be borne by the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Proposals and Notice of Shareholders’ Meeting

The content of a proposal shall fall within the scope of authority of the shareholders’ meeting, contain a clear topic and specific resolution matters, and comply with relevant laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED] and the Articles of Association.

When the Company convenes a shareholders’ meeting, the Board of Directors, the Audit Committee, and shareholders individually or jointly holding more than 1% of the Company’s shares shall have the right to submit proposals to the Company.

Subject to the provisions of the Hong Kong Stock Exchange Listing Rules, shareholders individually or jointly holding more than 1% of the Company’s shares may submit interim proposals in writing to the convener no later than ten days before the shareholders’ meeting is held. Upon receipt of such proposals, the convener shall issue a supplementary notice of the shareholders’ meeting within two days to inform shareholders of the content of the interim proposals.

Except as provided in the preceding paragraph or in compliance with the requirements of the Hong Kong Stock Exchange Listing Rules, after the notice of the shareholders’ meeting has been issued, the convener shall not modify the proposals listed in the notice or add new proposals.

Proposals that are not specified in the notice of the shareholders’ meeting or do not comply with these Articles of Association shall not be put to vote or adopted by the shareholders’ meeting.

The convener shall notify all shareholders of the annual meeting 21 days prior to its convening, and of an extraordinary meeting 15 days prior to its convening.

Proxy for the Shareholders’ Meeting

All shareholders listed in the register of shareholders, or their proxies, shall have the right to attend the shareholders’ meeting and to speak and exercise their voting rights in accordance with applicable laws, regulations, the Hong Kong Stock Exchange Listing Rules and these Articles of Association.

Shareholders may attend the shareholders’ meeting in person or appoint a proxy to attend and vote on their behalf. Unless an individual shareholder is required by the Hong Kong Stock Exchange Listing Rules to abstain from voting on a particular matter, the proxy of such shareholder may exercise the following rights in accordance with the shareholder’s mandate:

- (1) The right to speak on behalf of the shareholder at the shareholders’ meeting;
- (2) The right to demand a poll, either individually or jointly with others;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (3) Subject to any other provisions of relevant laws, administrative regulations, securities regulatory rules in the place where the Company's shares are [REDACTED], or other securities laws and regulations, the right to exercise voting rights by show of hands or by poll.

Individual shareholders attending the meeting in person shall present their identity card or other valid documents or certificates that can verify their identity; where a proxy is appointed to attend the meeting, the proxy shall present a valid identity document and a shareholder's power of attorney.

Corporate shareholders or other institutional shareholders shall be represented by their legal representative (principal)/executive partner in charge of affairs, or by an agent appointed by the legal representative (principal)/executive partner in charge of affairs to attend the meeting. If the legal representative (principal)/executive partner in charge of affairs attends the meeting, they shall present their personal identification card and valid proof demonstrating their status as the legal representative (principal)/executive partner in charge of affairs. If an agent is appointed to attend the meeting, the agent shall present their personal identification card and a written power of attorney lawfully issued by the legal representative (principal)/executive partner in charge of affairs of the corporate or institutional shareholder (except for the recognized clearing house or its agents).

If the shareholder is a recognized clearing house (or its nominee) as defined by the relevant ordinances in force in Hong Kong from time to time, such shareholder may authorize one or more persons it deems appropriate to act as its proxy or representative at any general meeting of shareholders or any meeting of creditors; provided that if more than one person is authorized, the power of attorney or authorization document shall specify the number and class of shares to which each such person's authorization relates. The person(s) so authorized may attend the meeting on behalf of the recognized clearing house (or its nominee) (without producing evidence of shareholding, notarized authorization, and/or further proof of due authorization) and exercise the same statutory rights as other shareholders, including the rights to speak and vote, as if such person were an individual shareholder of the Company.

Any shareholder who is entitled to attend the shareholders' meeting and to vote shall have the right to appoint one or more persons (who need not be shareholders) as their proxy to attend and vote on their behalf. A power of attorney issued by a shareholder to authorize another person to attend the shareholders' meeting shall specify the following:

- (1) The name of the principal and the number of shares held in the Company;
- (2) The name of the proxy;
- (3) Voting instructions for each proposed resolution on the meeting agenda, specifying "for," "against," or "abstain";
- (4) The issuance date and validity period of the power of attorney;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (5) The signature (or seal) of the principal. If the principal is an institutional shareholder, the official seal of the institution shall be affixed.

The power of attorney should specify whether the proxy is authorized to vote according to their own discretion if the shareholder does not provide specific instructions.

The proxy form shall be deposited at the Company's registered office or at any other place specified in the notice of the meeting, at least 24 hours before the relevant meeting at which the proxy is to vote, or at least 24 hours before the designated time for voting. If a proxy is authorized to sign the proxy voting authorization letter on behalf of the shareholder, the power of attorney or other authorization documents must be notarized. The notarized power of attorney or other authorization documents, together with the proxy voting authorization letter, shall be kept at the Company's domicile or other location specified in the notice of the meeting.

If the shareholder is a legal person or unincorporated entity, its legal representative or a person authorized by a resolution of its board of directors or other decision-making body shall attend the shareholders' meeting as its representative.

Voting and Resolutions of the Shareholders' Meeting

Resolutions of the shareholders' meeting shall be classified into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than half of the voting rights held by shareholders (including proxies) attending the shareholders' meeting.

A special resolution shall be passed by at least two-thirds of the voting rights held by shareholders (including proxies) attending the shareholders' meeting.

The following matters shall be resolved by an ordinary resolution of the shareholders' meeting:

- (1) Reports of the Board of Directors;
- (2) Profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (3) The appointment and removal of members of the Board of Directors (including the removal of any director before the expiration of their term, provided that such removal shall not affect any claim for damages that the director may have under any contract) and their remuneration and method of payment;
- (4) The annual report of the Company;

APPENDIX III **SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY**

- (5) Resolutions regarding the appointment, dismissal, or non-renewal of the engagement of an accounting firm, or the remuneration of the accounting firm;
- (6) Other matters except those required by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules and securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED], or these Articles of Association to be adopted by special resolution.

The following matters shall be resolved by a special resolution of the shareholders’ meeting:

- (1) Increase or decrease of the Company’s registered capital;
- (2) Division, spin-off, merger, dissolution, or liquidation;
- (3) Amendments to the Articles of Association;
- (4) Acquisition or disposal of assets where the total assets involved or transaction amount exceeds 30% of the Company’s most recently audited total assets within a continuous twelve-month period;
- (5) Equity incentive plans;
- (6) Other matters required by laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, securities regulatory requirements of the jurisdiction where the Company’s shares are [REDACTED], or these Articles of Association, and matters deemed by an ordinary resolution of the shareholders’ meeting to have a material impact on the Company and therefore requiring a special resolution.

The shares held by the Company’s shareholders are all ordinary shares, and there are no shares with special voting rights. Shareholders (including proxies) shall exercise voting rights based on the number of voting shares they represent, with one vote per share. When voting, shareholders (including proxies) who have two or more voting rights are not required to cast all their votes as either in favor, against, or abstaining.

When the shareholders’ meeting deliberates on significant matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of such separate vote counting shall be disclosed in a timely manner.

Shares held by the Company shall not carry voting rights and shall not be included in the total number of shares with voting rights present at the meeting.

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Where a shareholder acquires shares with voting rights in violation of Article 63, Paragraphs 1 and 2 of the Securities Law (unless the listing rules and related regulatory rules of the place where the Company’s shares are [REDACTED] do not have any mandatory provisions to the contrary, in which case this shall not apply), the portion of shares exceeding the prescribed ratio shall not carry voting rights for 36 months from the date of acquisition and shall not be included in the total number of shares with voting rights present at the meeting. (Applicable after [REDACTED])

The Company’s Board of Directors, independent non-executive directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED] or CSRC rules, may solicit shareholders’ voting rights.

When the shareholders’ meeting deliberates on matters involving related-party transactions, the related shareholders shall abstain from voting, and the voting rights of the shares they represent shall not be counted in the total number of valid votes. The announcement of the shareholders’ meeting resolution shall fully disclose the voting situation of non-associated shareholders.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Company directors shall be natural persons. A person who falls under any of the following circumstances shall not serve as a director of the Company:

- (1) a person who has no or limited civil capacity;
- (2) a person who has been sentenced for corruption, bribery, embezzlement, misappropriation of property, or disrupting the socialist market economic order, and the sentence has not expired for more than five years; or having been deprived of political rights for committing a crime, and the deprivation has not expired for more than five years; or having been granted probation, where less than two years have elapsed since the end of the probation period;
- (3) a person who has served as a director, factory manager, or general manager of a company or enterprise that went bankrupt and was liquidated, and being personally liable for the bankruptcy, where less than three years have elapsed since the completion of the liquidation;
- (4) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to legal violations, and being personally liable for such violations, where less than three years have elapsed since the business license was revoked;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (5) a person who has a large amount of personal debt that is overdue and unpaid;
- (6) a person who is subject to market entry restrictions by the China Securities Regulatory Commission, where the restriction period has not yet expired;
- (7) other circumstances where a person is disqualified from serving as a director under laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, the securities regulatory rules of the place where the Company's shares are [REDACTED], or departmental rules.

If a director is elected or appointed in violation of the provisions of this Article, such election, appointment, or engagement shall be invalid. If a director falls under any of the circumstances listed in this Article during his or her term of office, the Company shall remove him or her from office.

Directors shall be elected or replaced by the shareholders' meeting, and may be removed by the shareholders' meeting before the expiration of their term of office.

Each director shall serve a term of three years and may be re-elected upon the expiry of their term. Independent Non-Executive Directors shall serve the same term as other directors of the Company.

The term of a director shall commence from the date of assuming office and shall end upon the expiration of the term of the current board of directors. Where the election of new directors is not conducted in a timely manner upon expiration of the term, the incumbent directors shall continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, and these Articles of Association until the newly elected directors assume office.

Where additional or replacement directors are elected before the end of a term, their term shall be the remaining term of the current board of directors, and shall commence from the date on which the shareholders' meeting approves their election and end on the date when newly elected directors are approved at the expiration of the current board's term.

A director may concurrently serve as the general manager or other senior management personnel. However, the number of directors concurrently serving as the general manager or other senior management personnel, together with directors elected as employee representatives, shall not exceed one-half of the total number of directors of the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Board of Directors

The Company shall establish a Board of Directors. The Board of Directors shall consist of eleven directors. Board members shall be elected by the shareholders’ meeting in accordance with the law. Directors shall be classified into executive directors, non-executive directors and independent non-executive directors, among which there shall be no fewer than three independent non-executive directors, accounting for at least one-third of the total number of the Board. At least one independent non-executive director must possess appropriate professional qualifications required by the the Hong Kong Stock Exchange Listing Rules and other regulatory rules or have accounting or relevant financial management expertise. Additionally, at least one independent non-executive director shall ordinarily reside in Hong Kong.

The Board of Directors may, as needed, establish special committees such as the Remuneration and Appraisal Committee, Strategy Committee, Nomination Committee, Audit Committee, and Related Party Transactions Committee, which shall be accountable to the Board of Directors.

The Board of Directors shall exercise the following powers:

- (1) Convene the Shareholders’ Meeting and report its work thereto;
- (2) Implement resolutions adopted by the Shareholders’ Meeting;
- (3) Decide the Company’s business plans and investment proposals;
- (4) Propose profit distribution plans and loss recovery plans;
- (5) Propose plans for increasing or reducing the registered capital of the Company, and for [REDACTED] bonds or other securities and [REDACTED];
- (6) Subject to the provisions of the securities regulatory rules of the place where the Company’s shares are [REDACTED], draft proposals for significant acquisitions, repurchase of shares, merger, division, dissolution, or change of company form;
- (7) Subject to the provisions of the securities regulatory rules of the place where the Company’s shares are [REDACTED] and within the scope of authorization granted by the shareholders’ meeting, decide on matters such as external investment, acquisition and disposal of assets, asset pledges, provision of external guarantees, entrusted wealth management, related-party transactions, and charitable donations;
- (8) Decide on the establishment of the Company’s internal management structure;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (9) Decide on the appointment or dismissal of the managers, board secretary, and other senior management personnel, and determine their remuneration, rewards, and punishments; based on the nomination of the general manager, decide on the appointment or dismissal of the company’s deputy general manager, chief financial officer, and other senior management personnel, and determine their remuneration and matters of rewards and punishments;
- (10) Formulate the Company’s basic management systems;
- (11) Propose amendments to the Articles of Association;
- (12) Manage the Company’s information disclosure affairs;
- (13) Submit proposals to the Shareholders’ Meeting on the appointment or replacement of the accounting firm responsible for auditing the Company;
- (14) Hear reports on the work of the General Manager, and supervise the performance;
- (15) Other powers stipulated by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], or this Articles of Association, or granted by the shareholders’ meeting.

Any matters exceeding the scope of authority conferred by the Shareholders’ Meeting shall be submitted to the Shareholders’ Meeting for deliberation.

Chairman

The Chairman shall exercise the following powers:

- (1) Preside over the Shareholders’ Meetings and convene and preside over the meetings of the Board of Directors;
- (2) Supervise and inspect the implementation of resolutions adopted by the Board of Directors;
- (3) Subject to any other provisions in the securities regulatory rules of the place where the Company’s shares are [REDACTED], sign important documents of the Board of Directors and other documents that should be signed by the Chairman of the Company;
- (4) Other powers and authorities granted by the Board of Directors or by laws, administrative regulations, and the securities regulatory rules of the place where the Company’s shares are [REDACTED].

The Board of Directors shall convene at least four meetings each year, which shall be convened by the Chairman. A written notice shall be given to all directors at least fourteen days before the meeting is held.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Special Committees under the Board

The Company’s Board of Directors establishes an Audit Committee, which exercises the powers of the Supervisory Board as stipulated by the Company Law.

The Audit Committee shall consist of three members, who must be non-executive directors. The Audit Committee shall have at least three members, with a majority of independent non-executive directors. At least one member must be an independent non-executive director with the appropriate professional qualifications as specified by the securities regulatory rules of the place where the Company’s shares are [REDACTED], or with appropriate expertise in accounting or related financial management. The convener (i.e., the chairperson) of the committee must be an independent non-executive director.

The Company’s Board of Directors establishes other special committees such as the Nomination Committee and the Remuneration Committee, which shall perform their duties in accordance with the laws and regulations, the Hong Kong Stock Exchange Listing Rules and this Articles of Association and the authorization granted by the Board of Directors. Proposals from these special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors. The members of the Remuneration Committee and the Nomination Committee must have a majority of independent non-executive directors. The convener (i.e., the chairperson) of the Remuneration Committee must be an independent non-executive director, and the convener (i.e., the chairperson) of the Nomination Committee must be the Chairman of the Board or an independent non-executive director.

General Manager and Other Senior Management Members

The Company shall have one General Manager and several Deputy General Managers and other senior management personnel, who shall be appointed or dismissed by the Board of Directors.

Personnel holding administrative positions (other than as a director or supervisor) in the Company’s controlling shareholder entity shall not serve as senior management personnel of the Company.

Senior management personnel of the Company shall receive salaries solely from the Company and not from the controlling shareholder.

The term of office for the General Manager shall be three years. The General Manager may be reappointed by the Board of Directors upon expiration of the term. If the General Manager is replaced during the term, the new term shall commence from the date the Board resolution is passed and end upon the expiry of the current Board’s term.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The General Manager shall be accountable to the Board of Directors and shall exercise the following powers and functions:

- (1) To preside over the production and operation management of the Company, implement the resolutions of the Board of Directors, and report work to the Board of Directors;
- (2) To organize and implement the Company's annual business plan and investment programs;
- (3) To draft plans for the establishment of the Company's internal management structure;
- (4) To draft the Company's basic management systems;
- (5) To formulate specific regulations of the Company;
- (6) To propose to the Board of Directors the appointment or dismissal of the Deputy General Manager and the Chief Financial Officer;
- (7) To decide on the appointment or dismissal of management personnel other than those to be appointed or dismissed by the Board of Directors;
- (8) Other powers granted by these Articles of Association or the Board of Directors.

The General Manager shall attend meetings of the Board of Directors.

In accordance with the needs of the Company, the General Manager may formulate the General Manager's Rules of Procedure, which shall be implemented upon approval by the Board of Directors.

The General Manager may resign before the expiration of the term. The procedures and methods for resignation shall be governed by the employment contract between the General Manager and the Company.

The term of office for Deputy General Managers and other senior management personnel shall be three years. The General Manager shall propose their appointment or dismissal to the Board of Directors. Deputy General Managers and other senior management personnel shall assist the General Manager in managing specific aspects of the Company's operations. The specific division of labor shall be determined by the General Manager and filed with the Board of Directors.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The Company shall appoint a Board Secretary, who shall be responsible for the preparation of shareholders’ meetings and board of directors’ meetings, the custody of documents, and the management of shareholders’ records. The Board Secretary shall also handle matters related to information disclosure.

The Board Secretary shall comply with applicable laws, administrative regulations, departmental rules, securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED], the Articles of Association, and relevant Company policies and procedures.

If any senior management personnel, in the course of performing their duties, violate laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, securities regulatory rules of the jurisdiction where the Company’s shares are [REDACTED] or the Articles of Association and cause losses to the Company, they shall be liable for compensation.

Senior management personnel shall perform their duties faithfully and in the best interests of the Company and all shareholders. If any senior management personnel fail to perform their duties in good faith or breach their fiduciary obligations, resulting in damage to the interests of the Company or public shareholders, they shall bear liability for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall, in accordance with laws, administrative regulations, and relevant regulations of state authorities, establish its financial and accounting systems. Where there are other provisions by the securities regulatory authorities in the place where the Company’s shares are [REDACTED], such provisions shall prevail.

The Company shall prepare its annual financial accounting report within four months after the end of each fiscal year and its interim financial accounting report within two months from the end of the first half of each fiscal year. The aforementioned financial accounting reports shall be prepared and disclosed in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules, and other securities regulatory rules in the place where the Company’s shares are [REDACTED].

The Company shall not establish any accounting books other than the statutory ones. The Company’s assets shall not be deposited into any account opened in the name of an individual.

When distributing the profits after tax for the current year, the Company shall allocate 10% of the profits to the statutory reserve fund. When the statutory reserve fund has accumulated to more than 50% of the Company’s registered capital, no further appropriation is required.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

If the statutory reserve fund is insufficient to cover losses from previous years, the Company shall use the current year’s profits to cover the losses before making appropriations to the statutory reserve fund in accordance with the preceding paragraph.

After the statutory reserve fund is appropriated from the post-tax profits, the Company may, pursuant to a resolution of the shareholders’ meeting, appropriate discretionary reserve funds from the post-tax profits.

The remaining post-tax profits after covering losses and making appropriations to the reserve funds shall be distributed to shareholders in proportion to the shares held by them, except as otherwise provided by laws and regulations, the regulatory rules of the place where the Company’s securities are [REDACTED], or this Articles of Association.

If the shareholders’ meeting distributes profits to shareholders in violation of the preceding paragraph before the Company has covered its losses and made the required appropriations to the statutory reserve fund, shareholders must return the distributed profits to the Company.

The Company’s own shares held by the Company shall not be entitled to profit distribution.

The Company’s cash dividend policy aims for stable and growing dividends. Subject to the conditions for profit distribution, the Company may distribute dividends in the form of cash, shares, or a combination of both, with cash dividends taking precedence over share dividends.

If the Company’s most recent audited report is not an unqualified opinion or is an unqualified opinion with a significant uncertainty related to going concern, the Company may refrain from profit distribution.

The reserve fund of the Company shall be used to cover losses, expand production and business operations, or increase the Company’s capital.

To cover the Company’s losses with surplus funds, the discretionary surplus reserve and the statutory surplus reserve shall be used first; if the losses still cannot be fully covered, the capital surplus reserve may be used in accordance with the regulations.

When the statutory reserve fund is converted into capital, the amount retained in the statutory reserve fund shall not be less than 25% of the Company’s registered capital prior to the conversion.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

INTERNAL AUDIT

The Company shall implement an internal audit system, clarifying the leadership structure of internal audit work, its responsibilities and authorities, personnel allocation, financial support, application of audit results, and accountability.

The Company’s internal audit system shall be implemented and disclosed externally after approval by the Board of Directors.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall engage an accounting firm that meets the requirements set forth in the Securities Law and the Hong Kong Stock Exchange Listing Rules to conduct audits of the financial statements, verify net assets, and provide other related consulting services, with the appointment term being one year, which can be renewed.

The engagement or dismissal of an accounting firm by the Company shall be submitted to the Board of Directors for deliberation after obtaining the consent of more than half of the members of the Audit Committee, and shall be decided by the shareholders’ meeting. The appointment, dismissal, and remuneration (or the method of determining remuneration) of the accounting firm must be decided by the shareholders’ meeting in the form of an ordinary resolution. The Board of Directors shall not appoint an accounting firm before the decision of the shareholders’ meeting.

The Company guarantees that it will provide the engaged accounting firm with truthful and complete accounting vouchers, accounting books, financial reports, and other accounting materials, and will not refuse, conceal, or falsify any information.

The audit fees of the accounting firm shall be decided by the shareholders’ meeting.

If the Company dismisses or does not renew the engagement of the accounting firm, it must notify the accounting firm seven days in advance. When the shareholders’ meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

If the accounting firm resigns, it must explain to the shareholders’ meeting whether there are any improper circumstances with the Company.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix V — Taxation and Foreign Exchange” to this Document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide potential [REDACTED] with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to the potential [REDACTED]. For a discussion of laws and regulations which are relevant to our Company’s business, see “Regulatory Overview”, in this Document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》), or the Constitution, and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People’s Republic of China (《中華人民共和國立法法》), or the Legislation Law, which was amended by the National People’s Congress (“NPC”) on 13 March 2023 and became effective on 15 March 2023, the NPC and the Standing Committee of the National People’s Congress (“SCNPC”) are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, ecological civilization construction, historical and cultural protection and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of cities divided into districts for approval before implementation.

The standing committees of the people’s congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, People’s Bank of China, National Audit Office of the State Council and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people’s governments of the provinces and autonomous regions is greater than that of the rules enacted by the people’s governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the Constitution and the Legislation Law; the State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments; the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; the standing committees of the local people’s congresses have the power to annul inappropriate rules enacted by the people’s governments at the corresponding level; the people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on 10 June 1981, the Supreme People’s Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People’s Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people’s governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and the Law of the PRC of Organization of the People’s Courts (《中華人民共和國人民法院組織法》) amended by the SCNPC on 26 October 2018 and becoming effective on 1 January 2019, the PRC People’s Court is made up of the Supreme People’s Court, the local people’s courts, and other special people’s courts. The local people’s courts are divided into three levels, namely the basic people’s courts, the intermediate people’s courts and the higher people’s courts. The basic people’s courts may set up certain people’s tribunals based on the status of the region, population and cases. The Supreme People’s Court shall be the highest judicial organ of the state. The Supreme People’s Court shall supervise the administration of justice by the local people’s courts at all levels and by the special people’s courts. The people’s courts at a higher level shall supervise the judicial work of the people’s courts at lower levels.

According to the Constitution and the Law of Organization of the People’s Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) revised by SCNPC on 26 October 2018 and taking effect on 1 January 2019, the People’s Procuratorate is the law supervision organ of the state. The Supreme People’s Procuratorate shall be the highest procuratorial organ. The Supreme People’s Procuratorate shall direct the work of the local people’s procuratorates at all levels and of the special people’s procuratorates; the people’s procuratorates at higher levels shall direct the work of those at lower levels.

The people’s courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people’s courts are final. A party may appeal against the judgment or ruling of the first instance of a local people’s courts. The people’s procuratorate may present a protest to the people’s courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

people’s procuratorate within the stipulated period, the judgments or rulings of the people’s courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court or the people’s courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people’s court at a lower level, or if the chief judge of a people’s court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法(2023年修訂)》), or the PRC Civil Procedure Law, adopted by the SCNPC on 1 September 2023 and effective on 1 January 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is performed or signed, or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or defending any proceedings at a people’s court. If a foreign court limits the litigation rights of PRC citizens and enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must engage a PRC lawyer if such person needs to engage a lawyer in initiating or defending any proceedings at a people’s court. Under an international treaty or the principle of reciprocity signed or acceded to by the PRC, the people’s court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC’s sovereignty, security or public interest, the people’s court shall decline the request.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuse to comply with a judgment or order made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

When a party applies to a people’s court for enforcing an effective judgment or ruling by a people’s court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless among other exceptions, the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a [REDACTED] on The Stock Exchange of Hong Kong Limited is mainly subject to the following laws and regulations of the PRC.

The PRC Company Law (《中華人民共和國公司法》), or the Company Law, was adopted by the Fifth Standing Committee Meeting of the Eighth NPC on 29 December 1993 and came into effect on 1 July 1994, and was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023. The latest revised Company Law came into effect on 1 July 2024.

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and its five interpretative guidelines promulgated by the China Securities Regulatory Commission (“CSRC”) on 17 February 2023 came into effect on 31 March 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

According to the Trial Measures and its interpretative guidelines, where a domestic company directly offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), or the Guidelines for Articles of Association, in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas which ceased to apply from 31 March 2023. The Guidelines for Articles of Association were promulgated by the CSRC on 16 December 1997 and last amended on 28 March 2025.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

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General Provisions

“A joint stock limited company” means a corporate legal person incorporated under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up and shall notified all subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only the presence of promoters and subscribers holding more than 50% of the total number of shares. Powers to be exercised at the inaugural meeting include but not limited to the adoption of articles of association and the election of members of the board of directors and the supervisory committee of a company. The aforesaid matters shall be resolved by more than 50% of the votes to be casted by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with intellectual property rights, land use rights, shareholding or claims.

The Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

the CSRC and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders’ general meeting in respect of the class and number of new shares, the [REDACTED] of the new shares, the commencement and end dates for the [REDACTED] of new shares and the class and number of the new shares proposed to be [REDACTED] to existing shareholders, if any. If no par value stock is issued, the proceeds from the [REDACTED] of the new stocks shall be included into the registered capital. Additionally, if a company intends to make [REDACTED] of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (i) to prepare a balance sheet and a property list;
- (ii) a company makes a resolution at shareholders’ general meeting to reduce its registered capital;
- (iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital;
- (iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice;
- (v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares. Except for any following circumstances:

- (i) reducing the registered capital;
- (ii) merging with other company that holds the shares of the company;
- (iii) using the shares for employee stocks plan or equity incentives;
- (iv) with respect to shareholders voting against any resolution adopted at the shareholders’ general meeting on the merger or division of our Company, the right to demand our Company to acquire the shares held by them;
- (v) using the shares for the conversion of convertible corporate bonds issued by the listed company;
- (vi) as required for maintenance of the corporate value and shareholders’ rights and interests of a listed company.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our Company held by a company shall not exceed 10% of the total issued shares of a company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should affect a transfer of his shares on securities established exchange according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of shareholder's general meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of accompany are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Shareholders

Under the Company Law and Guidelines for Articles of Association the rights of a shareholder of ordinary shares of a company include:

- (i) to receive dividends and other forms of distributions in proportion to their shareholdings;
- (ii) to attend or appoint a proxy to attend shareholders’ general meetings and to exercise voting rights;
- (iii) to supervise and manage a company’s business operations, and to present proposals or to raise inquiries;
- (iv) to transfer shares in accordance with laws, administrative regulations and the provisions of the articles of association;
- (v) to inspect the company’s articles of association, share register, counterfoil of company debentures, minutes of shareholder’s general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company’s operations;
- (vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;
- (vii) other rights conferred by laws, administrative regulations and the articles of association.

The obligations of a shareholder of ordinary shares of a company include:

- (i) to comply with the articles of association;
- (ii) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (iii) not to abuse their shareholders’ rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company;
- (iv) other obligations conferred by laws, administrative regulations and the articles of association.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Shareholder’s General Meetings

Under the Company Law, the shareholders’ general meeting of a joint stock limited company is made up of all shareholders. The shareholders’ general meeting is the organ of authority of a company, which exercises the following functions and powers:

- (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;
- (ii) to examine and approve reports of the board of directors;
- (iii) to examine and approve reports of the supervisory committee;
- (iv) to examine and approve a company’s profit distribution plans and loss recovery plans;
- (v) to resolve on the increase or reduction of a company’s registered capital;
- (vi) to resolve on the [REDACTED] of corporate bonds;
- (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;
- (viii) to amend the company’s articles of association;
- (ix) other functions and powers specified in provision of the articles of association.

Under the Company Law, annual shareholders’ general meetings are required to be held once every year. An extraordinary shareholders’ general meeting is required to be held within two months after the occurrence of any of the following circumstances:

- (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association;
- (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital;
- (iii) shareholders individually or jointly holding 10% or more of the company’s shares request;
- (iv) when deemed necessary by the Board;
- (v) the Supervisory Committee proposes to convene the meeting;
- (vi) other circumstances as stipulated in the articles of association.

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Shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory board should convene and preside over shareholders' general meeting in a timely manner. If the supervisory board fails to convene and preside over shareholders' general meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' general meeting.

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the board of supervisors should, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

Notice of general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. For the issuance of bearer share certificates, the time and venue of and matters to be considered at the meeting shall be announced 30 days before the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting.

Under the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' general meeting. Under the

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accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders’ general meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders’ general meeting.

Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be noticed 10 days before the meeting for every meeting. The Board exercises the following functions and powers:

- (i) to convene shareholder’s general meetings and report its work to the shareholder’s general meetings;
- (ii) to implement the resolutions of the shareholder’s general meeting;
- (iii) to decide on a company’s business plans and investment plans;
- (iv) to formulate a company’s profit distribution plan and loss recovery plan;
- (v) to formulate proposals for the increase or reduction of a company’s registered capital and the issue of corporate bonds;
- (vi) to formulate plans for cake, division, dissolution or change of corporate form of a company;
- (vii) to decide on the internal management structure of a company;
- (viii) to decide on the appointment or dismissal of the manager of a company and their remuneration;

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- (ix) to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration;
- (x) to formulate a company’s basic management system;
- (xi) other functions and powers specified in the articles of association or granted by the shareholders’ meeting.

Board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is:

- (i) a person without capacity or with restricted capacity;
- (ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;
- (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (iv) persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and
- (v) being listed as one of “dishonest persons subject to enforcement” by the people’s court due to his/her failure to pay off a relatively large number of due debts.

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The board of directors shall have one chairman, who shall be elected by more than half of all the directors. The chairman shall exercise the following functions and powers (including but not limited to):

- (i) to preside over shareholders’ general meetings and convene and preside over board meetings;
- (ii) to examine the implementation of resolutions of the Board;
- (iii) to sign the securities issued by a company;
- (iv) to exercise other powers conferred by the Board.

Supervisors

Under the Company Law, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee shall comprise shareholder representatives and an appropriate proportion of the company’s staff representatives, of which the proportion of staff representatives shall not be less than one-third and the specific proportion shall be stipulated in the articles of association. Employee representatives of the supervisory committee shall be democratically elected by the company’s employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management may not act concurrently as supervisors.

The Supervisory Committee exercises the following powers:

- (i) to examine the company’s financial affairs;
- (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of shareholders’ general meetings;
- (iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company’s interest;
- (iv) to propose the convening of extraordinary general meetings, and to convene and preside over shareholders’ general meetings when the Board fails to perform the duty of convening and presiding over shareholders’ general meetings under the Company Law;
- (v) to submit proposals to the shareholders’ general meeting;
- (vi) to initiate legal proceedings against directors and senior management in accordance with the Company Law;

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(vii) other functions and powers specified in the articles of association.

On December 27, 2024, the CSRC promulgated the Transitional arrangements relating to the implementation of the rules under the new Companies Law (關於新《公司法》配套制度規則實施相關過渡期安排), Listed companies shall, before January 1, 2026, in accordance with the provisions of the Company Law, the Implementation Provisions and the supporting rules of the CSRC, provide in the articles of association for the establishment of an audit committee in the board of directors, exercising the powers and functions of the supervisory board as stipulated in the Company Law, the listed companies will then have no supervisory board or supervisors. Before a listed company adjusts the establishment of the company’s internal supervisory body, the supervisory board or supervisors shall continue to comply with the provisions in the original rules of the CSRC.

Managers and Senior Management

Under the Company Law, a company should have a manager who is appointed or removed by the board of directors. The manager is responsible to the board of directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the board of directors. The manager attends the meetings of the board of directors as a non-voting member.

According to the Company Law, senior management shall refer to the manager, deputy manager(s), financial controller, secretary of the board of directors and other personnel as stipulated in the articles of association of the company.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company’s properties.

Directors, supervisors and senior management are prohibited from:

- (i) embezzling the company’s property or misappropriating of the company’s capital;
- (ii) depositing the company’s capital into accounts under his own name or the name of other individuals;
- (iii) giving bribes or accepting any other illegal proceeds by taking advantage of their power;
- (iv) accept and possess commissions paid by a third-party for transactions conducted with the company;

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- (v) unauthorized divulgence of confidential business information of the company; or
- (vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the company, he/she should report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, subject to the approval of the board of directors or shareholders according to the articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors, supervisors or senior management, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management, concludes a contract or conducts a transaction with the company.

Neither director, supervisor or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

- (i) where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the Articles of Association; or
- (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association.

Where any director, supervisor or senior management fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare a financial and accounting reports which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

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A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting of shareholders. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the general meeting or the shareholders' general meeting.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounts other than those provided by law.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' general meeting, the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or the board of supervisors conduct a vote on the dismissal of the accounting

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firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

The Guidelines for Articles of Association provides that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the general meeting of shareholders.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders, directors, supervisors, and senior management personnel who are responsible for causing losses to the company shall bear compensation liability.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

- (i) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (ii) the general meeting or the shareholders’ general meeting resolves to dissolve the company;
- (iii) dissolution is necessary due to a merger or division of the company;
- (iv) the business license is revoked, or the business license is ordered to be closed or revoked in accordance with laws;
- (v) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders’ voting rights of the company may present a petition to a people’s court for the dissolution of the company with the support of the judgment.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

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Where the company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders’ meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders’ general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company’s Articles of Association or it is otherwise elected by the shareholders’ meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people’s court to designate relevant persons to form a liquidation group. The people’s court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (i) to liquidate the company’s property and respectively prepare balance sheet and list of property;
- (ii) to notify creditors by notice or public announcement;
- (iii) to deal with the outstanding business of the company involved in the liquidation;
- (iv) to pay all outstanding taxes and taxes arising in the course of liquidation;
- (v) to liquidate claims and debts;
- (vi) distributing the remaining property of the company after paying off debts;
- (vii) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company’s creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

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The remaining property of the company after the payment of liquidation expenses, employees’ wages, social insurance expenses and statutory compensation, outstanding taxes and the company’s debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company’s assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation committee, having thoroughly examined the company’s assets and having prepared a balance sheet and an inventory of assets, discovers that the company’s assets are insufficient to pay its debts in full, it shall file an application to a people’s court for bankruptcy liquidation. After the people’s court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders’ general meeting or the people’s court for confirmation, and submit to the company registration authority to apply for cancelation of the company’s registration.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company’s deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of

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receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people’s court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people’s court declared that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On 29 March 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on 25 December 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

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The Securities Law of the People’s Republic of China (《中華人民共和國證券法》), or the PRC Securities Law, which was amended by the Standing Committee of the NPC on 28 December 2019 and came into effect on 1 March 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》), or the Arbitration Law, amended by the Standing Committee of the NPC on 1 September 2017 and effective on 1 January 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the PRC Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people’s court will refuse to take legal action brought by a party in the people’s court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement according to the PRC Civil Procedure Law. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). A party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people’s court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

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According to the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People’s Court on 24 January 2000 and effective on 1 February 2000, and the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People’s Court on 26 November 2020 and effective on 27 November 2020, awards made by PRC arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

APPENDIX V

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an [REDACTED] in the H shares, nor does it take into account the specific circumstances of any particular [REDACTED], some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an [REDACTED] in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. [REDACTED] are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation In Chinese Mainland

Tax on Dividends

For Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), or the Individual Income Tax Law, amended by the SCNPC on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

APPENDIX V

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷稅漏稅的安排》第五議定書), or the Fifth Protocol, issued by The State Administration of Taxation and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

For Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the Implementation Rules of the EIT Law, amended by the State Council and effective on 20 January 2025, a non-resident enterprise is subject to a reduced rate of 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation and effective on 6 November 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated by the State Administration of Taxation and effective 24 July 2009

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further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to The Arrangement Between The Mainland Of China And The HONG KONG Special Administrative Region For The Avoidance of Double Taxation And The Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ verification.

Tax related to equity transfer income

For Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and The State Administration of Taxation and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The State Administration of Taxation does not specify whether to continue to exempt individuals from personal income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law.

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For Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Shanghai-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC on 31 October 2014 and effective on 17 November 2014, transfer spread income derived by mainland enterprises from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax according to law. For dividends and bonuses received by mainland individual [REDACTED] from [REDACTED] in H shares [REDACTED] on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of mainland individual [REDACTED] to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies. Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen- Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on 21 August 2023 and implemented on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by mainland enterprises from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to Enterprise Income Tax according to law. Pursuant to which, dividend income obtained by mainland resident enterprises from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold income tax on dividends and bonus income for mainland enterprises investors. The tax payable shall be declared and paid by the enterprise itself.

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Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC on 5 November 2016 and effective on 5 December 2016, transfer spread income derived by mainland enterprises from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax according to law. For dividends and bonuses received by mainland individual [REDACTED] from [REDACTED] in H shares [REDACTED] on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of mainland individual [REDACTED] to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the [REDACTED].

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on 21 August 2023 and implemented on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by mainland enterprises investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to Enterprise Income Tax according to law. In particular, dividend and bonus income obtained by mainland resident enterprises from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold income tax on dividends and bonus income for mainland enterprises. The tax payable shall be declared and paid by the enterprise itself.

Stamp Duty

According to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花稅法》), which was promulgated on 10 June 2021 and came into effect on 1 July 2022, the disposal of H Shares by non-Chinese Mainland investors outside of the Chinese Mainland is not subject to the requirements of the Stamp Duty Law of the People's Republic of China.

Estate duty

According to PRC law, no estate duty is currently levied in the Chinese Mainland.

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MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), enterprises and other income-generating organizations (hereinafter collectively referred to as “enterprises”) within the territory of the People’s Republic of China are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%. Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income within the PRC and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Value-added tax

According to the Notice on the Adjustment to VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the State Administration of Taxation on 4 April 2018, and became effective as of 1 May 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (2019 No. 39 of MOF, State Administration of Taxation and General Administration of Customs), promulgated by the MOF, the State Administration of Taxation and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which has come into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The SAFE (State Administration of Foreign Exchange), authorized by the PBOC (People’s Bank of China), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

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Pursuant to the Regulations of the People’s Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on 5 August 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State. Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained. According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE and became effective on 26 December 2014, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as “domestic companies”) listed overseas.

On December 24, 2025, the SAFE and PBOC promulgated the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which will come into effective on April 1, 2026, and replace the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》).

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According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and came into effect on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued and implemented by the SAFE on 9 June 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

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FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation of our Company

Our Company, formerly known as Shanghai HongYan Reusable Transit Packagings Co., Ltd. (上海鴻研物流技術有限公司), was established as a limited liability company in the PRC on September 2, 2013 and was converted into a joint stock limited company on December 26, 2025 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB10,256,410.

Our registered place of business in Hong Kong is at Room 1917, 19/F, Lee Garden One, 33 Hysan Road, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 13, 2026. Mr. Yau Tsz Lun, one of our joint company secretaries, has been appointed as our authorized representatives and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” and Appendix III, respectively.

Changes in the Share Capital of our Company

Save as disclosed in the section headed “History, Development and Corporate Structure — Major Shareholding Changes of our Company”, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in the Share Capital of our Subsidiaries

There had been no alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on January 27, 2026, it was resolved, among others, and the following was approved:

- (a) the [REDACTED] of H Shares with a nominal value of RMB[REDACTED] each and the [REDACTED] of such H Shares on the Stock Exchange;
- (b) the number of H Shares to be [REDACTED] pursuant to the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than 15% of the number of H Shares [REDACTED] pursuant to the [REDACTED];

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- (c) conditional upon the completion of the [REDACTED], [REDACTED] Unlisted Shares held by certain existing Shareholders will be [REDACTED] into H Shares;
- (d) subject to the completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED], and our Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities; and
- (e) our Board has been authorized to handle all relevant matters relating to, among other things, the implementation of [REDACTED] of H Shares and the [REDACTED].

Pursuant to the resolutions passed at the extraordinary general meeting of our Shareholders on [●], it was resolved, among others:

- (a) the granting of a general mandate to the Board to (i) allot and [REDACTED] Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares, at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in their absolute discretion deem fit, provided that, the number of Shares to be [REDACTED], or to be sold and/or transferred out of treasury that are held as treasury shares shall not exceed 20% of the number of Shares in issue as of the [REDACTED]; and
- (b) the granting of a general mandate to the Board to repurchase Shares [REDACTED] on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total [REDACTED] H Shares as of the [REDACTED].

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the [REDACTED]’ confidence in the Company and promote a positive effect on maintaining the Company’s reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

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(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;
- (ii) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or
- (iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in [REDACTED] as of the [REDACTED] being repurchased by the Company during the relevant period.

(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company’s internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the [REDACTED] of a new [REDACTED] of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange

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in accordance with the Listing Rules) for the approval of the company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

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(h) General

To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this Document and are or may be material:

(a) [●]

(b) [REDACTED].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group’s business.

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Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark Registered	Owner	Application No.	Place of Registration	Expiry Date
1.	鴻潤	Our Company	4523221	PRC	May 27, 2028
2.	HOREN	Our Company	62817563	PRC	September 20, 2033
3.	HOREN	Our Company	61761417	PRC	May 13, 2033
4.	箱箱共用	Our Company	61109912	PRC	April 20, 2033

Patents

As of the Latest Practicable Date, we are the owner of the following material patents, details of which are as follows:

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
1. . . .	Extruder lifting device, equipment and system* (擠推器提拉裝置、設備及系統)	Our Company	CN202421869423.2	May 6, 2025	PRC
2. . . .	Fluid discharge system and its extruder* (流體排放系統及其擠推器)	Our Company	CN202421815822.0	July 29, 2025	PRC
3. . . .	Part mounting pads, part mounting units, and part packaging assemblies* (零件安裝墊、零件安裝單元以及零件包裝組件)	Our Company	CN202420592896.6	November 1, 2024	PRC
4. . . .	An antistatic liner bag and a bulk container* (一種防靜電內襯袋以及散裝容器)	Our Company	CN202322979398.5	November 1, 2024	PRC

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No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
5. . . .	Auxiliary filling equipment and liquid filling systems* (輔助灌裝設備和液體填充系統)	Our Company	CN202322859692.2	July 2, 2024	PRC
6. . . .	Flange, valve, liquid liner and container* (一種法蘭件、閥門、液袋及容器)	Our Company	CN202321709770.4	December 5, 2023	PRC
7. . . .	Medium-sized bulk containers and packaging systems* (中型散裝容器和包裝系統)	Our Company	CN202223203749.5	May 2, 2023	PRC
8. . . .	Liquid delivery system and liner bag and manufacturing method thereof* (液體輸送系統和內襯袋及其製造方法)	Our Company	CN202010209030.9	August 29, 2025	PRC
9. . . .	Terminals and their wake-up methods, and data reporting methods and systems of logistics systems* (終端及其喚醒方法和物流系統的資料上報方法及其系統)	Our Company	CN201910055256.5	November 30, 2021	PRC
10. . .	Data reporting methods and systems for logistics equipment* (物流器具的數據上報方法及其系統)	Our Company	CN201910054444.6	December 11, 2020	PRC

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No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
11. . .	Liquid filling systems and methods and auxiliary filling equipment* (液體填充系統及方法及輔助灌裝設備)	Our Company	CN201910008762.9	April 2, 2024	PRC
12. . .	Monitoring methods and systems for shared recyclable logistics equipment* (共享的可循環物流器具的監控方法及其系統)	Our Company	CN201710908308.X	April 5, 2022	PRC
13. . .	Methods and systems for detecting the effective display time of recyclable logistics equipment on the side* (可循環物流器具的側面有效展示時長檢測的方法及系統)	Our Company	CN201710843022.8	December 29, 2023	PRC
14. . .	Methods and systems for evaluating, billing, selecting, and publishing advertising effectiveness* (廣告效果評估、計費、選擇及發佈方式及系統)	Our Company	CN201710842326.2	January 2, 2024	PRC
15. . .	Methods and Systems for Analyzing the Inclination of Recyclable Logistics Boxes* (可循環物流箱的箱體傾斜程度分析方法及其系統)	Our Company	CN201710726290.1	October 13, 2023	PRC

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No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
16. . .	Logistics equipment and methods for identifying the empty/full status of logistics equipment* (物流器具及物流器具空滿狀態辨識方法)	Our Company	CN201911240800.X	September 3, 2021	PRC
17. . .	Packaging bag certification methods and packaging bag extrusion devices* (包裝袋認證方法及包裝袋擠壓裝置)	Our Company	CN201710404489.2	November 8, 2022	PRC
18. . .	Information Acquisition System for Logistics Equipment* (物流器具信息取得的系統)	Our Company	CN201720426422.4	December 19, 2017	PRC
19. . .	Information Acquisition System and Methods for Logistics Equipment* (物流器具信息取得的系統及其方法)	Our Company	CN201710267104.2	March 31, 2020	PRC
20. . .	Signal transmission methods for logistics equipment and logistics systems* (物流器具及物流系統的訊號傳輸方法)	Our Company	CN201710214668.X	December 7, 2018	PRC

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No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
21. . .	Assembly, disassembly, and data acquisition methods for recyclable logistics equipment and its sensors* (可循環物流器具及其感測器的組裝方法、拆卸方法與信息採集方法)	Our Company	CN201610084264.9	September 17, 2019	PRC
22. . .	Low-power circuit data broadcasting method and low-power circuit* (低功耗電路的資料廣播方法及低功耗電路)	Our Company	CN201610084287.X	November 19, 2019	PRC
23. . .	Distribution Management Methods and Systems for Recyclable Logistics Equipment* (可循環物流器具的分佈管理方法及其系統)	Our Company	CN201510300211.1	July 10, 2020	PRC
24. . .	Delivery methods and systems for recyclable logistics equipment* (可循環物流器具的交割方法與系統)	Our Company	CN201510268234.9	July 13, 2021	PRC
25. . .	Power management method and device for recyclable logistics equipment* (可循環物流器具的電源管理方法及裝置)	Our Company	CN201510096566.3	December 7, 2018	PRC

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No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
26. . .	Methods and systems for sharing recyclable logistics equipment* (可循環物流器具的共用方法及其系統)	Our Company	CN201510097247.4	August 21, 2020	PRC
27. . .	Maintenance methods and systems for recyclable logistics equipment* (可循環物流器具的維護方法及其系統)	Our Company	CN201510096569.7	April 30, 2019	PRC
28. . .	Valves and their core assemblies* (閥門及其閥芯組件)	Our Company	CN201410850792.1	February 8, 2017	PRC
29. . .	Information Interaction Methods and Systems Based on Computer Systems* (基於計算機系統的信息交互方法及其系統)	Our Company	CN201310193775.0	February 8, 2017	PRC

Copyright

As of the Latest Practicable Date, we are the owner of the following material copyright, details of which are as follows:

No	Work Name	Class	Registered Owner	Registration No.	Date of registration	Place of Registration
1.	Shared boxes-Shinkansen (bullet train) introduction brochure* (箱箱共用-新幹線介紹畫冊)	Art	Our Company	Guo Zuo Deng Zi-2024-L-00254307	August 27, 2024	PRC
2.	Shared boxes-Green Recycling Introduction Brochure* (箱箱共用-綠循環介紹畫冊)	Art	Our Company	Guo Zuo Deng Zi-2024-L-00254306	August 27, 2024	PRC

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No	Work Name	Class	Registered Owner	Registration No.	Date of registration	Place of Registration
3.	Shared boxes-Blue Cycle Introduction Brochure* (箱箱共 用-藍循環介紹畫冊)	Art	Our Company	Guo Zuo Deng Zi-2024-L- 00254308	August 27, 2024	PRC
4.	SupercubeOF330-Web Design* (超立方 OF330-網頁設計)	Art	Our Company	Guo Zuo Deng Zi-2021-L- 00021861	January 29, 2021	PRC
5.	Official website homepage-Web Design* (官網首頁- 網頁設計)	Art	Our Company	Guo Zuo Deng Zi-2021-L- 00007290	January 12, 2021	PRC

Software Copyright

As of the Latest Practicable Date, we had registered the following software copyright which we considered to be material to our business in the PRC:

No.	Software Name	Owner	Registration No.	Date of Registration
1. . .	Smart Circular Service Platform V1.0.0	Our Company	Ruan Zhu Deng Zi No. 5197321	April 9, 2020

Domain Names

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	xiangxiang.com	Our Company	April 15, 2030
2.	horengroup.com	Our Company	May 31, 2027
3.	cortp.com	Our Company	August 19, 2027

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

Interests of our Directors and chief executive in the Company and our associated corporations

Save as disclosed in the section headed “Substantial Shareholders” and below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors and

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chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

(a) *Interests in our Company*

Name	Position	Capacity/Nature of interest	Number of Shares (taking into account the [REDACTED]) ⁽¹⁾	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED] ⁽²⁾
				(%)
Mr. Liao ⁽³⁾	Executive Director	Beneficial Owner	[REDACTED]	[REDACTED]
		Interest in controlled corporation	[REDACTED]	[REDACTED]
Mr. Huang Yan (黃岩) (“Mr. Huang”) ⁽⁴⁾	Non-executive Director	Interest in controlled corporation	[REDACTED]	[REDACTED]

Notes:

- The letter “L” denotes the person’s long position in the Shares.
- The calculation is based on the total number of [REDACTED] H Shares in [REDACTED] immediately after completion of the [REDACTED] since Unlisted Shares will be [REDACTED] into H Shares and [REDACTED] H Shares will be [REDACTED] pursuant to the [REDACTED], taking into account the [REDACTED] and assuming that the [REDACTED] is not exercised.
- See “Relationship with Our Controlling Shareholders — Our Controlling Shareholders” and “Substantial Shareholders” for more details.
- As of the Latest Practicable Date, Shanghai Lingzhong Assets Co., Ltd.* (上海領中資產管理有限公司) (“**Lingzhong Assets**”) is the sole general partner of Shanghai Lingzhong Longzhi Venture Capital Center (Limited Partnership)* (上海領中龍智創業投資中心(有限合夥)) (“**Lingzhong Longzhi**”), Zhuhai Lingzhong Xingchen Phase II Equity Investment Fund (Limited Partnership)* (珠海領中星辰二期股權投資基金(有限合夥)) (“**Lingzhong Xingchen**”), Zhuhai Lingzhong Qingyan Equity Investment Fund (Limited Partnership)* (珠海領中清研股權投資基金(有限合夥)) (“**Lingzhong Qingyan**”) and Zhuhai Gongyi Equity Investment Fund (Limited Partnership)* (珠海公億股權投資基金(有限合夥)) (“**Zhuhai Gongyi**”), which were interested in 562,783 Unlisted Shares, 548,379 Unlisted Shares, 69,876 Unlisted Shares, and 20,213 Unlisted Shares, respectively, without taking into account the [REDACTED]. Lingzhong Assets is owned as to 97.50% by Mr. Huang. Accordingly, Lingzhong Assets and Mr. Huang are deemed to be interested in all the Shares held by Lingzhong Longzhi, Lingzhong Xingchen, Lingzhong Qingyan and Zhuhai Gongyi, respectively, under the SFO.

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short

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position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

Our Directors are not aware of any persons (other than our Directors, Supervisors or chief executive) who will, immediately following the completion of the [REDACTED], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

Particulars of Directors’ Service Contracts and Letters of Appointment

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and Note 9 to the Accountants’ Report set out in Appendix I, none of our Directors received other remunerations of benefits in kind from us.

Disclaimers

- (a) save as disclosed in the section headed “Substantial Shareholders” and this section, none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [REDACTED] on the Stock Exchange;
- (b) save as disclosed in the section headed “Substantial Shareholders”, none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares (without taking into account any H Shares which may be allotted and [REDACTED] pursuant to the exercise of the [REDACTED]), have an

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interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

- (c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group for each year/period during the Track Record Period; and
- (d) none of our Directors or any of the parties listed in “Qualifications of Experts” of this Appendix is:
 - i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

EMPLOYEE INCENTIVE SCHEME

Restricted Share Incentive Plan

We have adopted the Restricted Share Incentive Plan on October 30, 2020. The following is a summary of the principal terms of our Restricted Share Incentive Plan. The terms of Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted Shares by our Company after our [REDACTED]. Save as otherwise disclosed, the terms of the Restricted Share Incentive Plan are substantially similar and are summarized below.

Purpose

The purpose of the Restricted Share Incentive Plan is to establish and improve a long-term incentive mechanism for the company, attract and retain key employees, enhance the cohesion of the team, and align the interests of the shareholders, the company, and the key personnel, thereby ensuring the successful implementation of the Company’s development strategy and business objectives.

Administration

Mr. Liao, the sole general partner of Shanghai Huixiang, one of our employee shareholding platforms, acted as the administrator to manage the Restricted Share Incentive Plan.

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Participants

The participants of the Restricted Share Incentive Plan include the management and core personnel of the Company (the “**Participants**”).

Form of the Restricted Share Incentive Plan

The Participants, as partners of Shanghai Huixiang, which are in the form of limited partnerships, shall subscribe for the limited partnership interest according to the amount approved by the Board, and make the corresponding payment in accordance with the arrangement of the Board, thereby indirectly holding the Shares of our Company by virtue of their capacity as limited partners of Shanghai Huixiang.

Total Number of the Underlying Shares of the Incentive Awards

Participants shall be interested in a total of 470,189 Shares through holding the limited partnership interests (the “**Incentive Awards**”) in the Restricted Share Incentive Plan, and such 470,189 Shares represent approximately 4.58% of the share capital of our Company in issue at the Latest Practicable Date. As of the Latest Practicable Date, all Incentive Awards under the Restricted Share Incentive Plan has been granted.

Lock-up Period

According to the provisions of the Restricted Share Incentive Plan, the Participants shall be subject to a lock-up period of three years commencing from the date of the [REDACTED]. During the lock-up period, subject to relevant laws and regulations,

- (i) the Participants shall not sell or transfer their interests acquired, nor shall they transfer such interests to any third-party (including other participants), without the approval by the controlling shareholder;
- (ii) the Participants shall not establish mortgages, pledges, or other third-party rights over the interests acquired; and
- (iii) should a Participant leave the company during the lock-up period, the Controlling Shareholder or a third-party designated by the Controlling Shareholder shall have the right to repurchase the interests acquired by the Participants in accordance with the repurchase arrangements stipulated under the Employee Incentive Scheme.

Conditions to the Grant of Restricted Shares

The restricted Shares under the Restricted Share Incentive Plan shall be granted to selected participants if the revenue targets set by the Board have been met and the management system of the company department has been in place.

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Adjustment to the Restricted Share Incentive Plan

During the term of the Restricted Share Incentive Plan, if our Company has capital reserve or undistributed profit that are converted into the share capital, distribution of bonus shares, the number of Shares in our Company indirectly held by the Participants through the Restricted Share Incentive Plan shall change accordingly by the administrator.

Exercise Price

The exercise price of each restricted Shares shall be RMB10.00.

Employee Incentive Scheme

We have adopted the Employee Incentive Scheme on January 30, 2026. The following is a summary of the principal terms of the Employee Incentive Scheme. The Employee Incentive Scheme does not involve any grant of options by the Company after [REDACTED]. Accordingly, the terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules. Save as otherwise disclosed, the terms of the Employee Incentive Scheme is substantially similar and is summarized below.

Purpose

The purpose of the Employee Incentive Scheme is to further enhance our Company’s cohesion and core competitiveness, to attract and retain outstanding key personnel, to stimulate employees’ motivation and creativity, and to deeply align the interests of Shareholders, the Company and its employees, thereby supporting the Company in achieving its long-term strategic development objectives.

Administration

Mr. Liao, the sole general partner of Shanghai Honghe which is our employee shareholding platform, acted as the administrator to manage the Employee Incentive Scheme.

Participants

The participants of the Employee Incentive Scheme include the management and core personnel of the Company (the “**Participants**”).

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Source and Maximum Number of Options

Each option granted represents the right to purchase one Share within the exercise period at the exercise price. The options are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The underlying Shares of the Employee Incentive Scheme are the issued shares held by Shanghai Honghe, our employee shareholding platform, controlled and managed by Mr. Liao, our founder, executive Director and Controlling Shareholder.

The maximum number of options that can be granted under the Employee Incentive Scheme is 54,000 (without taking into account the [REDACTED]). As of the Latest Practicable Date, no option has been granted under the Employee Incentive Scheme.

Term of the Employee Incentive Scheme

The Employee Incentive Scheme shall be effective from the date of its implementation until the day before the Company completes its [REDACTED].

Lock-up for Participants

The interests acquired by the Participants upon exercising their options shall be subject to a lock-up period of three years commencing from the date of the [REDACTED]. During the lock-up period, subject to relevant laws and regulations,

- (i) the Participants shall not sell or transfer their interests acquired, nor shall they transfer such interests to any third-party (including other participants), without the approval by the controlling shareholder;
- (ii) the Participants shall not establish mortgages, pledges, or other third-party rights over the interests acquired; and
- (iii) should a Participant leave the company during the lock-up period, the Controlling Shareholder or a third-party designated by the Controlling Shareholder shall have the right to repurchase the interests acquired by the Participants in accordance with the repurchase arrangements stipulated under the Employee Incentive Scheme.

Adjustment to the Employee Incentive Scheme during Lock-up Period

During the lock-up period, if our Company has capital reserve or undistributed profit that are converted into the share capital, the number of Shares in our Company indirectly held by the Participants through the Employee Incentive Scheme shall increase proportionally.

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Conditions to the Grant and Vesting of Options

The options under the Employee Incentive Scheme will only be granted and/or vested to the selected Participants if the Participants fulfil the individual performance requirements and pass the performance evaluation conducted by the Company based on the recipients’ job responsibilities and achievement.

Exercise of Options

The option will be exercisable within one month of each milestone being achieved (the “**Window Period**”), when Participants may submit a written exercise application form (the “**Exercise Application Form**”) and pay the exercise price. Upon the receipt of the Exercise Application Form submitted by a Participant and full payment of the exercise price, the Controlling Shareholder shall complete the registration of the interests acquired by the Participant within 30 working days. Options granted during the Window Period that remain unexercised shall automatically lapse if not exercised within the Window Period.

Exercise Price

The exercise price of each Share Incentives shall be RMB4.00, determined by comprehensively considering factors including the Participants’ position level, historical contribution to the Company, future value to the Company’s development, and the total consideration payable for acquiring shares in the employee shareholding platform.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group’s results of operations or financial conditions, taken as a whole.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

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Promoter

The promoters of the Company are all 14 then Shareholders of our Company as of December 9, 2025 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [REDACTED] and the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, being the end of the period reported on the Accountants’ Report included in Appendix I; and there has been no event since December 31, 2025 and up to the date of this Document which would materially affect the information shown in the Accountants’ Report set out in Appendix I.

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Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
SPDB International Capital Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Allbright Law Offices	Legal advisor to our Company as to PRC law
Ernst & Young	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to “Qualifications of Experts” of this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Sole Sponsor’s Independence

The Sole Sponsor satisfies the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, the Sole Sponsor’s fees payable by us to the Sole Sponsor in respect of its service as the sponsor in connection with the [REDACTED] on the Stock Exchange is US\$512,820.

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Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

- (a) within the two years preceding the date of this Document: (i) we have not [REDACTED] nor agreed to [REDACTED] any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the [REDACTED] or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not [REDACTED] nor agreed to [REDACTED] any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

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- (i) no part of the equity or debt securities of our Company, if any, is currently [REDACTED] on or dealt in on any stock exchange or trading system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;
- (j) our Company has no outstanding convertible debt securities or debentures;
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in the section headed “Statutory and General Information — Further Information about Our Business — Summary of Material Contracts” in Appendix VI; and
- (b) the written consents referred to in the sub-section headed “Statutory and General Information — Other Information — Consents of Experts” in Appendix VI.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at <https://www.horengroup.com> during a period of 14 days from the date of this Document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by Ernst & Young, the text of which is set out in Appendix I;
- (c) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2023, 2024 and 2025;
- (d) the report from Ernst & Young on the unaudited [REDACTED] financial information, the text of which is set out in Appendix II;
- (e) the PRC legal opinion issued by Allbright Law Offices, our PRC Legal Advisor, in respect of certain aspects of our Group;
- (f) the material contracts referred to in the section headed “Statutory and General Information — Further Information about Our Business — Summary of Material Contracts” in Appendix VI;
- (g) the written consents referred to in the section headed “Statutory and General Information — Other Information — Consents of Experts” in Appendix VI;
- (h) the service contracts and the letters of appointment referred to in the sub-section headed “Statutory and General Information — Further Information about Directors, Chief Executive and Substantial Shareholders of Our Company — Particulars of Directors’ Service Contracts and Letters of Appointment” in Appendix VI;

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COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (i) Frost & Sullivan Report; and
- (j) a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures.