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Application proof of

Shandong Linuo Pharmaceutical Packaging Co.,Ltd.
山東力諾醫藥包裝股份有限公司

(the "**Company**")

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

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Shandong Linuo Pharmaceutical Packaging Co.,Ltd.
山東力諾醫藥包裝股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
[REDACTED]	**:**	**HK$[REDACTED] per H Share plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

Joint Sponsors, [REDACTED], [REDACTED], [REDACTED]

CMS 招商證券國際

Lego Financial Group 力高金融集團

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The [REDACTED] (for themselves and on behalf of the [REDACTED]), with consent of our Company, may reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the [REDACTED] range below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. See "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" for further details.

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure [REDACTED] for, the [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See "[REDACTED] — [REDACTED] Arrangements — [REDACTED] — Grounds for Termination" for further details. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, the [REDACTED] will not proceed and will lapse.

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this document, including the risk factors set out in "Risk Factors."

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be [REDACTED], sold, pledged or transferred within or to the United States, or to or for the account or benefit of any U.S. person (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED], sold or delivered outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document 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 an established borosilicate technical glass provider in China. Borosilicate technical glass is characterized by outstanding chemical stability, a low coefficient of thermal expansion and favorable thermal shock resistance. In light of these properties, borosilicate technical glass finds applications in a wide range of areas, such as pharmaceutical packaging, semiconductor packaging, laboratory apparatus and heat-resistant glassware. We specialize in developing, producing and selling borosilicate pharmaceutical glass packaging and household heat-resistant glass for applications in the pharmaceutical, biotech, food and beverage and daily housewares industries. Leveraging our R&D capabilities in furnace design and glass melting technologies, we developed China's first hexagonal stepped all-electric glass melting furnace. According to Frost & Sullivan, in terms of sales revenue in 2025, we ranked ninth among pharmaceutical glass packaging providers in China with 2.4% market share. In the household heat-resistant glass market, we ranked first in China and second globally, with market shares of 9.5% and 5.1%, respectively, according to Frost & Sullivan.

We maintain a diversified customer base spanning both domestic and overseas markets, with our products sold to customers in approximately 60 countries and regions across the Americas, Asia and Europe during the Track Record Period. We seek to continuously enhance our existing offerings of pharmaceutical glass packaging and household heat-resistant glass while focusing on developing new products with higher value-added features and significant market potential. During the Track Record Period, we rolled out sterile drug delivery glass packaging products. In recent years, we have also made strategic investments in the development of glass sheets for semiconductor packaging to drive further business growth. In June 2026, the pilot furnace at our Glass New Materials Innovation Incubation Center was ignited, and we commenced preliminary trial production of glass sheets for semiconductor packaging. As of the Latest Practicable Date, we had begun providing samples of our glass sheets to semiconductor packaging industry participants for testing.

Our Product Portfolio

Our product portfolio comprises (i) pharmaceutical glass packaging, categorized into tubular glass vials, molded glass vials and others such as RTU, PFS and borosilicate glass tubes; (ii) household heat-resistant glass, including heat-resistant glass tableware, glass turntables, and other heat-resistant glass products; and (iii) others, primarily consisting of sales of surplus raw materials, molds and scrap materials.

The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Pharmaceutical glass packaging	**405,980**	**466,965**	**356,648**	**203,187**	**227,001**
Tubular glass vials	395,010	444,388	313,645	182,215	174,248
Molded glass vials	4,311	15,269	31,198	15,380	30,163
Other pharmaceutical glass packaging products	6,659	7,308	11,805	5,592	22,590
Household heat-resistant glass	**518,413**	**587,818**	**609,434**	**284,362**	**436,109**
Others	**22,975**	**26,059**	**15,390**	**11,178**	**9,819**
Total	**947,368**	**1,080,842**	**981,472**	**498,727**	**672,929**

Our Sales Channels and Customers

We primarily sell our products directly to corporate customers. Since 2025, we have also expanded our e-commerce channels, through which we sell certain household heat-resistant glass products directly to individual consumers. These sales channels enable us to serve customers across domestic and overseas markets.

Our pharmaceutical glass packaging is sold primarily to domestic pharmaceutical companies such as Brilliant Pharmaceutical and CR Double-Crane Pharmaceutical, as well as biotechnology R&D institutions and cosmetics manufacturers, for use in the filling, storage or packaging of pharmaceutical products, biotechnology products and cosmetics.

Our household heat-resistant glass is sold primarily to established companies and consumer goods brands, such as Lock&Lock, Tupperware and Décor, household appliance manufacturers, such as Midea and Galanz, and other corporate customers in China and overseas. These customers either purchase our products and subsequently market and sell them under their own brands, or incorporate our glass products, such as glass turntables for microwave ovens and other heat-resistant glass components, into kitchen appliances, lighting products or other finished products. Since 2025, we have also sold selected household heat-resistant glass products directly to individual consumers under our *LeBoLeBo* (樂玻樂玻) brand through third-party e-commerce platforms, including *Douyin* (抖音), *Pinduoduo* (拼多多), *JD.com* (京東), and *Xiaohongshu* (小紅書), and under our *Borohouse* brand through our self-operated website and *Amazon*. We are also developing the *Bori Bono* brand for our planned expansion into offline sales channels globally to broaden our consumer reach and strengthen our own-brand presence.

In 2023, 2024, 2025 and the six months ended June 30, 2026, our revenue generated from the five largest customers in each period during the Track Record Period amounted to RMB193.6 million, RMB226.8 million, RMB181.0 million and RMB159.7 million, representing 20.4%, 21.0%, 18.4% and 23.7% of our total revenue for the corresponding period, respectively, and our revenue generated from the largest customer in each period during the Track Record Period amounted to RMB56.4 million, RMB49.7 million, RMB45.6 million and RMB63.5 million, representing 6.0%, 4.6%, 4.6% and 9.4% of our total revenue for the corresponding period, respectively. See "Business — Customers, Sales and Marketing" for details.

Our R&D Capabilities

We have developed proprietary technologies across key stages of borosilicate technical glass production and independently developed certain manufacturing processes and equipment for glass melting, forming, online visual inspection and sterile packaging. These capabilities support the mass production of our pharmaceutical glass packaging, including molded and tubular glass vials, RTU and PFS that meet applicable ChP, EP and USP standards, as well as our household heat-resistant glass products. Building on our borosilicate melting expertise, we are developing low-expansion glass formulations and ultra-thin, ultra-flat glass sheets for use in semiconductor packaging, and are conducting pilot production, sample testing and customer validation in collaboration with research institutions. As of June 30, 2026, our R&D team comprised 140 personnel, and we held 156 patents, including 141 patents in China and 15 patents overseas. See "Business — Research and Development" for details.

Our Market Opportunities

According to Frost & Sullivan, the global pharmaceutical glass packaging market is expected to grow from RMB76.3 billion to RMB86.9 billion from 2026 to 2030, while China's borosilicate pharmaceutical glass packaging market is expected to grow from RMB10.4 billion to RMB13.8 billion, supported by the continued shift toward medium borosilicate technical glass. The global and Chinese household heat-resistant glass markets are expected to grow at a CAGR of 4.8% and 4.9% over the same period and reach RMB15.0 billion and RMB5.3 billion in 2030, respectively. Leveraging our capabilities in glass formulation, melting, forming and precision processing, we are also developing substrate-grade glass sheets to pursue opportunities arising from the increasing adoption of glass materials in

semiconductor packaging. According to Frost & Sullivan, the global market of glass sheets for semiconductor packaging is expected to grow from RMB0.1 billion in 2026 to RMB13.2 billion in 2030, with a CAGR of 234.8%.

OUR STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors.

- Established borosilicate technical glass provider in China;
- Sustained R&D and innovation capabilities;
- Integrated intelligent manufacturing capabilities;
- Proven product performance underpinning enduring customer relationships; and
- A visionary and experienced management team.

See "Business — Our Strengths" for details.

OUR STRATEGIES

We plan to execute the following strategies to drive our future growth.

- Build full-stack technology capabilities for AI glass sheets;
- Further expand in high-end pharmaceutical glass packaging;
- Advance glass-ceramics technology through iterative development;
- Upgrade intelligent and lean manufacturing; and
- Expand overseas sales and build a global operational footprint.

See "Business — Our Strategies" for details.

RAW MATERIALS AND SUPPLIERS

Our suppliers principally comprise suppliers of raw materials, packaging and auxiliary materials, energy, refractory materials, molds, production and testing equipment, and spare parts and components. Our principal raw materials include borax, boric acid, quartz sand and borosilicate glass tubes. We source borax mainly from suppliers in China, Turkey and the United States and other raw materials mainly from suppliers in China, generally under annual or framework procurement agreements and purchase orders placed according to our production requirements. We also procure borosilicate glass tubes from third-party suppliers, primarily in specifications that we do not produce in-house, to supplement our own production. Electricity and natural gas are our principal energy sources and are important to the continuous operation of our glass furnaces. During the Track Record Period, our production-related energy costs represented between 17.3% and 20.2% of our total cost of production.

In 2023, 2024, 2025 and the six months ended June 30, 2026, our purchases from the five largest suppliers in each period during the Track Record Period amounted to RMB368.3 million, RMB373.1 million, RMB307.3 million and RMB215.5 million, representing 51.9%, 45.1%, 42.1% and 43.2% of our total purchases for the corresponding period, respectively, and our purchases from the largest supplier in each period during the Track Record Period amounted to RMB113.1 million, RMB128.6 million, RMB138.3 million and RMB70.7 million, representing 16.0%, 15.6%, 19.0% and 14.2% of our total purchases for the corresponding period, respectively. See "Business — Suppliers and Procurement" for details.

SUMMARY KEY FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Revenue	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**
Cost of sales	(790,272)	(83.4)	(887,760)	(82.1)	(784,682)	(79.9)	(395,945)	(79.4)	(528,796)	(78.6)
Gross profit	**157,096**	**16.6**	**193,082**	**17.9**	**196,790**	**20.1**	**102,782**	**20.6**	**144,133**	**21.4**
General and administrative expenses	(32,282)	(3.4)	(43,071)	(4.0)	(58,385)	(5.9)	(21,286)	(4.3)	(35,274)	(5.2)
Selling and marketing expenses	(39,491)	(4.2)	(48,491)	(4.5)	(61,709)	(6.3)	(26,710)	(5.4)	(50,891)	(7.6)
Research and development expenses	(30,132)	(3.2)	(33,797)	(3.1)	(34,366)	(3.5)	(16,031)	(3.2)	(19,435)	(2.9)
Net impairment losses on financial assets	(2,864)	(0.3)	(1,552)	(0.1)	(1,847)	(0.2)	(1,056)	(0.2)	(3,707)	(0.6)
Other income	11,144	1.2	9,949	0.9	19,039	1.9	11,472	2.3	6,681	1.0
Other gains, net	7,848	0.8	10,564	1.0	5,195	0.5	5,631	1.1	3,317	0.5
Finance costs, net	(4,632)	(0.5)	(19,299)	(1.8)	(23,652)	(2.4)	(11,288)	(2.3)	(6,063)	(0.9)
Share of net profit of investments in associates	6,120	0.6	4,064	0.4	8,154	0.8	2,810	0.6	2,407	0.4
Profit before income tax	**72,807**	**7.7**	**71,449**	**6.6**	**49,219**	**5.0**	**46,324**	**9.3**	**41,168**	**6.1**
Income tax expense	(6,889)	(0.7)	(5,381)	(0.5)	(9,559)	(1.0)	(5,357)	(1.1)	(10,011)	(1.5)
Profit for the year/period	**65,918**	**7.0**	**66,068**	**6.1**	**39,660**	**4.0**	**40,967**	**8.2**	**31,157**	**4.6**

Non-IFRS Financial Measure

We use adjusted net profit, a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net profit (non-IFRS measure) helps identify underlying trends in our business, provides useful information about our results of operations, and enhances the overall understanding of our past performance and future prospects.

Adjusted net profit (non-IFRS measure) should not be considered in isolation or construed as an alternative to profit for the period or any other measure of performance or as an indicator of our operating performance. Adjusted net profit (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage [REDACTED] and others to review our financial information in its entirety and not rely on a single financial measure.

Adjusted net profit (non-IFRS measure) represents net profit for the period excluding share-based compensation expenses, which are non-cash in nature. We believe that this non-IFRS measure facilitates comparisons of our operating performance across periods by eliminating the potential impact of an item that our management does not consider indicative of our underlying operating performance. The following table sets forth a reconciliation of our profit for the period to adjusted net profit (non-IFRS measure) for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Profit for the year/period	**65,918**	**66,068**	**39,660**	**40,967**	**31,157**
Add:					
Share-based compensation expenses	—	—	—	—	14,680
Adjusted net profit (non-IFRS measure)	**65,918**	**66,068**	**39,660**	**40,967**	**45,837**

The following table sets forth our revenue by geographic location, based on the destination specified in the applicable customs declarations, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Chinese mainland	762,151	80.4	872,588	80.7	738,564	75.3	398,598	79.9	457,630	68.0
Overseas[(1)]	185,217	19.6	208,254	19.3	242,908	24.7	100,129	20.1	215,299	32.0
Total	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**

Note:

(1) Primarily includes the markets in the U.S., Australia, Japan and South Korea.

Gross Profit and Gross Profit Margin

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit/ (Loss)	**Gross Profit/ (Loss) Margin**	**Gross Profit/ (Loss)**	**Gross Profit/ (Loss) Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit/ (Loss)**	**Gross Profit/ (Loss) Margin**	**Gross Profit**	**Gross Profit Margin**
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Pharmaceutical glass packaging	**91,156**	**22.5**	**100,437**	**21.5**	**62,821**	**17.6**	**37,575**	**18.5**	**43,560**	**19.2**
Tubular glass vials	94,957	24.0	103,345	23.3	60,046	19.1	36,535	20.1	34,455	19.8
Molded glass vials	(2,894)	(67.1)	(2,762)	(18.1)	2,389	7.7	1,491	9.7	3,443	11.4
Other pharmaceutical glass packaging products	(907)	(13.6)	(146)	(2.0)	386	3.3	(451)	(8.1)	5,662	25.1
Household heat-resistant glass	**63,159**	**12.2**	**84,933**	**14.4**	**126,276**	**20.7**	**60,338**	**21.2**	**96,752**	**22.2**
Others	**2,781**	**12.1**	**7,712**	**29.6**	**7,693**	**50.0**	**4,869**	**43.6**	**3,821**	**38.9**
Total	**157,096**	**16.6**	**193,082**	**17.9**	**196,790**	**20.1**	**102,782**	**20.6**	**144,133**	**21.4**

See "Financial Information — Discussion of Major Profit or Loss Items" for further details.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Total non-current assets	778,423	977,513	1,307,979	1,466,870
Total current assets	1,369,476	1,378,504	1,397,217	1,365,784
Total assets	**2,147,899**	**2,356,017**	**2,705,196**	**2,832,654**
Total non-current liabilities	395,959	464,601	677,910	300,408
Total current liabilities	191,676	337,201	454,150	577,746
Total liabilities	**587,635**	**801,802**	**1,132,060**	**878,154**
Net current assets	**1,177,800**	**1,041,303**	**943,067**	**788,038**
Net assets	**1,560,264**	**1,554,215**	**1,573,136**	**1,954,500**

Our net current assets decreased from RMB1,177.8 million as of December 31, 2023 to RMB1,041.3 million as of December 31, 2024, primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB157.4 million, (ii) an increase in trade and notes payables of RMB125.8 million, (iii) a decrease in cash and cash equivalents of RMB52.6 million, and (iv) an

increase in borrowings of RMB15.0 million. The decrease in our net current assets was partially offset by increases in (i) restricted cash and term deposits of RMB96.5 million, (ii) inventories of RMB68.0 million, and (iii) trade and notes receivables of RMB40.2 million. Our net current assets further decreased to RMB943.1 million as of December 31, 2025, primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB239.4 million, (ii) an increase in trade and notes payables of RMB93.0 million, (iii) a decrease in restricted cash and term deposits of RMB20.5 million, and (iv) an increase in borrowings of RMB15.2 million. The decrease in our net current assets was partially offset by increases in (i) inventories of RMB184.8 million, (ii) cash and cash equivalents of RMB51.6 million, (iii) other current assets of RMB25.6 million, and (iv) trade and notes receivables of RMB21.6 million. Our net current assets further decreased to RMB788.0 million as of June 30, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB150.1 million, (ii) an increase in current borrowings of RMB100.9 million, and (iii) an increase in trade and notes payables of RMB37.8 million. The decrease in our net current assets was partially offset by (i) an increase in inventories of RMB56.5 million, (ii) an increase in trade and notes receivables of RMB45.9 million, and (iii) an increase in prepayments and other receivables of RMB11.6 million.

Our net assets decreased from RMB1,560.3 million as of December 31, 2023 to RMB1,554.2 million as of December 31, 2024, primarily due to (i) repurchase of shares under share schemes of RMB50.0 million, and (ii) dividends of RMB22.9 million. The decrease in our net assets was partially offset by profit for the year of RMB66.1 million. Our net assets subsequently increased to RMB1,573.1 million as of December 31, 2025, primarily due to (i) conversion of convertible bonds to ordinary shares of RMB82.6 million, and (ii) profit for the year of RMB39.7 million. The increase in our net assets was partially offset by repurchase of shares under share schemes of RMB81.1 million. Our net assets further increased to RMB1,954.5 million as of June 30, 2026, primarily due to (i) conversion of convertible bonds to ordinary shares of RMB348.0 million, and (ii) profit for the period of RMB31.2 million. The increase in our net assets was partially offset by dividends of RMB25.9 million.

See "Financial Information — Discussion of Major Consolidated Statements of Financial Position Items" for further details.

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,			Six months ended June 30,	
	2023	**2024**	**2025**	**2025**	**2026**
	(RMB in thousands)				
				(Unaudited)	
Net cash generated from/(used in) operating activities	60,752	69,258	(55,156)	(45,435)	(68,295)
Net cash (used in)/generated from investing activities	(473,836)	(64,438)	(41,822)	114,433	(136,883)
Net cash generated from/(used in) financing activities	444,584	(59,511)	149,146	(26,434)	58,710
Net increase/(decrease) in cash and cash equivalents	**31,500**	**(54,691)**	**52,168**	**42,564**	**(146,468)**
Cash and cash equivalents at the beginning of the year/period	371,839	403,339	350,746	350,746	402,315
Effects of exchange rate changes on cash and cash equivalents	—	2,098	(599)	—	(3,649)
Cash and cash equivalents at the end of the year/period	**403,339**	**350,746**	**402,315**	**393,310**	**252,198**

See "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis" for details.

KEY FINANCIAL RATIOS

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin	16.6%	17.9%	20.1%	21.4%
Current ratio[(1)]	7.1	4.1	3.1	2.4
Gearing ratio[(2)]	23.9%	26.5%	39.9%	18.3%

Notes:

(1) Calculated using current assets divided by current liabilities as of the end of the period.

(2) Calculated using total debt, being the sum of borrowings, lease liabilities and convertible bonds, divided by total equity as of the end of the period and multiplied by 100%.

COMPETITION

The markets in which we operate are competitive and generally fragmented. We compete with domestic and international manufacturers principally on product performance and quality, R&D capabilities, pricing, supply stability, delivery performance and customer service. These markets are characterized by technical and quality requirements, substantial capital investment and the need to achieve stable mass production, while pharmaceutical glass packaging is also subject to regulatory registration and customer qualification processes. We believe our integrated technical and manufacturing capabilities, diversified product portfolio, production scale and established customer relationships support our competitive position. As we expand into glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass, we expect to compete with established material suppliers and new market entrants. See "Industry Overview" and "Business — Our Strengths" for details.

KEY RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, which are set out in "Risk Factors". Some of the major risks we face include: (i) a decline in the market demand for our products could materially and adversely affect our business, financial condition and results of operations; (ii) we face intense competition in the markets where we operate, and we may fail to maintain or improve our market position or respond successfully to changes in the competitive landscape; (iii) our R&D efforts, including the development of glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass, may not generate the expected commercial benefits; (iv) delays or failures in completing customer qualification, product validation or regulatory procedures may materially reduce customer orders; and (v) our overseas business may expose us to increased business, operational, regulatory, geopolitical and economic risks.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, the single largest Shareholder of our Company is Linuo Investment Holding, which holds 26.55% voting rights at general meetings of our Company. Linuo Investment Holding is in turn held as to 78.87% by Linuo Group and 1.97% by Linuo Logistics with the remaining 19.16% held by Independent Third Parties. Linuo Logistics is a wholly-owned subsidiary of Linuo Group. Accordingly, Linuo Group directly and indirectly controls approximately 80.84% of Linuo Investment Holding in aggregate. Linuo Group is held as to 80% by Mr. Gao and 20% by Mr. Shen Yingming (申英明). Pursuant to the Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants, Mr. Gao, Linuo Investment Holding, Linuo Logistics and Linuo Group constitute the Single Largest Group of Shareholders. For details, see "Relationship with Our Single Largest Group of Shareholders."

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. We have applied for, and the Stock Exchange [has granted us], waivers from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. See "Connected Transactions" for details.

OUR LISTING ON THE CHINEXT OF THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the ChiNext of the Shenzhen Stock Exchange since November 2021 (stock code: 301188). See "History, Development and Corporate Structure — Our A-Share Listing on the ChiNext of the Shenzhen Stock Exchange and Reasons for the H Share [REDACTED] on the Stock Exchange" for details.

APPLICATION FOR [REDACTED] ON THE HONG KONG STOCK EXCHANGE

We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]) on the basis that among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025 which, being the most recent audited financial year, exceeds HK$500 million; and (ii) our expected market capitalization at the time of [REDACTED] which, based on the [REDACTED] of the indicative [REDACTED] range, exceeds HK$4 billion.

[REDACTED]

[REDACTED]

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range stated in this document).

In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED] of the [REDACTED], or approximately HK$[REDACTED], will be used for the industrialization of our glass sheets for semiconductor packaging;
- approximately [REDACTED] of the [REDACTED], or approximately HK$[REDACTED], will be used for the industrialization of our RTU and PFS;
- approximately [REDACTED] of the [REDACTED], or approximately HK$[REDACTED], will be used to enhance our R&D capabilities for our existing and new products and materials; and
- approximately [REDACTED] of the [REDACTED], or approximately HK$[REDACTED], will be used for working capital and general corporate purposes.

See "Future Plans and [REDACTED]" for details.

DIVIDENDS

During the Track Record Period, we declared and paid dividends of RMB46.5 million, RMB22.9 million, RMB22.8 million and RMB25.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. We currently do not have a fixed dividend payout ratio. The declaration and payment of any future dividends will be determined by our Board and subject to Shareholders' approval, our Articles of Association, the PRC Company Law and other applicable laws and regulations, taking into account, among other factors, our profitability, cash flow, stage of development and funding requirements. Under applicable PRC laws, dividends may only be paid out of accumulated distributable after-tax profits after recovery of accumulated losses and required appropriations to statutory and other reserves. Our Articles of Association further provide that, subject to the differentiated cash dividend policy set forth therein, where our distributable profits for a year are positive, our annual cash dividends shall be no less than 10% of such distributable profits, or our aggregate cash dividends for the most recent three years shall be no less than 30% of our average annual distributable profits for that period. There is no assurance that any dividends will be declared or paid in the future.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising (a) fees and expenses paid to our legal advisors and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and (b) other fees and expenses. Assuming full payment of the [REDACTED], based on an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]), and that the [REDACTED] is not exercised, the estimated total [REDACTED] expenses for the [REDACTED] are approximately HK$[REDACTED], accounting for approximately [REDACTED] of our [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of HK$[REDACTED], fees and expenses for our legal advisors and reporting accountants of HK$[REDACTED] and other fees and expenses of HK$[REDACTED]. An estimated amount of HK$[REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED] of our [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of HK$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. During the Track Record Period, we did not recognize [REDACTED] expenses in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND 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 or trading position or prospects since June 30, 2026, being the end date of the period covered by our Unaudited Interim Condensed Consolidated Financial Information in Appendix IA to this document, and there is no event since June 30, 2026 that would materially affect the information as set out in the Accountants' Report included in Appendix I and the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set forth below. Certain technical terms are explained in "Glossary of Technical Terms."

"2022 Restricted Share Incentive Scheme"	the 2022 restricted share incentive scheme of our Company as approved and adopted on April 8, 2022
"2024 Restricted Share Incentive Scheme"	the 2024 restricted share incentive scheme of our Company as approved and adopted on September 3, 2024
"2026 Restricted Share Incentive Scheme"	the 2026 restricted share incentive scheme of our Company as approved and adopted on March 16, 2026, a summary of the principal terms of which is set forth in "Statutory and General Information — D. 2026 Restricted Share Incentive Scheme" in Appendix IV
"A Share(s)"	ordinary shares(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301188) and traded in Renminbi
"Accountants' Report"	the audited consolidated financial statements of our Company for the Track Record Period, as included in Appendix I
"AED"	United Arab Emirates dirham, the lawful currency of the United Arab Emirates
"affiliate(s)"	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	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
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Borohouse"	Borohouse Pte. Ltd., a private company limited by shares incorporated under the laws of Singapore on January 14, 2026 and an indirect wholly-owned subsidiary of our Company
"BRL"	Brazilian real, the lawful currency of Brazil
"business day"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
"China", "Chinese mainland", "PRC" or "the PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"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
"Company", "our Company" or "the Company"	Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (山東力諾醫藥包裝股份有限公司) (formerly known as "Shandong Linuo Technical Glass Co., Ltd." (山東力諾特種玻璃股份有限公司)), a limited liability company established under the laws of the PRC on March 1, 2002 and converted into a joint stock limited liability company incorporated in the PRC on April 13, 2015
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Convertible Bonds"	the 5,000,000 convertible bonds at face value of RMB100 each in the aggregate principal amount of RMB500 million issued by our Company
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which was issued on March 16, 2007 and latest amended by the Standing Committee of the NPC and implemented on December 29, 2018
"EUR"	Euro, the lawful currency of the Eurozone
"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]	[REDACTED]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, which is an Independent Third Party
"F&S Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Group", "our Group", "we" or "us"	our Company and our subsidiaries from time to time
"Guide" or "Guide for New Listing Applicants"	the Guide for New Listing Applicants, as published by the Hong Kong Stock Exchange as amended, supplemented or otherwise modified from time to time
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"H Share(s)"	overseas [REDACTED] foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, to be [REDACTED] for and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Hong Kong Stock Exchange
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hongdao New Energy"	Jinan Hongdao New Energy Partnership Enterprise (Limited Partnership) (濟南鴻道新能源合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 29, 2014 as our Company's employee incentive platform
"IFRS"	International Financial Reporting Standards, as issued by the 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]	[REDACTED]

[REDACTED]	[REDACTED]
"International Sanctions"	any measures enacted by jurisdictions as trade or economic sanctions against foreign countries, governments, entities or persons by restricting the enacting jurisdictions' nationals from making assets or services available, directly or indirectly, to them, dealing with their assets or otherwise conducting commercial transactions with them
"International Sanctions Advisor"	King & Wood, our legal advisor on International Sanctions laws
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Joint Sponsors"	China Merchants Securities (HK) Co., Limited and Lego Corporate Finance Limited
"Latest Practicable Date"	September 21, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
"Linuo Glass E-Commerce"	Linuo Glass E-Commerce (Hangzhou) Co., Ltd. (力諾特玻電子商務(杭州)有限公司), a limited liability company established under the laws of the PRC on February 5, 2025 and an indirect wholly-owned subsidiary of our Company
"Linuo Glass Products"	Shandong Linuo Glass Products Co., Ltd. (山東力諾玻璃製品有限公司), a limited liability company established under the laws of the PRC on June 24, 2026 and an indirect wholly-owned subsidiary of our Company
"Linuo Glass Products Marketing"	Shandong Linuo Glass Products Marketing Co., Ltd. (山東力諾玻璃製品營銷有限公司), a limited liability company established under the laws of the PRC on July 28, 2003 and a direct wholly-owned subsidiary of our Company

"Linuo Group"	Linuo Group Co., Ltd. (力諾集團股份有限公司), a limited liability company established under the laws of the PRC on September 28, 1994 which is held as to 80% by Mr. Gao and 20% by Mr. Shen Yingming (申英明) and a member of our Single Largest Group of Shareholders
"Linuo Intelligent Robot"	Shandong Linuo Intelligent Robot Co., Ltd. (山東力諾智能機器人有限公司), a limited liability company established under the laws of the PRC on September 23, 2025 and a direct wholly-owned subsidiary of our Company
"Linuo International Pharma"	Linuo International Pharma Packaging FZE, a limited liability company incorporated under the Jebel Ali Free Zone Authority (Jafza) rules and regulations in Dubai, the United Arab Emirates on December 27, 2024 and an indirect wholly-owned subsidiary of our Company
"Linuo International Trade"	Shandong Linuo International Trade Co., Ltd. (山東力諾國際貿易有限公司), a limited liability company established under the laws of the PRC on August 24, 2023 and a direct wholly-owned subsidiary of our Company
"Linuo Investment Holding"	Linuo Investment Holding Group Co., Ltd. (力諾投資控股集團有限公司), a limited liability company established under the laws of the PRC on November 21, 2002 which is held as to 78.87% by Linuo Group and 1.97% by Linuo Logistics, and a member of our Single Largest Group of Shareholders
"Linuo Logistics"	Shandong Linuo Logistics Co., Ltd. (山東力諾物流有限公司), a limited liability company established under the laws of the PRC on July 16, 2002 which is wholly-owned by Linuo Group and a member of our Single Largest Group of Shareholders
"Linuo Optoelectronic Technology"	Shandong Linuo Optoelectronic Technology Co., Ltd. (山東力諾光電科技有限公司), a limited liability company established under the laws of the PRC on January 19, 2024 and a direct wholly-owned subsidiary of our Company
"Linuo Pharmaceutical Packaging"	Linuo Pharmaceutical Packaging (Hong Kong) Limited (力諾醫藥包裝(香港)有限公司), a limited liability company incorporated under the laws of Hong Kong on March 4, 2025 and a direct wholly-owned subsidiary of our Company
"Linuo Technical Glass"	Shandong Linuo Technical Glass Co., Ltd. (山東力諾特種玻璃有限責任公司) (formerly known as Shandong Linuo Glass Technology Co., Ltd. (山東力諾玻璃科技有限公司)), a limited liability company established under the laws of the PRC on January 19, 2024 and a direct wholly-owned subsidiary of our Company
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
"Listing Rules" or "Hong Kong 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 Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Ministry of Finance" or "MOF"	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. Gao"	Mr. Gao Yuankun (高元坤), a non-executive Director and a member of our Single Largest Group of Shareholders
"NDRC"	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)
"NEEQ"	the National Equities Exchange and Quotations of the PRC
"NMPA"	the National Medical Products Administration (國家藥品監督管理局)
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Nomination Committee"	the nomination committee of the Board
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
"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
"PRC GAAP"	generally accepted accounting principles in the Chinese mainland
"PRC government" or "State"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Law"	the laws and regulations of China, without reference to the laws and regulations of Hong Kong and Macao Special Administrative Region and the relevant regulations of Taiwan
"PRC Legal Advisor"	Zhong Lun Law Firm, the PRC legal advisor to our Company as to the laws of the PRC
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Persons"	for purposes of sanctions risk analysis in the context of a [REDACTED], referring to a [REDACTED], together with its [REDACTED] and shareholders and persons who might, directly or indirectly, be involved in permitting the [REDACTED], [REDACTED], [REDACTED] and [REDACTED] of its shares, including the Stock Exchange and related group companies
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局)
"SAT"	the State Taxation Administration of the PRC (國家税務總局)
"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

"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	A Share(s) and H Share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s)
"Single Largest Group of Shareholders"	unless the context requires otherwise, referring to Mr. Gao, Linuo Group, Linuo Investment Holding and Linuo Logistics
[REDACTED]	[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 Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026
"Treasury Shares"	has the meaning ascribed thereto under the Listing Rules
"Trial Measures"	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》), promulgated by the CSRC on February 17, 2023 and coming into effect on March 31, 2023
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar", "US$" or "USD"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"VAT"	value-added tax
"%"	percent

Unless otherwise specified, in this document:

(a) certain amounts and percentage figures have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them; and

(b) for ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

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

"2.5D and 3D packaging"	semiconductor packaging technologies in which multiple chips are interconnected at high density: in 2.5D packaging, chips are mounted side-by-side on an interposer; in 3D packaging, chips are vertically stacked and interconnected using through-silicon vias or similar technologies
"ABF"	Ajinomoto Build-up Film, an organic dielectric material widely used in the build-up layers of integrated circuit packaging substrates
"AGV"	automated guided vehicles
"AI"	artificial intelligence
"APC"	advanced process control
"APLAC"	Asia Pacific Laboratory Accreditation Cooperation
"APS"	advanced planning and scheduling
"bacterial endotoxin"	a pyrogenic substance derived from the cell wall of gram-negative bacteria, measured in endotoxin units, that may cause fever or other adverse reactions if present in injectable pharmaceutical products
"break-loose force"	the force required to initiate movement of the plunger stopper within a syringe barrel
"CAGR"	compound annual growth rate
"CDE"	the Center for Drug Evaluation of the NMPA, responsible for the technical evaluation of drug clinical trial and marketing authorization applications in the PRC
"CDMO"	contract development and manufacturing organization, a company that provides drug development and manufacturing services to pharmaceutical companies on a contract basis
"chiplet"	a modular semiconductor die designed to be interconnected with other dies within a single package to form a complete system
"ChP"	Chinese Pharmacopoeia
"Class A registration"	the registration status marked "A" on the registration platform maintained by the Center for Drug Evaluation for active pharmaceutical ingredients, excipients and primary packaging materials and containers, indicating that the relevant product has passed the applicable associated review and approval or separate review and approval

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"CMMM"	a commonly used abbreviation for the maturity model of intelligent manufacturing capability set out under PRC national standard GB/T 39116-2020, used to assess intelligent manufacturing capabilities across defined maturity levels
"CNAS"	China National Accreditation Service for Conformity Assessment
"CoWoS"	chip-on-wafer-on-substrate, a semiconductor packaging technology in which chips are mounted on a silicon-wafer-based interposer before being attached to a substrate
"CPO"	co-packaged optics, a technology in which optical engines are integrated within the same package as a computing chip to improve data transmission speed and efficiency
"Danner process"	a continuous glass tube drawing process in which molten glass flows over a rotating, inclined hollow mandrel and is drawn off its end to form a tube
"DCS"	distributed control system, a process control system that uses networked controllers under central supervision to monitor and control key operating parameters in production processes
"delamination"	the formation and shedding of thin glass flakes, known as lamellae, from the inner surface of a glass container, which may contaminate the contents and compromise drug product safety and quality
"depyrogenation"	the destruction or removal of pyrogens, including bacterial endotoxins, from pharmaceutical packaging components
"DMF"	Drug Master File, a filing with the U.S. Food and Drug Administration containing confidential and detailed information on facilities, processes or materials used in the manufacturing, processing, packaging or storage of drugs
"EP"	European Pharmacopoeia
"ERP"	enterprise resource planning
"EU"	endotoxin unit, a unit of measurement for bacterial endotoxin activity
"eye-safe laser glass"	laser glass, typically doped with erbium, that emits light at wavelengths of approximately 1.5–1.6μm, which are absorbed by the cornea and lens before reaching the retina, reducing the risk of eye injury
"forehearth"	a temperature-controlled channel that conveys and conditions molten glass from a furnace to the forming equipment
"FSC"	Forest Stewardship Council, an international non-profit organization that sets standards for responsible forest management and chain-of-custody certification of forest-based products

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"GB/T 2828.1-2012"	a PRC national standard, equivalent to ISO 2859-1, specifying sampling schemes indexed by acceptance quality limit (AQL) for lot-by-lot inspection by attributes
"GB/T 35596-2022"	a PRC national standard specifying technical requirements and test methods for heat-resistant blown borosilicate glassware
"GHG"	greenhouse gas
"glass-ceramics"	a material formed by controlled crystallization of glass, containing both crystalline and residual glass phases, combining the properties of glass and ceramics
"glass substrate"	a semiconductor packaging substrate that uses glass as its core or base material and is further processed to incorporate the required electrical interconnections
"glide force"	the force required to maintain continuous movement of the plunger stopper within the barrel of a syringe during an injection
"GMP"	Good Manufacturing Practice for Pharmaceutical Products
"gob"	a mass of molten glass cut or dropped from the furnace outlet for delivery into a mold for forming
"Grade I"	the highest grade of hydrolytic resistance for glass grains tested at 121° C under international standard ISO 720
"HBM"	high bandwidth memory, a memory technology in which multiple Dynamic Random Access Memory (DRAM) chips are vertically stacked and mounted alongside a processor on a shared interposer to achieve high data transmission bandwidth
"HC1"	the highest grade of inner-surface hydrolytic resistance for glass containers under international standard ISO 4802
"HGB1"	the highest grade of hydrolytic resistance for glass grains tested at 98° C under international standard ISO 719
"high borosilicate glass," "medium borosilicate glass" and "low borosilicate glass"	borosilicate technical glass containing, respectively, approximately 12% or more, 8% to below 12%, and 5% to below 8% boron oxide (B_2O_3), with higher boron oxide content associated with lower thermal expansion, greater thermal shock resistance and chemical stability
"HPC"	high-performance computing, the use of supercomputers and server clusters to process large volumes of data and perform complex calculations at high speeds
"hydrolytic resistance"	a measure of the ability of glass to resist the leaching of alkaline substances when in contact with water or aqueous solutions, a key indicator of the chemical stability of glass used for pharmaceutical packaging
"ILAC"	International Laboratory Accreditation Cooperation

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"I/O"	input/output, referring to the transfer of data between a chip and memory, other chips or external devices
"interposer"	an intermediate layer, made of silicon, glass or other materials, positioned between one or more chips and a package substrate to provide high-density electrical interconnection among multiple chips
"ion-exchange strengthening"	a glass strengthening process in which smaller alkali ions near the glass surface are replaced by larger alkali ions from a molten salt bath, forming a surface compressive-stress layer that increases mechanical strength
"IS"	individual section, a forming machine comprising multiple identical sections operating independently, each of which forms gobs into molded pharmaceutical glass vials through bottle-forming processes
"ISO 4803"	an international standard specifying requirements, including dimensions and material specifications, for borosilicate glass tubing used in laboratory apparatus
"ISO 9001"	an international standard specifying requirements for a quality management system applicable to organizations across industries
"ISO 13485"	an international standard specifying requirements for a quality management system specific to medical devices
"ISO 15378"	an international standard specifying requirements for a quality management system specific to primary packaging materials for medicinal products
"ISO/IEC 17025"	an international standard specifying general requirements for the competence, impartiality and consistent operation of testing and calibration laboratories
"ISO 50001"	an international standard specifying requirements for establishing, implementing, maintaining and improving an energy management system, enabling organizations to achieve continual improvement of energy performance
"JP"	Japanese Pharmacopoeia
"kWh"	kilowatt-hours, a unit of electric energy; 1 kWh=1,000 Wh
"luer-lock"	referring to a standardized twist-locking mechanism used to secure a needle or other component to the tip of a syringe
"MES"	manufacturing execution system
"MF"	Master File, a filing with Health Canada containing confidential information on specific processes or components used in the manufacturing, processing or packaging of drugs
"MWh"	megawatt-hours, a unit of electric energy; 1 MWh=1 million Wh

"nest-and-tub"	referring to a sterile packaging format in which a tray (nest) holding individual containers is enclosed within an outer rigid container (tub), enabling direct use on automated filling lines
"parison"	a preliminary hollow mass of molten glass formed before being expanded, typically by compressed air, into its final shape within a mold
"PCB"	printed circuit board, a board of laminated conductive and insulating layers on which chip packages and other electronic components are mounted and interconnected
"PFS"	pre-filled syringe systems; in the context of our products, referring to glass syringe barrels and related components supplied to pharmaceutical manufacturers for filling with pharmaceutical products, generally after applicable washing, siliconization, sterilization and packaging processes
"PLC"	programmable logic controller, an industrial computer control system that monitors input devices and executes a stored program to control the state of output devices
"PMC"	production and material control
"PRC GMP"	the PRC Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》)
"R&D"	research and development
"RDL"	redistribution layer, one or more patterned metal interconnection layers formed on a chip or substrate to redistribute input/output connections and provide lateral electrical routing
"RGV"	rail guided vehicles
"RTU"	ready-to-use, sterile primary packaging such as vials and cartridges that has been pre-washed, depyrogenated and sterilized by the manufacturer and is supplied ready for direct filling by the customer without further processing, typically in nest-and-tub or tray configurations to prevent glass-to-glass contact
"siliconization"	the application of a thin silicone coating to the inner surface of a glass syringe barrel or similar container to reduce friction and facilitate smooth movement of the plunger stopper
"soda-lime"	referring to glass composed primarily of silica, soda and lime, with higher thermal expansion and lower chemical stability and hydrolytic resistance than borosilicate technical glass
"staked-needle"	referring to a needle permanently fixed into the syringe tip during manufacture, as distinct from a luer-lock syringe to which the needle is attached at the time of use

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"sterility assurance level"	the probability, expressed as 10^{-n}, that a unit remains non-sterile after sterilization; 10^{-6} is the standard benchmark for sterile injectable products
"stones"	solid, undissolved crystalline inclusions within glass, typically originating from unmelted raw materials or refractory erosion
"striae"	fine streaks or layers within glass caused by localized variations in chemical composition, density or refractive index
"substrate"	a platform that mechanically supports a semiconductor chip within a package and electrically connects the chip to external terminals
"SVR"	support vector regression, a machine learning technique derived from support vector machines that predicts continuous numeric values by fitting a regression function within a defined margin of error around the data points
"tCO2e"	tons of carbon dioxide equivalent, a standard unit used to compare the emissions of various greenhouse gases based on their global warming potential
"technical glass"	glass whose material composition or processing is specifically designed to achieve specified functional or performance characteristics beyond those of general-purpose glass
"TGV"	through-glass via, a through-hole formed in a glass substrate that, following metallization, provides vertical electrical interconnection between the two sides of the substrate
"USP"	United States Pharmacopeia
"Vello process"	a continuous glass tube drawing process in which molten glass flows through the gap between a vertical mandrel and a surrounding ring, forming a tube drawn off along a near-horizontal path
"WMS"	warehouse management system

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future event or performance (often, but not always, through the use of words or phrases such as "aim", "anticipate", "aspire", "believe", "could", "estimate", "expect", "goals", "going forward", "intend", "may", "objective", "ought to", "forecast", "plan", "project", "projection", "seek", "schedules", "should", "target", "vision", "will" and "would") are not historical facts, are forward-looking, may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning our present and future business strategies and the environment in which we will operate in the future. Important factors which could cause our Company's actual performance or achievements to differ materially from those implied in the forward-looking statements include, but are not limited to:

- our operations and business prospects;
- our ability to successfully implement our business plan and strategies;
- our future business development, financial condition and results of operations;
- global economic trends, competition and geopolitical risks, or an escalation of sanctions, tariffs or other trade tensions between the place we operate and other countries;
- disruption to our and our suppliers' supply chain, equipment, facilities or operations;
- laws, regulations or government policies affecting us, our customers or our or their industries in general;
- competitive products and pricing;
- availability and costs of critical components, materials, equipment, energy and utilities;
- development, commercialization and market acceptance of new products;
- order activity and demand from major customers;
- our ability to increase margins through implementing operational changes, pricing actions and cost reduction measures;
- product and component performance issues;
- assumptions underlying or related to any of the foregoing; and
- all other risks identified in "Risk Factors."

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [REDACTED] against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are qualified by reference to this cautionary statement as well as the risks and uncertainties discussed in "Risk Factors."

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information set out in this document, particularly the risks described below, before making an [REDACTED] in our H Shares. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

A decline in the market demand for our products could materially and adversely affect our business, financial condition and results of operations.

Demand for our pharmaceutical glass packaging and household heat-resistant glass products is affected by developments in the relevant glass and packaging markets, as well as conditions in the pharmaceutical and household consumer goods markets in which they are ultimately used.

Our pharmaceutical glass packaging is used for the storage and delivery of pharmaceutical products. Demand for these products may be affected by changes in pharmaceutical formulations, drug delivery methods, packaging technologies, regulatory standards and customer preferences. Pharmaceutical companies may adopt other packaging materials and formats that offer actual or perceived advantages in terms of drug compatibility, breakage resistance, ease of use, production efficiency or cost. New pharmaceutical products or delivery methods may also require packaging specifications or formats that we do not currently offer. If alternative materials or packaging solutions gain wider regulatory or market acceptance, or if we are unable to adapt our product portfolio to evolving technical and customer requirements in a timely manner, demand for our pharmaceutical glass packaging may decline, and we may be required to incur additional costs to develop or modify our products and production facilities.

Separately, demand for our pharmaceutical glass packaging is closely tied to conditions in the pharmaceutical industry. Government policies and industry developments, including the centralized drug procurement and public medical insurance cost control measures, may affect the pricing, production plans and procurement decisions of pharmaceutical companies, which may in turn reduce demand for pharmaceutical packaging products or increase pricing pressure on such products. Against this backdrop, our pharmaceutical glass packaging business experienced lower sales volumes and average selling prices in 2025, and our revenue generated therefrom decreased by 23.6% from RMB467.0 million in 2024 to RMB356.6 million in 2025, adversely affecting our overall results of operations. The continuation or further tightening of such policies, future changes in demand for pharmaceutical products or other adverse industry developments may again reduce demand for our products or exert downward pressure on our prices.

Our household heat-resistant glass products are primarily sold to enterprise customers, who either sell such products under their own brands after rebranding or repackaging, or incorporate them into their household appliances, kitchenware or other finished products. Demand for these products depends in part on consumer awareness of and preference for heat-resistant glass, improvements in purchasing power and demand for upgraded household products. As materials for household appliances and kitchenware, heat-resistant glass competes with plastic, ceramic, stainless steel, silicone and other materials. Changes in product design, technology, cost or consumer preferences may increase the use of such alternative materials and reduce demand for heat-resistant glass. In addition, weaker

macroeconomic conditions or outlook may result in lower consumer confidence or reduced discretionary spending, which may in turn cause consumers to delay or reduce purchases of upgraded household appliances and kitchenware incorporating our household heat-resistant glass products.

If our products become less competitive against alternative materials or packaging solutions, or if demand in the pharmaceutical or household consumer goods markets weakens, our sales volumes, selling prices and capacity utilization may decline, which could materially and adversely affect our business, financial condition and results of operations.

We face intense competition in the markets where we operate, and we may fail to maintain or improve our market position or respond successfully to changes in the competitive landscape.

The markets for pharmaceutical glass packaging and household heat-resistant glass are highly competitive, with a number of established manufacturers possessing significant production scale, technical capabilities, brand recognition and long-standing customer relationships. According to Frost & Sullivan, in 2025, the largest and ten largest market players in the PRC pharmaceutical glass packaging market accounted for approximately 20.4% and 58.1% of the market, respectively. In the PRC household heat-resistant glass market, the five largest market players accounted for approximately 34.4% of the market. We compete with these established manufacturers as well as other existing competitors and potential new entrants.

Competition in our markets is primarily based on product quality and consistency, pricing, production scale, technological capabilities, product portfolio, customer relationships and delivery reliability. Certain products offered by different manufacturers have similar specifications and applications, which may result in homogeneous competition and cause price to become an increasingly important factor in customers' purchasing decisions. Expansion of production capacity by existing manufacturers or entry of new competitors may further intensify such competition. Certain market participants may also adopt aggressive or irrational pricing practices to gain market share, resulting in disorderly competition and downward pressure on product prices and profit margins across the industry.

Some of our existing or potential competitors may have greater financial and technical resources, larger production capacity, more diversified product portfolios or stronger brands than we do. They may be better positioned to invest in new technologies and production facilities, reduce production costs, offer more competitive prices or withstand prolonged periods of weak demand and low profitability. To compete effectively, we may be required to lower our prices or increase our expenditure on R&D, capacity upgrades, marketing and customer development. If we fail to respond effectively to existing or further intensified competition, we may lose customers or market share, and our sales volumes, selling prices, capacity utilization and profitability could decline, which could materially and adversely affect our business, financial condition and results of operations.

Our R&D efforts, including the development of glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass, may not generate the expected commercial benefits.

Our future growth depends in part on our ability to improve our existing products and technologies and successfully commercialize new materials and applications. We are currently developing glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass. See "Business — Our Strategies" and "Business — Research and Development."

R&D activities are inherently uncertain and may not produce the technical results or economic benefits we expect. Products that perform successfully at the laboratory or pilot-production stage may encounter technical difficulties during customer validation or commercial-scale production, or may fail to achieve the required quality, consistency, functionality or production cost. In organizing or undertaking our R&D activities, we may also select an unsuccessful technological pathway or fail to respond promptly to changes in customer requirements, industry standards or competing technologies.

In addition, the new materials and applications differ from our established product lines in terms of technologies, production processes, customer requirements and market dynamics, and our experience and capabilities in these areas remain relatively limited. Glass sheets for semiconductor packaging, in particular, are subject to stringent requirements relating to thermal expansion control, flatness, dielectric properties, defect control and application testing. Their technical specifications and intended applications may also change rapidly as semiconductor packaging technologies evolve. We may be unable to achieve the required performance or quality consistently at commercial scale or adapt our products promptly to such changes, nor can we assure you that these products will complete development and customer validation as scheduled, or at all.

We may incur substantial expenditure on, and devote significant technical and management resources to, R&D projects without generating commercially viable products or meaningful revenue. If our projects are unsuccessful or delayed, or if the resulting products fail to achieve market acceptance, we may be unable to recover our investments or develop new sources of growth, which could materially and adversely affect our competitiveness, business, financial condition and growth prospects.

Delays or failures in completing customer qualification, product validation or regulatory procedures may materially reduce customer orders.

As pharmaceutical glass packaging comes into direct contact with drugs, they are subject to stringent regulatory and customer requirements. Under the associated review and approval regime in China, certain of our pharmaceutical glass packaging must complete the applicable registration or filing procedures, such as Class A registration, and the relevant registrations or filings must remain valid and effective before they can support the regulatory submissions and commercial production of the relevant drugs. The introduction of new products, or material changes to registered information, may require new or updated registrations or filings. In overseas markets, certain of our pharmaceutical glass packaging may also require product registrations, filings or certifications, such as DMF or MF filings, depending on the relevant jurisdiction.

Separately, before our products can be used for a particular drug and generate commercial-scale orders, the relevant pharmaceutical companies may need to conduct drug safety and packaging compatibility studies, validation batch trials and production-line testing. For a new customer, we may be required to complete its entire supplier qualification and product validation process, while an existing customer may require additional validation for a new product or specification or following material changes to the relevant product, drug or production process. See "Business — Customers, Sales and Marketing — Sales and Marketing" and "Regulatory Overview — Laws and Regulations on Pharmaceutical Packaging Materials and Glass Manufacturing — Provisions on Pharmaceutical Packaging Materials."

Both regulatory and customer procedures may be lengthy, costly and subject to factors beyond our control, including test results, changes in regulatory requirements and adjustments to our customers' drug development or production plans. Obtaining a product registration does not guarantee that we will complete a customer's qualification and validation procedures or receive commercial orders. Changes to our products, raw materials, production processes or facilities, or to our customers' drugs or production processes, may also require additional testing, filings or revalidation. Completion of the applicable registration, qualification and validation procedures may support the stability of orders for the relevant products because switching products or suppliers may require further validation. However, it does not guarantee any minimum purchase volume, and customers may still reduce or cease their orders.

If we fail to obtain or maintain the requisite regulatory registrations or filings or customer qualifications, or if product validation or regulatory procedures are delayed or unsuccessful, our customers may defer, reduce or cease purchasing the affected products. We may consequently be unable to commercialize new products or utilize the related production capacity as planned, which could materially and adversely affect our business, financial condition and results of operations.

Our overseas business may expose us to increased business, operational, regulatory, geopolitical and economic risks.

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue generated from overseas markets amounted to RMB185.2 million, RMB208.3 million, RMB242.9 million, RMB100.1 million and RMB215.3 million, representing approximately 19.6%, 19.3%, 24.7%, 20.1% and 32.0% of our total revenue for the same periods, respectively. Our overseas sales, which mainly related to household heat-resistant glass products, have historically been concentrated in the United States, Europe, Australia and Asia-Pacific region, and we intend to further expand our customer base and sales in other markets. We also plan to expand our overseas sales channels and establish overseas production facilities as part of our global expansion strategy. See "Business — Our Strategies."

Expanding into and operating in overseas markets requires substantial investment and management attention. New markets may not be receptive to our products, and we may be unable to respond effectively to local customer needs, build customer relationships and brand recognition, or compete successfully with established local and international competitors. We may also encounter difficulties in recruiting and retaining qualified local employees, coordinating operations across different locations and cultures, and developing reliable local supply chains and distribution networks. In addition, our overseas business and expansion expose us to risks associated with:

- delays or failures in constructing and commencing operations at overseas manufacturing bases, or an inability to achieve the anticipated utilization or investment returns;
- difficulties in obtaining and maintaining the licenses, permits, product registrations and other approvals required in the relevant jurisdictions;
- compliance with unfamiliar or more stringent laws and regulations, including those relating to product registration, quality and safety, environmental protection, employment, taxation, foreign investment and anti-corruption; and
- political or economic instability, geopolitical tensions, changes in trade policies, tariffs, export controls, foreign exchange controls, restrictions on the repatriation of funds and higher tax, legal, logistics and other operating costs.

These risks may delay or disrupt our overseas sales and expansion, increase our costs or prevent our overseas operations from generating the revenue and returns we expect. If we are unable to manage these risks effectively, our business, financial condition and results of operations could be materially and adversely affected.

Disruptions to our glass furnaces or other critical production facilities could interrupt our production.

We primarily manufacture our products at our self-operated production facilities. The glass furnaces are among the most critical equipment in our production process, as they are used to melt raw materials and supply molten glass for subsequent forming and processing. Once ignited, our glass furnaces generally need to operate continuously, except during scheduled major overhauls or under other special circumstances, such as suspension of the production lines. However, the operations of our glass furnaces, as well as other production facilities, may be disrupted by fire, flood, earthquakes or other natural disasters, extreme weather conditions, power or utility outages, mechanical breakdowns, or the loss of, or failure to renew, licenses or permits required for our operations. Any unplanned shutdown or malfunction of our glass furnaces or other critical production facilities could interrupt our production and require a lengthy and costly repair and restart process, during which the affected production capacity would be unavailable. As part of our intelligent production operations, we also rely on automated equipment and digital systems for production planning, process control, quality inspection, warehousing and in-plant logistics. Any malfunction of, or failure to integrate, such equipment or systems could interrupt consecutive production processes, affect product quality or reduce production efficiency.

If any of our production facilities experiences a material disruption, we may not be able to transfer the affected production to another facility or engage a third party to continue production on a timely or cost-effective basis, or at all. Any resulting delay in fulfilling customer orders could lead to lost sales and damage our customer relationships, which could materially and adversely affect our business, financial condition and results of operations. We maintain property insurance covering certain losses to our production facilities, equipment or buildings, including those caused by natural disasters. However, we cannot assure you that such insurance could cover all losses resulting from a significant disruption, and we may suffer production suspension or damages if any such event occurs.

In addition, our production processes involve high temperatures, the operation of heavy machinery and the handling of hazardous materials, which expose us to risks of fire, explosion, machinery-related accidents and other production safety incidents. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material production safety incident. However, we cannot assure you that no such incident will occur in the future. If a production safety incident were to occur, we could be liable for resulting personal injury, property damage or environmental harm. We and our management could be subject to administrative penalties or civil or criminal liabilities, and operations at the affected facilities may be suspended.

We cannot assure you that we will not experience a significant disruption to our manufacturing operations in the future, or that we will be able to resolve any such disruption in a timely manner. If any of the foregoing events occurs, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to successfully expand or effectively utilize our production capacity, or upgrade our existing production facilities.

As part of our business strategies, we intend to advance R&D and commercialization for AI glass sheets and other new materials, upgrade our intelligent manufacturing capabilities, and expand our global footprint and customer channels. See "Business — Our Strategies." Our capacity expansion projects require significant capital expenditure and are subject to risks relating to project planning, construction, equipment procurement and installation, recruitment of qualified personnel and the availability of financing. We must also obtain the licenses, permits and approvals required for relevant construction and operation of new production lines. Delays in obtaining such approvals, constructing production facilities or procuring and installing equipment may postpone the commencement of production and increase project costs. If we are unable to expand our capacity as planned, we may not have sufficient capacity to meet customer demand, commercialize new products or pursue our growth strategies.

In addition, we cannot assure you that our existing or expanded production capacity will be effectively utilized. For our existing products, capacity utilization depends principally on market demand, customer orders and our ability to plan production and allocate capacity across different products. For new products and newly expanded production lines, utilization also depends on the timely completion of customer qualification and product validation, successful commercialization and production ramp-up. If demand or customer orders for our existing products fall below our expectations, or if the qualification, validation, commercialization or production ramp-up of new products is delayed, our production facilities may operate at low utilization rates. Inaccurate demand forecasts or ineffective production planning may also result in excess production of certain products and the accumulation of inventory. Underutilized capacity may increase our unit production costs and reduce economies of scale, while depreciation and other fixed costs will continue to be incurred regardless of the level of production. Any excess production may also result in excess inventory and expose us to inventory write-downs.

Furthermore, upgrading our existing production facilities may require temporary production suspensions and the integration of new equipment, technologies and information systems with our existing production processes. Such upgrades may take longer or cost more than expected, disrupt

production or fail to achieve the anticipated improvements in efficiency, yield rates, product quality or energy consumption. If we are unable to complete facility upgrades successfully or in a timely manner as planned, our production costs may increase and our facilities may become less efficient or competitive.

Any failure to expand our capacity in line with demand, effectively utilize our existing or additional capacity, or successfully upgrade our production facilities could adversely affect our ability to fulfill orders and recover our investments and could materially and adversely affect our business, financial condition and results of operations.

Capacity expansion in the pharmaceutical glass packaging and household heat-resistant glass industries may lead to overcapacity, which could result in pricing pressure on our products.

The substitution of borosilicate technical glass for lower-grade pharmaceutical packaging materials, together with supportive industry policies and expectations of growing demand, has encouraged us, existing competitors and new market entrants to expand production capacity. According to Frost & Sullivan, the pharmaceutical glass packaging industry in China has experienced overcapacity in recent years, reflecting factors including capacity additions by market participants and fluctuations in market demand. However, actual demand may be affected by pharmaceutical market conditions, healthcare policies, customer validation cycles and the pace of substitution by borosilicate technical glass, and may not grow sufficiently to absorb the additional capacity. Capacity in the household heat-resistant glass industry may similarly expand in response to expected demand from both domestic and overseas household appliance and kitchenware markets. If consumer demand or export sales do not grow as expected, additional capacity may result in excess supply.

Glass furnaces generally need to operate continuously once ignited. Manufacturers may therefore maintain production during periods of weak demand to spread fixed costs, which may increase excess supply and inventory. As certain pharmaceutical glass packaging and household heat-resistant glass products may have similar specifications and applications, manufacturers may also lower prices to secure orders and maintain capacity utilization. Any resulting pricing pressure may persist until excess capacity is absorbed or withdrawn from the market.

If industry capacity grows faster than market demand, we may be unable to obtain sufficient orders to utilize our existing and additional capacity effectively. We may have to lower our selling prices, reduce production or maintain higher inventory levels, while continuing to incur depreciation, labor, energy and other fixed costs. Prolonged overcapacity may also result in inventory write-downs or impairment losses on our production facilities, which could materially and adversely affect our profitability and results of operations.

Our products may contain defects or fail to meet applicable quality standards, customer specifications or performance expectations, which could materially and adversely affect our reputation, business, financial condition and results of operations.

Our products include pharmaceutical glass packaging that comes into direct contact with drugs, as well as household heat-resistant glass products used in household appliances and kitchenware. Despite our quality management and inspection procedures, defects or quality issues may arise from, among other things, defective raw materials or components, deviations in manufacturing processes, equipment malfunctions, human error or improper handling and storage. Our products may be rejected during customer acceptance inspections, while certain latent defects may only become apparent after our products have been delivered to customers or put into use.

Defects in our pharmaceutical glass packaging may affect their chemical stability, compatibility with drugs, sealing performance, cleanliness or other characteristics, potentially resulting in contamination, leakage, breakage or deterioration of the drugs contained therein and ultimately causing harm to patients. Such defects could also cause customers to reject deliveries or suspend use of our

products, disrupt their production processes, result in rejection or recall of the relevant drugs, and expose us to customer claims, product liability claims or regulatory actions, including suspension or loss of the relevant registration status.

Our household heat-resistant glass products are generally expected to withstand high temperatures, rapid temperature changes and repeated use. If they fail to meet applicable requirements for thermal shock resistance, structural integrity or other performance characteristics, they may crack, break or shatter during use, potentially resulting in personal injury or property damage and exposing us to returns, recalls, warranty claims or product liability claims.

If a defect is attributable to raw materials or components purchased from a third-party supplier, such supplier may not indemnify us, or any indemnification may be insufficient to cover our losses. We currently do not carry insurance to cover our liabilities arising from product defects. Any product defect, quality incident, recall or related adverse publicity could damage confidence in the quality and reliability of our products and materially and adversely affect our reputation, business, financial condition and results of operations.

Failure to adapt our products to evolving customer demand, market trends, technologies or product performance standards or functionality could reduce the competitiveness of our products.

Customer requirements and technologies applicable to our products continue to evolve. Advances in materials, production technologies and product formats may enable competing products to offer better durability, chemical compatibility, thermal performance, production efficiency or ease of use, or to be manufactured at a lower cost. If we are unable to offer products with comparable performance, functionality or cost advantages, customers may reduce their purchases from us or switch to competing products, causing our existing products and technologies to become less competitive or obsolete. For example, in the pharmaceutical glass packaging industry, regulatory and industry trends, including the consistency evaluation regime for generic drugs, have driven a shift from lower-grade glass toward medium borosilicate glass, as well as a broader industry shift toward RTU and PFS formats that reduce processing steps for pharmaceutical companies. In the household heat-resistant glass industry, our customers expect continued innovation in product design, features and functionality in order for them to remain competitive in their own markets. Therefore, to remain competitive, we must continue to invest in upgrading our products and modifying our production processes, which may require substantial capital expenditure that we may not be able to recover through corresponding increases in our prices.

We cannot assure you that we will be able to keep pace with technological changes, identify emerging alternatives or upgrade our products and production processes in a timely and cost-effective manner. If we fail to anticipate or respond to these developments and industry trends, our existing product lines, including our conventional ampoules and penicillin vials, which continue to account for a substantial majority of our revenue from pharmaceutical glass packaging, may become less desirable or attractive to customers relative to newer products or formats offered by our competitors, and we may lose market share or customers as a result.

Furthermore, even if we successfully develop and introduce upgraded or new products, they may fail to achieve market acceptance or may need to be offered and sold at lower margins than our existing products. We cannot assure you that our investments in product development will be successful or that our products will remain competitive against evolving customer requirements, materials and technologies. If any of the foregoing adverse events or consequences occurs, our business, financial condition and results of operations may be materially and adversely affected.

If we are unable to retain our existing customers or attract new customers, our business, financial condition and results of operations could be materially and adversely affected.

Our success depends in part on our ability to maintain relationships with existing customers and expand our customer base. Our ability to do so depends on a number of factors, including our ability to provide high-quality products at competitive prices, respond to evolving customer requirements, develop

new products, maintain the required customer qualifications and product validations, and ensure timely and reliable delivery. It also depends on factors beyond our control, such as the competitiveness of other suppliers, changes in our customers' business strategies or procurement policies, and the demand for our customers' own products.

We generally enter into annual framework agreements with our major customers, which do not provide for exclusive relationships or minimum purchase commitments. Our customers may maintain relationships with multiple suppliers or shift purchases to our competitors. They may reduce or cease purchasing from us if we fail to meet their requirements, if competing products offer better quality, performance or pricing, or if they seek to diversify or consolidate their supplier base. In addition, any product quality issue, delivery delay or other failure to meet customer expectations could result in customer dissatisfaction, damage our reputation and impair our ability to obtain repeat business.

We may not be able to replace lost customers or attract new customers on a timely basis, or at all. Developing new customer relationships may require significant time and resources, and potential customers may be reluctant to replace incumbent suppliers with which they have established relationships. In particular, pharmaceutical companies generally require new pharmaceutical packaging products and suppliers to undergo qualification, compatibility and stability testing and other validation procedures. These processes can be lengthy, and we may not ultimately receive orders from potential customers even after incurring the relevant costs in relation to such processes.

If we lose any customers, experience a material reduction in their purchases or fail to attract sufficient new customers, our sales and market share may decline and our production capacity may be underutilized or subject to ineffective utilization, which could, in turn, materially and adversely affect our business, financial condition, results of operations and growth prospects.

Any change, reduction or cancellation of purchase orders from our customers could negatively impact our results of operations.

A significant portion of our sales is conducted on a purchase order basis. Certain customers provide us with forecasts or other indications of their expected demand, but such forecasts are generally non-binding and do not commit them to any minimum purchase volume. We therefore cannot assure you that our customers will continue to place orders with us, or that the timing, volume or terms of their future orders will be consistent with their forecasts or historical purchasing levels.

Our customers may reduce, delay or cancel their purchase orders for various reasons, including changes in demand for their own products, adjustments to their production schedules or inventory levels, deterioration in their financial condition, changes in procurement strategies or the availability of alternative suppliers to them. Our customers may also change their orders if we experience production disruptions, delivery delays or product quality issues, or fail to meet their pricing, technical or other requirements. Many of these factors are beyond our control, and we may have limited visibility as to the timing and extent of any resulting changes in customer demand.

We plan our procurement and production based in part on expected customer demand and anticipated orders. If actual orders are materially lower than expected, we may be unable to adjust our procurement and production levels promptly, particularly given the continuous nature and fixed costs of our glass manufacturing operations. This could result in excess raw materials or finished goods, inventory write-downs, underutilized production capacity and lower margins. Conversely, unexpected changes in the timing or volume of orders may disrupt our production schedules and impair our ability to make timely deliveries. Any material reduction, delay or cancellation of customer orders could materially and adversely affect our business, financial condition and results of operations.

Our efforts to establish and promote our own brand and e-commerce business for household heat-resistant glass products may not be successful.

Our household heat-resistant glass products are generally supplied for sale under our customers' brands or for incorporation into products bearing our customers' brands. We also sell selected household heat-resistant glass products under our own brands directly to consumers through our self-operated e-

commerce channels, and this business remains at an early stage. We have devoted resources to developing our own brands and e-commerce business, including investments in online store operations, product development, advertising and promotion, consumer traffic acquisition and e-commerce personnel. Developing an independent consumer brand and direct-to-consumer e-commerce business requires capabilities and investments in product positioning, marketing, distribution, platform operation, customer service and inventory management that differ from those required for our customers' brands.

We may continue to incur substantial selling and marketing expenses and other operating costs in connection with our own-brand initiatives and e-commerce channels, but there is no assurance that such investments will result in meaningful brand recognition, consumer acceptance, repeat purchases or profitable sales. We may not be able to establish meaningful brand recognition or consumer acceptance, develop effective sales channels or generate sufficient sales to recover the related investments. Our own-brand initiatives and e-commerce business could also divert management attention and resources from our established relationships with corporate customers and may create actual or perceived channel conflicts with certain customers. If these initiatives are unsuccessful, our growth prospects, business, financial condition and results of operations could be adversely affected.

Any disruption in the supply of energy or key raw materials, or significant price increases, could materially and adversely affect our business, financial condition, results of operations and profitability.

Our principal raw materials used in our production include borax, boric acid, quartz sand and borosilicate glass tubes, and our principal energy sources include electricity and natural gas. Our production is energy-intensive, and our glass furnaces generally need to operate continuously once ignited. See "Business — Suppliers and Procurement." Accordingly, any shortage, delay or interruption in the supply of key raw materials or energy could disrupt our production, damage our furnaces or other equipment and prevent us from fulfilling customer orders on schedule.

We rely on third-party suppliers for certain key raw materials and may concentrate a substantial portion of our purchases with a limited number of suppliers. We cannot assure you that our suppliers will continue to provide materials in sufficient quantities, of consistent quality, on schedule or on commercially acceptable terms. Our continuous glass manufacturing processes require stable and high-volume supplies of raw materials and energy, and it may be difficult to substitute one supplier for another on short notice. During the Track Record Period, we relied on a limited number of suppliers for key materials and utilities to support our daily operations and manufacturing processes. In 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate purchases from our five largest suppliers, most of whom supplied raw materials, energy and utilities to us, accounted for 51.9%, 45.1%, 42.1% and 43.2% of our total purchases in each period, respectively. If any key supplier experiences operational or financial difficulties, reduces or ceases supply, changes its commercial terms or otherwise fails to perform, we may be unable to obtain qualified alternatives in a timely manner or at all. Our efforts to maintain alternative sources of supply may not be effective, and we may not be able to obtain sufficient replacement supplies in a timely manner to mitigate supply disruptions. In addition, we source a portion of certain key raw materials, including borax, from overseas suppliers in countries such as Turkey and the United States. Their supply may be restricted or disrupted by export controls, licensing requirements, tariffs, geopolitical developments, foreign exchange fluctuations or transportation and logistics disruptions.

The prices of our raw materials and energy may fluctuate substantially due to changes in market supply and demand, concentration of production sources, energy and transportation costs, government policies and other factors beyond our control. Shortages of electricity or natural gas, increases in energy prices or tightening of applicable energy consumption restrictions could also constrain our production or increase our operating costs. If government authorities further tighten applicable energy consumption standards, certain newly constructed production lines may not be able to commence operation, or we may be required to curtail the operation of existing production lines. We may be unable to secure

sufficient quantities of our key raw materials and other supplies on commercially acceptable terms, and the prices of any such materials and supplies may increase, which could raise our production costs and adversely affect our profitability. We may be unable to pass increased costs to our customers fully or promptly, while any increase in our selling prices could reduce the competitiveness of our products. Any of the foregoing could increase our costs, interrupt production, delay deliveries and reduce our profit margins, thereby materially and adversely affecting our business, financial condition and results of operations.

Changes in laws, regulations and industry policies affecting the industry where we operate may adversely affect our business, financial condition and results of operations.

Our pharmaceutical glass packaging is subject to the registration and associated review and approval regime, applicable GMP and the appendix for pharmaceutical packaging materials, national drug standards and other regulatory requirements governing packaging materials and containers in direct contact with drugs. These requirements have continued to evolve and may become more stringent. See "Regulatory Overview — Laws and Regulations on Pharmaceutical Packaging Materials and Glass Manufacturing — Provisions on Pharmaceutical Packaging Materials" for details.

New or amended regulatory requirements may require us to upgrade our facilities and equipment, modify our raw materials, products or production processes, strengthen our quality management systems, conduct additional testing and validation, or make further regulatory submissions. Changes to our registered information, including changes to raw material sources, production processes or manufacturing sites, may also require us to coordinate with pharmaceutical companies and complete additional research, validation or regulatory procedures. Implementing these measures may require substantial time and expenditure, interrupt our production or delay the commercialization and supply of affected products. If we fail to comply with the applicable requirements or complete the relevant procedures in a timely manner, we may be unable to obtain or maintain the required registration or filing status for the affected pharmaceutical packaging materials and may be required to suspend production or supply, withdraw or stop using affected batches, or take corrective actions. Changes in applicable standards or policies may also render certain products or production processes non-compliant or reduce customer demand for affected products.

Our household heat-resistant glass products are also subject to product quality, product safety, environmental protection and other regulatory requirements in China and the overseas markets where they are sold. Differences among jurisdictions and changes in applicable requirements may require us to modify our products or production processes, conduct additional testing or obtain new certifications, thereby increasing our compliance costs or restricting our access to certain markets. If we fail to comply with such requirements, we may be required to take corrective action, suspend production or sales, recall affected products or incur penalties. Any of the foregoing could damage our reputation and materially and adversely affect our business, financial condition and results of operations.

Changes in international trade policies, geopolitical conditions, tariffs, export controls or other trade protection measures may materially and adversely affect our business, financial condition and results of operations.

We source a portion of certain key raw materials, including borax, from overseas suppliers, generate a portion of our revenue from overseas markets and plan to expand our overseas manufacturing footprint. Our overseas procurement and sales, and any future overseas manufacturing operations, are therefore exposed to changes in international trade policies and geopolitical conditions, including tariffs, anti-dumping or countervailing duties, import and export restrictions, export controls, economic or trade sanctions and other trade protection measures.

Tariffs applicable to our products vary across markets and product categories. In particular, certain products exported by us to the U.S. are exposed to changes in U.S. tariff policies. If the U.S. increases applicable tariffs or introduces additional trade restrictions, our export costs may increase and our profit

margins and price competitiveness may be adversely affected. Other jurisdictions may also impose new tariffs, local-content requirements, carbon-related trade measures or other restrictions. We may be unable to pass the resulting costs on to our customers or redirect affected sales to other markets in a timely manner or at all.

Export controls or economic sanctions may restrict our ability to procure raw materials, equipment or technology from overseas suppliers, sell products to certain customers or markets, or use particular financial institutions, logistics providers or payment channels. During the Track Record Period, we conducted limited transactions involving Iran, Russia and Belarus. See "Business — Business Activities Relating to Relevant Countries and U.S. Export Control Compliance." As advised by our International Sanctions Advisor, no member of our Group was included on the applicable sanctions lists, and no violation of applicable international sanctions laws was identified in connection with such activities. However, sanctions and export control regimes continue to evolve, the scope and interpretation of applicable sanctions laws and regulations may change from time to time, and our customers, suppliers, financial institutions or other business partners may become subject to restrictions in the future. Compliance with relevant trade control requirements may require additional due diligence, licenses or approvals, changes to our supply, logistics or payment arrangements, or suspension or termination of affected transactions or business relationships. These measures may increase our costs and delay or prevent transactions, while any non-compliance could expose us to penalties, business restrictions or reputational damage.

Furthermore, we are subject to changes in trade-related taxes. The PRC canceled value-added tax export rebates for certain products, including certain glass products, with effect from April 1, 2026. Such cancellation may increase our export costs and reduce our profitability. In addition, although our glass products are not currently within the scope of the European Union's Carbon Border Adjustment Mechanism ("**CBAM**"), the scope of CBAM or similar carbon-related trade measures may be expanded in the future. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our success depends on our senior management, technical personnel and skilled employees. Any failure to attract and retain competent talent may materially and adversely affect our business, financial condition and results of operations.

Our senior management, technical personnel and skilled employees possess experience and expertise that are important to our operations, product development, manufacturing processes and customer relationships. The loss of key personnel could disrupt our operations, delay product development or result in the loss of technical know-how or business relationships. Our employment, confidentiality and non-competition arrangements may not prevent employees from leaving or adequately protect us from the resulting adverse effects.

As we expand into new product areas, including glass sheets for semiconductor packaging and other applications of technical glass, and develop our overseas operations, we will need personnel with additional technical, operational and international experience. Competition for qualified personnel may make it difficult for us to recruit and retain such employees and may increase our compensation, recruitment and training costs.

If we are unable to attract, retain and train the personnel required to support our operations and growth, or if increased staff costs incurred by us to recruit, retain and incentivize such personnel cannot be offset through productivity improvements or passed on to our customers, our business, financial condition and results of operations may be materially and adversely affected.

Our historical results may not be indicative of our future performance and results of operations.

We experienced fluctuations in our revenue during the Track Record Period. For example, our total revenue decreased from RMB1,080.8 million in 2024 to RMB981.5 million in 2025, mainly due to lower sales volume amid weaker downstream demand attributable to continued tightening of medical insurance

cost control and lower average selling prices following the implementation of centralized procurement policies. However, this only reflects our historical performance and may not be indicative of our future performance.

Our future performance may be affected by various factors, including changes in pharmaceutical procurement and other industry policies, market demand, competition, product prices and mix, raw material and energy costs, the commercialization of new products and the utilization of our expanded capacity. The nature and impact of these factors may differ from period to period and could cause our revenue and profitability to fluctuate or decline. Therefore, period-to-period comparisons of our historical results may not be meaningful or indicative of our future performance. Any failure to manage our future operations effectively may result in failure to achieve growth or maintain profitability, which could materially and adversely affect our business operations, financial condition and prospects.

If we fail to manage our warehousing, logistics and transportation processes efficiently and effectively, we may experience disruptions in supply chain for, or damage to, our raw materials or products.

We use our internal systems to manage our warehousing and logistics activities, including warehousing and transportation of our raw materials and finished products, and arrange domestic and overseas transportation in accordance with the relevant contracts and trade terms. See "Business — Warehousing, Logistics and Inventory Management." Any failure in our warehousing or inventory management systems may result in inventory shortages, inaccurate inventory records, or loss of or damage to our raw materials or finished products, which could disrupt our production or delay product delivery.

Any failure to maintain appropriate storage conditions, properly handle and segregate raw materials and finished products, or accurately record inventory movements could result in loss, contamination, deterioration or breakage of inventory. This could cause raw material shortages, disrupt production, delay deliveries or require inventory write-downs.

Our transportation may also be affected by accidents, adverse weather, insufficient freight capacity, customs clearance delays or failures by logistics service providers or freight forwarders. As our products are made of glass and may be damaged during handling or transportation, any such event may result in additional costs, delayed delivery or customer claims, and may adversely affect our customer relationships and reputation. Any of the supply chain issues for or damages to our raw materials or products as described above could materially and adversely affect our business, financial condition and results of operations.

Our strategic investments or acquisitions may not be successful.

We have pursued, and may continue to pursue, strategic investments and acquisitions to extend our industry value chain and broaden our product offerings. For example, in September 2025, we made an equity investment in Suzhou CRH New Material Technology Co., Ltd., representing 30% of its equity interests. See "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers." We expect this investment to support our long-term strategic development. However, as a minority shareholder, we have limited control over the associate and may not realize the anticipated benefits of the investment. Such investment may also tie up our financial resources and reduce our liquidity, and there is no assurance that we will be able to dispose of or otherwise realize value from the investment on commercially acceptable terms.

Investments and acquisitions involve uncertainties and may not be completed or generate the benefits we expect. We may fail to identify suitable opportunities, conduct adequate due diligence, integrate an acquired business or realize anticipated synergies, and may incur unanticipated liabilities or costs. Evaluating and managing these transactions may divert management attention from our existing operations, while the capital required may reduce the resources available for our existing business and other development initiatives. Difficulties in integrating an acquired business or cooperating with an

investee company may also disrupt our operations or customer relationships. If we fail to address these risks, we may not realize the anticipated benefits of such investments or acquisitions, which could materially and adversely affect our business, financial condition and results of operations.

We recorded net operating cash outflows in 2025 and the six months ended June 30, 2025 and 2026. We cannot assure you that this will not occur in the future.

We recorded net cash inflow from operating activities of RMB60.8 million and RMB69.3 million in 2023 and 2024, respectively, and net cash outflow from operating activities of RMB55.2 million, RMB45.4 million and RMB68.3 million in 2025 and the six months ended June 30, 2025 and 2026, respectively. See "Financial Information — Liquidity and Capital Resources" for details. We cannot assure you that we will always generate positive cash flows from operating activities. If we record net operating cash outflows again in the future, our working capital may be constrained, which could limit our ability to meet our payment obligations, make capital expenditures or otherwise fund our operations and business expansion.

We are exposed to inventory risks. Failure to maintain an optimal inventory level may materially and adversely affect our business, financial condition and results of operations.

Our inventories primarily consisted of raw materials, work in progress, finished goods, materials for consigned processing and contract fulfillment assets. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our inventories, net of provision for impairment, amounted to RMB204.7 million, RMB272.7 million, RMB457.5 million and RMB514.0 million, respectively, among which finished goods amounted to RMB152.6 million, RMB228.2 million, RMB401.3 million and RMB428.8 million, respectively. Our inventory impairment provisions amounted to RMB8.5 million, RMB11.9 million, RMB13.6 million and RMB15.1 million, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2026, our inventory turnover days were 88 days, 101 days, 173 days and 170 days, respectively. See "Financial Information — Discussion of Major Consolidated Statements of Financial Position Items — Inventories."

We manage our inventory levels with reference to customer orders, demand forecasts, production plans, raw material supply lead times, prevailing supply and market conditions, and customer validation cycles. Except for key raw materials such as borax and boric acid, our principal raw material inventory generally supports more than ten days of production. We may also build inventory for certain molded glass vials based on expected demand and customer qualification and product validation progress, as their market introduction cycles are generally longer. See "Business — Production — Production Planning" and "Business — Warehousing, Logistics and Inventory Management."

These arrangements expose us to the risk of both excess and insufficient inventory. Because our glass furnaces generally operate continuously once ignited, we may not be able to reduce production promptly when demand weakens, and continued production may cause our finished product inventory to increase. If actual demand, market prices or customer validation progress falls short of our expectations, we may accumulate excess, slow-moving or obsolete inventory. We may therefore be required to make additional inventory impairment provisions or write down inventories to their net realizable value, which could reduce our profit and net asset value. Our existing impairment provisions may also prove insufficient if market conditions deteriorate or the commercialization of our newer products takes longer than expected. Conversely, insufficient raw material inventory could disrupt our production, while insufficient finished goods inventory could result in delayed deliveries, lost sales and damage to customer relationships. Accordingly, any failure to maintain appropriate inventory levels as we expand our operations and introduce new products could adversely affect our operations, cash flows and profitability.

Our gross profit margin fluctuated during the Track Record Period and may continue to fluctuate.

Our gross profit margin was 16.6%, 17.9%, 20.1%, 20.6% and 21.4% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our gross profit margin for pharmaceutical glass packaging was 22.5%, 21.5%, 17.6%, 18.5% and 19.2%, respectively, and our gross profit margin for household heat-resistant glass products was 12.2%, 14.4%, 20.7%, 21.2% and 22.2%, respectively. See "Financial Information — Period-to-period Comparison of Results of Operations." As our two product segments are subject to distinct and evolving market dynamics, we cannot assure you that the historical trends in their respective gross profit margins will continue or move in tandem in the future.

In general, our gross profit margin is affected by a number of factors, including fluctuations in the prices of our products, key raw materials and energy, government procurement policies, industry competition, production yield rates, particularly for our newer product lines, and our sales mix. Our product prices may fluctuate due to changes in market demand, competitive conditions and customer bargaining power, and we may not be able to adjust our prices or pass cost increases on to our customers in a timely manner or at all. We therefore may not be able to sustain the gross profit margins of our products or maintain or improve our overall gross profit margin. Any decline in our gross profit margin could materially and adversely affect our results of operations and financial condition.

Any significant delay or default in the settlement of our trade and notes receivables may result in impairment losses and materially and adversely affect our financial condition and results of operations.

We are exposed to credit risks related to delays and defaults in payment by our customers. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade and notes receivables amounted to RMB214.0 million, RMB254.1 million, RMB275.7 million and RMB321.6 million, respectively, against which we maintained a loss allowance of RMB10.0 million, RMB11.3 million, RMB12.8 million and RMB15.9 million, respectively. Our trade and notes receivables balance may continue to increase along with our business growth, or if our customers take longer to settle their payments. Our trade receivables turnover days amounted to 66 days, 69 days, 86 days and 74 days in 2023, 2024, 2025 and the six months ended June 30, 2026. We generally grant credit terms, which generally ranged from 30 to 90 days during the Track Record Period, to our customers based on their individual creditworthiness, and we conduct ongoing credit evaluations and monitor the collection of our receivables against scheduled payment terms.

We cannot assure you that our efforts to monitor our outstanding trade and notes receivables and enhance their collection will be effective, or that our customers will settle their receivables within the applicable credit period. Our trade and notes receivables balances and average settlement periods may increase in the future. Moreover, adverse macroeconomic conditions could result in financial difficulties for our customers, including operational and liquidity difficulties, limited access to credit markets, insolvency or bankruptcy, and could as a result cause our customers to delay payments to us or default on their payment obligations. If the creditworthiness of our customers deteriorates or the collection of our trade and notes receivables takes longer than expected, we may be required to recognize additional impairment losses, and our existing loss allowances may not be sufficient to cover the actual credit losses incurred, which could adversely affect our profitability and financial condition.

In addition, we may need to pursue legal action against our customers to recover outstanding payments, which could require us to incur additional costs. If we are unable to collect our trade and notes receivables from customers, our business, financial condition, results of operations and operating cash flow may be materially and adversely affected.

Our level of indebtedness may materially and adversely affect our liquidity and ability to respond to adverse economic and industry conditions.

Our borrowings increased significantly from nil as of December 31, 2023 to RMB15.0 million as of December 31, 2024, and further to RMB275.2 million as of December 31, 2025 and RMB346.6 million as of June 30, 2026. See "Financial Information — Indebtedness — Borrowings." As we continue to invest in the expansion of our production capacity and overseas operations, we expect to continue to rely on borrowings and other forms of financing, and our level of indebtedness may increase further. An increased level of indebtedness could require us to dedicate a greater portion of our cash flow to servicing our debt obligations, increase our vulnerability to adverse changes in interest rates or credit market conditions, and limit our flexibility in responding to adverse economic or industry conditions. In addition, to the extent any of our borrowings are secured by our trade and notes receivables, any deterioration in the collectability of those receivables could affect the terms on which such borrowings are available to us. The terms of our credit facilities may also contain restrictive covenants, and any failure to maintain compliance with such covenants could result in an event of default, entitling the relevant lender to declare amounts outstanding immediately due and payable. We cannot assure you that we will be able to refinance our existing indebtedness, or obtain additional financing, on commercially acceptable terms, or at all, which could materially and adversely affect our liquidity, business, financial condition and results of operations.

We may not be able to obtain sufficient financing to fund our capital requirements or business expansion on acceptable terms, or at all.

Our business is capital intensive. Our capital expenditures primarily consist of payments for the purchase of property, plant and equipment, intangible assets and other non-current assets. We have historically funded our cash requirements primarily through cash generated from our operations, shareholder contributions and bank borrowings. We have also used proceeds from our Convertible Bonds to fund capital expenditures. To pursue our business objectives, including the construction, upgrade and maintenance of our production facilities, the purchase of machinery and equipment, the expansion of our production capacity and overseas operations, we may require additional capital from time to time.

However, our ability to obtain additional capital is subject to a variety of uncertainties, including our future profitability, overall financial condition, results of operations and cash flows, general market conditions for capital raising activities by companies in our industry, and economic, political and other conditions in China and internationally. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to obtain additional capital in a timely manner or on acceptable terms, or at all, our ability to continue to pursue our business objectives could be significantly limited, and our business, financial condition, results of operations and prospects could be adversely affected.

In addition, our future capital needs may require us to sell additional equity or debt securities or obtain new credit facilities. The sale of additional equity or equity-linked securities could dilute our Shareholders, and the incurrence of additional indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our Shareholders. Furthermore, our future capital expenditures for property, plant and equipment may also result in increased depreciation expenses when the relevant assets become available for use, which in turn could adversely affect our profitability.

If the preferential tax treatments or government grants become unavailable, our results of operations and financial condition may be adversely affected.

We received preferential tax treatments during the Track Record Period. For example, the Company qualified as a High and New Technology Enterprise in 2025 and was entitled to a preferential EIT rate of 15% for a valid period of three years. This qualification is subject to review by the relevant tax authority every three years. Our continued eligibility for these preferential tax treatments is subject

to periodic reassessment by the relevant government authorities and our continued satisfaction of the applicable qualification criteria. If we cease to be entitled to preferential tax treatment or if the relevant PRC laws and regulations change, our income tax expenses may increase, which would adversely affect our financial condition and results of operations.

We also received government grants and subsidies relating to our production facilities, equipment and other projects in support of our pharmaceutical glass packaging business. We recorded government grants of RMB7.3 million, RMB5.1 million, RMB14.8 million, RMB9.2 million and RMB5.0 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Government grants are discretionary and depend on applicable government policies, budgetary arrangements and assessments of our eligibility.

We cannot assure you that the relevant preferential tax policies will remain unchanged, that we will continue to qualify for such preferential tax treatments, or that we will continue to receive government grants at historical levels or at all. Any reduction, modification or discontinuation of such preferential tax treatments or government grants could increase our income tax expenses, reduce our other income and adversely affect our results of operations and financial condition.

Fluctuations in exchange rates could result in foreign currency exchange losses for us.

We generate part of our revenue from foreign jurisdictions and procure certain raw materials from overseas suppliers, and consequently, are exposed to risks associated with foreign currency exchange fluctuations. Changes in the value of foreign currencies could increase our RMB costs for, or reduce our RMB revenue from, our overseas product sales and operations. Our foreign exchange exposure arises primarily in relation to the U.S. dollar. However, we may face increased exposure to Hong Kong dollar or other foreign currencies in the future. We cannot guarantee that future foreign exchange rate fluctuations will be favorable to us, and any unfavorable change could have a material adverse impact on our financial condition and results of operations.

Fluctuations in exchange rates between Renminbi, the Hong Kong dollar, the U.S. dollar and other currencies are unpredictable, and may be affected by a number of factors, such as economic and political developments. There can be no assurance that Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future. As we purchase certain of our raw materials from overseas suppliers, fluctuations in foreign currency exchange rates may also affect the pricing of our products, our sales revenue and our profitability, as well as the value of payments received in foreign currencies.

Revaluation of the Renminbi could negatively impact your [REDACTED]. For instance, if we need to convert Hong Kong dollars received from this [REDACTED] into Renminbi for our operations, an appreciation of the Renminbi against the Hong Kong dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we need to convert Renminbi into Hong Kong dollars for dividend payments or other business purposes, an appreciation of the Hong Kong dollar against the Renminbi would reduce the Hong Kong dollar amount available to us. Therefore, fluctuations in exchange rates may adversely affect your [REDACTED] in our H Shares.

Any failure to obtain or maintain necessary licenses, permits and regulatory approvals for our operations and products could materially impair our ability to conduct our business and adversely affect our results of operations.

Our operations require various licenses, permits, registrations and approvals from government authorities in the jurisdictions where we operate, including those relating to our production and pharmaceutical packaging materials. Certain pharmaceutical glass packaging sold overseas may also require registrations, filings or certifications in the relevant jurisdictions. These licenses, permits, registrations and approvals are generally subject to conditions, periodic renewal and ongoing compliance requirements, and changes in applicable laws and regulations may require us to obtain additional licenses or update existing ones. During the Track Record Period and up to the Latest Practicable Date,

we had obtained all licenses, permits and approvals material to our operations, and had not experienced any material difficulty in renewing them. However, we cannot assure you that we will be able to obtain or renew all requisite licenses, permits, registrations or approvals in a timely manner in the future.

There can be no assurance that we will be able to maintain our existing licenses and permits, renew them upon expiry, or obtain any additional licenses or permits required for our future business expansion in a timely manner, or at all. If we fail to do so, or if any of our existing licenses, permits, registrations or approvals is suspended, revoked or not renewed, we may be required to suspend the affected operations or product sales, which could materially impair our ability to conduct our business and adversely affect our results of operations.

We, our Directors and senior management may be involved in legal or administrative proceedings, disputes and claims arising from our operations, which could result in significant costs and liabilities.

From time to time, we may become involved in legal or administrative proceedings, disputes and claims arising from our operations, including product quality, contractual, labor, intellectual property and regulatory matters. Any such proceeding, regardless of its merits or outcome, could be costly and time-consuming, divert management attention, damage our reputation or result in significant liabilities. During the Track Record Period and up to the Latest Practicable Date, we were not a party to any material claim, litigation, arbitration or administrative proceeding, and our Directors were not involved in any actual or threatened material claims or proceedings. However, we cannot assure you that we or the relevant individuals will not become involved in material proceedings in the future or that any such proceeding would not have a material adverse effect on our business, financial condition and results of operations.

We, or certain of our Directors or senior management, may become targets for lawsuits, including putative class action or similar lawsuits brought by Shareholders, and lawsuits may be brought against our Directors and senior management as a result of their position in other public companies. We cannot assure you that we or our Directors or senior management will be able to prevail in our or their defense or reverse any unfavorable judgment on appeal. Moreover, we or our Directors or senior management may decide to settle lawsuits on unfavorable terms. Any adverse outcome of such cases, if any, could result in substantial monetary damages, fines, or changes to our business practices, which would materially and adversely affect our business, financial conditions, results of operations, cash flows and reputation. Additionally, even if we or our Directors or senior management ultimately prevail in these matters, we could incur significant legal fees or suffer significant reputational harm. We may also be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

Failure to fully comply with PRC laws and regulations in relation to social insurance and housing provident fund contributions for our employees could subject us to fines and other legal or administrative actions.

We are required under PRC laws and regulations to make contributions to social insurance plans and housing provident funds for our employees based on the contribution percentages and bases prescribed by the relevant local authorities. During the Track Record Period, we did not make social insurance and housing provident fund contributions for certain employees in full based on the contribution bases required under applicable PRC laws and regulations. The relevant competent government authorities may require us to make up the shortfalls and impose late payment charges or penalties. In addition, during the Track Record Period, we engaged a third-party human resources agency to make social insurance and housing provident fund contributions for certain employees. As of the Latest Practicable Date, we have ceased such arrangement. However, such historical arrangement may be deemed non-compliant and could expose us to labor disputes or regulatory investigations.

During the Track Record Period, the Company also made social insurance and housing provident fund contributions for certain employees through its subsidiaries, Linuo Glass Products Marketing and Linuo Intelligent Robot. The relevant competent government authorities may require us to cease this arrangement, make up the relevant contributions and pay administrative penalties.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labor dispute with our employees that would have a material effect on our business, and we had not been subject to any material administrative penalty imposed by PRC government authorities with respect to social insurance and housing provident fund contributions. As of the Latest Practicable Date, we had not been aware of any plans or arrangements by the competent authorities to retroactively collect social insurance and housing provident fund contributions for the Track Record Period. Our PRC Legal Advisor is of the view that based on the above circumstances and taking into account the current regulatory policies and the prevailing regulatory stance of the competent authorities in the PRC, in the absence of material employees' complaints or authority inspections, our risk of being subject to material administrative penalties by the relevant competent human resources and social security authorities and housing provident fund authorities in the PRC in relation to social insurance and housing provident fund contribution matters during the Track Record Period is remote. However, there remains the possibility that the relevant authorities may determine that the contribution arrangements described above do not comply with applicable laws and regulations. If we are required to make substantial supplemental contributions or are subject to investigations, penalties or material labor disputes, our business, financial condition and results of operations may be adversely affected.

We face risks relating to our leased properties. Our failure to fully comply with applicable laws and regulations relating to certain of our leased properties could subject us to penalties, and if we have disputes with our landlords or we cannot secure renewal of existing leases on commercially reasonable terms, our operations may be disrupted.

As of the Latest Practicable Date, certain of our leased properties in the PRC had title defects. Under applicable PRC laws and regulations, our leases of such properties with title defects may be held invalid. If any relevant lease is held invalid or we are otherwise unable to continue using an affected property, we may be required to relocate, which could disrupt our production or other operations and increase our costs. As of the Latest Practicable Date, our four lease agreements had not been registered and filed with the relevant PRC authorities as required under applicable PRC laws and regulations. As advised by our PRC Legal Advisor, failure to register and file these lease agreements does not, by itself, affect their validity. However, the relevant authorities may require us and the relevant lessors to complete the relevant registration and filing and subject us to administrative penalties for having failed to make such registration and filing. See "Business — Properties — Leased Properties."

During the Track Record Period and up to the Latest Practicable Date, our use of all of our leased properties remained normal, and we had not experienced any material disputes or third-party claims, or been subject to any material administrative penalties, in connection with such properties. Nevertheless, we cannot assure you that the title defects will not affect our continued use of the relevant properties, or that the relevant authorities will not require us to complete the outstanding lease registration and filing procedures or impose penalties if we fail to do so. We may also have disputes with our landlords. We may not be able to secure renewal of the existing leases on commercially reasonable terms or the existing leases may be terminated according to the terms of the relevant lease agreements. Any resulting relocation, operational disruption or additional costs could adversely affect our business and financial condition.

Any disruption to our information technology systems or cybersecurity incident may cause operational disruption or data breaches, which could materially and adversely affect our business, financial condition and results of operations.

We rely on our information technology systems for various aspects of our operations, including production planning, process control, online quality inspection, intelligent warehousing and in-plant logistics, as well as supply chain management, financial reporting and customer relationship management. As our intelligent production operations integrate these systems with automated

equipment, a system disruption or failure may directly interrupt our production, inspection or warehousing activities. We have adopted internal policies and procedures intended to safeguard our information technology systems and data security, such as the measures for the administration of data security and data protection. However, we cannot guarantee that these measures will be sufficient or effective against all threats, and our systems may still be vulnerable to disruptions, failures, cyberattacks, ransomware or unauthorized access, whether as a result of human error, system failures or malicious conduct.

Any such disruption or incident could interrupt our operations, result in the loss, corruption or unauthorized disclosure of confidential or personal data, expose us to legal liabilities and regulatory penalties, and damage our reputation and our relationships with customers. We may be required to expend significant resources to protect against such threats or to remediate any resulting harm. We cannot assure you that our information technology systems and security measures will be sufficient to prevent all such disruptions or incidents in the future.

We are subject to environmental, hazardous substance, fire prevention, health and safety laws, regulations and production standards, and any failure to comply with such requirements may subject us to liabilities.

Our manufacturing operations are subject to extensive environmental, health and safety laws and regulations in the jurisdictions where we operate, governing, among other things, air emissions, wastewater and solid waste discharge, the handling and disposal of hazardous materials, and workplace health and safety. Our glass melting operations generate emissions and waste, and our production processes involve high temperatures and the handling of hazardous materials, requiring us to maintain applicable permits and comply with relevant standards at significant cost.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalty or experienced any material incident relating to environmental protection, workplace safety or product quality. However, environmental, health and safety laws, regulations and production standards may change and become more stringent. Any tightening of applicable requirements may increase our compliance costs, require capital expenditure to upgrade our facilities or restrict our operations. We cannot assure you that we will not be found in violation of applicable requirements in the future, and any such violation could subject us to fines, penalties, suspension of operations or other liabilities and could damage our reputation.

We face risks related to natural disasters, public health issues and other force majeure events, which may severely disrupt our business and operations.

Our business and operations may be materially and adversely affected by natural disasters and extreme weather events, such as earthquakes, floods, typhoons or snowstorms, in the regions where our production facilities, or those of our suppliers, are located. In addition, a large portion of our business could be adversely affected by widespread health epidemics or pandemics, or by other events such as power shortages or communication interruptions.

The occurrence of any such event could result in damage to our facilities, interruption of our production and supply chain, or a decline in demand for our products, and we may not have adequate insurance coverage for the resulting losses. We cannot predict the timing, severity or duration of any such event, and any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Any negative publicity or rumors relating to us may materially and adversely affect our reputation, business and growth prospects.

We believe that our brand and corporate image are integral to the success of our business. Since we operate in a highly competitive market, brand maintenance directly affects our ability to maintain our market position. Any loss of trust in our offerings could harm the value of our brand, which could reduce our revenue and profitability. The successful maintenance of our brand and corporate image depends on our ability to provide high-quality and competitive products, our ability to maintain and

strengthen business relationships with our business partners and the increase in brand awareness through marketing activities. In addition, any negative publicity about us, our Directors and senior management, employees, affiliates, Shareholders, brand or products, whether warranted or not, may adversely affect our reputation and business. Even if it is factually incorrect or based on isolated incidents, such negative publicity could damage our reputation and undermine the trust and credibility we have established with our customers and have a negative impact on our ability to attract new customers or retain our existing customers. If our brand, corporate image and reputation are damaged, we may face challenges in maintaining our current business relationships with enterprise customers, or in entering new markets, which may adversely affect our business, financial condition, results of operations and prospects.

Our failure to protect our intellectual property rights, or claims by third parties that we infringe their intellectual property rights, may adversely affect our business.

We rely primarily on trademarks, patents, copyrights, trade secrets and contractual restrictions to protect our intellectual property rights. However, these measures may not provide adequate protection, and third parties may infringe, misappropriate or otherwise make unauthorized use of our proprietary technologies, know-how or other intellectual property rights. Preventing unauthorized use of our intellectual property can be difficult, costly and time-consuming, and litigation or other legal proceedings may be necessary to enforce our rights, protect our trade secrets or determine the validity and scope of our or others' proprietary rights. There is no assurance that we will prevail in such proceedings or obtain meaningful recovery, and any such proceedings may divert management attention and other resources from our business.

We may also be subject to intellectual property infringement or misappropriation claims by third parties, including our competitors. We cannot assure you that our products, designs, technologies or techniques do not or will not infringe, misappropriate or otherwise violate the intellectual property rights of others. From time to time, holders of intellectual property rights may allege that we have infringed their rights, seek to enforce such rights against us, or require us to obtain licenses. If any such claim is determined adversely to us, we may be required to pay damages, cease using the relevant intellectual property, obtain licenses on commercially unfavorable terms, or develop non-infringing alternatives, which may not be feasible or cost-effective. Any of the foregoing could adversely affect our business, financial condition, results of operations and reputation.

Our insurance coverage may be inadequate to protect us from potential losses.

We maintain insurance policies covering certain operational risks, including natural disasters and equipment breakdowns. We do not, however, carry insurance in respect of certain risks that we believe are not insured under customary industry practice, or which are uninsurable on commercially acceptable terms, if at all. Accordingly, there may be circumstances in which we will not be covered or compensated under our insurance policies, in part or at all, for specific losses, damages and liabilities. We cannot guarantee that our insurance coverage is sufficient to cover potential losses. Any risk that is not adequately covered by insurance may have an adverse effect on our business, results of operations and financial condition.

We may face risks in relation to our risk management and internal control systems.

We have put in place internal control and risk management procedures to address operational, financial, legal and other risks relating to our business. See "Business — Risk Management and Internal Control." However, we cannot assure you that our internal control and risk management systems will be effective or sufficiently comprehensive to identify and eliminate all risks involved in our operations. In particular, as our business continues to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures to meet our evolving business needs. If we fail to identify or eliminate any internal control deficiencies or improve our internal control and risk management systems in a timely manner, our business, financial condition and results of operations could be materially and adversely affected as a result.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws could adversely affect our business and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in the jurisdictions in which we operate. We have implemented compliance policies and procedures, but they may not be sufficient, and we may be held responsible if any of our employees, representatives, agents or business partners engages in improper conduct. Any non-compliance could subject us to investigations, administrative, civil or criminal penalties, remedial measures and legal expenses, and could materially and adversely affect our business, financial condition, results of operations and reputation.

Our share incentive schemes may result in share-based payment expenses and dilution and may not achieve their intended objectives.

We have adopted, and may adopt in the future, share incentive schemes to attract, retain and motivate our employees. Awards under such schemes may result in share-based payment expenses and, upon vesting, exercise or issuance, dilution to our Shareholders. The amount and timing of the related expenses may fluctuate depending on the terms and fair value of the awards, the achievement of vesting or performance conditions and forfeiture rates. In addition, such schemes may not achieve their intended retention or incentive objectives. Any of the foregoing could adversely affect our results of operations or the interests of our Shareholders.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Changes in economic, political, or social conditions or government policies in the jurisdictions where we operate could affect our business, financial condition and results of operations.

We are headquartered in Shandong Province, China, and materially all of our operations are currently conducted in China. We also sell products in overseas markets across the Americas, Asia and Europe and intend to expand our overseas production footprint. Accordingly, our financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and social conditions in China and the overseas markets where we operate or sell products. In particular, China has implemented, and may continue to introduce, among others, various policies and measures to encourage economic growth and guide the allocation of resources. China's pharmaceutical glass packaging and household heat-resistant glass industries are affected by macroeconomic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, environmental governance and technological development. In addition, the regulatory, tax, labor and environmental frameworks in the overseas jurisdictions where we operate are complex and subject to changes, and economic conditions in these markets may also affect costs and expected returns of our overseas operations. Any changes in these factors may have a material and adverse effect on our business, financial condition and results of operations.

We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with the [REDACTED] and future capital raising activities.

In connection with this [REDACTED] and any future capital raising activities, we are subject to the approval, filing and regulatory oversight by the competent authorities of the PRC. On February 17, 2023, the CSRC issued 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》) along with their implementation guidelines (the "**Overseas Listing Trial Measures**"). These measures, which came into effect on March 31, 2023, outline the scope of activities subject to the filing requirement, the responsible entities and the procedural steps for overseas listings. See "Regulatory Overview — Laws and Regulations on Securities and Overseas Listing — Overseas Listings." Under the Overseas Listing Trial Measures, we are required to file with the CSRC following the submission of our [REDACTED].

However, there is uncertainty as to whether we will be able to complete the requisite filing procedures for this [REDACTED] in a timely manner or at all. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings and/or fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. In addition, such failure may restrict our ability to complete the proposed [REDACTED] and to finance the development of our business and may have a material and adverse effect on our business, financial condition and prospects.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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 "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system and take necessary measures to implement their confidentiality and archives management responsibilities. Any failure to comply with the Archives Rules may expose us to regulatory sanctions, operational disruptions or reputational harm, which may materially and adversely affect our business, financial condition and prospects.

We are closely monitoring the potential operational and financing impacts of these regulations. In addition, if the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this [REDACTED] or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such requirements, if and when procedures are established to obtain such a waiver. Any unforeseen situations or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, financial condition, prospects and the price of our Shares.

We may be subject to rapidly evolving PRC laws and regulations on cybersecurity, data security and data protection. Any non-compliance with such laws and regulations may subject us to fines and other legal or administrative actions.

We are subject to evolving statutory and regulatory requirements relating to cybersecurity, data privacy and personal information protection in the PRC. These laws and regulations continue to develop, and additional rules and restrictions may be adopted in the future. The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), which originally became effective since June 2017 and was then amended with effect from January 1, 2026, established the first national-level cybersecurity supervision framework for "network operators" in the PRC. The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), effective from September 2021, introduces a data classification and hierarchical protection system based on the importance of data to economic and social development and the potential harm that may result from its tampering, destruction, leakage or illegal acquisition or use. See "Regulatory Overview — Laws and Regulations on Information Security and Data Privacy."

The Regulations on Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), effective from September 2021, impose enhanced security obligations on operators of key network facilities or information systems in designated critical sectors. We do not believe that we currently constitute a critical information infrastructure operator. Under the revised Cybersecurity Review Measures (《網絡安全審查辦法》) (the "**Measures**"), effective from February 2022, critical

information infrastructure operators are required to apply to the Cybersecurity Review Office for a cybersecurity review if the network products or services they procure affect, or may affect, national security, and network platform operators possessing personal information of over one million users are required to apply for a cybersecurity review before a listing abroad. We do not believe these requirements apply to us, as we are not a critical information infrastructure operator and our proposed [REDACTED] in Hong Kong does not constitute a "listing abroad" within the meaning of the Measures.

More recently, the Regulations on Network Data Security Management (《網絡數據安全管理條例》), effective from January 1, 2025, require network data handlers engaged in activities that affect or may affect national security to undergo a national security review, and require a data export security assessment organized by the Cyberspace Administration of China (國家互聯網信息辦公室) for important data collected or generated within the PRC that is to be provided overseas. We process limited personal information and business data necessary for our operations. Such data is primarily stored on servers in China, and, during the Track Record Period and up to the Latest Practicable Date, we had not established overseas data centers or servers. In the course of conducting our business operations outside the PRC, certain of our employees, based on business activity needs, provide limited personal information, including names and contact details, to suppliers and customers located outside the PRC for routine business communications. Such personal information is necessary for the normal conduct of our business operations, and the total volume of personal information transferred out of the PRC is relatively small (not exceeding 10,000 individuals) and does not involve any sensitive personal information. Except for the foregoing, we do not transfer data to any other overseas recipients. However, our data processing activities may change as our business expands. If we transfer personal information or important data overseas in the future, we may be required to complete a security assessment, certification, standard contract filing or other applicable procedure.

These laws and regulations continue to evolve, and we cannot assure you that we will be able to comply with them in a timely manner, or at all. Any non-compliance could subject us to fines, penalties, suspension of the relevant data processing activities, or other legal or administrative actions, and could damage our reputation.

Policies and regulations regarding foreign currency conversion may impact our foreign exchange transactions and our ability to finance in foreign currencies.

The conversion of Renminbi into foreign currencies should be in compliance with relevant laws and regulations. We receive most of our revenue in Renminbi, and undertake certain transactions denominated in foreign currencies, primarily U.S. dollars, as well as Hong Kong dollars in connection with the [REDACTED]. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions and trade-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE provided that we present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks in the PRC that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies on our H Shares without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

Our overseas investments are subject to PRC outbound direct investment approval, filing, foreign exchange registration and reporting requirements, and non-compliance may delay or restrict our overseas expansion and subject us to administrative actions.

During the Track Record Period, we established certain overseas subsidiaries in Hong Kong, Singapore, Brazil and the United Arab Emirates. Outbound direct investments by PRC enterprises are, depending on the nature and circumstances of the relevant investment, subject to applicable approval,

filing, registration and reporting requirements administered by the NDRC and MOFCOM and their respective local counterparts or designated banks. Related foreign exchange transactions under the capital account are also subject to applicable foreign exchange regulations and may require the foreign exchange registration of direct investment at designated banks within the PRC that could carry out such registration. See "Regulatory Overview — Laws and Regulations on Overseas Investment."

As of the Latest Practicable Date, we had not completed the requisite outbound direct investment procedures for two overseas investments. See "Business — Legal Proceedings and Compliance — Compliance — Outstanding PRC Outbound Direct Investment Procedures." We cannot assure you that we will complete the outstanding procedures in a timely manner or at all, or that we will obtain the requisite approvals, filings or registrations for future overseas investments. We may be required to rectify the non-compliance within a prescribed period and may be subject to warnings, fines, orders to suspend or cease the relevant investments or other administrative actions. We may also be restricted from remitting funds to the relevant overseas subsidiaries or be required to restructure, dispose of or wind up such subsidiaries. Any resulting delay, cost or disruption could restrict our overseas sales and expansion and materially and adversely affect our business, financial condition, results of operations and prospects.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on the fulfillment of our tax obligations under the PRC tax laws and regulations by PRC tax authorities. We believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures to monitor and safeguard against accounting irregularities, however, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, prospects, results of operations, financial condition, and cash flows.

Non-PRC resident holders of our H Shares may be subject to Chinese mainland income tax obligations.

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 the 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 PRC Individual Income Tax Law ("**IIT Law**") and its implementation guidelines. Pursuant to the Announcement on Individual Income Tax Policies for Dividends and Bonuses Received by Foreign Individuals (《關於外籍個人股息紅利個人所得税政策有關事項的公告》) (MOF and STA Announcement [2026] No. 27), effective from September 1, 2026, the previous exemption from individual income tax for dividends and bonuses received by foreign individuals from foreign-invested enterprises was repealed. Accordingly, to the extent that we are treated as a foreign-invested enterprise, dividends paid by us to foreign individual holders of our H Shares will generally be subject to PRC individual income tax at a rate of 20%, and we will be 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. As a result, the amount of dividends actually received by such holders may be reduced. 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 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税的通知》) (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, none of the aforesaid provisions expressly provides that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, 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 EIT 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 [REDACTED]). 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 applicable PRC tax laws and regulations, as well as the interpretation and application of existing applicable PRC tax laws and regulations may be evolving and subject to change. New taxes may be imposed which may materially and adversely affect the value of your [REDACTED] in our H Shares.

It may be difficult to effect service of legal process and enforce judgments against us or our Directors and senior management or to enforce judgments of non-PRC courts against them.

We are a company incorporated under PRC law, most of our assets and subsidiaries are located in China. In addition, the large majority of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. As a result, it may not be possible to effect service of process upon most of our Directors and senior management outside China. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom or most other western countries. However, judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if certain requirements are met. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions other than Hong Kong in relation to any matter not subject to binding arbitration provisions may be difficult or impossible.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**"). Under the 2006 Arrangement, where any designated People's Court of the PRC or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People's Court of the PRC or Hong Kong court for recognition and enforcement of the judgment. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not entered into a jurisdiction agreement in writing under the 2006 Arrangement.

On January 29, 2024, 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》) (the "**2019 Arrangement**") took effect and generally applies to judgments made by the courts of Hong Kong and China on or after that date. However, the 2006 Arrangement will remain applicable to a "jurisdiction agreement in writing" as defined in the 2006 Arrangement which is entered into before the 2019 Arrangement taking effect. Although the 2019 Arrangement provides a broader mechanism for reciprocal recognition and enforcement of civil and commercial judgments between the Mainland and Hong Kong, its interpretation and application remain subject to the relevant statutory requirements and judicial practice.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to PRC and Hong Kong [REDACTED] and regulatory requirements.

As we are listed on the ChiNext of the Shenzhen Stock Exchange and will be [REDACTED] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules, where applicable, and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and resources in complying with the requirements of both jurisdictions.

There has been no prior [REDACTED] market for our H Shares, and an active [REDACTED] market for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there has been no [REDACTED] market for our H Shares, and we cannot assure you that an active and liquid [REDACTED] market for our H Shares will develop or, if developed, will be sustained after the [REDACTED]. The [REDACTED] for our H Shares was the result of negotiation between us and the [REDACTED] (on behalf of the [REDACTED]), and may not be indicative of the price at which our H Shares will [REDACTED] following the completion of the [REDACTED]. We have applied for the [REDACTED] of, and permission to [REDACTED], our H Shares on the Main Board of the Stock Exchange, but there can be no assurance that a [REDACTED], once granted, will provide a liquid market for our H Shares. If an active [REDACTED] market for our H Shares does not develop or is not sustained after the [REDACTED], the [REDACTED] and [REDACTED] of our H Shares could be materially and adversely affected, and you may not be able to [REDACTED] your H Shares at or above the [REDACTED], or at all.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese mainland that have listed their securities in Hong Kong may affect the volatility in the [REDACTED] and [REDACTED] of our H Shares. A large number of Chinese mainland-based companies have listed their securities in Hong Kong, and many others are in the process of preparing for such listings. The share prices of some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese mainland-based companies listed in Hong Kong and consequently may impact [REDACTED] of our H Shares. These factors may significantly affect the [REDACTED] and [REDACTED] of our H Shares, regardless of our actual operating performance.

Our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange. There are differences between the A Share market and the H Share market, including in [REDACTED], [REDACTED] base and [REDACTED], and [REDACTED] of our A Shares and H Shares may differ significantly.

Our A Shares are listed and traded on the ChiNext of the Shenzhen Stock Exchange. Following the [REDACTED], our A Shares will continue to be traded on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Main Board of the Stock Exchange. Under the current

PRC laws and regulations, without approval of the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. The H Share and A Share markets have different trading characteristics, each having different trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the [REDACTED] of our H Shares and A Shares may not be comparable, and the historical prices of our A Shares may not be indicative of the [REDACTED] of our H Shares. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [REDACTED] of our H Shares, and vice versa. Therefore, you should not place undue reliance on the trading history of our A Shares when evaluating the [REDACTED] decision in our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] 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 [REDACTED], the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived 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 share-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, our net assets per Share may be diluted, and you may experience further dilution if we issue 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 in [REDACTED] net tangible asset value per Share. To expand our business, we may consider offering and issuing 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 issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares pursuant to share incentive schemes, which would further dilute Shareholders' interests in our Company.

Our Single Largest Group of Shareholders has significant influence over us, and its interests may not always be aligned with the interests of our other Shareholders.

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the Single Largest Group of Shareholders will in aggregate be entitled to exercise [REDACTED]% of the voting rights at general meetings of our Company and thus remains as the Single Largest Group of Shareholders of our Company. Our Single Largest Group of Shareholders will, through its voting power at the Shareholders' meetings and its delegates or positions 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 Single Largest Group of Shareholders might differ from the interests of our other Shareholders. In the event that our Single Largest Group of Shareholders causes us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Single Largest Group of Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

A substantial portion of the Shares held by Linuo Investment Holding has been pledged to certain commercial banks in the PRC, and if such share pledge is enforced, there could be material changes to the shareholding structure of our Company.

As of the Latest Practicable Date, Linuo Investment Holding, a member of our Single Largest Group of Shareholders, had pledged 53,930,000 A Shares held by it (the "**Pledged Shares**") as collateral for bank borrowings incurred by Linuo Group, Shandong Linuo Industrial Co., Ltd. and Shandong Linuo Paradigma Co., Ltd., in favor of certain PRC commercial banks as the lenders of such bank borrowings. See "Substantial Shareholders — Share Pledges by Linuo Investment Holding" for details. As of the Latest Practicable Date, the Pledged Shares represented 20.16% of the total issued Shares of our Company and 78.28% of the 68,895,461 A Shares held by Linuo Investment Holding. If an event of default occurs, or other conditions for exercising rights under the Pledged Shares are satisfied under the relevant loan or security agreement, the lenders may be able to foreclose on or otherwise enforce their rights against part or all of the Pledged Shares. In such an event, there could be material changes to the shareholding structure of our Company and Linuo Investment Holding and other members of our Single Largest Group of Shareholders, including Mr. Gao, Linuo Group and Linuo Logistics, may no longer be able to maintain the current level of interest in and influence on our Company and they may cease to be members of our Single Largest Group of Shareholders.

Our historical dividend distributions may not be indicative of our future dividend policy, and we cannot assure you that we will declare and distribute any amount of dividends in the future.

Our ability to declare future dividends will depend on our distributable profits and, to the extent relevant, dividends received from our subsidiaries. As a company [REDACTED] in both Chinese Mainland and Hong Kong, our distributable profits are calculated based on our financial statements prepared under PRC GAAP or IFRS, whichever is lower. We cannot assure you that we will have sufficient distributable profits to pay dividends in the future. According to the applicable PRC laws and our dividend policy, we may pay dividends out of our after-tax profit after we have made the recovery of any accumulated losses and set aside a portion of such profits for statutory and other applicable reserves. See "Financial Information — Dividends" for details of our dividend policy.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future. The declaration, payment and amount of any future dividends are also subject to the discretion of our Directors, after taking into account our results of operations, financial condition, cash requirements and availability, and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange.

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time, we publicly release information relating to us on the ChiNext of the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in the PRC, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the ChiNext of the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. Therefore, prospective [REDACTED] in our H Shares should be reminded that, in making their [REDACTED] decisions as to whether to [REDACTED] in our H Shares, they should rely only on the financial, operating and other information included in this document. By [REDACTED] to [REDACTED] our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

Certain facts, forecasts and statistics contained in this document are derived from publicly available official government sources, which are not independently verified.

Certain facts, forecasts and statistics contained in this document are derived from publicly available sources. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in the reproduction or extraction of such information for the purpose of disclosure in this document. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, the information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this document may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts, forecasts and statistics.

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 "aim", "anticipate", "believe", "could", "going forward", "intend", "plan", "predict", "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 and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to 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. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and 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, and there may be, press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional press and 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 coverage and none of us or any such other person accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, a new applicant for listing on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its 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, the new applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our headquarters, principal business operations and assets are located in the PRC. Our executive Directors ordinarily reside outside Hong Kong, and they play 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 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 Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) we have appointed Mr. Song Lai (宋來), the chairman of our Board and our executive Director, and Ms. Leung Wai Yan (梁慧欣), one of our joint company secretaries, 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 and email to promptly deal with inquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange. Our Company has provided contact details of the Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(b) when the 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. We have provided the Stock Exchange with the contact details (i.e., mobile phone number, office phone number, email address and fax number, if applicable) of all Directors to facilitate communication with the 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 Stock Exchange within a reasonable period of time;

(d) we have appointed Lego Corporate Finance Limited as our compliance advisor (the "**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 commencing after the [REDACTED]. The Compliance Advisor will always have access to our Authorized Representatives, Directors and members of our senior management, who will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available. The contact details of the Compliance Advisor have been provided to the Stock Exchange; and

(e) the Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Advisor, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Advisor informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of the Compliance Advisor.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the 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 provides that in assessing "relevant experience", the Stock Exchange will consider the individual's:

(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 Securities and Futures Ordinance, 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.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Pursuant to paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants, a 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 will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Xie Yan (謝岩), our deputy general manager and secretary to the Board, as one of our joint company secretaries. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have Mr. Xie as its joint company secretary, who has been our secretary to the Board since November 2022 and has extensive experience and familiarity with our capital operations, investment, financing and other securities related matters and day-to-day affairs. Mr. Xie has the necessary nexus to the Board and close working relationship with management of our Company in order to perform the duties of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Xie 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 Ms. Leung Wai Yan (梁慧欣), an associate member of 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. Ms. Leung will provide assistance to Mr. Xie for an initial period of three years from the [REDACTED] to enable Mr. Xie 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. Xie does not currently satisfy the requirements under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a three-year period from the [REDACTED], such that Mr. Xie may be appointed as a joint company secretary of our Company on the conditions that (i) Ms. Leung is appointed as a joint company secretary to assist Mr. Xie in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; and (ii) the waiver would be revoked if there are material breaches of the Listing Rules by our Company. In addition, Mr. Xie 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. Xie will also be assisted by our Compliance Advisor, particularly in relation to compliance with the Listing Rules.

Before the expiration of the initial three-year period, the qualifications of Mr. Xie 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. Our Company must demonstrate and seek the Stock Exchange's confirmation that Mr. Xie, having benefited from the assistance of Ms. Leung for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED] as described in "Connected Transactions." Our Directors consider that strict compliance with the applicable requirements under the Listing Rules would be impractical, unduly burdensome and would impose

unnecessary administrative costs on our Company. Accordingly, we have applied to the Stock Exchange for[, and the Stock Exchange has granted,] a waiver from strict compliance with the applicable requirements under Chapter 14A of the [REDACTED] Rules upon [REDACTED] in respect of such continuing connected transactions. For further details, see "Connected Transactions."

[REDACTED]

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Executive Directors

Name	Address	Nationality
Mr. Song Lai (宋來)	Room 201, Unit 1, Building 1 Hengda Dijing Residential Complex East Cultural Road, Lixia District, Jinan Shandong Province, PRC	Chinese
Mr. Xie Jisheng (謝吉勝)	Room 1403, Unit 2, Building 14, Block 3 of Eastern Zone, Zhongxin International Community No. 11577 Shiji Avenue Licheng District, Jinan Shandong Province, PRC	Chinese

Non-Executive Directors

Name	Address	Nationality
Mr. Gao Yuankun (高元坤)	Villa No. 8, Linuo Technology Park (North Zone) No. 30099 Jingshi East Road Licheng District, Jinan Shandong Province, PRC	Chinese
Dr. Ma Yi (馬一)	3/F, Yangguang Building Southern Zone of Linuo Group No. 30099 Jingshi East Road Licheng District, Jinan Shandong Province, PRC	Chinese

Independent Non-executive Directors

Name	Address	Nationality
Mr. Pan Guangcheng (潘廣成)	Room 701, Unit 2, Building 5, Sunac Park No. 1, Daxing District Beijing, PRC	Chinese
Prof. Yang Gongsui (楊公隨)	Room 1002, Unit 1, Building 23 7366 Erhuan East Road Lixia District, Jinan Shandong Province, PRC	Chinese

Name	Address	Nationality
Ms. Liu Yuan (劉媛)	Room 604, Unit 2, Building 13 Zhong Jian Fengqidi Residential Complex No. 3566 Fengqi Road Licheng District, Jinan Shandong Province, PRC	Chinese
Mr. Yuan Chenjie (袁陳杰)	Flat D, 1/F, Block 2, Affluence Garden Tuen Mun, New Territories Hong Kong	Chinese

For further details, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	**China Merchants Securities (HK) Co., Limited** 32/F, One Exchange Square 8 Connaught Place, Central Hong Kong **Lego Corporate Finance Limited** Room 1505, 15/F, Wheelock House 20 Pedder Street, Central Hong Kong
[REDACTED]	[REDACTED] [REDACTED]
Legal advisors to our Company	*As to Hong Kong laws* **Han Kun Law Offices LLP** Rooms 4301–10, 43/F Gloucester Tower, The Landmark 15 Queen's Road Central Hong Kong *As to PRC Law* **Zhong Lun Law Firm** 22–24/F & 27–31/F South Tower of CP Center 20 Jin He East Avenue, Chaoyang District Beijing, PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong laws and U.S. laws* **Reed Smith Richards Butler LLP** 17/F, One Island East, Taikoo Place 18 Westlands Road, Quarry Bay Hong Kong *As to PRC Law* **Shihui Partners** 42/F–43/F, Tower C, Beijing Yintai Center No.2 Jianguomenwai Avenue, Chaoyang District Beijing, PRC
Independent Auditor and Reporting Accountants	**Confucius International CPA Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* Room 1501–08, 15/F, Tai Yau Building 181 Johnston Road, Wanchai Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 West Nanjing Road, Jingan District Shanghai, PRC
Compliance Advisor	**Lego Corporate Finance Limited** Room 1505, 15/F, Wheelock House 20 Pedder Street, Central Hong Kong
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office	Government Residence of Yuhuangmiao Town Shanghe County, Jinan City Shandong Province, PRC
Headquarters and Principal Place of Business in the PRC	Government Residence of Yuhuangmiao Town Shanghe County, Jinan City Shandong Province, PRC
Principal Place of Business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company Website	**www.linuoglass.com** *(the information contained on this website does not form part of this document)*
Joint Company Secretaries	**Mr. Xie Yan (謝岩)** Room 601, Unit 3, Building 4, Shanjing Garden No. 44 West Qilishan Road Shizhong District, Jinan Shandong Province, PRC **Ms. Leung Wai Yan (梁慧欣)** Room 1901, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
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Nomination Committee	Mr. Pan Guangcheng (潘廣成) *(Chairperson)* Ms. Liu Yuan (劉媛) Mr. Gao Yuankun (高元坤)
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The data and statistics contained in this section and elsewhere in this document are extracted from the Frost & Sullivan Report, which was commissioned by us, as well as various official government publications and other publicly available publications. We have commissioned Frost & Sullivan to prepare an independent industry report in connection with the [REDACTED], namely the Frost & Sullivan Report. We believe that the information has been derived from appropriate sources and has been reasonably and prudently extracted and reproduced. We have no reason to believe that such information is false or misleading in any material respect or that any material fact has been omitted which would render such information false or misleading. None of us, the Joint Sponsors, the [REDACTED], the [REDACTED], or any of their respective directors and advisors, or any other person or party involved in the [REDACTED], has independently verified the information derived from official government sources, and none of them makes any representation as to the accuracy thereof.

DATA SOURCES AND RELIABILITY

This section contains information extracted from the Frost & Sullivan Report, which was commissioned by us and prepared by Frost & Sullivan, as we believe that such information enables us to better understand the industry. Frost & Sullivan is a global consulting firm and an independent third party. Frost & Sullivan provides market research and other services across various industries. We have agreed to pay Frost & Sullivan a total fee of RMB580,000 for the commissioned services, which we believe is in line with market rates. We believe that the payment of such fees does not affect the fairness of the conclusions set out in the Frost & Sullivan Report. In preparing the Frost & Sullivan Report, Frost & Sullivan conducted both primary and secondary research. Primary research involved interviews with leading industry participants and experts, while secondary research involved reviewing company reports, independent research reports and data from Frost & Sullivan's research database. Frost & Sullivan also assumed that the PRC economy may maintain stable growth during the forecast period and that the social, economic and political environment in the PRC may remain stable during the forecast period.

Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries and exercising reasonable care, there is no material adverse change in the market information since the date of the relevant data contained in the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

CLASSIFICATION OF GLASS MATERIALS AND ADVANTAGES OF BOROSILICATE TECHNICAL GLASS

Glass is an amorphous inorganic non-metallic material whose properties can be tailored through chemical composition and manufacturing processes. It is widely used in construction, automotive, household products, pharmaceutical packaging, electronic, semiconductor packaging and optics. As downstream requirements for material stability and precision increase, glass is evolving from traditional applications with stringent requirements on basic materials towards functional materials, with competition increasingly centered on material performance, process control and product consistency.

By chemical composition, glass can be generally divided into soda-lime-silicate, borosilicate, aluminosilicate and high-purity quartz glass. Chemical composition determines the basic thermal, chemical, mechanical and optical properties of each material system and affects its applicable manufacturing processes and end-use applications.

The following matrix illustrates the applications of major glass material across the broader glass market

Material / Application	Soda-lime Silicate	Aluminosilicate	Borosilicate	High-purity Quartz	Other Materials	Global Market Size in 2025 (RMB Billion)
Architectural	√	-	√	-	√	~600.0
Consumer Packaging	√	-	√	-	√	~330.0
Automotive	√	√	-	-	√	~225.0
Electronic	√	√	○	√	√	~115.0
Household (Non-Heat-resistant)	√	-	-	-	-	~105.0
Pharmaceutical Packaging	√	-	√	-	-	74.3
Household (Heat-resistant)	√	-	√	-	√	11.8
Semiconductor Packaging	-	○	○	-	-	0.1
Other Applications	√	√	√	√	√	~55.0
Global Market Size in 2025 (RMB Billion)	~1,200.0	~130.0	~95.0	~15.0	~84.0	Total: ~1,520.0

√ Applied ○ Potential Expansion - Not Applicable Products Produced by the Company

Source: Frost & Sullivan

Glass can also be classified as conventional glass or technical glass according to whether its material composition or processing is specifically designed to achieve performance beyond standard requirements. Conventional glass primarily comprises standard soda-lime-silicate glass used in ordinary containers, flat glass and other general-purpose products.

Technical glass comprises: (i) performance-oriented material whose chemical compositions are specifically designed to provide enhanced properties, including borosilicate, aluminosilicate and high-purity quartz glass; and (ii) functionalized soda-lime-silicate glass products that acquire specific safety, mechanical, thermal or energy-saving properties through formulation optimization, tempering, lamination, coating or other processing. Technical glass constitutes an important part of material innovation, with its composition and manufacturing processes tailored to meet specific performance requirements and application needs.

Borosilicate glass is classified as a technical glass because boron oxide is deliberately incorporated as a principal glass-forming component to achieve low thermal expansion and enhanced thermal shock, hydrolytic and chemical resistance. Borosilicate technical glass is widely used in pharmaceutical packaging, heat-resistant glassware, laboratory apparatus and glass sheets for semiconductor packaging. Its boron oxide content provides low thermal expansion, thermal shock resistance, hydrolytic resistance and chemical stability. Compared with other technical glass materials, it offers a favorable balance of thermal and chemical performance, processability and production cost, supporting scalable production across a broad range of applications.

MAIN APPLICATION AREAS OF BOROSILICATE TECHNICAL GLASS MATERIALS

The application boundaries of borosilicate technical glass continue to expand alongside downstream industrial upgrades. The key applications and development directions include:

Pharmaceutical Packaging: Pharmaceutical glass comes into direct contact with drug products and is therefore required to possess high water resistance, chemical stability, and drug compatibility to mitigate the risk of glass component leaching or chemical interactions with pharmaceutical formulations.

Household: In the household scenarios, technical glass is mainly adopted for heat-resistant products, predominantly borosilicate glass, especially high borosilicate glass. It is widely used in heat-resistant tableware, food storage containers, baking dishes, coffee makers, and glass components for kitchen appliances, which are exposed to sustained high temperatures or alternating hot and cold conditions.

Semiconductor Packaging: Glass sheets for semiconductor packaging offer favorable dimensional stability, low dielectric loss, and tunable coefficients of thermal expansion, which help mitigate warpage risks in large-scale chip packaging and support high-density interconnections through Through-Glass Vias (TGVs). The advancement of AI, high-performance computing, and chiplet technologies is driving chip packaging toward larger size and higher integration, serving as the primary demand driver for glass substrates in semiconductor packaging.

Architectural: Borosilicate technical glass is used in selected fire-resistant glazing and architectural components requiring thermal shock resistance and dimensional stability. Mainstream architectural glass is primarily made from soda-lime-silicate glass.

Consumer Packaging: Borosilicate technical glass is used in selected food, beverage and other consumer containers requiring enhanced thermal or chemical resistance, while standard consumer packaging mainly uses soda-lime-silicate glass.

Electronic: Electronic glass includes cover glass, display substrates and other electronic components. Borosilicate technical glass is used in selected substrates and MEMS components, with potential for further expansion.

The value creation of borosilicate glass is gradually shifting from large-scale production toward material formulation, precision manufacturing, and performance consistency. Technological upgrading of downstream industries continuously expands the application scope of glass materials, and lifts product added value as well as the technical barriers of the industry.

OVERVIEW OF THE GLOBAL AND CHINA PHARMACEUTICAL GLASS PACKAGING INDUSTRY

Industry Overview of Pharmaceutical Glass Packaging

Pharmaceutical glass packaging refers to glass containers that directly contact pharmaceutical products and maintain their quality and stability during storage, transportation and use. It is used for injectables, biologics, vaccines, blood products, infusions and oral preparations and must satisfy stringent requirements for hydrolytic resistance, chemical stability, hermeticity, mechanical strength and drug compatibility. It is primarily made from soda-lime, low borosilicate or medium borosilicate glass. According to international pharmacopoeias, pharmaceutical glass is categorized into the following three types: Type I is generally borosilicate glass with high hydrolytic resistance and chemical stability, suitable for most injectables and drugs with stringent compatibility requirements; Type II is internally treated soda-lime glass with enhanced surface hydrolytic resistance; and Type III is untreated soda-lime glass, mainly used for drugs with less stringent packaging requirements. Depending on delivery format, pharmaceutical glass containers may be supplied either as conventional bulk containers or as RTU containers that have undergone washing, depyrogenation and sterilization before delivery.

Additionally, differences in filling capacity, storage conditions and routes of administration have driven the development of two major forming processes for pharmaceutical glass containers, namely molded vials and tubular glass vials.

Tubular glass vials: Tubular glass vials are manufactured using pharmaceutical glass tubes as raw material. During the production process, molten glass is first continuously drawn into glass tubes with specified outer diameters and wall thicknesses through a tube drawing process, and is then processed into different types of pharmaceutical glass containers through secondary forming processes, including cutting, heating, neck forming and bottom sealing. Tubular glass vials can be further classified into penicillin vials, ampoules, oral liquid bottles, cartridges and glass barrels used in PFS systems. Among them, penicillin vials are mainly used for powder injections, lyophilized preparations and biological products; ampoules are mainly used for single-use liquid injections; cartridges are typically used with injection pens for multiple or precise dosing applications, such as insulin; and PFS can be pre-filled with drug solutions and used directly for injection, thereby reducing the need for drug solution transfer and the associated risk of contamination.

Molded glass vials: Molded glass vials are formed in a single process by directly feeding molten glass into molds, followed by blow forming or press-and-blow forming, without the need for glass tube drawing or secondary forming. They are characterized by relatively high production efficiency, a wide range of applicable specifications and suitability for large-scale production. Molded glass vials mainly include molded glass injection and infusion bottles, and are commonly used for the packaging of pharmaceuticals such as infusion solutions, blood products and contrast agents;

Both tubular and molded containers can undergo washing, depyrogenation, sterilization and aseptic packaging before delivery to become RTU pharmaceutical glass containers.

RTU pharmaceutical glass containers: RTU pharmaceutical glass containers refer to pharmaceutical glass containers that have undergone processes such as washing, depyrogenation, sterilization and aseptic packaging by packaging manufacturers before delivery. They mainly include vials, cartridges and PFS. Pharmaceutical manufacturers can directly introduce these containers into aseptic filling and sealing processes, thereby reducing the need for in-house pre-treatment processes such as washing and sterilization, and lowering equipment investment, production changeover time and the risk of contamination during operations. RTU pharmaceutical glass containers have been particularly widely adopted in the United States, where they are mainly used in drug compounding under Sections 503A and 503B of the Federal Food, Drug, and Cosmetic Act. 503A pharmacies primarily compound customized, small-batch drugs based on prescriptions for individual patients. The global RTU pharmaceutical glass container market increased from RMB2.2 billion in 2021 to RMB3.6 billion in 2025, representing a CAGR of 13.9%. During the period, the continued development of biological products and innovative drugs, the trend towards small-batch, multi-product pharmaceutical manufacturing, and pharmaceutical manufacturers' increasing requirements for sterility assurance, production flexibility and filling efficiency drove the growth in demand for products such as RTU vials, cartridges and pre-filled syringes. The global market is expected to further increase to RMB7.1 billion by 2030, representing a CAGR of 14.5% during the forecast period. Going forward, with the accelerated development of high-value injectable drugs, continued upgrades in aseptic filling models and the broader adoption of specialized aseptic manufacturing entities such as 503B outsourcing facilities, the RTU pharmaceutical glass container market is expected to maintain relatively rapid growth.

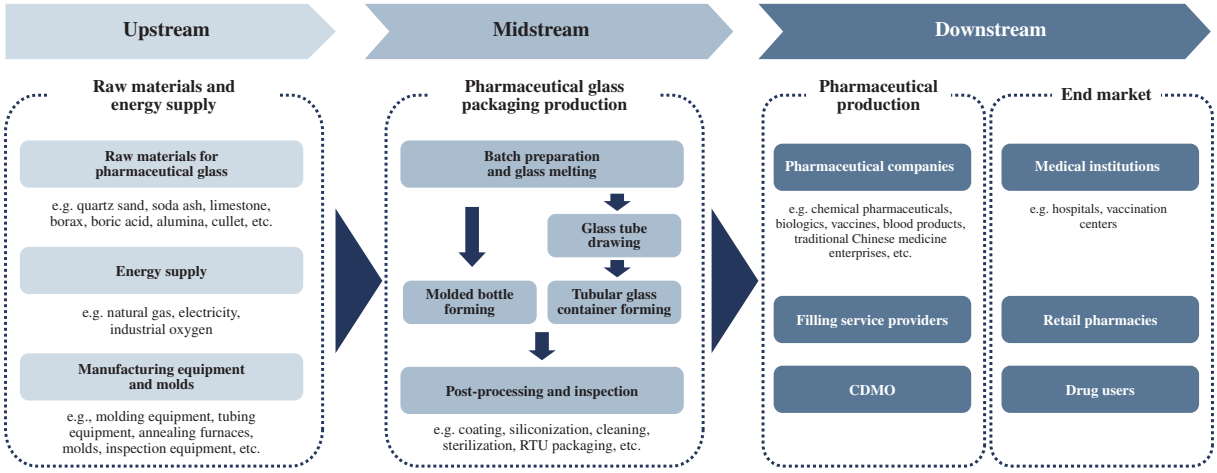
Performance Advantages of Borosilicate Technical Glass in Pharmaceutical Glass Packaging

Borosilicate technical glass incorporates boron oxide to form a stable glass network and offers good hydrolytic resistance, chemical stability, thermal shock resistance and drug compatibility. Medium borosilicate technical glass, in particular, has low thermal expansion, enabling containers to withstand temperature changes during sterilization and lyophilization, while limiting surface corrosion and the migration of glass constituents during prolonged drug contact. It is therefore suitable for injectables, biologics, vaccines and other pharmaceuticals with stringent packaging requirements.

Soda-lime and low borosilicate technical glass have historically dominated pharmaceutical glass packaging production in China, while medium borosilicate technical glass is widely used for drugs requiring greater hydrolytic resistance, chemical stability and compatibility. In Europe and the United States, where its adoption is relatively mature, medium borosilicate glass accounted for more than 75% of total pharmaceutical glass packaging production, compared with 15% in China in 2025. The material mix in these markets provides a reference for a potential development trend in China, while the current difference indicates considerable room for China's further adoption. As drug compatibility requirements become more stringent and the consistency evaluation of generic injectables and the development of biologics continue, China is expected to gradually increase the use of borosilicate technical glass.

Industrial Chain Analysis of the Pharmaceutical Glass Packaging Industry

The upstream sector of the pharmaceutical glass packaging industry mainly includes suppliers of glass raw materials, energy, and production equipment. Midstream enterprises produce pharmaceutical glass packaging through glass melting, molding, or the tube-drawing and bottle-forming process, and carry out post-processing and testing such as coating, silanization, cleaning, sterilization, and inspection. The downstream sector mainly includes pharmaceutical companies and filling service providers; after filling, the medicines are distributed to medical institutions through distribution channels and ultimately used by patients.



Source: Frost & Sullivan

Global and China's Market Size for Pharmaceutical Glass Packaging Industry

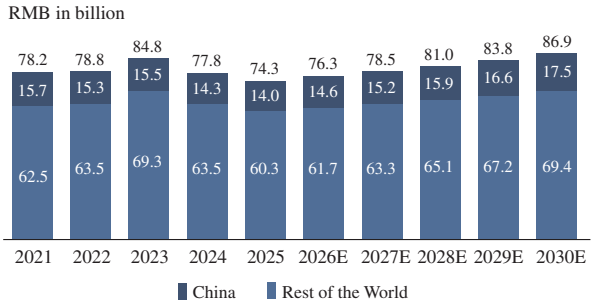
The global market size for pharmaceutical glass packaging declined from RMB78.2 billion in 2021 to RMB74.3 billion in 2025, representing a CAGR of -1.3%. During this period, the global public health emergency drove a temporary surge in demand for vaccine and related injectable packaging, with the market size reaching RMB84.8 billion in 2023; thereafter, as such demand returned to normal and pharmaceutical companies drew down inventories, the market size for pharmaceutical glass packaging retreated somewhat. The global market size is projected to grow to RMB86.9 billion by 2030, representing a CAGR of 3.2% over the forecast period. Looking ahead, global population aging, the development of biologics and high-value injectables, and improved access to medicines in emerging markets will continue to drive demand for pharmaceutical glass packaging.

The market size of pharmaceutical glass packaging in China declined from RMB15.7 billion in 2021 to RMB14.0 billion in 2025, representing a CAGR of -2.8%. During this period, particularly in 2024 and 2025, certain traditional pharmaceutical glass products experienced declines in both sales volumes and prices. Centralized volume-based procurement and broader medical insurance cost-containment measures increased cost pressure on pharmaceutical manufacturers, prompting further tightened packaging procurement cost control and inventory management. These factors, coupled with intensifying competition in the standardized product market, led to a contraction in the overall market size; although the substitution of medium borosilicate materials continues to advance, it has not yet fully

offset the impact of the decline in traditional product scale. The China's market is projected to grow to RMB17.5 billion by 2030, representing a CAGR of 4.6% over the forecast period. Looking ahead, the ongoing implementation of consistency evaluations and the upgrading of pharmaceutical packaging materials will accelerate the replacement of traditional materials with medium borosilicate glass; at the same time, the development of innovative drugs, biologics and precision-delivery products will further drive demand for high-value pharmaceutical glass packaging.

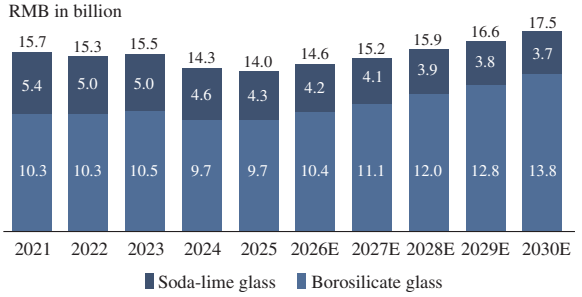
Global Market Size for Pharmaceutical Glass Packaging, 2021–2030E, by Revenue

CAGR	2021–2025	2026E–2030E
Total	-1.3%	3.2%
China	-2.8%	4.6%
Rest of the World	-0.9%	2.9%



Market Size for Pharmaceutical Glass Packaging in China, 2021–2030E, by Revenue from Sales in China*

CAGR	2021–2025	2026E–2030E
Total	-2.8%	4.6%
Soda-lime glass	-5.4%	-2.9%
Borosilicate glass	-1.6%	7.3%



Source: Expert interviews, Frost & Sullivan

* *Note:* Market size represents revenue generated from sales in China by domestic and overseas manufacturers.

Driving Factors and Trends of the Global and China's Pharmaceutical Glass Packaging Industry

Growth of high-value medicines. Industry growth has shifted from quantitative expansion to structural upgrading with a shift towards high-performance and functional packaging materials. Medicines such as biologics, vaccines, blood products, monoclonal antibodies, insulin and contrast agents are relatively sensitive to ion leaching, drug adsorption, pH changes and microbial contamination, posing higher requirements on the chemical stability, drug compatibility and sterility assurance capabilities of packaging materials. Long-term demand for medicines provides support for the growth of the industry, while growth drivers are becoming more structural with the shift to high-value packaging materials as noted above. An aging population, rise in the number of patients with chronic conditions, increased public health awareness and the expansion of healthcare coverage provide a long-term foundation for demand for medicines and their packaging materials.

Global development towards higher-end and RTU products. RTU products are cleaned, depyrogenated and sterilized before delivery for direct aseptic filling, helping pharmaceutical companies reduce pre-processing steps and contamination risks. Globally, manufacturers are expanding from standard glass tubing and containers towards functional treatment, sterile delivery and packaging products tailored to different pharmaceutical and filling requirements.

Regulatory requirements drive quality upgrading. Pharmaceutical regulatory system is driving the quality upgrading of pharmaceutical packaging materials. In 2020, the National Medical Products Administration (NMPA) issued the "Announcement on Conducting Quality and Efficacy Equivalence Evaluations for Generic Chemical Injectables" (《關於開展化學藥品注射劑仿製藥質量和療效一致性評價工作的公告》), stipulating that the quality and performance of packaging materials and containers for injectables must not be inferior to those of the reference product, and thereby incorporating pharmaceutical packaging materials into the overall scope of quality equivalence evaluation for injectables.

Continued expansion of medium borosilicate glass in China. Medium borosilicate glass is expected to expand from areas with stringent packaging stability requirements, such as biologics, vaccines and blood products, to a broader range of injectable products. Its adoption will remain gradual, depending on pharmaceutical product characteristics, packaging costs, quality stability and filing timelines for packaging material changes.

Expansion of Chinese manufacturers from product exports to regional operations. Overseas business places higher requirements on pharmacopoeial standards, quality certifications, supply stability and technical responsiveness, shifting competition from price towards quality, delivery and service capabilities. Chinese manufacturers are expected to develop overseas sales networks, localized delivery capabilities and regional product development resources to address different regulatory requirements.

Entry Barriers in the Global and China's Pharmaceutical Glass Packaging Industries

Technical barriers. Pharmaceutical glass packaging requires high chemical stability, hydrolytic resistance, dimensional accuracy and batch consistency. Borosilicate technical glass also requires precise control over formulation, melting, tube drawing and container forming, as well as defects such as bubbles, stones, cords, delamination and particulates. The production experience required to achieve stable mass production creates barriers for new entrants.

Regulatory and customer access barriers. Pharmaceutical glass packaging is subject to registration, associated review and compatibility requirements. Pharmaceutical companies also evaluate suppliers' quality systems, production environments, testing capabilities and supply stability, resulting in lengthy validation cycles. As changing suppliers may require additional studies and filings, customers generally do not frequently replace existing qualified suppliers.

Scale barriers. Production requires substantial investment in furnaces, forming lines, annealing equipment, testing systems and supporting facilities. Furnaces generally operate continuously and therefore require stable orders and sufficient capacity utilization. Yield, energy efficiency and equipment utilization directly affect production costs, making it difficult for new entrants to achieve significant economies of scale.

OVERVIEW OF THE GLOBAL AND CHINA'S HOUSEHOLD HEAT-RESISTANT GLASS INDUSTRY

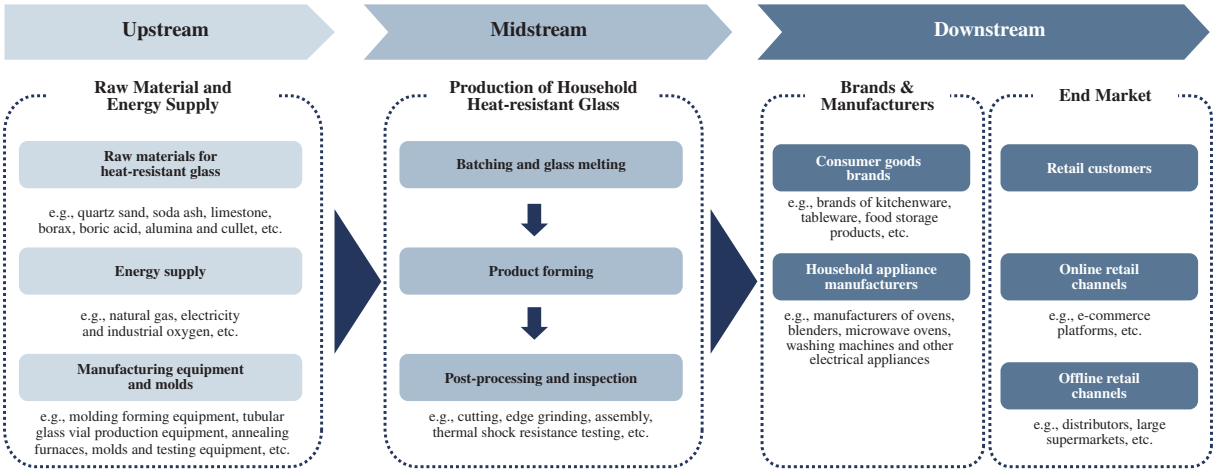
Definition and Classification of Household Heat-resistant Glass

Household heat-resistant glass refers to glass products mainly used in application scenarios for daily life and household appliances. Such products can maintain stable structure and performance under sustained high temperatures or rapid temperature changes and feature strong thermal shock resistance. The basic performance requirement is generally a thermal shock resistance temperature difference of not less than 120°C. Borosilicate glass is the primary material for household heat-resistant glass. In addition, tempered soda-lime glass and other materials are applied in certain household glass products.

In general, high borosilicate glass achieves a favorable overall balance among heat resistance, transparency, molding adaptability and production cost, rendering it suitable for mass production of a wide range of household heat-resistant glass products. Materials such as tempered soda-lime glass, by virtue of lower cost and higher mechanical strength, are adopted in some products with relatively low heat resistance requirements.

Industry Chain Analysis of the Household Heat-resistant Glass Industry

The upstream of the household heat-resistant glass industry chain mainly includes raw materials such as quartz sand, borax and boric acid, as well as suppliers of energy, manufacturing equipment and molds. Midstream enterprises produce heat-resistant glass products of various specifications through batching and melting, pressing or blow molding, followed by post-processing and inspection. The downstream segment mainly comprises consumer goods brands, household appliance manufacturers and retail distribution channels. The products are ultimately applied in households and commercial scenarios such as catering.



Source: Frost & Sullivan

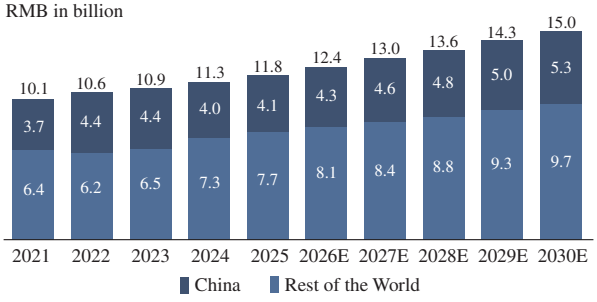
Global and China's Market Size of Household Heat-resistant Glass

The global market size of household heat-resistant glass increased from RMB10.1 billion in 2021 to RMB11.8 billion in 2025, representing a CAGR of 3.9%. During this period, glass products, by virtue of their properties such as low odor absorption, ease of cleaning and reusability, have gradually replaced certain plastic and metal tableware and kitchenware. In 2024, the market experienced a short-term downturn affected by inventory adjustments of consumer goods in Europe and the United States, before resuming growth. The global market size is projected to grow further to RMB15.0 billion by 2030, with a CAGR of 4.8% over the forecast period. Going forward, product renewal and quality upgrading in European and American markets, together with rising penetration of heat-resistant kitchenware and tableware in emerging markets such as Asia and Latin America, will collectively drive the growth of the global market.

The China's market size of household heat-resistant glass grew from RMB3.7 billion in 2021 to RMB4.1 billion in 2025, representing a CAGR of 2.6%. During this period, market growth was mainly driven by rising demand for borosilicate glass products. Nevertheless, competition and pricing pressure in standardized kitchenware and tableware products constrained the overall growth rate. The China's market size is projected to expand further to RMB5.3 billion by 2030, with a CAGR of 4.9% over the forecast period. Going forward, growth in the China's market will be driven more by product mix upgrading. High borosilicate glass will be further extended to complex-shaped products, lightweight articles and high-precision supporting components for household appliances, boosting product added value and market size. Meanwhile, the traditional soda-lime glass market is expected to remain generally stable.

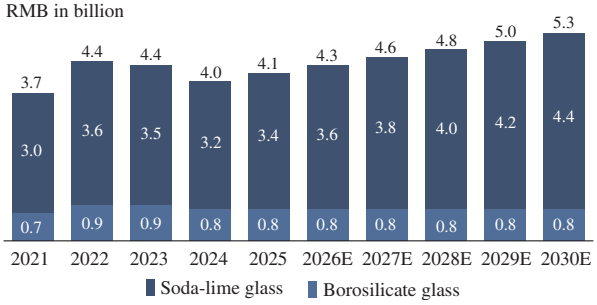
Market Size of Household Heat-resistant Glass, 2021–2030E, by Revenue

CAGR	2021–2025	2026E–2030E
Total	3.9%	4.8%
China	2.6%	4.9%
Rest of the World	4.7%	4.8%



Market Size of Household Heat-resistant Glass in China, 2021–2030E, by Revenue from Sales in China*

CAGR	2021–2025	2026E–2030E
Total	2.6%	4.9%
Soda-lime Glass	1.9%	1.0%
Borosilicate Glass	2.7%	5.8%



Source: Expert interviews, corporate annual reports, Frost & Sullivan

* *Note:* Market size represents revenue generated from sales in China by domestic and overseas manufacturers.

Driving Factors and Trends in Global and China's Household Heat-resistant Glass Industry

Premium demand drives product and material differentiation. Borosilicate technical glass will remain the primary material for household heat-resistant glass in the foreseeable future, and household glass products will further extend into complex shapes, high-precision appliance-matched parts, and lightweight articles. As consumers continue to raise their expectations for safety, durability, convenience, and aesthetic design, companies will enhance product performance and quality through formulation optimization, precision molding, and surface treatment. Meanwhile, strengthened soda-lime glass will continue to serve price-sensitive market segments, forming a distinct material and product type alongside borosilicate glass.

Safety and quality concerns fuel high-performance glass adoption. Consumers are increasingly concerned about food-contact safety, thermal performance, ease of cleaning, and product durability, which is driving household glass products to upgrade toward materials with superior properties such as borosilicate glass. Transparency, aesthetic design, and user convenience are also becoming important factors in consumer purchase decisions, fueling demand for complex shapes, lightweight designs, and multi-functional products.

The competitive focus is shifting from scale production to comprehensive manufacturing capabilities. As competition intensifies in standardized product markets, companies will place greater emphasis on product design, mold development, multiple forming processes, production consistency, and collaborative development capabilities with customers. Automation of production lines, furnace energy efficiency, and in-line inspection levels will also continue to improve, which will help to enhance production efficiency, product quality, and cost-control capabilities.

Entry Barriers in the Global and China's Household Heat-resistant Glass Industry

Large-scale production capacity. Household heat-resistant glass production requires substantial upfront investment in glass furnaces and automated production lines, which must maintain high capacity utilization to absorb fixed costs and control energy consumption. Established enterprises benefit from stable orders, coordinated production scheduling, centralized procurement and automation, enabling lower unit costs and stronger delivery capabilities. New entrants without sufficient orders or production volumes may face underutilized capacity and higher unit costs, encountering significant barriers to scalability.

Sales channels. Household heat-resistant glass products mainly reach end markets through brand owners, retailers, and home appliance manufacturers. Customers generally value suppliers' product development capabilities, quality control, delivery performance, and long-term track record. Particularly in overseas markets, companies must also meet food-contact safety, thermal performance, and related certification requirements, and continuously develop new shapes and supporting products based on different customer needs. As such, stable customer relationships, established channel presence, and rapid development capabilities constitute significant barriers to entry.

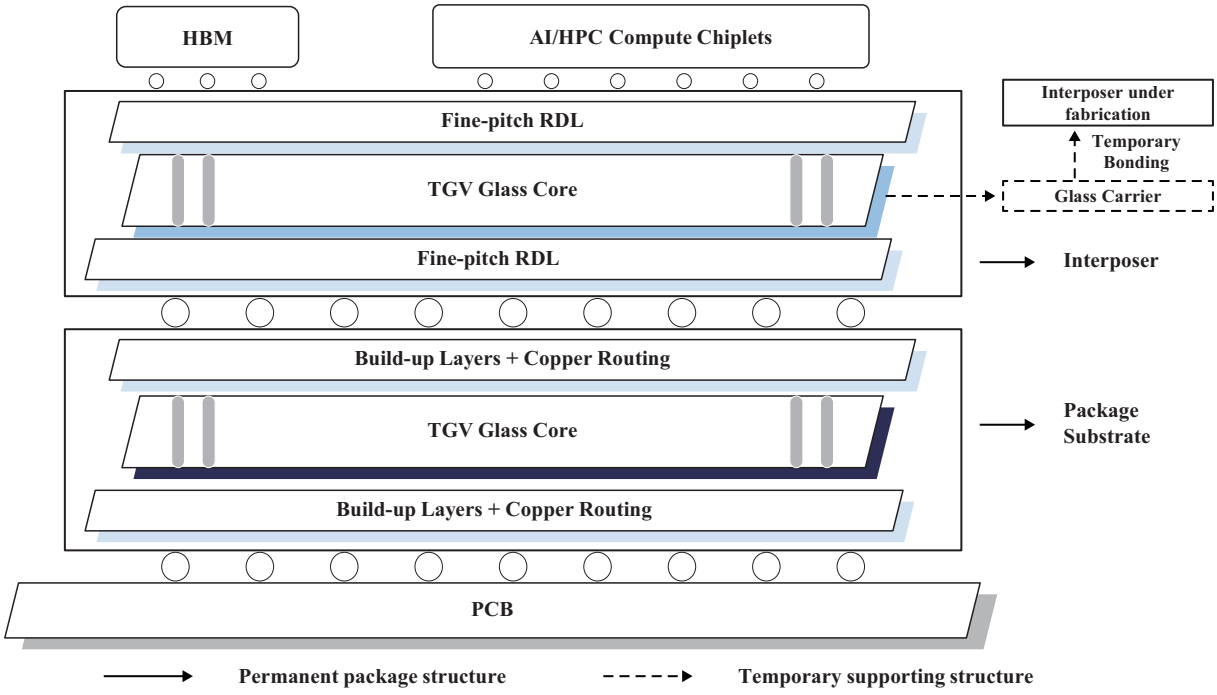
INDUSTRY OVERVIEW OF GLOBAL GLASS SHEETS FOR SEMICONDUCTOR PACKAGING

Evolution of Advanced Packaging Technology and the Demand for Substrate Materials

In the global semiconductor industry, the rising difficulty and cost of advanced process nodes are driving the adoption of advanced packaging. AI and HPC applications are accelerating the shift from monolithic dies towards Chiplet-based integration, combining compute and I/O chiplets with HBM in a single package. This increases demand for interposers and packaging substrates that support high-density interconnections and connect chiplets to the PCB. As package size and interconnection density increase, conventional organic substrates face limitations in flatness and dimensional stability. Glass sheets offer high dimensional stability, tunable thermal expansion, low signal loss and compatibility with large-format processing. Typically made from borosilicate, aluminosilicate glass, they can be processed into glass interposers, glass-core packaging substrates and glass carriers.

Forms of Application of Glass Sheets in Advanced Packaging

In an advanced package, an interposer may be used to provide high-density interconnections between the compute die, HBM and other chiplets, while the packaging substrate connects the die or interposer to the PCB and provides signal transmission, power delivery and structural support. Some package designs do not use a separate interposer, with the die mounted directly on the packaging substrate. Glass may be used as the base material of an interposer or packaging substrate, both of which remain in the final package, or as a temporary carrier that is removed after processing. The principal applications and their respective functions are summarized below.



Application	Position	Function and HBM structure	Advantages of glass material
Glass Carrier	Used in wafer-level, panel-level and fan-out packaging	Provides temporary support for die mounting, molding and RDL fabrication; does not provide permanent electrical interconnection	Higher flatness and dimensional stability; transparency facilitates alignment and laser debonding; suitable for both wafer-level and panel-level packaging.
Glass Interposer	Permanent high-density interconnect layer between dies and the package substrate in 2.5D and 3D packaging	Connects the compute die, HBM and other chiplets; surface RDL provides lateral routing and metallized TGVs provide vertical conduction	Supports larger package areas; lower signal loss; good dimensional stability; and potential for cost reduction through panel-level processing.
Glass Packaging Substrate	Located between the die or interposer and PCB	Provides signal connection, power delivery and structural support; includes all-glass substrates and glass core packaging substrates	Reduces warpage of large-area substrates; improves flatness, dimensional stability and interconnect density, better supporting high-density packaging; and is expected to further mitigate the warpage impact of build-up raw materials and reduce dependence on ABF and other organic materials.

Source: Frost & Sullivan

Overview of TGV Process

Through-Glass Via (TGV) refers to the formation of through-holes in a glass substrate, with metallization within the holes enabling vertical electrical interconnection between the top and bottom surfaces of the substrate. For permanent glass interconnection components, surface circuitry provides lateral routing, while metallized TGVs provide vertical conduction. TGV technology is therefore critical to the application of glass interposers and glass packaging substrates in advanced packaging.

TGV manufacturing primarily involves via formation, metallization and surface circuitry fabrication. Via formation is the core step, with direct laser drilling and laser modification followed by wet etching. These downstream processes are generally undertaken by substrate processors or packaging manufacturers.

At present, TGV has been applied to wafer-level and panel-level glass substrates, but its large-scale adoption in advanced packaging remains in the industrialization ramp-up phase. For upstream glass sheet suppliers, composition and thickness consistency, flatness, dimensional stability, low internal stress and surface quality are critical, as they directly affect via accuracy, the risk of cracking or breakage and downstream production yield.

Analysis of the Global Market Size of Glass Sheets for Semiconductor Packaging

The global market size of glass sheets for semiconductor packaging is expected to increase from RMB0.1 billion in 2026 to RMB13.2 billion in 2030, representing a CAGR of 234.8%. This high growth primarily reflects the low initial base and the expected transition from product verification and small-batch production to commercial adoption. By 2030, the market sizes of glass sheets for glass-core packaging substrate, carrier and interposer applications are expected to reach RMB5.6 billion, RMB4.6 billion and RMB3.0 billion, respectively.

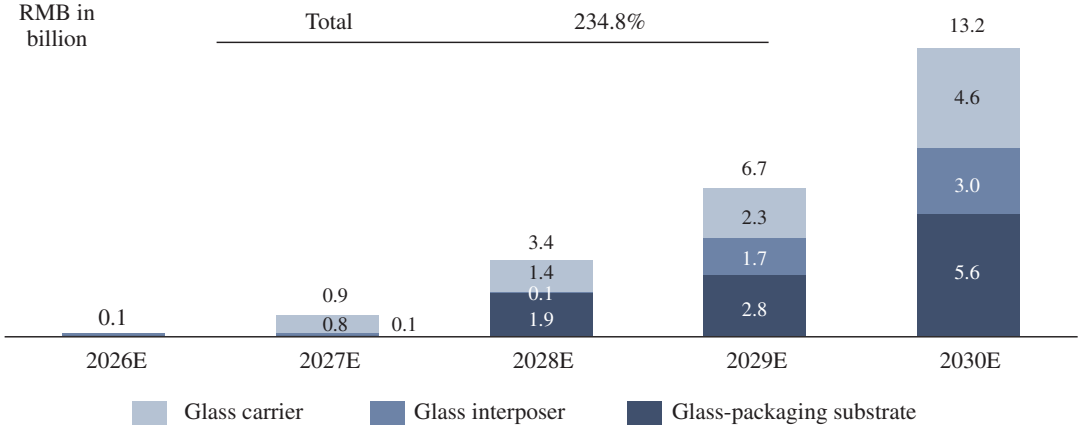
Glass sheets for carrier applications are expected to commercialize earlier because carriers are removed after processing and do not require permanent electrical interconnection or lifetime reliability within the final package. Their adoption mainly depends on flatness, dimensional stability, bonding and debonding performance, and compatibility with wafer- and panel-level processing equipment. These requirements are relatively mature, supporting earlier adoption, although carrier reuse may limit long-term material demand.

Glass sheets for interposer applications are expected to remain at the verification and small-batch production stages in the near term. As interposers remain in the final package and provide high density interconnection, their commercialization requires coordinated optimization of TGVs, metallization, fine-line RDLs, die bonding and package integration. Customer-specific chiplet and HBM designs also result in longer co-development and qualification cycles. Broader adoption is expected after 2028 as production yields improve and glass demonstrates clear advantages over established silicon and organic alternatives.

Glass sheets for glass packaging substrate applications are expected to enter initial small-scale commercialization around 2027 and become a major growth source from 2028. Initial adoption will primarily target large-area AI and HPC packages, where organic core materials face greater warpage and dimensional stability constraints. However, volume production still requires improvements in large-format glass handling, TGV formation and copper filling, build-up layer integration, reliability and production yield, as well as production-line modifications and customer qualification.

Global Market Size of Glass Sheets for Semiconductor Packaging, 2026–2030E, by Revenue

CAGR	2026–2030E
Total	234.8%



Source: Expert interviews, corporate annual reports, Frost & Sullivan

Driving Factors and Trends for the Glass Sheets Industry for Semiconductor Packaging

AI and high-performance computing are driving the continuous enlargement of advanced packaging. Growing demand for computing power and memory bandwidth is accelerating Chiplet architectures and HBM integration. Platforms such as CoWoS integrate more logic dies and memory stacks within a single package. As package size and interconnection density increase, organic substrates face greater challenges in controlling thermal expansion, warpage and fine-line routing. Glass sheets offer high rigidity, dimensional stability and adjustable thermal expansion properties, supporting their application in glass carriers, glass interposers and glass-core packaging substrates.

Industry chain collaboration is accelerating the commercialization of glass substrates. Chip manufacturers, packaging substrate suppliers and glass material companies are jointly developing pilot lines, samples and supporting processes across TGV, metallization and build-up layer manufacturing. Such collaboration is improving process maturity and accelerating customer validation, with certain leading participants planning to advance mass production after 2028.

Glass applications will initially focus on high-end chips. Given their relatively high processing costs, developing yields and lengthy validation cycles, glass interposers and glass core packaging substrates are expected to be first adopted in AI accelerators, server processors and high-end networking chips. The period from 2028 to 2030 is expected to remain in an introductory stage of customer validation and initial mass production. As processes mature, yields improve and costs decline, glass applications are expected to expand into a broader range of advanced packaging scenarios.

Application pathways for glass sheets are expected to expand. Glass packaging substrates are expected to enter initial industrialization as product qualification and related processes mature, driving demand for glass sheets with high dimensional stability, warpage control and high-density interconnection compatibility. Further process advances may support all-glass and multilayer structures, while CPO may create additional opportunities in optoelectronic packaging.

COMPETITIVE LANDSCAPE ANALYSIS

Competitive Landscape of China Pharmaceutical Glass Packaging Market

Rankings of China Pharmaceutical Glass Packaging Companies, 2025, by Revenue from Sales in China

Rank	Company	Revenue	Market share
		(RMB billion)	*%*
1	Company A	2.86	20.4%
2	Company B	1.05	7.5%
3	Company C	0.78	5.5%
4	Company D	0.67	4.8%
5	Company E	0.63	4.5%
6	Company F	0.59	4.2%
7	Company G	0.55	3.9%
8	Company H	0.43	3.1%
9	**The Company**	**0.33**	**2.4%**
10	Company I	0.26	1.8%
	Others	5.88	41.9%
Total		**14.03**	**100%**

Sources: Expert interviews, corporate annual reports, Frost & Sullivan

Notes:

1. Company A is a public company founded in 1970 and listed on the Shanghai Stock Exchange, headquartered in Shandong Province, China, primarily engaged in the manufacturing and sale of pharmaceutical glass packaging products.
2. Company B is a subsidiary of a company listed on the Hong Kong Stock Exchange, founded in 2005 and headquartered in Shandong Province, China, primarily engaged in providing pharmaceutical packaging and drug delivery solutions.
3. Company C is an unlisted company founded in 2011 and headquartered in Ningbo, China, primarily engaged in the manufacturing and sale of pharmaceutical glass packaging products.
4. Company D is an unlisted company founded in 1992 and headquartered in Hebei Province, China, primarily engaged in the manufacturing and sale of pharmaceutical glass tubing and pharmaceutical glass containers.
5. Company E is an unlisted company founded in 1991 and headquartered in Zhejiang Province, China, primarily engaged in the manufacturing and sale of pharmaceutical glass packaging and drug delivery products.
6. Company F is an unlisted company founded in 2005 and headquartered in Jiangsu Province, China, primarily engaged in the manufacturing and sale of pharmaceutical glass packaging products.
7. Company G is an unlisted company founded in 1988 and headquartered in Sichuan Province, China, primarily engaged in the manufacturing and sale of pharmaceutical glass tubing and pharmaceutical glass containers.
8. Company H is a public company founded in 1989 and listed on the Shanghai Stock Exchange, headquartered in Chongqing, China, primarily engaged in the manufacturing and sale of pharmaceutical glass packaging products.

9. Company I is an unlisted company founded in 1997 and headquartered in Sichuan Province, China, primarily engaged in the manufacturing and sale of pharmaceutical glass packaging products.

Competitive Landscape of Global Household Heat-Resistant Glass Market

Rankings of Global Household Heat-Resistant Glass Companies, 2025, by Global Revenue

Rank	Company	Revenue	Market share
		(RMB billion)	*%*
1	Company J	1.17	9.9%
2	**The Company**	**0.61**	**5.1%**
3	Company K	0.59	5.0%
4	Company L	0.53	4.4%
5	Company M	0.48	4.0%
	Others	8.46	71.6%
Total		**11.84**	**100%**

Rankings of China Household Heat-Resistant Glass Companies, 2025, by Revenue from Sales in China*

Rank	Company	Revenue	Market share
		(RMB billion)	*%*
1	**The Company**	**0.39**	**9.5%**
2	Company J	0.34	8.4%
3	Company L	0.27	6.4%
4	Company N	0.24	5.8%
5	Company O	0.18	4.3%
	Others	2.72	65.6%
Total		**4.14**	**100%**

Sources: Expert interviews, corporate annual reports, Frost & Sullivan

Notes:

* 1. Ranking of Chinese Household Heat-Resistant Glass represents revenue generated from sales in China by domestic and overseas manufacturers.

2. Company J is an unlisted company founded in 1981 and headquartered in Shandong Province, China, primarily engaged in the manufacturing and sale of household glassware and other glass products.

3. Company K is an unlisted company founded in 1905 and headquartered in Ohio, U.S., primarily engaged in the manufacturing and sale of household glassware, including bakeware, drinkware and food storage products.

4. Company L is an unlisted company founded in 2012 and headquartered in Anhui Province, China, primarily engaged in the manufacturing and sale of heat-resistant household glassware.

5. Company M is an unlisted company founded in 1825 and headquartered in France, primarily engaged in the manufacturing and sale of household glassware and tableware.

6. Company N is an unlisted company founded in 2007, headquartered in Anhui Province, China, primarily engaged in the manufacturing and sale of household glassware and related glass products.

7. Company O is an unlisted company headquartered in Shandong Province, China, primarily engaged in the manufacturing and sale of household glassware and related glass products.

Cost Structure of Borosilicate Technical Glass Products in China

The production cost of borosilicate glass mainly comprises raw materials, energy and labor. For a typical tubing-based pharmaceutical glass manufacturer, these generally account for approximately 40% to 50%, 20% to 25%, 10%-15% of production costs, respectively.

The raw materials include boric acid, borax, quartz sand and other materials. In a typical medium borosilicate glass formulation, boric acid generally accounts for approximately 20% to 30% of direct material costs, borax 10% to 15%, quartz sand 8% to 15%, and other materials, including soda ash, aluminum hydroxide and other additives. Actual cost structures vary by product formulation, raw material prices and sourcing methods.

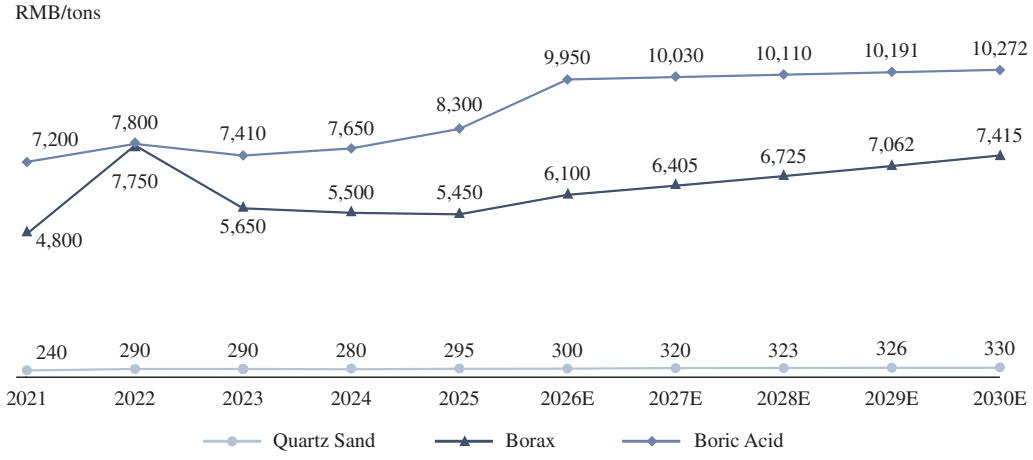
Cost Analysis of Major Raw Materials for Borosilicate Technical Glass

From the perspective of major raw material prices, boric acid and borax are relatively higher-priced raw materials used in borosilicate technical glass production and have shown greater price fluctuations. Borax prices rose from RMB4,800 per ton in 2021 to RMB7,750 per ton in 2022, mainly due to the European energy crisis and public-health-related supply chain disruptions, before declining to RMB5,650 per ton in 2023 and remaining at approximately RMB5,450 to RMB5,500 per ton in 2024 and 2025. Boric acid prices declined to RMB7,410 per ton in 2023, before increasing to RMB7,650 in 2024 and RMB8,300 in 2025.

During the first nine months of 2026, boric acid prices rose sharply in March and subsequently remained elevated, with the benchmark price for imported boric acid reaching approximately RMB11,550 per ton in September. Borax prices increased more gradually, from approximately RMB5,500 per ton in April to RMB6,480 in September. Taking into account lower prices at the beginning of the year, their average prices for 2026 are estimated at approximately RMB9,950 and RMB6,100 per ton, respectively. Quartz sand prices ranged from RMB240 to RMB295 per ton during 2021–2025. These prices mainly represent standard-grade products, while higher-grade low-iron quartz sand may cost RMB150 to RMB250 more per ton. Despite substantial domestic output, limited supplies of high-grade resources are expected to support moderate price increases.

Looking ahead, borax and boric acid prices are expected to remain on an upward but fluctuating trend. China continues to rely partly on imports. Overseas supply concentration, geopolitical developments, energy and freight costs, together with growing demand for higher-grade boric acid, may continue to affect prices. Actual procurement prices may rise in certain years, although longer-term movements remain uncertain.

Cost Analysis of Major Raw Materials for Borosilicate Glass, 2021–2030E



Source: Mysteel, Expert interviews, Frost & Sullivan

Our business operations are primarily in the PRC and subject to regulations by the PRC government agencies. This section summarizes the major PRC laws and regulations that we believe are relevant to our business and operations in the PRC.

LAWS AND REGULATIONS ON PHARMACEUTICAL PACKAGING MATERIALS AND GLASS MANUFACTURING

Provisions on Pharmaceutical Packaging Materials

On August 18, 2015, the State Council issued the Opinions of the State Council on the Reform of Review and Approval System for Drugs and Medical Devices (《關於改革藥品醫療器械審評審批制度的意見》), which streamlined drug approval procedures and improved the drug regulatory framework.

On August 10, 2016, the former China Food and Drug Administration issued the Announcement on Matters Concerning the Associated Review and Approval of Pharmaceutical Packaging Materials and Pharmaceutical Excipients with Medicinal Products (《關於藥包材藥用輔料與藥品關聯審評審批有關事項的公告》), which shifted the regulatory approach for pharmaceutical packaging materials from independent approval to associated review and approval during the drug registration process.

On October 8, 2017, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Opinions on Deepening the Reform of Review and Approval System to Encourage Innovation in Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》), which further mandated associating the approval of drugs with the approval of pharmaceutical raw materials and excipients and of packaging materials.

On July 16, 2019, the NMPA issued the Announcement on Matters Concerning Further Improvement to the Bundling Review, Approval and Regulation of Drugs (《國家藥監局關於進一步完善藥品關聯審評審批和監管工作有關事宜的公告》), which clarified that where an application for registration of a pharmaceutical preparation is bundled with a registered AEP (Active Pharmaceutical Ingredients-Pharmaceutical Excipients-Packaging Materials) and if the pharmaceutical preparation is approved, it shall be deemed that the bundled AEP has passed the technical evaluation and is marked as "A" on the registration platform; or it shall be marked as "I" if the AEP has not passed the technical evaluation or has not been bundled with the registration of the pharmaceutical preparation.

On January 22, 2020, the State Administration for Market Regulation issued the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), which took effect on July 1, 2020. According to the Administration of Drug Registration, manufacturers of packaging materials and containers in direct contact with drugs (the "**Pharmaceutical Packaging Materials**") shall, according to the requirements of the associated review and approval regime, register the product information and research materials on the registration platform of Pharmaceutical Packaging Materials. The CDE shall announce the registration number, product name, enterprise name, manufacturing address and other basic information to the public for selection by applicants for registration of drug preparations. A pharmaceutical preparation registration applicant may select Pharmaceutical Packaging Materials that have been registered on the registration platform. Where unregistered Pharmaceutical Packaging Materials are selected, the relevant research materials are required to be submitted together with the pharmaceutical preparation registration application. In reviewing a pharmaceutical preparation registration application, the CDE conducts an associated review of the Pharmaceutical Packaging Materials selected for the relevant pharmaceutical preparation. Where supplementary materials are required, the CDE may require the pharmaceutical preparation registration applicant or the relevant Pharmaceutical Packaging Materials manufacturer to submit such supplementary materials. Based on the significance of relevant risk, the CDE may also propose an extended inspection of the relevant Pharmaceutical Packaging Materials manufacturer. Where the Pharmaceutical Packaging Materials have passed the associated review, the CDE will update their registration status on the registration platform and disclose the relevant information to the public.

The NMPA issued Announcement No. 1 of 2025, publishing the Appendices for Pharmaceutical Excipients and Pharmaceutical Packaging Materials to the Good Manufacturing Practice for Drugs (2010 Revision) (《<藥品生產品質管制規範(2010年修訂)>藥用輔料附錄、藥包材附錄》) (the "**Appendices**"), which took effect on January 1, 2026. The Appendices require Pharmaceutical Packaging material Manufacturers to conduct regular quality assessments of raw material suppliers; establish a change management system, classify changes based on risk assessment, conduct necessary studies and implement such changes only after approval by the quality management department; and test each batch of products in accordance with applicable specifications, which may only be released after approval by the competent quality management authority.

On November 7, 2016, the Ministry of Industry and Information Technology (工業和信息化部) (the "**MIIT**"), the NDRC, the Ministry of Science and Technology, the MOFCOM, the National Health and Family Planning Commission, and the China Food and Drug Administration jointly issued the Guidelines for the Development Plan of the Pharmaceutical Industry (《醫藥工業發展規劃指南》), which calls for the improvement of the quality and supply capabilities of Pharmaceutical Packaging Materials.

On December 1, 2019, the most recently amended Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) took effect, providing that the drug administrative department of the State Council shall also examine, together with drugs, the active drug ingredients and the relevant drug excipients, packaging materials and containers which come into direct contact with the drugs, and that such packaging materials and containers shall meet pharmaceutical requirements and standards for safeguarding human health and safety, and the use of non-compliant packaging materials and containers shall be ordered to cease.

On January 22, 2021, the General Office of the State Council issued the Opinions on Promoting the Centralized Volume-based Procurement of Drugs in a Normalized and Institutionalized Manner (《關於推動藥品集中帶量採購工作常態化制度化開展的意見》), which provides that drugs with large usage volumes and high procurement amounts under the basic medical insurance drug catalog shall be prioritized for centralized volume-based procurement. Participating enterprises shall submit quotations on a voluntary basis, and successful enterprises and procurement prices shall be determined through competition on quality and price, with the agreed procurement volume specified for each successful enterprise. Successful enterprises are responsible for ensuring the quality and supply of selected drugs during the procurement period.

On January 30, 2022, the MIIT, the NDRC, the Ministry of Science and Technology, Ministry of Emergency Management, National Healthcare Security Administration, National Administration of Traditional Chinese Medicine, the MOFCOM, the National Health Commission, and the NMPA jointly issued the "14th Five-Year Plan" for Pharmaceutical Industry Development (《"十四五"醫藥工業發展規劃》), which calls for the improvement of the standard system and quality specifications for pharmaceutical excipients and packaging materials.

On September 18, 2026, the MIIT, the NDRC, the Ministry of Natural Resources, the Ministry of Agriculture and Rural Affairs, MOFCOM, the National Health Commission, the Ministry of Emergency Management, the National Healthcare Security Administration, the National Administration of Traditional Chinese Medicine, and the NMPA jointly issued the "15th Five-Year Plan" for Pharmaceutical Industry Development (《醫藥工業發展"十五五"規劃》),which explicitly designates for major development: packaging materials and formats suitable for traditional Chinese medicine preparations, self-administration devices, and materials for internal/external spraying and surface treatment of pharmaceutical containers/components such as glass.

The Industrial Structure Adjustment Guidance Catalog (2024 edition) (《產業結構調整指導目錄(2024年本)》) (the "**Catalog**"), issued on December 27, 2023 by the NDRC and took effect on February 1, 2024, classifies industries into three categories, encouraged industries, restricted industries, and eliminated industries, and serves as a key policy instrument for guiding investment direction and optimizing industrial structure. Notably, under Category XIII "Pharmaceuticals", Item 3 "Biopharmaceutical Supporting Industries" includes "the development and production of new Pharmaceutical Packaging Materials and technologies, including special functional materials, as well as novel packaging systems and drug delivery devices, such as ready-to-mix and smart packaging".

In March 2025, the NMPA and the National Health Commission issued the Pharmacopoeia of the PRC (2025 Edition) (《中華人民共和國藥典(2025年版)》) (came into force on October 1, 2025), which provides that the composition of pharmaceutical glass materials and containers shall meet product performance requirements. During production, the formulation proportions of glass, uniformity of batch mixing and melting quality shall be strictly controlled, and the manufacturing processes for pharmaceutical glass materials and containers shall remain stable to ensure within-batch uniformity and batch-to-batch consistency.

Provisions on Glass Manufacturing

On May 7, 2021, the Third Meeting of the Eighth Standing Council of the China National Light Industry Glass Association reviewed and approved the Guidance on High-Quality Development of the Domestic Glass Industry during the 14th Five-Year Plan Period (2021–2025) (《日用玻璃行業"十四

五"高質量發展指導意見(2021–2025年)》), which sets forth the guiding ideology, basic principles, and main objectives for high-quality development of the domestic glass industry and provides policy recommendations and safeguard measures for implementation.

On July 9, 2026, the China National Light Industry Glass Association reviewed and approved the Guidance on High-Quality Development of the Domestic Glass Industry during the 15th Five-Year Plan Period (2026–2030) (《日用玻璃行業"十五五"高質量發展指導意見(2026–2030年)》), which calls for prioritizing the development of high-value-added, technology-intensive products including high borosilicate glass and medium borosilicate pharmaceutical glass.

On June 8, 2022, the MIIT, together with the Ministry of Human Resources and Social Security (人力資源和社會保障部), the Ministry of Ecology and Environment of the PRC (the "**MEE**"), the MOFCOM, and the SAMR, jointly issued the Guiding Opinions on Promoting the High-Quality Development of Light Industries (《關於推動輕工業高質量發展的指導意見》), which incorporated new domestic ceramics, artistic ceramics, lightweight glass bottles and jars, high-end glass tableware, and glass-ceramics products as a unified subcategory into the "Upgraded and Innovative Product Manufacturing Project".

The Specification Conditions for the Domestic Glass Industry (2023 Edition) (《日用玻璃行業規範條件(2023年本)》) (the "**Specification Conditions**") promulgated by the MIIT, provides, among others, the melting quality of glass furnaces shall comply with the specified technical requirements, and the quality of glass products shall comply with applicable standards. Enterprises shall also establish quality assurance mechanisms under which product quality is traceable, assured and controllable and quality responsibilities are traceable.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The Ecological and Environmental Code of the PRC (《中華人民共和國生態環境法典》) (the "**Ecological and Environmental Code**"), which was adopted on March 12, 2026 and came into effect on August 15, 2026, establishes a comprehensive legal framework for ecological and environmental protection, covering, among others, ecological and environmental impact assessment, pollution prevention and control, pollutant discharge permit administration, ecological protection and green and low-carbon development. Enterprises and other business operators are required to take effective measures to prevent and reduce environmental pollution and ecological damage, conserve resources, control greenhouse gas emissions and fulfill their obligations relating to green and low-carbon development.

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), revised by the State Council on July 16, 2017 and became effective on October 1, 2017, and the Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the former Ministry of Environmental Protection on November 20, 2017, where an environmental impact report or statement is required for a construction project, the construction employer shall submit the environmental impact report or statement to the competent environmental protection authority for approval before the commencement of construction, and shall not commence construction if the environmental impact assessment documents have not been examined or approved.

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, and the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the MEE and became effective on December 20, 2019, the primary management, simplified management and registration management of pollutant discharge permits are implemented based on the pollutant production, emission amount and the extent of environmental impact of the pollutant discharge entities. Entities unit under registration management does not need to apply for a pollutant discharge license, but shall report the basic information, waste discharge destination, waste discharge standards implemented, waste prevention and control measures adopted and other information to the national waste discharge license information platform.

LAWS AND REGULATIONS ON INFORMATION SECURITY AND DATA PRIVACY

Cyber and Data Security

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), promulgated by the Standing Committee of the NPC on November 7, 2016, most recently amended on October 28, 2025 and effective since January 1, 2026, requires network operators to adopt technical and other necessary measures to ensure security of personal data and safeguard against information leakage, damage or loss.

On June 10, 2021, the Standing Committee of the NPC 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 became effective on September 1, 2021. The Data Security Law provides that "data" refers to any recording of information by electronic or other means and "data processing" includes the collection, storage, use, processing, transmission, availability and disclosure of data, etc. Data processors shall establish and improve the whole-process data security management rules, organize and implement data security training as well as take appropriate technical measures and other necessary measures to protect data security. The Regulations on Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), effective from September 2021, impose enhanced security obligations on operators of key network facilities or information systems in designated critical sectors.

On December 28, 2021, the Cyberspace Administration of China, together with other government departments, promulgated the Measures for the Cybersecurity Review (《網絡安全審查辦法》) (the "**Measures**"), which became effective on February 15, 2022. Pursuant to the Measures, the online platform operators possessing personal information of more than one million users who are applying for overseas listing, must make declaration for cybersecurity review with the Office of Cybersecurity Review.

In accordance with the Administrative Regulations on Network Data Security (《網絡數據安全管理條例》), promulgated by the State Council on September 24, 2024, and effective as of January 1, 2025, "network data" refers to various types of electronic data processed or generated via networks, and "network data processing activities" include the collection, storage, use, processing, transmission, provision, disclosure, and deletion of network data. As a supporting administrative regulation for the Cybersecurity Law of the PRC, the Data Security Law of the PRC, and Personal Information Protection Law, the Administrative Regulations on Network Data Security introduce additional or refined requirements regarding notification rules for personal information processing, provision of personal information to other network data processors, personal information transfers, additional legal obligations for network data handlers processing personal information of more than 10 million individuals, security of important data, and cross-border security management of network data.

Personal Information Protection

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, the personal information of an individual shall be protected. Any organization or individual must legally obtain the personal information of any person when necessary and ensure its safety, and shall not illegally collect, use, process or transmit such personal information, or illegally buy or sell, provide or make public such personal information.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), promulgated by the Standing Committee of the NPC on August 20, 2021 and effective since November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information onshore and offshore. The Law sets forth certain specific personal information protection requirements, including but not limited to detailed inform and consent requirements in various contexts, enhanced and categorized obligations of personal information processors, and additional limitations and rules on the processing of personal information.

Cross-border Data Transfer

Pursuant to the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》), issued by the Cyberspace Administration of China on July 7, 2022, and implemented since September 1, 2022, data handlers must apply for a security assessment through their local provincial cyberspace administration to the national cyberspace administration before exporting data under any of the following circumstances: (i) the data handler intends to export important data; (ii) critical information infrastructure operators and data handlers processing personal information of more than one million individuals intend to export such personal information; (iii) since January 1 of the previous year, the data handler has cumulatively exported personal information of 100,000 individuals or sensitive personal

information of 10,000 individuals and intends to continue exporting such information; and (iv) other situations as specified by the national cyberspace administration that require a security assessment for data export.

Pursuant to the Regulations for Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), issued and implemented by the Cyberspace Administration of China since March 22, 2024, data handlers must identify and report important data in accordance with relevant regulations. If the data has not been designated or publicly announced as important data by relevant authorities or regions, data handlers are not required to report it for a data export security assessment as important data.

LAWS AND REGULATIONS ON PRODUCT LIABILITY

Pursuant to the Product Quality Law (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and most recently revised on December 29, 2018 by the Standing Committee of the NPC, a seller shall be responsible for the repair, replacement or return of the product sold if (1) 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; (2) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (3) 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 purchased product, the seller shall compensate for such losses.

According to the Civil Code, in the event of damage caused to others due to product defect, the infringed may seek compensation from the manufacturer of the products or may also seek compensation from the seller of the products.

According to the Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), promulgated on October 31, 1993 and most recently revised October 25, 2013, all business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. Where the goods or services provided by a business operator do not satisfy quality requirements, the consumer may require the business operator to perform replacement or repair obligations.

The Food Safety Law of the PRC (《中華人民共和國食品安全法》), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on February 28, 2009, most recently amended on September 12, 2025, and took effect on December 1, 2025, provides that food intended for direct consumption shall use non-toxic, clean packaging materials, tableware, drinking utensils, and containers.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

The Patent Law of the PRC (《中華人民共和國專利法》) was most recently revised on October 17, 2020 and became effective on June 1, 2021. The duration of patent rights is 20 years for inventions, 10 years for utility models and 15 years for designs, commencing from the filing date. Unless otherwise stipulated by law, no organization or individual shall, without a license from the patentee, manufacture, use, offer to sell, sell or import patented products or use patented methods for manufacturing and business purposes.

The Trademark Law of the PRC (《中華人民共和國商標法》) was most recently revised on June 26, 2026 and will come into effect on January 1, 2027. A registered trademark shall be valid for 10 years, commencing on the date of approval of registration. A trademark registrant intending to continue to use the registered trademark upon expiry of the period of validity shall undergo the renewal formalities within 12 months before such expiry, with a six-month grace period available upon failure to do so, and each renewal shall be valid for ten years, commencing from the day immediately after the expiry date of the last period of validity.

The Copyright Law of the PRC (《中華人民共和國著作權法》) was most recently amended on November 11, 2020 and became effective on June 1, 2021. Works shall refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, including fine arts and computer software, among others. Chinese citizens, legal persons or organizations without legal personality enjoy copyright over their works, regardless of whether they have been published.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and became effective on the same date, regulates the registration of software copyright, the exclusive

licensing contracts and assignment contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and designates the China Copyright Protection Center as the agency for software registration.

The Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017. The MIIT is the primary regulatory authority responsible for the administration of internet domain names in the PRC. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

According 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 last amended on December 29, 2018, enterprises and institutions shall establish and improve their system of workplace safety and sanitation, and strictly abide by state rules and standards on workplace safety, provide laborers with safe workplaces and sanitation conditions in compliance with state stipulations and the relevant articles of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), enacted on June 29, 2007 and amended on December 28, 2012, together with its Implementation Regulations (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008, prescribes detailed provisions governing the formation, term, and termination of labor contracts, as well as the respective rights and obligations of employees and employers. At the recruitment stage, employers must truthfully disclose to employees the scope of work, working conditions, place of work, occupational hazards, safety production conditions, remuneration, and any other information the employee requests.

On July 31, 2025, the PRC Supreme People's Court promulgated the Interpretation II by the Supreme People's Court of the PRC on Legal Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. The New Judicial Interpretation provides that the people's court shall deem the agreements or undertakings to waive social insurance contributions invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer, the people's court shall support such claims in accordance with the law.

Social Insurance

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (the "**Social Insurance Law**"), which was promulgated on October 28, 2010 and last amended on December 29, 2018, and Interim Regulation on the Collection and Payment of Social Insurance Premiums (2019 Revision) (《社會保險費徵繳暫行條例(2019年修訂)》), which was promulgated by the State Council on January 22, 1999, and last amended on March 24, 2019, employers who fail to promptly contribute social insurance premiums in full shall be ordered by the social insurance premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times of the amount in arrears. Enterprises shall register social insurance with local social insurance agency and pay or withhold relevant social insurance for or on behalf of its employees.

The Notice of General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發<降低社會保險費率綜合方案>的通知》), promulgated on April 1, 2019, requires steady advancement of the reform of the system of social security fees collection. It also emphasizes that the historical unpaid arrears of the enterprise shall be properly treated. In the process of reformation of the collection system, the relevant government departments shall neither conduct self-collection of historical unpaid arrears from enterprises, nor adopt any measures that will increase the actual payment burden of small and micro enterprises, so as to avoid causing difficulties for enterprises in their production and business operations.

Housing Provident Fund

In accordance with the Regulations on the Management of Housing Funds (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999 and last amended on August 10, 2026, employers shall register at the competent managing center for housing provident funds and

complete procedures for opening an account at the relevant bank for the deposit of employees' housing provident funds. Employers are also required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. Employers failing to complete housing provident fund contribution registration or open housing provident fund accounts for their employees, such employers shall be ordered by the competent managing center of housing provident funds to complete such procedures within prescribed period. Those who fail to complete such procedures within the prescribed period shall be fined RMB50,000 to RMB300,000. For overdue or underpayment of housing provident fund in violation of the provisions of such regulations, the managing center of housing provident funds shall order relevant employers to make contribution within prescribed period, failing which an application may be made to a people's court for compulsory enforcement.

LAWS AND REGULATIONS ON COMPANIES AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC is governed by the PRC Company Law, which was promulgated by the SCNPC on December 29, 1993, and was last amended on December 29, 2023 and became effective on July 1, 2024. The PRC Company Law generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed or the shares they have subscribed for. The PRC Company Law shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On March 15, 2019, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") was promulgated by the NPC. The Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors, while the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the PRC Company Law and other laws. The PRC implements a pre-access national treatment plus negative list management system for foreign investment, which means that foreign investors and their investments are given treatment no less favorable than that accorded to domestic investors and their investments at the stage of investment access.

The Catalog of Industries Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) issued by the NDRC and the MOFCOM on December 15, 2025 (effective February 1, 2026), and the Special Administrative Measures for Foreign Investment Entry (Negative List) (2024 Version) (《外商投資准入特別管理措施 (負面清單) (2024年版)》) issued by the NDRC and the MOFCOM on September 6, 2024 (the "**Negative List**"), which became effective on November 1, 2024) together constitute the catalog of industries encouraging foreign investment and the special administrative measures for foreign investment access to industries restricted or prohibited for foreign investment, of which the Negative List has uniformly listed the special administrative measures in respect of foreign investment access, such as shareholding requirements and senior management requirements. Fields outside the Negative List are managed in accordance with the principle of consistency between domestic and foreign investments.

The foreign investment information reporting shall be subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the SAMR, which came into effect on January 1, 2020. According to the Foreign Investment Information Reporting Method, foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System, and the reporting methods include initial reports, change reports, cancellation reports, and annual reports.

LAWS AND REGULATIONS ON CUSTOMS DECLARATION

The Customs Law of the PRC (《中華人民共和國海關法》) which was promulgated by the SCNPC on January 22, 1987, and was last amended and became effective on April 29, 2021, stipulates that all means of transport, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established, and that customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by them, who shall file records with the customs, failing which fines may be imposed by the customs.

According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of "Integrating Multiple Certificates into One" (《關於報關單位備案全面納入"多證合一"改革的公告》) jointly promulgated by the General Administration of Customs of the PRC (the "**GACC**") and the SAMR on December 20, 2021 and became effective on January 1, 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity, it shall tick the relevant box and fill in the relevant filing information for filing, and the market regulation authorities will complete the registration and share the relevant information with the GACC. Such applicants are no longer required to apply to the customs for filing. In addition, the Decision of the SCNPC on revising the Foreign Trade Law of the PRC (《全國人民代表大會常務委員會關於修改<中華人民共和國對外貿易法>的決定》), which was effective on December 30, 2022, deleted the registration requirements for foreign trade dealers.

Pursuant to the Regulations of the PRC on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》), which was promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, and became effective on May 1, 2024, goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota system; and goods whose import or export is free shall not be subject to restriction. The consignee of imported goods or the consignor of exported goods shall submit an automatic import and export license, an import and export license or a quota certificate to the customs for customs clearance.

LAWS AND REGULATIONS ON PRODUCTION SAFETY AND FIRE CONTROL

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), which was last amended on June 10, 2021 by the SCNPC and became effective on September 1, 2021, entities engaged in production and business activities in Chinese mainland shall establish and improve responsibility systems and policies, improve conditions, strengthen the standardized and information technology development of work safety, and improve the production level to ensure their production safety. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, or even criminal liability in severe cases.

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》), promulgated by the SCNPC on April 29, 1998 and last amended with effect from April 29, 2021, design and construction of the fire control facilities for a construction work shall comply with the national fire control technical standards. The developer, designer, constructors and project supervisor of a construction project shall be responsible for the quality of the design and construction of the fire control facilities for the construction work according to the relevant laws. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business.

The Interim Regulations on Fire Protection Design Review and Acceptance Management of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) were first promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (the "**MOHURD**") on April 1, 2020, and were last amended on August 21, 2023, and became effective on October 30, 2023. In accordance with the aforementioned laws and regulations, for construction projects that are required to undergo fire safety acceptance inspections as stipulated by the State Council's housing and urban-rural development authorities, the construction entity must apply for a fire safety acceptance inspection with the housing and urban-rural development authorities. For other construction projects not specified in the previous provision, the construction entity must report to the housing and urban-rural development authorities for filing after the acceptance inspection. Construction projects that are legally required to undergo a fire safety acceptance inspection must not be put into use if they have not undergone such an inspection or if they fail the inspection.

LAWS AND REGULATIONS ON REAL ESTATE

Land Administration

According to the Civil Code, the establishment, modification, assignment and extinguishment of real estate property rights are effective upon registration in accordance with the law; unless the law stipulates otherwise, such establishment, modification, assignment and extinguishment shall be ineffective without registration. Real estate registration shall be handled by the registration authority at the location of the property.

The Land Administration Law of the PRC (《中華人民共和國土地管理法》) was last amended by the SCNPC on August 26, 2019, and became effective on January 1, 2020. Pursuant to the Land Administration Law of the PRC, construction entities that have obtained state-owned land use rights through compensated means such as grant must pay the land use right grant fees and other fees and expenses in accordance with the standards and methods prescribed by the State Council before they can use the land. Construction entities using state-owned land must use the land in accordance with the provisions of the contract for paid use of leased land use right or according to the provisions of the documents of approval concerning the allocation of land use right. If it is necessary to change the purpose of the land use, approval must be obtained from the competent natural resources department of the relevant people's government and from the people's government that originally approved the land use. For urban planned areas, changing land use requires prior consent from the relevant urban planning administrative department before seeking approval.

Real Property Registration

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) which was last amended by the State Council on March 10, 2024 and became effective on May 1, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) which was last amended by the Ministry of Natural Resources on May 9, 2024 and became effective on May 21, 2024, provide that, among other things, the State implements a uniform real estate registration system and real estate registration shall follow the principles of strict administration, stability, continuity, and convenience for the masses.

Management of Lease Housing

Pursuant to (i) the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019 and became effective on January 1, 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the MOHURD on December 1, 2010 and became effective on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines. Pursuant to Article 706 of the Civil Code, failure to complete the formalities for the registration and filing of a lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the contract.

LAWS AND REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Provisions of the State Council on Overseas Investment (《國務院關於對外投資的規定》), which were promulgated by the State Council on May 5, 2026 and became effective on July 1, 2026, PRC investors conducting direct or indirect overseas investment are required to comply with the applicable approval or filing, information reporting and cross-border funds registration requirements and cooperate with supervision and inspection. Where an investor fails to undergo confirmation or recordation formalities for outbound investment in accordance with the relevant provisions, or applies for the relevant confirmation or recordation by submitting false materials, concealing true information, or other means, the confirmation or recordation authority shall order the investor to take corrective action, confiscate any illegal proceeds therefrom, and impose a fine of not less than 1‰ nor more than 5‰ of the investment amount on the investor; and if the investor refuses to take corrective action, order the investor to cease such investment activities and dispose of the relevant shares or assets within a prescribed time limit, impose a fine of not less than 5‰ nor more than 10‰ of the investment amount on the investor, and impose a fine of not less than RMB20,000 nor more than RMB50,000 on the directly liable persons in charge and other directly liable persons.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection. Where the investor of a project subject to confirmation or recordation management commits (1) implementing the project without obtaining a confirmation document or recordation notice, and/or (2) modifying the project without the consent of the confirmation or recordation authority, if the formalities for modification of confirmation or recordation are required, the confirmation or recordation authority shall order it to suspend or cease the implementation of the project and take corrective action during a specified period, and issue a warning to the investor and the relevant persons liable; and if it is criminally punishable, the offender shall be held criminally liable in accordance with the law.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, most recently amended on September 6, 2014 and became effective on October 6, 2014, "overseas investment" means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》), which was promulgated by the SAFE on July 13, 2009 and became effective on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated by the SAFE on February 13, 2015, became effective on June 1, 2015 and was partially repealed on December 30, 2019, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, became effective on April 1, 1996 and last amended on August 5, 2008, and became effective on the same date, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》), which was promulgated by the People's Bank of China on June 20, 1996 and became effective on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions documents and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《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》), which was promulgated by the SAFE on June 9, 2016 and became effective on the same date, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated by the SAFE on December 4, 2023, and became effective on the same date, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary

settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), which was promulgated by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and interim and post regulation.

On December 24, 2025, The People's Bank of China and the State Administration of Foreign Exchange jointly issued the Notice on Issues Concerning the Fund Management for Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), which became effective on April 1, 2026, to further facilitate domestic enterprises in efficiently raising funds in overseas financial markets. The main contents of the aforementioned Notice include: (i) clarifying that proceeds from overseas listings, such as funds raised and income from share reductions or transfers, may be repatriated in either foreign currency or RMB. Listing entities participating in the Full Circulation of H Shares shall distribute dividends to domestic shareholders domestically in RMB; (ii) specifying that funds raised from overseas listings and repatriated in foreign currency may be independently converted and used; (iii) supporting the primary role of banks in directly handling the registration for overseas listings by domestic enterprises and appropriately relaxing the deadline requirements for registrations related to issuance, listing, additional offerings, and share reductions; (iv) clarifying that funds raised from overseas listings and proceeds from share reductions or transfers shall, in principle, be remitted back to China. Any remaining funds remitted abroad by shareholders for the purpose of share purchases, or funds from unconsummated transactions, shall be promptly repatriated. Enterprises meeting certain conditions are permitted to retain and use raised funds overseas. As of the effective date of this Notice, the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing has been repealed.

LAWS AND REGULATIONS ON TAXATION

Enterprise Income Tax

According to the EIT Law which was promulgated by the NPC on March 16, 2007 and last amended by the SCNPC on December 29, 2018, and became effective on the same date, a unified income tax rate of 25% applies towards foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises" and are generally subject to the unified 25% enterprise income tax rate as to their global income.

According to the Announcement of the State Administration of Taxation on Issues concerning the Implementation of the Preferential Income Tax Policies regarding High-Tech Enterprises promulgated by State Taxation Administration (《國家税務總局關於實施高新技術企業所得税優惠政策有關問題的公告》) which became effective on June 19, 2017, enterprises that are recognized as high and new technology enterprises are entitled to enjoy a preferential enterprise income tax rate of 15%, under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

Value-added Tax

Pursuant to Value-Added Tax Law of the PRC (《中華人民共和國增值税法》) (the "**VAT Law**") which was promulgated by the SCNPC on December 25, 2024 and became effective on January 1, 2026, and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) which was last amended by the MOF on October 28, 2011 and became effective on November 1, 2011, all entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Tax on Dividends

According to the Announcement on Individual Income Tax Policies for Dividends and Bonuses Received by Foreign Individuals (《關於外籍個人股息紅利個人所得税政策有關事項的公告》), jointly issued by the MOF and the SAT on September 1, 2026, took effect on the same date, dividends and bonuses received by foreign individuals from foreign-invested enterprises are subject to individual income tax at a rate of 20%.

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**Individual Income Tax Law**"), which was last amended by the SCNPC on August 31, 2018 and became effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) (the "**Implementation Rules of the Individual Income Tax Law**"), which was last amended by the State Council on December 18, 2018 and became effective on January 1, 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税政策有關問題的通知》) promulgated by the MOF, the SAT and the CSRC on September 7, 2015 and became effective on September 8, 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%.

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税和防止偷漏税的安排》), became effective on December 8, 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税和防止偷漏税的安排》第五議定書) (the "**Fifth Protocol**"), which was promulgated by the SAT and became effective on December 6, 2019, 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 the EIT Law and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), which was last amended by the State Council on December 6, 2024, and became effective on January 20, 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 arrangement 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 (《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》), which was promulgated by the SAT on November 6, 2008, and became effective on the same date, 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.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on June 10, 2021 and became effective on July 1, 2022, all entities and individuals who make taxable documents and conduct securities transactions within the territory of the PRC are the taxpayers of stamp duty and shall pay stamp duty. All entities and individuals who make taxable documents outside the territory of the PRC to be used within the territory of the PRC shall pay stamp duty. 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 PRC.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**PRC Securities Law**") which was mostly recently revised on December 28, 2019 and came into effect on March 1, 2020, regulates, among other things, the issue and trading of securities, the listing of securities and takeovers of listed companies. The PRC Securities Law provides that domestic enterprises which, directly or indirectly, issue securities or list and trade their securities outside the PRC shall comply with the relevant regulations of the State Council.

Overseas Listings

On February 17, 2023, the CSRC issued the Trial Measures, which took effect on March 31, 2023. The Trial Measures comprehensively reformed the regulatory regime for overseas offering and listing of PRC domestic companies' securities, either directly or indirectly, into a filing-based system. According to the Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. Direct overseas offering and listing by domestic companies refers to such overseas offering and listing by a joint-stock company incorporated domestically. Indirect overseas offering and listing by domestic companies refers to such overseas offering and listing by a company in the name of an overseas incorporated entity, whereas the company's major business operations are located domestically and such offering and listing is based on the underlying equity, assets, earnings or other similar rights of a domestic company. Following an overseas listing, a domestic company is also required to file with the CSRC for its subsequent offering of securities in the same overseas market, and shall complete the filing within three business days after completion of such offering.

On February 24, 2023, CSRC and other three relevant government authorities issued the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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 "**Archives Rules**"), which took effect on March 31, 2023. According to the Archives Rules, a domestic company that seeks overseas offering and listing shall strictly abide by applicable PRC laws and regulations, enhance legal awareness of keeping state secrets and strengthening archives administration, institute a sound confidentiality and archives administration system, and take necessary measures to fulfill confidentiality and archives administration obligations. The "domestic company" may refer to either one of the following entities: a joint-stock company incorporated domestically that conducts direct overseas offering and listing, or a domestic operating entity of a company that conducts indirect overseas offering and listing.

As an A-share listed company, the Company is also subject to the applicable registration requirements under the Measures for the Administration of Securities Issuance and Registration by Listed Companies (《上市公司證券發行註冊管理辦法》) in respect of its subsequent domestic offerings of securities.

OVERVIEW

Our history can be traced back to March 2002 when our Company was established as a limited liability company in the PRC and controlled by Mr. Gao through Linuo Group. For further details of Mr. Gao, see "Directors and Senior Management."

We are an established borosilicate technical glass provider in China. We specialize in developing, producing and selling borosilicate pharmaceutical glass packaging and household heat-resistant glass for applications in the pharmaceutical, biotech, food and beverage and daily housewares industries.

In November 2021, our A Shares were listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301188).

KEY MILESTONES

The table below sets out the key milestones in the history of our Group:

Year	Event
2002	Our Company was established in the PRC.
2010	Our Company was recognized as a High and New Technology Enterprise (高新技術企業).
2011	Our Company was named the Top 10 Enterprises of Daily-Use Glassware Industry in China Light Industries, 2010 (中國輕工業日用玻璃行業十強企業2010年度) by China National Light Industry Council (中國輕工業聯合會) and China National Association For Glass Industry (中國日用玻璃協會).
2015	Our Shares began trading on the NEEQ (stock code: 833017).
2017	The national standard (GB/T35597-2017) Glass Trays for Microwave Oven (微波爐用玻璃托盤), for which our Company served as one of the primary drafting units, was officially promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (中華人民共和國國家質量監督檢驗檢疫總局) and the Standardization Administration of the PRC (中國國家標準化管理委員會). Our Shares were delisted from the NEEQ.
2021	Our A Shares were listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301188).
2024	We obtained Class A registration for mass commercialization of molded glass vials.
2025	We were selected as 2025 Shandong Province Advanced Intelligent Factory (Provincial-Level) (2025年山東省先進級(省級)智能工廠) and achieved mass production of RTU and PFS products. We attained CMMM Level 4 Certification.
2026	The pilot furnace at our Glass New Materials Innovation Incubation Center was ignited.

MAJOR SUBSIDIARY

The following sets out details of our subsidiary that made material contribution to our results of operations during the Track Record Period.

Name of subsidiary	Place of establishment	Date of establishment	Equity interest attributable to our Group	Principal business activities
Linuo Technical Glass	PRC	January 19, 2024	100%	Production of borosilicate technical glass

The Company held all equity interest in the above major subsidiary since its establishment and up to the Latest Practicable Date.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment of our Company

Our Company was established as a limited liability company in the PRC on March 1, 2002 with an initial registered capital of RMB151,680,000 under its former name Jinan Linuo Glass Products Co., Ltd. (濟南力諾玻璃製品有限公司), of which 85% was contributed by Linuo Group, which is controlled by Mr. Gao, through in-kind contributions, and 15% by Ms. Chen Lianna (陳蓮娜), spouse of Mr. Gao, through a combination of in-kind contributions and cash.

Conversion into a Joint Stock Limited Liability Company

Between 2007 and 2014, our Company completed several rounds of equity transfers. On January 20, 2015, the then Shareholders passed the resolution approving the conversion of our Company from a limited liability company to a joint stock limited company. Upon completion of the conversion in April 2015, the name of our Company was changed from Jinan Linuo Glass Products Co., Ltd. (濟南力諾玻璃製品有限公司) to Shandong Linuo Technical Glass Co., Ltd. (山東力諾特種玻璃股份有限公司), and our Company had a total share capital of RMB151,680,000 divided into 151,680,000 Shares with a nominal value of RMB1.00 each, which were held as to 90% by Linuo Investment Holding, a subsidiary of Linuo Group, and 10% by Hongdao New Energy, our employee incentive platform. For details of Hongdao New Energy, see "— Employee Incentive Platform and Share Schemes — Employee incentive platform."

Share Subscription and Previous Listing on the NEEQ

On June 10, 2015, our Company entered into share subscription agreements with Yu Xiupeng (于修鵬), Xu Xiaoguo (許小國), Li Xiaobin (李曉斌), Song Wenzhao (宋文朝), Zhang Shan (張姍), Feng Dingping (馮定平) and Huang Kaihua (黃開華) (collectively, the "**Subscribers**"), respectively, pursuant to which the Subscribers subscribed for an aggregate of 11,280,000 Shares at a total consideration of RMB49,970,400.

On August 12, 2015, our Company was listed on the NEEQ (stock code: 833017).

Upon completion of the share subscription and the listing on the NEEQ, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding
Linuo Investment Holding	136,512,000	83.77%
Hongdao New Energy	15,168,000	9.31%
Yu Xiupeng	4,070,000	2.50%
Xu Xiaoguo	3,000,000	1.84%
Li Xiaobin	2,260,000	1.39%
Song Wenzhao	650,000	0.40%
Zhang Shan	550,000	0.34%
Feng Dingping	500,000	0.31%
Huang Kaihua	250,000	0.15%
Total	**162,960,000**	**100.00%**

In March 2016, our Company completed a private placement of our Shares, pursuant to which a total of 5,280,000 Shares were issued to three investors, all of whom were Independent Third Parties, for a total consideration of RMB36,960,000. Following the completion of the private placement, our Company's total number of issued Shares increased to 168,240,000.

Due to capital planning and strategic development planning adjustments, we sought to voluntarily delist from the NEEQ. On May 10, 2017, our then Shareholders approved the resolution in relation to the termination of our Company's listing on the NEEQ, and on August 24, 2017, our Company received the approval letter regarding the termination of our Company's listing on the NEEQ. Our Company's Shares were delisted on the NEEQ on August 28, 2017.

Compliance during listing on the NEEQ

During the period when our Shares were listed on the NEEQ, there was a non-compliance incident as set forth below.

In June 2017, the NEEQ issued a warning letter to our Company, the then chairman of the Board and the then secretary to the Board (the "**Warning Letter**") in relation to our Company's failure to publish the annual report for the year ended December 31, 2016 (the "**2016 Annual Report**") within four months after the end of the financial year. As our Company was focused on preparing for seeking delisting from the NEEQ at the relevant time, we did not timely publish the 2016 Annual Report. We have strengthened our internal control management to raise compliance awareness and required all Directors, senior management and relevant personnel to fully appreciate the disclosure obligations under applicable laws, rules and regulations. In particular, our Directors and senior management receive trainings conducted by external professionals on a regular basis. Also, we have adopted the information disclosure management policy which sets out, among others, the internal procedures and responsibilities for ensuring timely and accurate disclosure of material information in compliance with applicable laws, rules and regulations.

As advised by our PRC Legal Advisor, the Warning Letter was issued by the NEEQ, which is not an administrative authority vested with the power of imposing administrative penalties as stipulated in the Administrative Penalties Law. Also, the issue of the Warning Letter does not fall under the scope of the types of administrative penalties explicitly stipulated in the Administrative Penalties Law. Thus, the issue of the Warning Letter is not an administrative penalty that would affect our Company's suitability

for [REDACTED] and the Warning Letter will not affect the eligibility of our Company to file with the CSRC for the [REDACTED] and [REDACTED] of its securities in accordance with the laws and regulations of the PRC.

Our Directors, to the best of their knowledge and belief, confirmed that, during the period that our Company was listed on the NEEQ, our Company and Directors had not been subject to any administrative penalty by the NEEQ and/or any relevant law enforcement authority or regulator related to securities supervision. Save as disclosed above, there are no further matters in relation to the prior listing of our Company on the NEEQ and the subsequent withdrawal of such listing that needs to be brought to the attention of the Stock Exchange, our Shareholders or the potential [REDACTED] of our Company.

Based on the filings on the website of the NEEQ and the information available in the public domain, our PRC Legal Advisor is of the view that during the period that our Company was listed on the NEEQ, we have not been subject to any administrative penalty imposed by the NEEQ, the CSRC or other competent securities regulatory authorities.

Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with our Directors' confirmation mentioned above in relation to the compliance records of our Company during the period that our Company was listed on the NEEQ in any material respect.

Shareholding Changes Subsequent to the Delisting from the NEEQ

After several rounds of capital increases and share transfers between September 2017 and February 2020, our Company's total number of issued Shares increased to 174,300,223.

Listing on the Shenzhen Stock Exchange

On November 11, 2021, the A Shares of our Company were listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301188) (the "**A-Share Listing**"). Pursuant to the A-Share Listing, we issued an aggregate of 58,109,777 A Shares, representing 25.0% of our Company's then enlarged share capital immediately following the A-Share Listing, at the offer price of RMB13.00 per A Share. Immediately upon completion of the A-Share Listing, our Company's total number of issued Shares increased to 232,410,000 A Shares.

Issuance of Convertible Bonds in 2023

To satisfy funding needs for investing in the commercialization project for lightweight pharmaceutical molded glass vials (Type I), our Company conducted a public issuance of 5,000,000 convertible bonds (the "**Convertible Bonds**") of face value of RMB100 each in an aggregate principal amount of RMB500,000,000 in August 2023. On September 14, 2023, the Convertible Bonds were listed on the Shenzhen Stock Exchange (bond code: 123221). Interest on the Convertible Bonds was payable at the rate of 0.30% per annum for the first year, 0.50% per annum for the second year, 1.00% per annum for the third year, 1.50% per annum for the fourth year, 1.80% per annum for the fifth year and 2.50% per annum for the sixth year from the date of issuance, payable annually on each anniversary of the date of issuance. The conversion period was from first trading day after the six months from the date of issuance up to the maturity date of August 22, 2029 (subject to postponement to the first working day thereafter in the event of statutory holidays or rest days and no additional interest shall be calculated during the extension period). The initial conversion price was RMB14.40 per A Share (subject to adjustment). During the conversion period, our Company had the right to redeem part or all of the Convertible Bonds at the principal amount together with accrued interest for the current period if (i)

during any consecutive 30 trading days of the conversion period, the closing price of the A Shares was no less than 130% (inclusive) of the then-current conversion price on at least 15 trading days of the aforementioned 30-trading-day period; or (ii) the outstanding balance of the Convertible Bonds that had not been converted was less than RMB30 million.

Share repurchase plans in 2024 and 2025

In January 2024, our Company resolved to repurchase a portion of the issued A Shares using self-owned funds through centralized bidding on the Shenzhen Stock Exchange. As of June 11, 2024, the share repurchase plan was fully implemented and a total of 3,525,000 A Shares were repurchased, representing 1.52% of our Company's then total number of issued Shares, being 232,450,382 A Shares. In February 2025, our Company resolved to repurchase a portion of the issued A Shares using self-owned funds and special-purpose loan for share buyback through centralized bidding on the Shenzhen Stock Exchange. As of December 15, 2025, the share repurchase plan was fully implemented and a total of 4,557,700 A Shares were repurchased, representing 1.91% of our Company's then total number of issued Shares, being 239,067,890 A Shares. The repurchased A Shares are intended to be used for employee share ownership plans or equity incentive schemes. If the repurchased A Shares are not utilized for such purposes within three years after completion of the share repurchase, any such unused repurchased A Shares shall be canceled pursuant to the Articles of Association. As of the Latest Practicable Date, all the repurchased A Shares have not been canceled and have been held in the repurchase dedicated securities account. Such repurchased A Shares do not carry voting rights at general meetings, rights to profit distribution, capitalization of capital reserves, rights issue, pledge or other related rights.

Change in the name of our Company in 2024

On November 22, 2024, the name of our Company was changed from Shandong Linuo Technical Glass Co., Ltd. (山東力諾特種玻璃股份有限公司) to Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (山東力諾醫藥包裝股份有限公司).

Redemption of Convertible Bonds in 2026

On February 11, 2026, our Board resolved to exercise our Company's redemption right as the aforementioned condition had been triggered and redeem all the outstanding Convertible Bonds after close of market on March 12, 2026. From February 29, 2024 to March 12, 2026, the holders of Convertible Bonds had converted the Convertible Bonds into an aggregate of 35,126,615 A Shares. As of March 12, 2026, 10,559 Convertible Bonds remained outstanding and were fully redeemed by our Company at the redemption price of RMB100.55 each in the aggregated redemption price of RMB1,061,707.45. The Convertible Bonds were delisted from the Shenzhen Stock Exchange on March 23, 2026. Upon completion of the aforesaid conversion of the Convertible Bonds, our Company's total number of issued Shares increased to 267,536,615 A Shares.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Save for the investment as disclosed below which has strategic importance to our development, our Company did not conduct any acquisitions, mergers and disposals that we considered to be material to us during the Track Record Period and up to the Latest Practicable Date.

In August 2025, our Company entered into a share transfer agreement (the "**Share Transfer Agreement**") with Shanghai Miaoxiang Enterprise Management Consulting Co., Ltd. (上海妙翔企業管理諮詢有限公司), Taicang Chuangyang Qiyun Enterprise Management Partnership (Limited Partnership) (太倉創揚起韻企業管理合夥企業(有限合夥)) ("**Taicang Chuangyang**"), Shanghai Shizhi Enterprise Management Co., Ltd. (上海適置企業管理有限公司) and Shanghai Jiuban Intelligent Technology Co., Ltd. (上海九瓣智能科技有限公司) (collectively, the "**Transferors**"), all being Independent Third Parties, pursuant to which our Company agreed to acquire from the Transferors an aggregate of 34,046,471 shares of Suzhou CRH New Material Technology Co., Ltd. (蘇州創揚新材料科技股份有限公司) ("**Suzhou CRH New Material**"), representing 30% of its issued shares, at the total consideration of RMB84.0 million (the "**Investment**"). The consideration was determined after arm's length negotiation among the parties with reference to the market value of the shareholders' equity of Suzhou CRH New Material as of December 31, 2024 appraised by an independent valuer and the secondary market closing price of the shares of Suzhou CRH New Material on the date of the signing of the Share Transfer Agreement.

In addition, our Company entered into a supplemental agreement to the Share Transfer Agreement with Gong Xiaoqing (龔曉青), Fei Chuanwen (費傳文), Shanghai Chuangyang Investment Management Co., Ltd. (上海創揚投資管理有限公司) and Taicang Chuangyang, pursuant to which, among others, our Company was granted redemption right exercisable under certain circumstances and provided with profit guarantee on Suzhou CRH New Material during the period from 2025 to 2027.

Suzhou CRH New Material is a company established in the PRC and its shares are listed on the NEEQ (stock code: 836810). It is principally engaged in the R&D, production and sale of medical-grade modified polypropylene, combination caps for medical plastic packaging containers, and medical rubber stoppers and gaskets. The Investment was made based on our business development needs and to achieve our long-term strategic plans. It is conducive to integrating the resources and advantages of our Company and Suzhou CRH New Material to achieve resource sharing and mutual growth. Furthermore, the Investment enables our Company to further enrich our product portfolio, offer one-stop procurement for downstream customers and open up space for our future sustainable and high-quality expansion.

The Investment was completed in September 2025 and, upon such completion, we held 30% of the issued shares of Suzhou CRH New Material and were entitled to hold one seat on its board of directors. As a result, Suzhou CRH New Material became our associate, which is being accounted for in our Group's consolidated financial statements using the equity method. As advised by our PRC Legal Advisor, the Investment has been properly and legally completed and settled, and the registration procedures for the transfer of the shares have been completed. As none of the applicable percentage ratios as defined under the Listing Rules in respect of the Investment exceeds 25%, the pre-acquisition financial information of Suzhou CRH New Material is not required to be disclosed in this document pursuant to Rule 4.05A of the Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

As advised by our PRC Legal Advisor, the aforesaid capital increases and equity transfers of our Company have complied with the applicable PRC laws and regulations in all material respects.

OUR A-SHARE LISTING ON THE CHINEXT OF THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE H SHARE [REDACTED] ON THE STOCK EXCHANGE

Our A Shares have been listed on the ChiNext of the Shenzhen Stock Exchange since November 2021. Our Directors have confirmed that, since our A-Share Listing and up to the Latest Practicable Date, our Company had no instances of material non-compliance with the rules of the Shenzhen Stock

Exchange and other applicable securities laws and regulations of the PRC in any material respect, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to [REDACTED] attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, our Company had not been subject to any administrative penalties imposed by the PRC securities regulatory authorities and therefore had complied with all applicable securities laws and regulations in the PRC in relation to our listing on the ChiNext of the Shenzhen Stock Exchange in all material respects.

Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view as set out above, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance record of our Company on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date in any material respect.

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 business, strengthen our international brand image and support our global expansion efforts. For more details, see "Business" and "Future Plans and [REDACTED]."

EMPLOYEE INCENTIVE PLATFORM AND SHARE SCHEMES

Employee Incentive Platform

Hongdao New Energy was established under the laws of the PRC as a limited partnership on December 29, 2014 as our employee incentive platform. The participants were given partnership interests of Hongdao New Energy as award. As of the Latest Practicable Date, Hongdao New Energy held 1.56% of our issued Shares. Mr. Shen Yingming (申英明) is the general partner of Hongdao New Energy and exercises the voting rights attaching to the Shares held by Hongdao New Energy. Mr. Shen Yingming also holds 20% of the total issued share capital in Linuo Group. See "Relationship with Our Single Largest Group of Shareholders — Our Single Largest Group of Shareholders."

As of the Latest Practicable Date, there were 47 limited partners in Hongdao New Energy. Save for the following, all other limited partners of Hongdao New Energy are Independent Third Parties:

Name	Connected relationship	Approximate percentage of partnership interest in Hongdao New Energy
Mr. Song Lai (宋來)	Executive Director and the director of Linuo Technical Glass	1.32%
Mr. Xie Jisheng (謝吉勝)	Executive Director	0.66%
Mr. Yang Zhongchen (楊中辰)	Director in the last 12 months	7.91%
Mr. Li Lei (李雷)	Director in the last 12 months	1.32%
Mr. Sun Pengfei (孫鵬飛)	General manager of our Company	0.66%

Restricted Share Incentive Schemes

Historically, we have adopted the 2022 Restricted Share Incentive Scheme and the 2024 Restricted Share Incentive Scheme. We have granted certain restricted Shares to employees of our Group pursuant to the relevant restricted share incentive schemes. The vesting of the restricted Shares was subject to the satisfaction of both corporate performance conditions and individual performance conditions. As our Company had not satisfied its performance conditions at the company level, the restricted Shares granted and reserved for grant under 2022 Restricted Share Incentive Scheme and the restricted shares granted under the 2024 Restricted Share Incentive Scheme shall not vest. All such unvested restricted Shares were lapsed accordingly.

On March 16, 2026, we adopted the 2026 Restricted Share Incentive Scheme. See "Statutory and General Information — D. 2026 Restricted Share Incentive Scheme" in Appendix IV.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 19A.13A(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. Assuming that (i) [REDACTED] H Shares are [REDACTED] and [REDACTED] under the [REDACTED] and none of which will be [REDACTED] to any core connected person of our Company; (ii) the [REDACTED] is not exercised; and (iii) no changes are made to the issued share capital of our Company or Treasury Shares between the Latest Practicable Date and the [REDACTED] except for the [REDACTED], [REDACTED] H Shares will count towards the public float of our Company upon the completion of the [REDACTED], representing no less than [REDACTED] of the total number of issued Shares (excluding Treasury Shares) upon completion of the [REDACTED]. Accordingly, our Company will satisfy the public float requirement under Rule 19A.13A(2)(a) of the Listing Rules.

Satisfaction of the Free Float Requirement

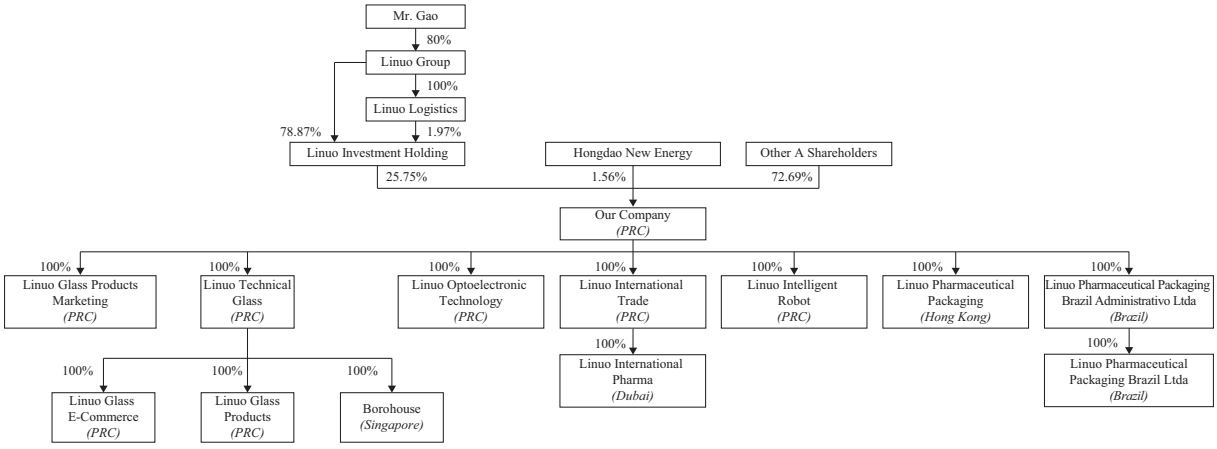
Rule 19A.13C(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which the listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must either (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Based on the [REDACTED] of the indicative [REDACTED] range of HK$[REDACTED] per [REDACTED], our Company will be able to satisfy the free float requirement under Rule 19A.13C(2)(a) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

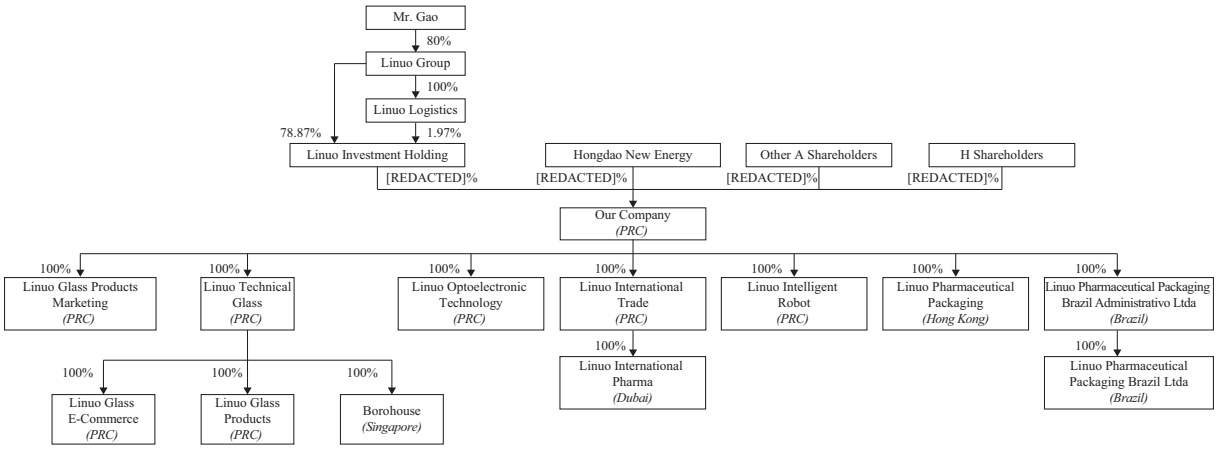
Shareholding and Corporate Structure Immediately Prior to the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately prior to the [REDACTED] (assuming that no changes are made to our issued share capital between the Latest Practicable Date and the [REDACTED]):



Shareholding and Corporate Structure Immediately Following the Completion of the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of the Group immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no changes are made to our issued share capital between the Latest Practicable Date and the [REDACTED]):



Note:

As of the Latest Practicable Date, certain A Shares held by Linuo Investment Holding were pledged to certain PRC commercial banks as collateral. See "Substantial Shareholders — Share Pledges by Linuo Investment Holding."

OVERVIEW

We are an established borosilicate technical glass provider in China. Borosilicate technical glass is characterized by outstanding chemical stability, a low coefficient of thermal expansion and favorable thermal shock resistance. In light of these properties, borosilicate technical glass finds applications in a wide range of areas, such as pharmaceutical packaging, semiconductor packaging, laboratory apparatus and heat-resistant glassware. We specialize in developing, producing and selling borosilicate pharmaceutical glass packaging and household heat-resistant glass for applications in the pharmaceutical, biotech, food and beverage and daily housewares industries. Leveraging our R&D capabilities in furnace design and glass melting technologies, we developed China's first hexagonal stepped all-electric glass melting furnace. According to Frost & Sullivan, in terms of sales revenue in 2025, we ranked ninth among pharmaceutical glass packaging providers in China with a 2.4% market share. In addition, in the household heat-resistant glass market, we ranked first in China and second globally, with market shares of 9.5% and 5.1%, respectively, according to Frost & Sullivan.

We maintain a diversified customer base spanning both domestic and overseas markets, with our products sold to customers in approximately 60 countries and regions across the Americas, Asia and Europe during the Track Record Period. We seek to continuously enhance our existing offerings of pharmaceutical glass packaging and household heat-resistant glass while focusing on developing new products with higher value-added features and significant market potential. During the Track Record Period, we rolled out sterile drug delivery glass packaging products. In recent years, we have also made strategic investments in the development of glass sheets for semiconductor packaging to drive further business growth. In June 2026, the pilot furnace at our Glass New Materials Innovation Incubation Center was ignited, and we commenced preliminary trial production of glass sheets for semiconductor packaging. As of the Latest Practicable Date, we had begun providing samples of our glass sheets to semiconductor packaging industry participants for testing.

Our Milestones

- 2002: Our Company was founded to engage in R&D, manufacturing and sales of borosilicate technical glass.
- 2005: Leveraging our core all-electric melting glass technology, we became the first domestic enterprise to realize large-scale production of borosilicate technical glass using all-electric melting furnaces.
- 2021: Our Company became listed on the ChiNext of the Shenzhen Stock Exchange, stock code 301188.
- 2022: We self-developed and commenced operation of furnaces for molded glass vials; the Phase II capacity expansion project was commissioned.
- 2023: Construction commenced on the Phase III intelligent manufacturing project for high-end pharmaceutical glass packaging, which was equipped with dedicated production lines for RTU and PFS.
- 2024: We obtained Class A registration with CDE, NMPA for mass commercialization of molded glass vials.
- 2025: We achieved mass production of RTU and PFS, strengthening our supply chain resilience in respect of high-end sterile drug delivery glass packaging; we attained CMMM Level 4 Certification.
- 2026: We initiated R&D into technologically advanced new materials, including glass sheets for semiconductor packaging, functional glass-ceramics and high-end pharmaceutical glass packaging.

Our Product Portfolio

Our product portfolio comprises (i) pharmaceutical glass packaging, categorized into tubular glass vials, molded glass vials and others such as RTU, PFS and borosilicate glass tubes; (ii) household heat-resistant glass, including heat-resistant glass tableware, glass turntables, and other heat-resistant glass products; and (iii) others, primarily consisting of sales of surplus raw materials, molds and scrap materials.

Our pharmaceutical glass packaging is designed and manufactured to meet stringent technical and quality standards, depending on the relevant product type and application. It generally provides chemical stability, hydrolytic resistance, thermal shock resistance and mechanical strength, supporting its use in the packaging of biologics, vaccines, insulin, contrast media, injectable drugs and other pharmaceutical products. Our household heat-resistant glass generally features a low coefficient of thermal expansion and resistance to heat and thermal shock, and is used in food storage containers, cookware, microwave oven turntables and other household applications.

The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Pharmaceutical glass packaging	**405,980**	**466,965**	**356,648**	**203,187**	**227,001**
Tubular glass vials	395,010	444,388	313,645	182,215	174,248
Molded glass vials	4,311	15,269	31,198	15,380	30,163
Other pharmaceutical glass packaging products	6,659	7,308	11,805	5,592	22,590
Household heat-resistant glass	**518,413**	**587,818**	**609,434**	**284,362**	**436,109**
Others	**22,975**	**26,059**	**15,390**	**11,178**	**9,819**
Total	**947,368**	**1,080,842**	**981,472**	**498,727**	**672,929**

Our R&D Capabilities

We own proprietary core technologies across the key stages of borosilicate technical glass production. We have developed manufacturing processes and purpose-built equipment for glass melting, intelligent forming, online visual inspection and automated sterile packaging.

In the pharmaceutical glass packaging segment, we are capable of mass-producing molded glass vials, ampoules, penicillin vials, RTU and PFS that meet the standards of the ChP, EP and USP, and deploy digital, low-carbon intelligent production lines to deliver efficient and minimally manned manufacturing.

For household heat-resistant glass, we leverage mature borosilicate melting technologies to manufacture high borosilicate heat-resistant tableware. Featuring reliable thermal shock resistance and chemical stability, our products are widely adopted in household food storage containers and cookware and are suitable for household-use scenarios including use in microwaves and ovens.

Leveraging decades of technological capabilities and expertise in borosilicate melting, we have proactively engaged in the development of low-expansion proprietary glass formulations tailored for AI and memory chip packaging in recent years. With its thermal expansion coefficient closely matching silicon wafers, this glass formulation may alleviate packaging warpage and alignment deviation while boosting high-frequency insulation and signal transmission efficiency. We have upgraded existing production infrastructure to build a full-process system for melting and precision forming of ultra-thin, ultra-flat glass sheets for semiconductor packaging. We are conducting phased pilot trials in collaboration with research institutions and have begun providing samples of these newly developed glass sheets to semiconductor packaging industry participants for testing, with a view to obtaining

customer validation and supporting future commercialization. We have also established a shared cross-category R&D platform whereby core melting, annealing and precision inspection technologies can be reused across product lines, enabling us to continuously strengthen our technological competitiveness.

Our Sales Channels and Customers

We primarily sell our products directly to corporate customers. Since 2025, we have also expanded our e-commerce channels, through which we sell certain household heat-resistant glass products directly to individual consumers. These sales channels enable us to serve customers across domestic and overseas markets.

Our pharmaceutical glass packaging is sold primarily to domestic pharmaceutical companies such as Brilliant Pharmaceutical and CR Double-Crane Pharmaceutical, as well as biotechnology R&D institutions and cosmetics manufacturers, for use in the filling, storage or packaging of pharmaceutical products, biotechnology products and cosmetics.

Our household heat-resistant glass is sold primarily to established companies and consumer goods brands, such as Lock&Lock, Tupperware and Décor, household appliance manufacturers, such as Midea and Galanz, and other corporate customers in China and overseas. These customers purchase our products and subsequently market and sell them under their own brands, while others incorporate our glass products, such as glass turntables for microwave ovens and other heat-resistant glass components, into kitchen appliances, lighting products or other finished products. Since 2025, we have also sold selected household heat-resistant glass products directly to individual consumers under our *LeBoLeBo* (樂玻樂玻) brand through third-party e-commerce platforms, including *Douyin* (抖音), *Pinduoduo* (拼多多), *JD.com* (京東), and *Xiaohongshu* (小紅書), and under our *Borohouse* brand through our self-operated website and *Amazon*. We are also developing the *Bori Bono* brand for our planned expansion into offline sales channels globally to broaden our consumer reach and strengthen our own-brand presence.

Our consistent product quality, stringent physical and chemical performance standards, customized product development capabilities and large-scale delivery capacity have enabled us to establish stable and long-term relationships with customers across the industries we serve. Many of our major customers make repeat purchases from us. Certain customers have also established long-term supply relationships with us after completing factory inspections and product sample testing.

To address different customer requirements, we offer customized products by adjusting their dimensions, shapes, specifications and material formulations. We also manufacture general-purpose and standardized glass products based on our available production capacity and prevailing market demand.

Our Overseas Sales

We have steadily expanded our overseas sales as an important part of our growth strategy. We currently manufacture our products principally at our production bases in China and export a portion of them as our overseas sales to customers in overseas markets. During the Track Record Period, we sold our products to customers across approximately 60 countries and regions.

Our overseas sales and customer service activities are managed primarily by dedicated sales and marketing personnel based in China, who are organized by product and geographic market. We maintain a 24/7 response mechanism for overseas customers, enabling us to respond promptly to their inquiries and service requests across different time zones. In connection with our overseas sales, our sales and marketing personnel are principally responsible for developing overseas customers, communicating with and managing relationships with such customers, addressing their product and technical requirements, coordinating order fulfillment and, where applicable, assisting them in completing supplier qualification

and product approval procedures. We identify and develop potential overseas customers primarily through industry exhibitions, referrals from existing customers and other industry participants, online platforms, social media and direct customer visits.

Our overseas sales increased by 12.5% from RMB185.2 million in 2023 to RMB208.3 million in 2024 and further increased by 16.6% to RMB242.9 million in 2025, representing 19.6%, 19.3% and 24.7% of our total revenue, respectively. In the six months ended June 30, 2026, our overseas sales increased by 115.1% from RMB100.1 million in the corresponding period of 2025 to RMB215.3 million, and their contribution to our total revenue increased from 20.1% to 32.0%, reflecting our continued expansion of overseas customer coverage and increased sales to overseas customers.

Our Market Opportunities

China's pharmaceutical glass packaging market is experiencing a continued shift from soda-lime glass and low borosilicate technical glass toward medium borosilicate technical glass, driven by increasingly stringent requirements for the chemical stability, safety and compatibility of pharmaceutical packaging materials. This industry trend is expected to support demand for our borosilicate pharmaceutical glass packaging. According to Frost & Sullivan, the global pharmaceutical glass packaging market is expected to grow from RMB76.3 billion in 2026 to RMB86.9 billion in 2030, representing a CAGR of 3.2%, while China's borosilicate pharmaceutical glass packaging market is expected to grow from RMB10.4 billion to RMB13.8 billion over the same period, representing a CAGR of 7.3%. Separately, the global household heat-resistant glass market, which represents another principal market for our existing products, is expected to grow at a CAGR of 4.8% from 2026 to 2030, reaching RMB15.0 billion in 2030.

Building on capabilities in glass formulation, melting, forming and precision processing underlying our existing pharmaceutical glass packaging and household heat-resistant glass businesses, we are developing glass sheets for semiconductor packaging. Growth in AI, high-performance computing and memory chips is increasing demand for packaging substrates capable of supporting larger package sizes, higher interconnection density, finer circuit features and improved warpage control. Against this backdrop, initial small-batch commercialization of glass sheets is expected to commence in 2027, particularly for AI and high-performance computing applications with stringent packaging requirements.

According to Frost & Sullivan, the global market for glass sheets for semiconductor packaging is expected to increase from RMB0.1 billion in 2026 to RMB13.2 billion in 2030, representing a CAGR of approximately 234.8%, driven by the increasing adoption of substrate-grade glass sheets in semiconductor packaging applications.

Our Financial Performance

During the Track Record Period, we recorded revenue of RMB947.4 million, RMB1,080.8 million, RMB981.5 million, RMB498.7 million and RMB672.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our gross profit and gross profit margin were RMB157.1 million, RMB193.1 million, RMB196.8 million, RMB102.8 million and RMB144.1 million and 16.6%, 17.9%, 20.1%, 20.6% and 21.4% for the same periods, respectively. Our net profit and net profit margin were RMB65.9 million, RMB66.1 million, RMB39.7 million, RMB41.0 million and RMB31.2 million and 7.0%, 6.1%, 4.0%, 8.2% and 4.6% for the same periods, respectively.

OUR STRENGTHS

Established borosilicate technical glass provider in China

For over two decades, we have focused on the development, production and sales of borosilicate technical glass. Through our proprietary full-chain core technologies in formulations, furnace melting, precision forming and digital manufacturing, we have contributed to China's successful efforts in reducing domestic pharmaceutical enterprises' reliance on imported pharmaceutical glass packaging. According to Frost & Sullivan, in terms of sales revenue in 2025, we ranked ninth among pharmaceutical glass packaging providers in China with a 2.4% market share. In the household heat-resistant glass market, we ranked first in China and second globally, with market shares of 9.5% and 5.1%, respectively, according to Frost & Sullivan.

We have gained wide recognition from industry-leading customers from both pharmaceutical and household goods industries. Our pharmaceutical glass packaging has been widely applied by leading domestic biopharmaceutical and pharmaceutical companies. We have established cooperative relationships with nine of the top ten pharmaceutical companies in China. We have also gained a good reputation in the household goods industry for offerings of high-quality and reliable products. During the Track Record Period, we attained a 100% repeat purchase rate among our top ten customers for household heat-resistant glass, and most of them have maintained business relationships with us for approximately eight years or more.

We have also received an array of prestigious industry awards, accolades and recognitions in the PRC and played an influential role in setting relevant domestic and international industry standards. The prestigious industry awards and recognitions we have received include, among others, National High and New Technology Enterprise (國家高新技術企業), National-level Manufacturing Single Champion Enterprise (國家級製造業單項冠軍企業), National Intellectual Property Demonstration Enterprise (國家知識產權示範企業), CMMM Level 4 Certification (國家智能製造能力成熟度四級認證), and China Light Industry Top 10 Enterprise in the Household Glass Products Industry (中國輕工業日用玻璃行業(日用玻璃製品)十強企業). In addition, we have led and/or deeply participated in the drafting of more than 20 international, national and industrial standards, including the national standard GB/T 35596-2022 Heat-resistant Blown Borosilicate Glassware; the international standard ISO 4803 Laboratory glassware — Borosilicate glass tubing; the 2025 edition of the ChP; and the appendix for pharmaceutical packaging materials under the PRC GMP. We believe that our wide-ranging industry contributions and accolades across our industry value chain help us reinforce our leading market position.

Sustained R&D and innovation capabilities

We have established integrated technical capabilities spanning glass formulation, furnace design and melting, molten glass conditioning, precision forming, production automation and digital manufacturing. Distinguished from glass manufacturers that rely primarily on standardized production equipment and processes, our capabilities extend to the design and iterative development of core furnaces, production equipment and process-control technologies. This enables us to optimize our glass formulations and production processes in an integrated manner and address technical challenges associated with the melting and forming of borosilicate technical glass.

Our proprietary furnace and melting technologies represent a key component of our technical capabilities. We have progressively upgraded our furnace technologies from conventional flame furnaces and electrically assisted flame furnaces to all-electric melting furnaces and full-oxygen combustion furnaces. We have also developed specialized all-electric melting furnaces with melting areas ranging from 4.2 sq.m. to 30.0 sq.m. for different borosilicate technical glass products. In particular, we developed China's first hexagonal stepped all-electric melting furnace, which incorporates a range of proprietary technologies relating to controllable electric discharging, molybdenum cladding, pulsed

bubbling, platinum stirring and molten glass flow and temperature control. These technologies are designed to improve temperature uniformity and homogenization of molten glass, reduce bubbles, stones, striae and other defects, enhance furnace durability and maintain stable glass quality during continuous production.

We have also developed precision forming and production automation technologies to improve the consistency and efficiency of our downstream manufacturing processes. For example, our vial high-speed forming machine achieves a production speed of 46 vials per minute, compared with the conventional industry production speed of 26 vials per minute, according to Frost & Sullivan, while reducing energy costs by 20%. Our automatic precision cutting and sealing technology enables glass tubes to be cut and sealed during continuous conveying and rotation, improving dimensional consistency and reducing material waste. We also use multi-physics simulation of furnace operations to maintain stable melting parameters and, in the production of molded glass vials, apply closed-loop control of gob weight based on 3D measurements. Together with our automatic batching and process-control systems, these technologies enable closed-loop control from raw material preparation and glass melting through forming and post-processing. See "— Research and Development — Our Core Technologies" for further details of our proprietary technologies.

Our innovation is supported by an experienced multidisciplinary R&D team. As of June 30, 2026, we had 140 R&D personnel, representing 10.9% of our total workforce. The core members of our R&D team have an average of approximately 20 years of industry experience across materials science, chemical engineering, mechanical design, automation and pharmaceutical packaging inspection. As of the same date, we held 156 patents, including 141 patents in China and 15 patents overseas.

Our technical capabilities are further supported by a number of national and provincial designations and in-house research and testing platforms. We have been recognized as a National High and New Technology Enterprise (國家高新技術企業), National-level Manufacturing Single Champion Enterprise (國家級製造業單項冠軍企業), National Intellectual Property Demonstration Enterprise (國家知識產權示範企業), Shandong Provincial Specialized, Refined, Differentiated and Innovative SME (山東省專精特新中小企業) and Shandong Provincial Gazelle Enterprise (山東省瞪羚企業). We also operate a Pharmaceutical Glass Research and Training Base under the China National Pharmaceutical Packaging Association, and our in-house laboratory has obtained CNAS accreditation.

We complement our internal R&D capabilities through technical cooperation with academic institutions, research organizations and materials companies in China and overseas. Such cooperation covers glass formulation and materials research, product performance verification, defect analysis, sample preparation and pharmaceutical packaging compatibility testing. Our integrated capabilities in materials, furnaces, equipment, process control and product testing enable us to continuously improve product performance, efficiently develop customized products and explore new applications of our glass technologies, including glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass.

Integrated intelligent manufacturing capabilities

We have established an integrated intelligent manufacturing system spanning the production of pharmaceutical glass packaging and household heat-resistant glass. Guided by lean management principles, we operate a fully in-house production model with independent control over all stages of the production process, from raw material processing and glass melting to forming, precision inspection and intelligent warehousing.

We are the first borosilicate technical glass provider in China to obtain CMMM Level 4 Certification. MES, DCS and APC systems are fully deployed across all our production lines to enable digitalized lean management. Our facilities are equipped with automated stereoscopic warehouses, AGV/

RGV intelligent logistics robots and self-developed full-process AI visual inspection equipment. Our core pharmaceutical glass workshops operate fully unattended for various processes, including material transportation, forming, on-line inspection, palletizing and warehousing, enabling optimized workforce deployment. Intelligent automated inspection stations are widely rolled out on household heat-resistant glass production lines to minimize human inspection errors. Furthermore, our unified digital lean production framework standardizes process parameters, stabilizes production line efficiency and unifies product specifications, effectively mitigating process fluctuations and consistently improving product consistency and overall yield.

We have built a full-chain standardized quality control system that meets internationally recognized criteria. Our in-house testing laboratory holds CNAS ISO/IEC 17025 accreditation, with test results mutually recognized globally under the ILAC and APLAC frameworks. We also hold ISO 9001, ISO 13485 and ISO 15378 certifications. Our pharmaceutical glass packaging fully complies with applicable pharmacopeia standards of China and various overseas jurisdictions, as well as domestic and international GMP sterile packaging requirements. We have established a compliance inspection system spanning the entire workflow process from raw material intake to finished goods delivery, thus providing authoritative testing and institutional support for stable mass production.

In light of the advances in AI technologies, we have taken a forward-looking approach by deploying intelligent tools including digital twins, AI visual inspection and SVR quality prediction models to strengthen full-process closed-loop quality control. Our multi-camera deep-learning AI visual inspection system delivers 100% automatic on-line screening for product appearance defects, supplemented by stratified sampling tests for physical and chemical indicators in accordance with GB/T 2828.1-2012 standards to pre-empt and intercept latent defects such as bubbles, stones and cracks. Together with our precision forming and process-control technologies, these inspection capabilities help us maintain consistent product quality across our production lines. During the Track Record Period, the yield rates for our tubular glass vials and RTU reached up to 95% and 98%, respectively, which, according to Frost & Sullivan, were at an industry-leading level.

Leveraging our self-owned large-scale intelligent production bases, continuous melting furnace capacity and digital scheduling platform, we have built a flexible delivery system oriented towards market demand. Our flexible delivery capabilities include: (i) integrated data management through ERP and APS scheduling systems that consolidate full-dimensional data of orders, inventory, equipment and molds; (ii) dynamic production optimization by our professional PMC team, which adjusts production schedules taking into account the non-stop operational requirement of glass melting furnaces and maintains safety stock for standard products to maintain a balance between capacity utilization and market responsiveness; and (iii) rapid order fulfillment through standard prefabricated mold libraries, rapid production line restart protocols and cross-shift capacity allocation, enabling us to flexibly accommodate all types of urgent rush orders. Our comprehensive in-house production lines, coupled with digital intelligent scheduling capabilities, deliver consistent, on-time and bulk supply to global customers on a sustained basis.

Proven product performance underpinning enduring customer relationships

Supported by our mature intelligent lean manufacturing system and innovation capabilities, we offer a high-quality product portfolio, covering pharmaceutical glass packaging and household heat-resistant glass. We serve domestic leading pharmaceutical enterprises, biotech R&D institutions and well-known cosmetic manufacturers, as well as benchmark global enterprises in home goods and household appliance sectors. We have established cooperative relationships with nine of the top ten pharmaceutical companies in China. We have gained consistent recognition from top manufacturers, forming high client switching barriers to entry.

Our pharmaceutical glass packaging exhibits high chemical stability and meets Class I acid and Class II alkali resistance standards. These properties support the chemical stability and compatibility required for the storage and packaging of biopharmaceuticals, vaccines, blood products and injectable solutions. Additionally, the products also deliver outstanding thermal stability, featuring low linear expansion coefficient, reliable thermal shock resistance and high mechanical strength, which is capable of repeated high-temperature sterilization without cracking or delamination. Owing to the aforementioned attributes, our pharmaceutical glass packaging is highly recognized by domestic leading biopharmaceutical and pharmaceutical companies. The pharmaceutical glass packaging industry is subject to strict market access rules and practices, including stringent quality standards, registration requirements and supplier qualification processes. The supplier qualification process of leading clients is lengthy, including multiple factory audits, full-cycle physical and chemical tests, GMP inspections and linked registration reviews, resulting in high costs on time and testing for supplier replacement. With stable material performance, standardized sterile production, flexible product customization and development capabilities and mass delivery capacity, we have passed strict audits from various major pharmaceutical companies and become their core designated suppliers and long-term strategic partners.

Since inception, we have entered into cooperation with one of China's leading pharmaceutical companies. We initially supplied tubular glass vials and thereafter expanded our product coverage to full-range pharmaceutical glass packaging including tubular glass vials and molded glass vials. In 2018, we commenced joint-R&D initiatives with this partner relating to packaging-drug compatibility studies and joint registration of pharmaceutical preparations. In 2024, the molded glass vial co-developed by us and this partner obtained approval from the NMPA. As of the Latest Practicable Date, we have provided pharmaceutical glass packaging for more than 20 of its core preparation varieties, with annual supply volume of approximately 100 million units during the Track Record Period and have become its core strategic supplier for pharmaceutical glass packaging. Such in-depth collaboration validates our high-quality products and superior R&D capabilities, driving us to further consolidate our presence in pharmaceutical glass packaging and expand into high-end pharmaceutical glass packaging segments to secure our long-term and sustainable growth.

We have focused on the development, production and sale of borosilicate pharmaceutical glass packaging and household heat-resistant glass products for over two decades, and were among the first domestic enterprises to achieve mass production and commercialization of borosilicate technical glass in China, according to Frost & Sullivan. Through continuous R&D and technological optimization, we spearheaded industry-wide efforts in achieving the domestic substitution of imported high borosilicate glass in China, thus overcoming reliance on imported products and significantly enhancing the supply chain resilience of domestic pharmaceutical glass packaging.

Our household heat-resistant glass features high temperature resistance, safety and stable performance. They exhibit strong durability under drastic temperature changes between extreme cold and heat, delivering higher safety standards and outperforming ordinary glass and tempered glass in overall performance. We attained a 100% repurchase rate among our top-ten customers for household heat-resistant glass during the Track Record Period, and most of them have maintained business relationships with us for approximately eight years or more. Such customers are all well-known global brands in household goods and appliances sectors. Our glass components are used for high-end built-in ovens, microwave ovens and various household applications. Supported by self-developed formulas, AI full-automatic inspection lines and lean flexible production scheduling, we meet diversified custom demands and provide stable supply for several Fortune 500 home appliance groups. We have repeatedly received recognitions including "Annual Excellent Supplier" and "Core Strategic Partner" from our customers.

A visionary and experienced management team

We are supported by a visionary core management team with extensive industry experience and solid achievements in technological innovation. Most core management have decades of experience in technical glass R&D, pharmaceutical packaging production, intelligent manufacturing and overseas market development, with solid technical backgrounds and professional qualifications.

As the core leader of our management team, our chairman Mr. Song Lai has more than 20 years of extensive experience in technical glass production and operation and intelligent manufacturing upgrading. Having long specialized in the technical glass industry, he possesses forward-looking strategic vision, together with in-depth understanding and astute judgment of market trends and technological development paths in our industry. Mr. Song has led our in-house R&D of core technologies for all-electric melting furnaces, spearheaded the roll-out and commissioning of AI-powered intelligent inspection production lines, and is instrumental in driving the comprehensive digital and intelligent upgrading of our Company's manufacturing system. He has overseen iterative upgrades to our Company's product portfolios of pharmaceutical glass packaging and household heat-resistant glass, and led our initiatives in comprehensively revamping and optimizing our Company's business model to effectively enhance its market competitiveness. Furthermore, Mr. Song has played a pivotal role in formulating our long-term innovation-oriented growth strategy and global development plan. He guides us in our efforts to actively pursue overseas market penetration and international business deployment to expand our Company's global industry influence. He has participated in drafting multiple national and industrial standards, led us in building a robust incentive system for R&D personnel, and vigorously advanced our low-carbon manufacturing transformation initiative and technological innovation efforts. Under his leadership, we have consistently delivered breakthroughs in intelligent production, green low-carbon development and global expansion, consolidating our leading position within the technical glass sector.

In addition, our management team is responsible for and has overseen our successful efforts in establishing a sound R&D incentive system and building a stable reserve of technical talent. With mature operational and innovation management experience, our management team continuously drives our product upgrading, production intelligent transformation and market expansion, enabling us to lay a solid foundation for our long-term sustainable growth.

OUR STRATEGIES

We intend to continue our over two decades of R&D innovation in borosilicate technical glass and continuously extend our presence in the high-end pharmaceutical glass packaging sector while firmly targeting the next generation semiconductor materials track, in response to the global surge in AI computing and semiconductor industry. Our core mid- to long-term strategy is to pursue the technological breakthroughs in and scalable manufacturing of AI glass sheets for high-end chip packaging and reduce reliance on imported raw materials and strengthen supply chain security for semiconductor industry.

Build full-stack technology capabilities for AI glass sheets

To address the packaging requirements of AI computing chips and memory chips, we are independently developing glass sheets for glass carrier, interposer, as well as package substrates adapted for TGV processes. Benefiting from favorable material properties, our glass sheets are being developed for potential use in 2.5D and 3D packaging, chiplet integration and CPO, as base materials for glass carriers, interposers and packaging substrates used in various high-end optoelectronic and computing hardware. We have developed the LN33 series glass formulation. Drawing on our experience in glass materials R&D, we are developing low-expansion glass sheets by adjusting the proportions of raw materials to meet the requirements of semiconductor packaging. We aim to achieve a coefficient of

thermal expansion close to that of silicon to help reduce warpage and deformation in large-format packaging, while improving the surface smoothness and flatness of the glass sheets. We also strive to optimize glass insulation and signal transmission performance to reduce signal loss during high-speed data transmission, making it suitable for high-frequency and high-speed computing devices. As of the Latest Practicable Date, we have completed the pilot-scale furnace commissioning.

Meanwhile, we seek to engage in joint R&D of technologies including TGV with leading domestic semiconductor equipment and packaging-and-testing enterprises. These collaborations will focus on optimizing glass formulations and related processes to improve electrical insulation, thermal stability and high-frequency transmission characteristics, with a view to meeting the technical requirements of next-generation high-performance computing and high-density chip packaging.

We will continuously upgrade integrated equipment and supporting processes covering melting, annealing and precision processing for borosilicate technical glass, with a view to supporting the future mass production of glass sheets for semiconductor packaging. We target stable mass production of ultra-thin glass sheets with the flatness and homogeneity required for subsequent high-density wiring and precision lamination by downstream processors, and to establish a fully in-house controlled glass sheet manufacturing process spanning melting, forming, precision finishing and inspection.

We will seek to carry out joint R&D and sample verification with leading domestic semiconductor equipment enterprises and packaging and testing enterprises. At the same time, we will advance technological iteration and client certification of glass sheets of various dimensions to gain access to clients' supply chains. We believe this will facilitate the process of our full commercialization of glass sheets for semiconductor packaging from technical R&D and sample qualification to mass supply, enabling us to penetrate the core supply chain of domestic semiconductor packaging.

Further expand in high-end pharmaceutical glass packaging

We will further deepen our strategic expansion in the high-end pharmaceutical glass packaging track, with a core focus on high-value primary packaging scenarios represented by RTU and PFS. We will primarily cater to the stringent packaging demands of cutting-edge pharmaceutical fields, including biologic drugs, innovative long-acting preparations and high-end vaccines, and continuously iterate and upgrade our core manufacturing process system. Leveraging our mature mass production technologies, we plan to further optimize lightweight and precision forming, glass purification processes and surface modification technologies for molded glass vials. Driven by the booming market demand for RTU and PFS, we are committed to accelerating the technological iteration and capacity expansion in this area, further strengthening our competitive edge in high-end, sterile and high-barrier pharmaceutical packaging segments. The global RTU pharmaceutical glass packaging market size grew from RMB2.2 billion in 2021 to RMB3.6 billion in 2025, representing a CAGR of 13.9% and is expected to further grow to RMB7.1 billion by 2030, with a CAGR of 14.5%, according to Frost & Sullivan.

Advance glass-ceramics technology through iterative development

We will continuously optimize the differentiated formulation system for high-performance borosilicate technical glass, with a focus on improving the material's thermal stability, thermal shock resistance and chemical corrosion resistance. We plan to apply precision melting and controlled crystallization processes with a view to achieving uniform formation of nano-scale crystallites within the glass matrix. We expect such processes to enable our glass-ceramics to combine the high flatness and good machinability of glass with the high strength, high-temperature resistance and superior stability of ceramics, breaking through the performance bottlenecks of conventional single glass or ceramic materials.

We plan to develop glass-ceramics products featuring four key performance characteristics, namely low thermal expansion, high transparency, high-temperature resistance and high mechanical strength. These characteristics are expected to support their application in a range of fields, including aerospace, precision optics, consumer electronics, industrial and household products, and medical devices, thereby diversifying our downstream product mix and continuously unlocking room for business growth.

Upgrade intelligent and lean manufacturing

We will comprehensively advance the deep upgrading of intelligent manufacturing systems across all production bases and fully implement the construction standards of CMMM Level 4 Certification. We plan to continuously deploy all-electric energy-saving melting furnaces, fully automatic AI visual inspection equipment, intelligent logistics robots and digital twin production management platforms to achieve automatic control from raw material feeding, glass melting, forming, post-processing to finished product testing. Digital data will run through every production link to cut manual intervention, stabilize product yield and ensure consistent quality standards across all workshops.

Going forward, we will consistently upgrade our production systems, integrate intelligent manufacturing technologies, lean manufacturing practices and digital management strategies, and carry out in-depth optimization and restructuring of production processes. We will optimize the whole-chain PMC production scheduling model, establish dynamic inventory management mechanisms for raw materials, semi-finished goods and finished products, and formulate targeted cost control standards for furnace energy consumption, auxiliary materials and labor input. The integration of intelligent hardware and refined management will slash comprehensive manufacturing costs, strengthen flexible order response capacity and form long-term operational advantages in production efficiency, quality stability and cost control.

Expand overseas sales and build a global operational footprint

We will advance a systematic plan for the development of our global network that balances the construction of overseas manufacturing bases with the development of marketing channels. We will gradually establish subsidiaries and manufacturing facilities overseas, building an overseas regional supply hub covering Asia, Africa, America and Europe. Overseas production bases help shorten delivery cycles for local clients, cut cross-border logistics costs and reduce our reliance on a single regional supply chain.

We will further expand our global customer channels and deepen penetration in diversified overseas markets. For mature markets in Europe and North America, we will strengthen cooperation with major pharmaceutical enterprises. For high-growth emerging markets including Southeast Asia, Latin America and the Middle East, we will build localized sales and after-sales teams, complete product certifications in conformity with local pharmacopeia standards and develop a balanced network comprising direct key accounts and regional distributor channel.

By building a matched global production footprint and balanced worldwide customer channel system, we can realize diversified risk dispersion across regions, optimize our overall supply chain efficiency, and continuously elevate brand recognition and comprehensive competitiveness in the global technical glass industry.

OUR BUSINESS MODEL

We are principally engaged in the R&D, production and sale of borosilicate technical glass products, focusing on borosilicate pharmaceutical glass packaging and household heat-resistant glass. Leveraging our integrated capabilities spanning R&D, product design, precision manufacturing, stringent quality control and timely delivery, we efficiently provide a diverse portfolio of high-quality and standardized borosilicate technical glass products to mainly pharmaceutical companies, consumer goods

brands and home appliance manufacturers. We also tailor certain product specifications and packaging formats to customers' specific requirements. We are also actively expanding into glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass.

During the Track Record Period, we generate revenue from the following business lines:

- ***Pharmaceutical glass packaging.*** We provide (i) tubular glass vials, including ampoules, penicillin vials and cartridges, (ii) molded glass vials, primarily including injection and infusion vials, and (iii) other pharmaceutical glass packaging products, primarily including RTU, PFS and borosilicate glass tubes. Our RTU and PFS are primarily sold to pharmaceutical companies for the packaging of biologics, vaccines, blood products, insulin, chemical injectable drugs and contrast media.
- ***Household heat-resistant glass.*** We provide (i) heat-resistant glass tableware, such as food storage containers and kitchenware, (ii) glass turntables used in microwave ovens, and (iii) other heat-resistant glass products, such as glass products for electric light sources and other blown or pressed borosilicate heat-resistant glass, which are primarily sold to consumer goods brands, home appliance manufacturers, other corporate customers and individual consumers in China and overseas.
- ***Others.*** Our other revenue primarily consists of sales of surplus raw materials, molds and scrap materials, primarily to other glass manufacturers.

The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Pharmaceutical glass packaging	**405,980**	**42.9**	**466,965**	**43.2**	**356,648**	**36.3**	**203,187**	**40.7**	**227,001**	**33.7**
Tubular glass vials	395,010	41.7	444,388	41.1	313,645	32.0	182,215	36.5	174,248	25.9
Molded glass vials	4,311	0.5	15,269	1.4	31,198	3.2	15,380	3.1	30,163	4.5
Other pharmaceutical glass packaging products	6,659	0.7	7,308	0.7	11,805	1.1	5,592	1.1	22,590	3.3
Household heat-resistant glass	**518,413**	**54.7**	**587,818**	**54.4**	**609,434**	**62.1**	**284,362**	**57.0**	**436,109**	**64.8**
Others	**22,975**	**2.4**	**26,059**	**2.4**	**15,390**	**1.6**	**11,178**	**2.3**	**9,819**	**1.5**
Total	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**

We have been expanding our global footprint as part of our growth strategies. The following table sets forth a breakdown of our revenue by geographic locations determined based on the destination specified in the applicable customs declarations, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Chinese mainland	762,151	80.4	872,588	80.7	738,564	75.3	398,598	79.9	457,630	68.0
Overseas[(1)]	185,217	19.6	208,254	19.3	242,908	24.7	100,129	20.1	215,299	32.0
Total	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**

Note:

(1) Primarily includes the markets in the U.S., Australia, Japan and South Korea.

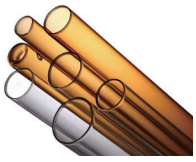
OUR PRODUCTS

Our products primarily comprise pharmaceutical glass packaging and household heat-resistant glass. Set out below are details of our principal products.

Pharmaceutical Glass Packaging

We have developed a broad and diversified product portfolio covering (i) tubular glass vials, (ii) molded glass vials, as well as (iii) other pharmaceutical glass packaging products, including RTU, PFS and borosilicate glass tubes. Our pharmaceutical glass packaging is primarily supplied to domestic pharmaceutical companies, biotechnology R&D institutions and cosmetics manufacturers, and can be used for the packaging of innovative biologics (including vaccines, blood products, and insulin), contrast media, chemical injectable drugs, health supplements and premium cosmetics.

Product Category	Representative Products		Key Characteristics and Selected Technical Specifications	Principal Applications
Tubular glass vials	Ampoules, penicillin vials and cartridges, including selected freeze-resistant, coated, large-capacity, small-capacity and customer-specific products		Automated production from tube loading, forming and annealing through inspection and packaging; good chemical stability and dimensional consistency; inner-surface hydrolytic resistance reaching HC1 level; 100% inspection of appearance and dimensions with preset alert limits; and 360-degree online inspection using line-scan cameras.	Packaging and delivery of injectable drugs, biologics, vaccines, blood products, insulin and other pharmaceutical products
Molded glass vials	Infusion bottles and injection bottles, including tubular-style, amber, lightweight, large-capacity freeze-resistant and selected coated products		Produced using all-electric furnaces equipped with digital-twin and advanced process control systems; good chemical stability and mechanical strength; inner-surface hydrolytic resistance reaching HC1 level and hydrolytic resistance of glass grains at 121°C reaching Grade I; automated production from batching to warehousing.	Packaging of chemical drugs, contrast media, blood products and infusion products
Other pharmaceutical glass packaging products	RTU, including pre-washed, depyrogenated and sterilized injection vials and cartridges		Processed through four-stage washing, five-stage drying, depyrogenation and sterilization; no glass-to-glass contact during handling; sterility assurance level of 10^{-6}; bacterial endotoxin level of ≤0.125 EU/mL; particulate limits of ≤60 particles per container at ≥10μm and ≤6 particles per container at ≥25μm; sterile shelf life of up to 36 months; and 100% online AI-based inspection.	Primary packaging for biologics, vaccines and other high-value drugs

Product Category	Representative Products		Key Characteristics and Selected Technical Specifications	Principal Applications
	PFS in various dimensions and models		Integrated manufacturing from glass tubes to syringes; dimensional accuracy of approximately ±0.5 mm; break-loose force of ≤10 N and glide force of ≤5 N; luer-lock torque strength of ≥40 N·cm and flange breaking resistance of ≥100 N; transparent and amber configurations; and 100% AI-based online inspection.	Delivery of biologics, vaccines and other injectable drugs
	Borosilicate glass tubes		Produced using oxy-fuel combustion with electric boosting to support stable glass melting and product consistency; good chemical stability; hydrolytic resistance of glass grains at 121°C reaching Grade I; and 100% online inspection of appearance and dimensions.	Base materials for the manufacture of ampoules, penicillin vials, cartridges and other tubular pharmaceutical packaging

Household Heat-resistant Glass

Our borosilicate heat-resistant glass primarily comprises heat-resistant glass tableware, glass turntables, and other heat-resistant glass products such as glass products for electric light sources. Leveraging the low coefficient of thermal expansion, thermal shock resistance and chemical stability of borosilicate technical glass, these products are used in cooking, baking, food storage and other applications.

Product Category	Representative Products		Key Characteristics	Principal Applications
Heat-resistant glass tableware	Food storage containers, storage jars, drinking glasses, cookware and bakeware	 	Heat resistance up to 450°C, high thermal shock resistance and good chemical stability, with inner-surface hydrolytic resistance reaching HC1 level; available in various shapes and specifications and adaptable to customized designs.	Cooking, baking, serving and food storage
Glass turntable	Microwave oven turntables and baking trays		Heat resistance up to 450°C, good thermal shock resistance and chemical stability against acids and alkalis, together with dimensional consistency and flexibility for customized product designs.	Microwave ovens, conventional ovens and other home appliances
Other heat-resistant glass products	Glass products for electric light sources, including glass tubes, bulbs and other glass components		Good thermal and chemical stability, hydrolytic resistance reaching HGB1 level, good light transmittance and dimensional consistency, with capabilities to manufacture products according to customized specifications.	Electric light sources and related lighting products

The following table sets forth the sales volume and average selling price of our core products during the Track Record Period. For pharmaceutical glass packaging, sales volume is presented in million units and average selling price is presented in RMB per unit; for household heat-resistant glass, sales volume is presented in tons and average selling price is presented in RMB per ton. Other pharmaceutical glass packaging products primarily include RTU, PFS and borosilicate glass tubes, as well as various ancillary pharmaceutical packaging products and components, spanning a broad range of product types and unit prices.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton
	(million units/tons)	*(RMB)*	*(million units/tons)*	*(RMB)*	*(million units/tons)*	*(RMB)*	*(million units/tons)*	*(RMB)*	*(million units/tons)*	*(RMB)*
Pharmaceutical glass packaging										
Tubular glass vials	3,350	0.12	4,036	0.11	3,199	0.10	1,847	0.10	1,714	0.10
Molded glass vials	17	0.25	26	0.59	92	0.34	26	0.58	78	0.39
Household heat-resistant glass	**57,706**	**8,984**	**66,958**	**8,779**	**68,030**	**8,958**	**32,684**	**8,700**	**43,960**	**9,920**

During the Track Record Period, the selling prices of our RTU, PFS and borosilicate glass tubes generally ranged from RMB1.0 to RMB17.7 per unit, RMB1.9 to RMB8.3 per unit and RMB2.9 to RMB11.5 per unit, respectively, depending on their specifications and configurations.

Products under Development

In addition to expanding the specifications of and improving our existing products, we are actively developing selected new glass products and materials by applying our capabilities in borosilicate technical glass formulations, furnace design, glass melting and forming processes and precision manufacturing. The following summarizes our principal products and materials under development and their general development status as of the Latest Practicable Date:

Glass sheets for semiconductor packaging. We are developing high-purity borosilicate glass sheets for use as base materials in the production of semiconductor packaging. Following further processing by downstream industry participants, such glass sheets may be used in glass carriers, interposers and glass-core package substrates for 2.5D and 3D packaging and other high-density interconnection applications, including applications involving AI chips, high-end graphics processing units and high-frequency communication modules.

Our R&D activities principally focus on glass formulation, melting and forming processes, with particular emphasis on controlling the coefficient of thermal expansion, optical transmittance, dielectric constant and dielectric loss, and flatness of the glass sheets, as well as their surface and dimensional quality and internal defect levels. We test and validate the glass sheets against different product specifications and downstream processing requirements, including those relating to semiconductor packaging structures and TGV formation.

We focus principally on the development and production of the glass sheets and do not currently conduct subsequent processing such as TGV, formation metallization or fine-line redistribution. Such processing is undertaken by downstream industry participants with the relevant capabilities.

In June 2026, the pilot furnace at our Glass New Materials Innovation Incubation Center was ignited, marking the commencement of preliminary trial production of our glass sheets. Since then, we have continued to commission the pilot production line and refine the formulation, melting and forming processes. As of the Latest Practicable Date, we had begun providing samples of our glass sheets to semiconductor packaging industry participants for testing.

New specifications for RTU and PFS. We continue to develop new specifications for our RTU and PFS and optimize the related forming, washing, siliconization, depyrogenation, sterilization, inspection, packaging and traceability processes. Our existing RTU and PFS have achieved commercial production, while new specifications are at various stages of product development, testing, customer validation and commercial introduction.

Functional glass-ceramics and other applications of technical glass. We are developing functional glass-ceramics for applications requiring low thermal expansion, high optical transparency, high-temperature resistance or high structural strength. The target end-use sectors include precision optics, consumer electronics, aerospace and industrial applications. Our R&D activities primarily focus on differentiated glass formulations and controlled crystallization processes, as well as optimizing thermal stability, thermal shock resistance and chemical corrosion, surface hardness and dimensional stability.

We are also developing other applications of technical glass, including high-strength chemically strengthened glass for pharmaceutical packaging and eye-safe laser glass for use in laser systems and other optical equipment.

Except for our existing RTU and PFS, as of the Latest Practicable Date, our products under development as described above had not achieved commercial-scale production or generated material revenue. Their commercialization will depend on, among other things, further technological and process optimization, pilot-scale testing results, customer testing and validation, required capital investment and market acceptance. We cannot assure you that any of these R&D projects will be commercialized within the anticipated timeframe or at all. See "Risk Factors — Risks Relating to Our Business and Industry — Our R&D efforts, including the development of glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass, may not generate the expected commercial benefits."

RESEARCH AND DEVELOPMENT

We conduct our R&D activities through our in-house R&D team and, for selected projects, in collaboration with universities, research and engineering institutions and industry participants. Drawing on our capabilities in glass formulations and materials, furnace design and glass melting and forming processes, product and mold design, production equipment and automation, testing and application validation, our R&D activities focus on (i) improving the performance, expanding the specifications and optimizing the production processes of our existing pharmaceutical glass packaging and household heat-resistant glass products; and (ii) developing new glass materials, including glass sheets for semiconductor packaging, functional glass-ceramics, and other applications of technical glass.

During the Track Record Period, our R&D expenses amounted to RMB30.1 million, RMB33.8 million, RMB34.4 million, RMB16.0 million and RMB19.4 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Our R&D personnel collaborate with our sales, production, quality and procurement teams to identify and implement R&D projects with reference to customer requirements, market and technological developments, production improvement needs and the technical and commercial feasibility of the relevant products.

R&D Capabilities and Platform

Our R&D system is centered on our Glass Research Institute and supported by our R&D and Testing Center, Glass New Materials Innovation Incubation Center, postdoctoral research station and CNAS-accredited laboratory. These platforms collectively support our R&D activities at different stages.

Our Glass Research Institute is principally responsible for the development and improvement of glass formulations, furnace and production processes, production equipment and new glass materials. Our R&D and Testing Center, jointly established with Qilu University of Technology, commenced operation in October 2025 and principally undertakes material analysis, sample preparation, product performance testing and pharmaceutical packaging material compatibility testing for our pharmaceutical glass packaging and household heat-resistant glass products. Our Glass New Materials Innovation Incubation Center provides pilot-scale melting and forming capabilities for the validation and scale-up of new glass formulations and manufacturing processes.

In June 2026, the pilot furnace at our Glass New Materials Innovation Incubation Center was ignited. We intend to use the pilot furnace for trial production, process optimization and pilot-scale validation of glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass. As of June 30, 2026, our R&D team comprised 140 personnel, of whom 14 were principally engaged in the development of glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass.

R&D Collaboration

We collaborate with selected universities, research and engineering institutions and industry participants to supplement our in-house R&D capabilities in areas such as materials research, testing and analysis, engineering and production-line design, process development and product application validation. We select our collaboration partners principally based on their technical expertise, research or engineering resources and experience relevant to the applicable projects. The scope of our collaborations may include joint research, technical consultation, commissioned testing and analysis, engineering design, sample testing, pilot-scale validation and application validation.

Our principal academic collaborations include those with Qilu University of Technology and Xiamen University. We and Qilu University of Technology jointly established the Joint Research Institute of Technical Glass Materials to conduct R&D in technical glass materials, including functional glass-ceramics, pharmaceutical glass and optical glass. Under the agreement, we agreed to provide RMB1.0 million in funding for laboratory research. Intellectual property arising from joint projects is allocated between the parties under separate written agreements based on respective contributions, while intellectual property independently developed by either party remains owned by that party.

In August 2026, we entered into a three-year collaboration agreement with Xiamen University and jointly established an R&D center focused on glass sheets for use in semiconductor packaging applications. We agreed to provide R&D funding of not less than RMB2.4 million over the term of the agreement. Each party retains its pre-existing and independently developed intellectual property, while, unless otherwise agreed for a specific project, intellectual property arising from jointly conducted projects is owned by us.

We also collaborate with other research and industry participants, including Glass Service Laboratory in the Czech Republic, Rio Tinto Singapore R&D Centre and Saint-Gobain Shanghai R&D Centre, on selected materials research, product testing, engineering and validation projects.

Our Core Technologies

Over the course of our operations, we have developed and accumulated a large portfolio of technologies covering borosilicate technical glass formulation, furnace design, glass melting and forming, production automation, product inspection and sterile pharmaceutical packaging. Such technologies embody our know-how and experience from decades of operations, a number of which have been patented. The following table summarizes selected technologies used in our R&D and production activities:

Technology Area	Selected Technologies and Technical Functions	Principal Applications
Borosilicate Technical Glass Furnace and Melting Technology	We possess independent design and development capabilities for flame furnaces, all-electric melting furnaces and full-oxygen combustion furnaces. We have developed specialized all-electric melting furnaces with melting areas ranging from 4.2 sq.m. to 30.0 sq.m. and full-oxygen combustion furnaces for high-quality borosilicate technical glass. Our related technologies include: (i) Continuous Controllable Electric Discharging Technology, which discharges deteriorated molten glass from the bottom layer and electrically controls glass viscosity and discharge flow; (ii) Molybdenum Cladding Technology for Key Furnace Sections, which forms a high-temperature- and corrosion-resistant protective barrier to improve furnace stability and extend the service life of core components; (iii) Closed Channel Opposite Insertion Auxiliary Electric Heating Technology, which forms a uniform heating field and enables precise power adjustment for individual sections; (iv) Pulsed Bubbling Technology, which promotes circulation and heat exchange of molten glass and facilitates the removal of microbubbles and impurities; (v) Deep Channel Technology, which enhances heat storage, temperature stability and impurity stratification and accommodates fluctuations in glass-drawing output; (vi) Platinum Stirring Technology, which uses high-purity platinum-rhodium alloy stirring devices to improve molten-glass homogenization while reducing contamination risks; (vii) Overflow Technology, which continuously removes scum and deteriorated molten glass from the surface and stabilizes the liquid level in the forehearth; and (viii) Non-linear Feeding Machine Technology, which dynamically adjusts material feeding based on the electric-field distribution in the furnace and integrates DCS remote control, real-time high-temperature monitoring and multi-point temperature measurement to improve temperature uniformity and melting quality.	Production of pharmaceutical glass packaging and household heat-resistant glass.
Automatic Batching Technology	Our batching system integrates high-performance programmable logic controllers and high-precision weighing modules to automate multi-batch material weighing, mixing and feeding. It also incorporates centralized dust recovery and wear-resistant and corrosion-resistant silo structures to maintain raw material purity. By integrating the batching system with the furnace DCS, we achieve closed-loop monitoring and control of the production process.	Raw material batching and glass melting processes.
Glass Tube Protective Coating Technology	Our coating technology reduces clamping marks on glass tubes during transportation and packaging, thereby improving product appearance and finished-product yield and reducing losses arising from product damage during storage and transportation.	Medium borosilicate glass tubes.
Automatic Precision Cutting and Sealing Machine Technology	This technology enables precision cutting and end sealing of glass tubes during conveying and self-rotation, thereby improving processing efficiency, reducing cutting waste and enhancing the dimensional and physicochemical consistency of glass tubes used in subsequent ampoule production.	Medium borosilicate glass tubes and downstream tubular pharmaceutical glass packaging.
Vial High-Speed Forming Machine Technology	Our vial high-speed forming machine uses a direct-drive motor to control the main disk and servo-control systems for other forming processes. It can achieve a production speed of 46 pieces per minute, compared with the conventional industry speed of 26 pieces per minute, while reducing energy costs by 20%, and is designed to improve processing precision and product yield.	Tubular glass vials.

The above selected technologies were developed or materially improved by us and have been applied in our production processes. For details of the production equipment and intelligent production systems through which these technologies are implemented, see "— Production — Production Equipment" and "— Production — Intelligent Production."

Major R&D Projects and Commercialization Progress

In addition to expanding the specifications of and improving our existing products, we are developing glass sheets for semiconductor packaging, functional glass-ceramics, eye-safe laser glass, high-strength chemically strengthened pharmaceutical glass and other applications of technical glass.

The following table summarizes our selected material R&D projects and their development and commercialization progress as of the Latest Practicable Date:

R&D project	Intended applications and principal technical focus	Development and commercialization progress
Glass sheets for semiconductor packaging	Intended for semiconductor packaging including glass carrier, interposer and packaging substrate. Our R&D activities principally focus on glass formulation, melting and forming processes, thermal expansion control, product flatness, dielectric properties, defect control and application testing. For packaging applications, we focus principally on the development and production of glass sheets and plan to cooperate with downstream industry participants possessing TGV formation, fine-line redistribution and other processing capabilities on subsequent processing and application validation.	In June 2026, the pilot furnace at our Glass New Materials Innovation Incubation Center was ignited and preliminary trial production commenced. As of the Latest Practicable Date, the project was at the pilot production and formulation and process optimization stage.
New specifications for RTU and PFS	Intended for the sterile filling and packaging of biologics, vaccines and other injectable drugs. Our R&D activities focus on expanding the specification range and optimizing key production processes, including forming, washing, siliconization, depyrogenation, sterilization, inspection, packaging and traceability.	Building on our existing RTU and PFS, which had been commercialized in 2025, we are developing new specifications for RTU and PFS with additional specifications and applications. As of the Latest Practicable Date, these products were at various stages of product testing, validation and customer introduction.
Functional glass-ceramics	Intended principally precision optics, consumer electronics, aerospace and industrial applications requiring heat resistance and dimensional stability. Our R&D activities focus on differentiated glass formulations and controlled crystallization processes, as well as the improvement of thermal stability, thermal shock resistance and chemical corrosion, surface hardness and dimensional stability.	As of the Latest Practicable Date, the project was at the laboratory development stage.
High-strength chemically strengthened pharmaceutical glass	Intended for pharmaceutical products requiring enhanced mechanical strength and chemical stability. Our R&D activities focus on glass formulation and ion-exchange strengthening processes to form a surface compressive-stress layer and improve mechanical strength, chemical stability and resistance to glass delamination.	As of the Latest Practicable Date, the project was at the laboratory development stage.
Eye-safe laser glass	Intended for eye-safe laser and related optical applications. Our R&D activities focus on glass formulation design, optical property optimization, melting and forming process and sample-performance testing.	As of the Latest Practicable Date, the project was at the laboratory development stage.

Except for our existing RTU and PFS, as of the Latest Practicable Date, the new material products described above had not achieved commercial-scale production or generated material revenue. Their commercialization will depend on further formulation and process optimization, pilot and production-line testing, customer and application validation, capital investment and market acceptance. We cannot assure you that any such product will complete development or achieve commercialization within the expected time frame or at all. See "Risk Factors — Risks Relating to Our Business and Industry — Our R&D efforts, including the development of glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass, may not generate the expected commercial benefits."

R&D Management and Process

We manage our R&D activities on a project basis and have established procedures covering project initiation, project review, implementation, stage assessment, validation and project completion. We establish technical review and decision points at key stages of an R&D project to assess the completion of the relevant deliverables, technical results, testing progress, production feasibility before the project proceeds to the next stage. The development process is iterative, and a project may return to an earlier stage for further formulation, design or process optimization based on testing, pilot-production or customer feedback.

Our R&D process generally comprises the following stages:

- ***Project initiation.*** We conduct market research, customer-needs analysis, technical and commercial feasibility analyzes and competitive product analysis and determine the technical objectives, resource requirements and development plan of the project.
- ***Laboratory development.*** We develop and screen glass formulations, prepare samples and test their material, physicochemical, optical or other relevant properties.
- ***Process and engineering development.*** We design or optimize the relevant furnace, melting, forming, processing, inspection processes and determine the principal equipment configurations and process parameters.
- ***Pilot and scale-up validation.*** We conduct pilot-scale melting and forming, process-window testing and product-consistency assessments to evaluate whether the relevant laboratory results can be reproduced under scaled-up production conditions.
- ***Small-batch production and customer validation.*** We conduct small-batch production and, where applicable, provide samples to customers or industry participants for product testing, application validation and qualification.
- ***Commercialization and lifecycle management.*** Following completion of the relevant technical, production and customer validations, we transfer the product to commercial-scale production and continue to optimize product specifications, production processes and quality controls based on production results, technological developments and customer feedback.

PRODUCTION

We primarily manufacture our products at our self-operated production facilities. Our production facilities feature a high degree of automation and standardization, and we manage our production activities through unified production management policies, standardized operating procedures and digital management tools. This enables us to maintain high production efficiency and consistent product quality in large-scale production while responding flexibly to customers' requirements for product specifications and delivery arrangements.

Production Planning

We adopt a flexible production model under which production is planned with reference to sales orders and demand forecasts. Our production and material control ("**PMC**") department formulates production plans after taking into account customer orders, sales forecasts, production cycles, the operating status of our furnaces and production lines, and inventory levels. As glass furnaces generally need to operate continuously once ignited, except scheduled cold repairs, furnace maintenance or temporary production suspension due to equipment, safety or other operational reasons, we carefully plan and coordinate our product mix, production batches and production allocation across our production lines by considering furnace capacity, mold changeover requirements, product specifications, production line compatibility, order delivery schedules and expected demand for standardized products, so as to maintain stable furnace operations, reduce frequent production changeovers and improve production efficiency. While fulfilling customer orders, we maintain an appropriate level of safety stock for certain standardized products with stable demand and recurring customer orders to improve the utilization of our production lines and ensure timely delivery. As a result, our finished goods balance may remain relatively high from time to time, reflecting the continuous operation characteristics of glass furnace production, our production planning based on demand forecasts and our need to maintain safety stock for standardized products.

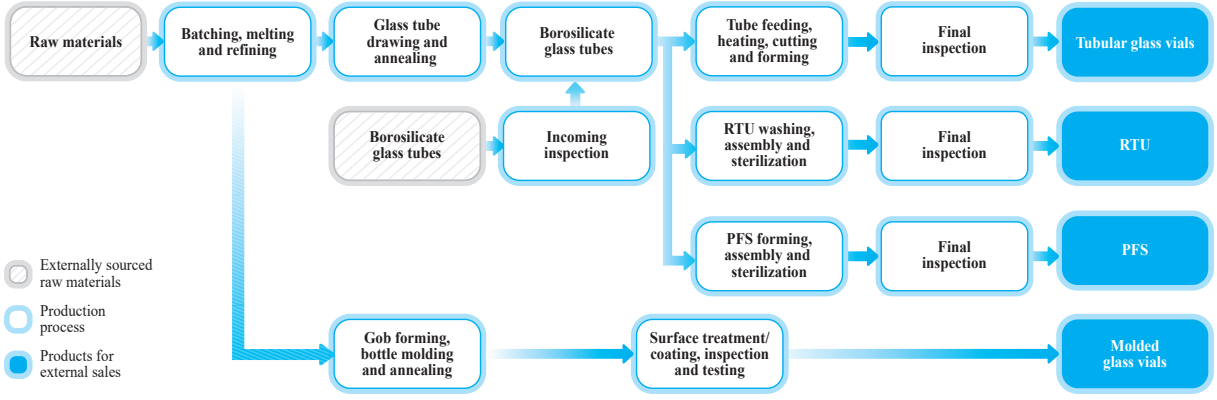
For urgent orders, we assess the real-time workload of each production line and arrange production by adjusting the production sequence and shifts, deploying molds prepared in advance or rapidly switching products on suitable production lines. If our production lines are operating at full capacity, we communicate with customers to agree on reasonable delivery arrangements. For regular orders, the delivery lead times for household heat-resistant glass generally range from approximately 20 to 50 days. Pharmaceutical glass packaging is generally delivered within one month, while orders requiring imported glass tubing may take up to approximately three months to deliver. Actual delivery lead times may vary depending on factors such as order size, product specifications, raw material availability and production line utilization.

Production Process

Our principal production processes vary depending on product materials and forming processes. The following flowcharts set forth the principal stages of each production process.

The following diagram illustrates the principal production processes of our core products:

Pharmaceutical glass packaging



- ***Raw material batching, melting and refining.*** Qualified raw materials are weighed and mixed in accordance with the relevant glass formulations and conveyed to glass furnaces for melting, refining and homogenization. The molten glass is subsequently directed either to glass tube drawing and annealing for the production of tubular glass vials, RTU and PFS, or to gob forming and bottle molding for the production of molded pharmaceutical glass vials.

For tubular glass vials, RTU and PFS:

- ***Glass tube drawing and annealing.*** Molten glass is drawn into borosilicate pharmaceutical glass tubes and annealed, with key parameters such as tube diameter, wall thickness and straightness monitored during forming. The glass tubes subsequently undergo appearance and dimensional inspection and, where applicable, surface treatment, precision cutting, end finishing and physicochemical testing. Qualified glass tubes are sold externally or transferred internally for downstream production, depending on our production needs, capacity allocation and market conditions. We also procure medium borosilicate glass tubes from third-party suppliers, which undergo incoming inspection before use.

Our in-house glass tube production comprises amber medium borosilicate glass tubes. To supplement our internal supply and meet our downstream production needs, we also procure clear medium and low borosilicate glass tubes, which we do not produce in-house, from third-party suppliers, taking into account cost efficiency, production requirements and supply stability.

Following the production or procurement and inspection of qualified glass tubes, the downstream production processes vary by product type as follows:

- ***Tubular glass vials:*** Qualified glass tubes are loaded, heated, cut and formed into ampoules, penicillin vials, cartridges and other tubular pharmaceutical glass packaging products. The formed products are annealed and cooled and may undergo color-ring application, scoring, marking or printing, depending on their specifications, followed by final inspection and packaging.

- ***RTU:*** Selected vials and cartridges are washed and dried and undergo siliconization and depyrogenation, as applicable. Following inspection, the products are loaded into nest-and-tub or tray configurations, packaged, sterilized and subject to final inspection.

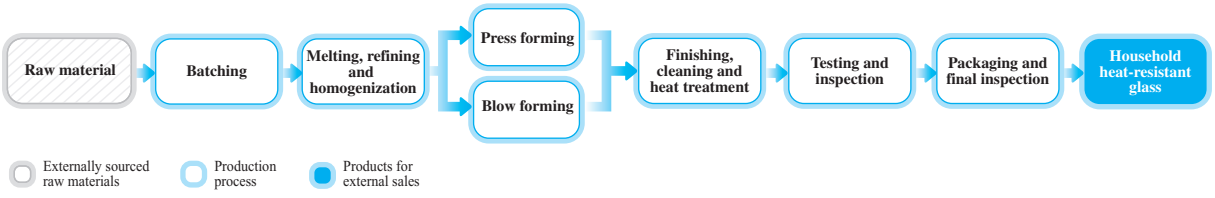
- ***PFS:*** Qualified glass tubes are cut and formed into syringe barrels, followed by applicable tip treatment, scale printing and annealing. For staked-needle products, needles are assembled and cured before the relevant functional inspections. The products are then washed, dried and siliconized, as applicable, followed by component assembly, nest or tray loading, packaging, sterilization and final inspection.

For molded glass vials:

- ***Gob forming, bottle molding and annealing.*** Molten glass is divided into glass gobs and formed into molded pharmaceutical glass vials using individual section machines. The formed vials are subsequently annealed and cooled.

- ***Surface treatment, inspection and testing.*** The annealed vials undergo applicable surface treatment or coating, followed by appearance and dimensional inspection, physicochemical testing and packaging.

Household heat-resistant glass



- ***Raw material preparation and glass melting.*** Raw materials are inspected, weighed and mixed in accordance with the relevant glass formulations before being conveyed to glass furnaces for melting, refining and homogenization.
- ***Press forming and blow forming.*** Molten glass is formed into products using either press forming or blow forming, depending on the relevant product. In press forming, molten glass is supplied to molds and compressed by a plunger to form products of the required shape and dimensions. In blow forming, molten glass is initially formed into a parison and expanded against the inner surface of a mold using compressed air to produce hollow glass products.
- ***Finishing, cleaning and heat treatment.*** Formed products may undergo polishing, cleaning or other finishing processes, as applicable, followed by heat treatment or annealing to relieve residual thermal stress.
- ***Testing and inspection.*** Depending on the relevant product, we conduct applicable residual-stress, mechanical-strength, thermal-shock-resistance, appearance, dimensional and weight inspections and tests.
- ***Packaging and final inspection.*** Qualified products are packaged and undergo final inspection before being transferred to the finished-product warehouse.

Production Base

During the Track Record Period and up to the Latest Practicable Date, we conducted production at our production base in Shanghe County, Jinan, Shandong Province ("**Jinan Plant**").

Our Jinan Plant

Our Jinan Plant covers the production process of all categories of our pharmaceutical glass packaging and household heat-resistant glass. It is divided into five production areas, namely Areas A to E. Areas A and B are primarily used for the production of household heat-resistant glass; Area C is primarily used for the production of glass tubes and tubular glass vials; Area D is primarily used for the production of tubular glass vials; Area E is primarily used for the production of molded glass vials, RTU

and PFS. As of June 30, 2026, we had 118 production lines and eleven self-owned glass furnaces in operation. The following table sets forth certain information in relation to our Jinan Plant as of the Latest Practicable Date.

Plant	Location	Year of operation commencement	Approximate site area	Land/property right
			(sq.m.)	
Jinan Plant	Shanghe County, Jinan, Shandong, China	2002	592,837	Primarily self-owned, with certain land and factory buildings leased[(1)]

Note:

(1) Certain land and factory buildings at our Jinan Plant are made available to us under a build-lease-repurchase arrangement with Shanghe Industrial Investment Co., Ltd., an Independent Third Party. The relevant land has an aggregate site area of approximately 203,016 sq.m., and the factory buildings constructed thereon have an aggregate gross floor area of approximately 142,225 sq.m. Under the arrangement, the relevant factory buildings were constructed by the lessor based on our requirements and leased to us upon completion. We are entitled to use the relevant real property rent-free for the first 15 years and have the right to repurchase it in the 15th year. Such arrangement allows us to secure production premises tailored to our project needs while reducing our upfront capital expenditure and rental costs during the initial operation period, and is therefore beneficial to our business expansion and cash flow management. As of the Latest Practicable Date, the real property ownership certificates for the relevant factory buildings had not yet been obtained and were being processed. See "— Properties — Leased Properties — Title defects".

The following table sets forth the designed production capacity, actual production volume and utilization rate for our products during the Track Record Period.

	Year ended December 31,									Six months ended June 30,		
	2023			2024			2025			2026		
	Designed capacity[(1)]	Production volume	Utilization rate[(2)]	Designed capacity[(1)]	Production volume	Utilization rate[(2)]	Designed capacity[(1)]	Production volume	Utilization rate[(2)]	Designed capacity[(1)]	Production volume	Utilization rate[(2)]
			(%)			*(%)*			*(%)*			*(%)*
Pharmaceutical glass packaging *(million units)*	3,886	3,616	93.1	4,950	4,549	91.9	5,523	3,799	68.8	2,271	1,600	70.5
Household heat-resistant glass *(tons)*	60,020	54,639	91.0	68,929	64,009	92.9	76,770	76,870	100.1	36,905	38,817	105.2

Notes:

(1) Designed capacity refers to the estimated maximum quantity of products that our Jinan Plant can produce during a period under normal production conditions, after taking into account normal equipment maintenance, product changeovers, mold changes, yield rates and ordinary process losses. The calculation assumes continuous operation of the relevant glass furnaces, sufficient supplies of raw materials, energy and utilities, adequate staffing and no material unplanned production suspension. Where a furnace supplies multiple production lines or a product involves multiple production steps, designed capacity is determined based on the allocated furnace capacity, planned product mix and the bottleneck process of the relevant production flow.

Specifically, (i) designed capacity for pharmaceutical glass packaging is calculated primarily based on the daily melting capacity allocated to pharmaceutical glass production and the operating speed and planned operating time of the relevant forming and post-processing equipment; and (ii) designed capacity for household heat-resistant glass is estimated primarily based on the volume of molten glass available for its production and the production efficiency prevailing at the time of estimation. As the designed capacity of household heat-resistant glass is estimated using the production efficiency prevailing at the time of estimation, subsequent improvements in production efficiency may result in actual production volume exceeding designed capacity and, consequently, a utilization rate of over 100%.

(2) Utilization rate is calculated by dividing our production volume by the corresponding designed production capacity for the same period.

The utilization rate of our pharmaceutical glass packaging production capacity remained stable at 93.1% and 91.9% in 2023 and 2024, and decreased to 68.8% in 2025 and 70.5% in the six months ended June 30, 2026, primarily due to lower production volume amid weaker downstream demand, resulting from continued tightening of medical insurance cost control and lower average selling prices following the implementation of centralized procurement policies, particularly in 2025, in response to which we temporarily suspended the operation of certain production equipment for tubular glass vials.

The utilization rate of our household heat-resistant glass production capacity increased from 91.0% in 2023 to 92.9% in 2024 and further to 100.1% in 2025, primarily as we increased production in response to growing customer demand, including overseas orders. The utilization rate reached 105.2% in the six months ended June 30, 2026, primarily because our actual production efficiency during the period exceeded the production efficiency assumptions underlying the relevant designed capacity.

In July 2026, we commenced developing a production facility for pharmaceutical glass packaging products at leased premises with an aggregate floor area of approximately 5,262 sq.m. in Atibaia, São Paulo, Brazil. As of the Latest Practicable Date, the facility remained under construction, had not commenced commercial production and was in the process of obtaining the requisite licenses, permits and approvals for its future operation. Upon completion, we expect the facility to commence operations on a limited scale and gradually ramp up production having regard to customer demand and operational readiness.

Flexible Production

We organize our production based on customer orders and demand forecasts and coordinate our product mix and production batches with reference to product specifications, the operating status of our furnaces and production lines, and inventory levels. Depending on customers' requirements, we may customize product specifications, dimensions and packaging formats and adjust our production arrangements accordingly. Certain of our production lines can manufacture products of different specifications by replacing molds or selected tooling and adjusting forming, temperature-control and packaging parameters. For example, our RTU production line is designed to accommodate products of different types and dimensions and support rapid product changeovers, while certain automated packaging equipment can be adapted to different bottle specifications and packaging formats by replacing relevant components. These arrangements enable us to allocate production resources flexibly and respond to customers' requirements for product specifications and delivery schedules.

We also apply lean manufacturing principles in selected production processes through standardized operating procedures, coordination between consecutive production stages and the reduction of unnecessary manual handling and process variation.

Production Equipment

We procure our production equipment from suppliers in China and overseas based on the production processes and technical requirements of our products. Such equipment includes standardized equipment available in the market and equipment customized or technically modified in accordance with our designs and specifications. The following table sets forth our principal production equipment and its primary functions:

Equipment	Primary Functions
Glass furnaces	Heating glass raw materials to high temperatures to melt, refine and homogenize them into molten glass, and continuously supplying molten glass of the required quality and temperature through forehearths to subsequent forming processes.
Automated batching and conveying equipment	Automatically weighing and mixing raw materials in accordance with prescribed formulations using PLC controls and high-precision electronic scales, and continuously conveying measured batches to the glass furnaces. The equipment also records relevant batching and feeding data to support process control and traceability.
Glass tube production lines	Drawing molten glass into borosilicate pharmaceutical glass tubes using the Danner or Vello process, as applicable, and controlling key parameters such as tube diameter, wall thickness and straightness, followed by annealing, inspection and packaging.
Ampoule forming machines	Automatically feeding, heating, cutting, forming and sealing glass tubes through multi-station processes to produce ampoules of specified dimensions. Selected equipment also performs processes such as color-ring application, scoring and printing, as applicable.
Other tubular product production equipment	Heating, cutting, forming and sealing glass tubes to manufacture penicillin vials, cartridges, syringe barrels and other tubular pharmaceutical glass packaging, followed by applicable annealing, appearance and dimensional inspection and packaging processes.

Equipment	Primary Functions
Individual section ("**IS**") machines	Automatically forming molten glass into molded pharmaceutical glass vials through multi-section and multi-station bottle-forming processes.
Pressing and blowing forming equipment	Forming molten glass into household heat-resistant glass. Pressing equipment compresses molten glass within molds to produce solid or open-form products, while blowing equipment uses compressed air to form hollow products against the inner surfaces of molds.
Annealing furnaces	Cooling formed glass products under controlled temperature profiles to relieve residual thermal stress and reduce the risk of spontaneous cracking or breakage.
Washing, depyrogenation and sterilization equipment	Washing and drying RTU and PFS and conducting depyrogenation, sterilization and related processing procedures, as applicable to the relevant product and production line.
Automated inspection and packaging equipment	Conducting online appearance and dimensional inspection, identifying and rejecting non-conforming products and, where applicable, sorting, counting, bundling, boxing, sealing, palletizing and recording the quantities of finished products.

Certain of our glass furnaces and production lines are designed, customized or technically modified based on our glass formulations, production processes and product specifications. In particular, we use all-electric melting furnaces designed or developed by us in the production of certain household heat-resistant glass.

As of June 30, 2026, substantially all of our principal production equipment was owned by us. We depreciate our production equipment using the straight-line method. The estimated useful lives applied for depreciation purposes are four to six years for glass furnaces and six to eight years for other production equipment.

We conduct routine inspections, preventive maintenance and repairs based on the operating condition, operating records and maintenance requirements of the relevant equipment. As glass furnaces generally operate continuously once ignited, we monitor their operating parameters and condition and carry out scheduled maintenance and major overhauls when necessary. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material equipment failure or unplanned production suspension that had a material adverse effect on our operations. We replace or upgrade our production equipment from time to time based on its operating condition, production efficiency, technological developments and our production and capacity requirements. As of the Latest Practicable Date, we did not have any material plan to replace our principal production equipment in the near term, other than routine maintenance, furnace overhauls and planned technical upgrades.

Intelligent Production

We integrate automated equipment and digital management systems into key stages of our production activities, including production planning, process control, quality inspection, warehousing and in-plant logistics. The following table sets forth selected systems and equipment used in our intelligent manufacturing operations and their primary functions:

System or Equipment	Primary Functions
Distributed control system ("**DCS**")	Monitoring and controlling key operating parameters during raw material batching, glass melting and other production processes.
Manufacturing execution system ("**MES**")	Managing production order release and execution, collecting production and quality data, and recording batch, equipment and inspection information.
Advanced planning and scheduling system ("**APS**")	Preparing and adjusting production schedules with reference to customer orders, production capacity, production-line status and material availability.
Warehouse management system ("**WMS**")	Managing the receipt, storage, allocation and release of raw materials and finished products and maintaining inventory and storage-location records.

System or Equipment	Primary Functions
AI-powered visual inspection equipment	Conducting online inspection of product appearance and dimensions, identifying product defects and supporting the automated rejection of non-conforming products.
Automated guided vehicles ("**AGVs**")	Transporting raw materials, work-in-progress and finished products within our production facilities and reducing manual material handling.

These systems and equipment enable us to monitor and control production processes, collect production and quality data and trace relevant information from production order release through finished product warehousing. Automated equipment is used in the production of our pharmaceutical glass packaging, covering molded glass vials, RTU and substantially all tubular glass vials, to perform product handling, conveying, appearance and dimension inspection and, where applicable, the rejection of non-conforming products. Our automated batching, forming and packaging equipment also supports the coordination and continuous operation of consecutive production stages. In December 2025, we obtained CMMM Level 4 Certification, demonstrating the maturity of our intelligent manufacturing capabilities and our ability to apply digitalized and automated production management across our operations.

Selected applications of automated handling and AI-powered visual/online inspection in our pharmaceutical glass packaging production are illustrated below:

Automated robotic handling and online inspection on an RTU production line

Automated AI-powered visual inspection of molded glass vials

QUALITY CONTROL

We have established a quality management system covering supplier admission, incoming raw material inspection, in-process control, finished product testing, batch release, warehousing and transportation, customer complaints and continuous improvement. Our quality center oversees product quality and production processes, while each production business unit is responsible for its production processes, process requirements, hygiene standards and product quality.

Quality Management System and Certifications

We have obtained ISO 9001 quality management system certification, ISO 15378 quality management system certification for primary packaging materials for medicinal products and ISO 13485 quality management system certification for medical devices. Our in-house testing laboratory has also obtained CNAS accreditation in accordance with ISO/IEC 17025. In the manufacture and quality control of our pharmaceutical glass packaging, we comply with the applicable requirements under the PRC GMP. Our relevant pharmaceutical glass packaging is designed, manufactured and tested in accordance with the applicable technical standards under the USP, EP, JP and ChP, depending on the relevant product and target market. Our RTU and PFS also comply with the applicable requirements relating to sterile medicinal products under the relevant appendices to the PRC GMP.

We have completed the applicable registration, filing or certification procedures for certain of our pharmaceutical glass packaging in China and selected overseas markets. These include Drug Master File ("**DMF**") filings in the United States, Master File ("**MF**") filings in Canada, relevant registrations,

filings or certifications in selected Southeast Asian markets. As of the Latest Practicable Date, such registrations, filings and certifications remained valid or active, as applicable, and facilitated our customers' regulatory submissions and the sale of our products in the relevant markets.

Quality Control Procedures

Supplier and raw material control. We evaluate suppliers based on their quality, cost, delivery and service capabilities, and prioritize procurement from suppliers included in our approved supplier list. Upon arrival at our facilities, raw materials and other supplies are inspected or verified by our material control, quality and other relevant departments in accordance with applicable standards. Non-conforming supplies are returned, quarantined or handled under approved concession procedures, and the relevant suppliers are required to take corrective measures.

Process control. We establish operating procedures and key process parameters for major production processes, including batching, melting, forming, annealing, washing, sterilization and packaging, and record batch, equipment and inspection information through our production and quality systems. Our pharmaceutical glass packaging undergoes full inspection for appearance and dimensions primarily through online automated inspection equipment, supplemented by in-process sampling inspections to verify the accuracy of automated inspection.

Finished product testing and release. Upon completion of production, we inspect product appearance, dimensions, physicochemical properties and other parameters in accordance with applicable product standards and sampling plans. Products are released and put into storage only after they pass inspection and the relevant batch records have been reviewed.

Quality Center

As of June 30, 2026, our quality center had 101 employees responsible for quality testing and control. Our R&D and Testing Center is capable of conducting glass material analysis, product performance testing and pharmaceutical packaging material compatibility testing, covering various pharmaceutical glass packaging and household heat-resistant glass. These capabilities enhance our market competitiveness and reinforce customer confidence in our products.

Our testing laboratory is equipped with advanced testing equipment, including large-scale precision instruments capable of intelligent operation, and its environment is subject to strict controls. Our laboratory professionals have received specialized training and possess the requisite operational skills and management capabilities. In 2012, our laboratory passed the assessment of and obtained accreditation from the CNAS. This accreditation demonstrates that our laboratory has achieved internationally recognized standards of management and technical competence, enabling it to support our internal quality control, product R&D and external testing services.

Product Complaints, Returns and Recalls

We have established customer complaint handling procedures. Our sales, quality and technical personnel investigate, analyze the causes of and respond to complaints based on their nature, and take product return or replacement, process improvement or other corrective measures where necessary.

For selected household heat-resistant glass products sold directly to individual consumers through our self-operated e-commerce channels and third-party e-commerce platforms, we accept returns and exchanges in accordance with applicable laws and regulations, our return policies and the rules of the relevant platforms, including seven-day no-reason returns where applicable. For products sold to corporate customers, we generally accept product returns only where the relevant products are verified to have quality defects or fail to meet the agreed specifications, unless otherwise agreed with the customer. Our warranty obligations are governed by the applicable sales agreements, purchase orders and, in respect of sales to individual consumers, applicable laws and regulations and our published warranty policies. Valid warranty claims are generally addressed through product replacement, refund or other applicable remedies.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any product quality incidents, product recalls, product liability claims or administrative penalties relating to product quality that had a material adverse effect on our business, financial condition or results of operations.

SUPPLIERS AND PROCUREMENT

Our Suppliers

Our suppliers primarily comprise manufacturers and suppliers of raw materials, packaging and auxiliary materials, energy, refractory materials, molds, production and testing equipment, and spare parts and components. We also procure borosilicate glass tubes from third-party suppliers to supplement our own production capacity, primarily for types and specifications that we do not produce in-house, taking into account cost efficiency, production requirements and supply stability.

Our principal raw materials include borax, boric acid, quartz sand and borosilicate glass tubes, while our principal energy sources are electricity and natural gas. We also procure packaging materials and auxiliary materials for our production and product delivery, as well as refractory materials, molds, production and testing equipment, and spare parts and components. We have maintained business relationships of approximately 20 years with certain suppliers of borax, boric acid, quartz sand and key production equipment.

We procure electricity primarily from the local power grid supplier and natural gas primarily from Shandong Jinjie Gas Co., Ltd. ("**Shandong Jinjie**"). To enhance the stability of our natural gas supply, we hold an 18.52% equity interest in Shandong Jinjie.

In 2023, 2024, 2025 and the six months ended June 30, 2026, our purchases from the five largest suppliers in each period during the Track Record Period amounted to RMB368.3 million, RMB373.1 million, RMB307.3 million and RMB215.5 million, representing 51.9%, 45.1%, 42.1% and 43.2% of our total purchases for the corresponding period, respectively, and our purchases from the largest supplier in each period during the Track Record Period amounted to RMB113.1 million, RMB128.6 million, RMB138.3 million and RMB70.7 million, representing 16.0%, 15.6%, 19.0% and 14.2% of our total purchases for the corresponding period, respectively.

The following tables set forth the details of our five largest suppliers in each period during the Track Record Period.

Year Ended December 31, 2023

Supplier	Background	Major products purchased by us	Purchase amount	As a percentage of our total purchases	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
State Grid Shandong Electric Power Company Shanghe County Power Supply Company	A branch of a state-owned enterprise headquartered in Shandong, China, mainly providing electricity supply services.	Electricity	113,097	16.0%	Since 2003	typically 10 days	Bank transfer
Rio Tinto Minerals Asia Pte. Ltd.	A Singapore-incorporated subsidiary of a mining group listed on the London Stock Exchange and the Australian Securities Exchange and headquartered in London, United Kingdom, mainly providing borax and other mineral resources.	Borax and boric acid	98,861	13.9%	Since 2019	10% advance payment prior to shipment, with the balance settled by bank collection prior to arrival of goods	Bank transfer/ letter of credit
Shandong Jinjie	A state-controlled company headquartered in Shandong, China, with a registered capital of RMB70.1 million, mainly providing natural gas supply services.	Natural gas	55,914	7.9%	Since 2003	Monthly settlement	Bank transfer
Supplier A	A materials science group listed on the New York Stock Exchange and headquartered in New York, United States, mainly providing pharmaceutical glass tubing.	Borosilicate glass tubes	55,461	7.8%	Since 2017	30 to 75 days	Bank transfer
Supplier B	A PRC-incorporated subsidiary of a private technical glass group headquartered in Mainz, Germany, with a registered capital of EUR67.2 million, mainly providing pharmaceutical glass tubing.	Borosilicate glass tubes	44,942	6.3%	Since 2017	typically 60 days	Bank transfer
Total			**368,275**	**51.9%**			

Year Ended December 31, 2024

Supplier	Background	Major products purchased by us	Purchase amount	As a percentage of our total purchases	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
State Grid Shandong Electric Power Company Shanghe County Power Supply Company	A branch of a state-owned enterprise headquartered in Shandong, China, mainly providing electricity supply services.	Electricity	128,576	15.6%	Since 2003	typically 10 days	Bank transfer
Rio Tinto Minerals Asia Pte. Ltd.	A Singapore-incorporated subsidiary of a mining group listed on the London Stock Exchange and the Australian Securities Exchange and headquartered in London, United Kingdom, mainly providing borax and other mineral resources.	Borax and boric acid	91,397	11.0%	Since 2019	10% advance payment prior to shipment, with the balance settled by bank collection prior to arrival of goods	Bank transfer/ letter of credit
Supplier B	A PRC-incorporated subsidiary of a private technical glass group headquartered in Mainz, Germany, with a registered capital of EUR67.2 million, mainly providing pharmaceutical glass tubing.	Borosilicate glass tubes	56,478	6.8%	Since 2017	typically 60 days	Bank transfer
Shandong Jinjie	A state-controlled company headquartered in Shandong, China, with a registered capital of RMB70.1 million, mainly providing natural gas supply services.	Natural gas	53,027	6.4%	Since 2003	Monthly settlement	Bank transfer
Supplier C	A state-controlled company headquartered in Hebei, China, with a registered capital of RMB388.2 million, mainly providing pharmaceutical glass tubing.	Borosilicate glass tubes	43,667	5.3%	Since 2018	30 days	Bank transfer/ acceptance bill
Total			**373,145**	**45.1%**			

Year Ended December 31, 2025

Supplier	Background	Major products purchased by us	Purchase amount	As a percentage of our total purchases	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
State Grid Shandong Electric Power Company Shanghe County Power Supply Company	A branch of a state-owned enterprise headquartered in Shandong, China, mainly providing electricity supply services.	Electricity	138,304	19.0%	Since 2003	typically 10 days	Bank transfer
Rio Tinto Minerals Asia Pte. Ltd.	A Singapore-incorporated subsidiary of a mining group listed on the London Stock Exchange and the Australian Securities Exchange and headquartered in London, United Kingdom, mainly providing borax and other mineral resources.	Borax and boric acid	68,193	9.3%	Since 2019	10% advance payment prior to shipment, with the balance settled by bank collection prior to arrival of goods	Bank transfer/ letter of credit
Shandong Jinjie	A state-controlled company headquartered in Shandong, China, with a registered capital of RMB70.1 million, mainly providing natural gas supply services.	Natural gas	48,296	6.6%	Since 2003	Monthly settlement	Bank transfer
Supplier A	A materials science group listed on the New York Stock Exchange and headquartered in New York, United States, mainly providing pharmaceutical glass tubing.	Borosilicate glass tubes	26,630	3.7%	Since 2017	30 to 75 days	Bank transfer
Supplier B	A PRC-incorporated subsidiary of a private technical glass group headquartered in Mainz, Germany, with a registered capital of EUR67.2 million, mainly providing pharmaceutical glass tubing.	Borosilicate glass tubes	25,836	3.5%	Since 2017	typically 60 days	Bank transfer
Total			**307,259**	**42.1%**			

Six Months Ended June 30, 2026

Supplier	Background	Major products purchased by us	Purchase amount	As a percentage of our total purchases	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
State Grid Shandong Electric Power Company Shanghe County Power Supply Company	A branch of a state-owned enterprise headquartered in Shandong, China, mainly providing electricity supply services.	Electricity	70,702	14.2%	Since 2003	typically 10 days	Bank transfer
Heye International GmbH	A Germany-incorporated subsidiary of a private glass packaging group headquartered in Luxembourg City, Luxembourg, mainly engaging in the manufacture and sale of production and inspection equipment.	Production and testing equipment	67,981	13.6%	Since 2024	25% advance payment, with the balance settled by sight letter of credit	Letter of credit/bank transfer
Rio Tinto Minerals Asia Pte. Ltd.	A Singapore-incorporated subsidiary of a mining group listed on the London Stock Exchange and the Australian Securities Exchange and headquartered in London, United Kingdom, mainly providing borax and other mineral resources.	Borax and boric acid	31,341	6.3%	Since 2019	10% advance payment prior to shipment, with the balance settled by bank collection prior to arrival of goods	Bank transfer/ letter of credit
Shandong Xingnuo Industry and Trade Co., Ltd.	A private company headquartered in Shandong, China, with a registered capital of RMB5.0 million, mainly providing glass instruments and household glassware.	Storage jars	22,816	4.6%	Since 2024	60 days	Acceptance bill
Shandong Jinjie	A state-controlled company headquartered in Shandong, China, with a registered capital of RMB70.1 million, mainly providing natural gas supply services.	Natural gas	22,631	4.5%	Since 2003	Monthly settlement	Bank transfer
Total			**215,471**	**43.2%**			

Other than Shandong Jinjie, in which we held an 18.52% equity interest, all of our five largest suppliers during the Track Record Period were Independent Third Parties. To the best knowledge of our Directors, none of our Directors, their respective associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers, nor did we experience any significant fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers, or significant shortage or delay in delivery of supplies from our suppliers.

Procurement Arrangements

Raw Materials

The principal raw materials used in our production include borax, boric acid and quartz sand, which are primarily used in glass melting, as well as borosilicate glass tubes used in the production of certain tubular pharmaceutical glass packaging. We source borax mainly from suppliers in China, Turkey and the United States, and source other raw materials mainly from suppliers in China. We also procure packaging materials and auxiliary materials for our production and product delivery.

We determine our raw material procurement requirements based on our customer orders, demand forecasts, production plans, raw material supply lead times, prevailing supply and market conditions, and customer validation cycles. We generally enter into annual procurement agreements or framework agreements with our major raw material suppliers and place purchase orders in batches according to our production requirements. Certain purchases, including certain purchases of borosilicate glass tubes, are made under individual purchase orders.

For certain key raw materials, including borax and boric acid, we may make advance payments to secure purchase quantities and prices, taking into account import schedules, market price trends and our expected production requirements. We adjust our procurement schedules and inventory levels based on the procurement and transportation lead times, supply conditions and production needs of the relevant raw materials to ensure continuity of production. Our inventory of principal raw materials generally supports more than ten days of production.

Our framework procurement agreements and purchase orders generally contain the following principal terms:

- ***Duration and renewal.*** Our annual and framework procurement agreements generally have a term of approximately one year, while certain purchases are made under individual purchase orders. Renewal or extension is subject to agreement between the parties.
- ***Product specifications and quantities.*** The agreements or purchase orders specify the types, specifications, quality standards and quantities of the raw materials to be supplied.
- ***Pricing.*** Purchase prices are generally determined through commercial negotiations with reference to prevailing commodity prices or market prices of the relevant raw materials, and may be adjusted under the circumstances agreed by the parties.
- ***Payment.*** Payment terms vary by supplier and may include advance payment or settlement within an agreed credit period following delivery or invoicing.
- ***Delivery.*** The agreements or purchase orders specify the delivery schedule, delivery location, transportation responsibilities and applicable delivery terms.
- ***Inspection and acceptance.*** We inspect the raw materials upon delivery and notify the supplier of any shortage or non-conformity within the agreed period.
- ***Non-conforming products.*** We may reject or return non-conforming products, require replacement or seek other remedies under the relevant agreements.
- ***Termination.*** The agreements generally terminate upon expiry or may be terminated upon material breach or other specified events.

Energy and Utilities

Our production processes are energy-intensive. Electricity and natural gas are our principal energy sources and are primarily used in our glass melting and other production processes and to operate our production equipment. As our glass furnaces generally need to operate continuously once ignited, a stable supply of electricity and natural gas is important to the continuity of our production operations.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our energy costs associated with production amounted to RMB159.7 million, RMB169.7 million, RMB154.9 million, RMB76.3 million and RMB91.5 million, respectively, representing 20.2%, 19.1%, 19.8%, 19.3% and 17.3%, respectively, of our total cost of production.

We procure electricity from the local power grid supplier pursuant to the applicable utility supply arrangements, and the relevant charges are calculated based on our actual electricity consumption and the applicable industrial electricity tariffs. We procure natural gas primarily from Shandong Jinjie based on our production requirements. We generally settle our electricity and natural gas charges on a monthly basis in accordance with the relevant supply arrangements.

Our electricity and natural gas supply arrangements generally contain the following principal terms:

- ***Quantity.*** Electricity and natural gas are generally supplied based on our actual production requirements and consumption.
- ***Pricing.*** Electricity charges are based on applicable industrial tariffs, while natural gas prices are determined in accordance with the agreed pricing mechanism with reference to prevailing market conditions and applicable government-guided prices, where applicable.
- ***Payment.*** Electricity and natural gas charges are generally settled monthly based on actual consumption.
- ***Termination.*** The supply arrangements may be terminated upon expiry, material breach or other specified events.

Ancillary Processing Services

During the Track Record Period, we engaged third-party service providers to provide certain routine ancillary services for our household heat-resistant glass products, principally packaging finished products into boxes and cartons and, to a lesser extent, assembling glass bodies with lids and plastic components and applying decorative elements or product markings through decal application and firing, screen printing and laser engraving.

Under these arrangements, we provide the relevant glass products and materials, and the service providers perform the relevant services in accordance with our specifications and quality standards. Processing fees are generally determined with reference to the type and volume of services performed. The service providers are responsible for defects attributable to their processing under the relevant arrangements, and the processed products are subject to our inspection and acceptance. These services do not involve any of our core glass manufacturing processes.

We engage such service providers primarily to improve our operational efficiency and allow us to focus our resources on our core glass manufacturing operations. During the Track Record Period, we engaged nine such service providers, each of which was an Independent Third Party. The aggregate processing fees paid to these service providers accounted for no more than 3.0% of our total cost of sales in each period during the Track Record Period. The relevant services are routine and standardized, and alternative service providers offering comparable services are readily available in the market.

Supply Chain Management

We have established standardized supplier selection and evaluation policies and manage our procurement activities throughout the procurement process.

Our supplier management department, together with the relevant procurement, production, technical and quality control departments, evaluates potential suppliers primarily based on their product quality, pricing, production and supply capabilities, delivery performance and service levels. Suppliers that pass our assessment and internal approval procedures are included in our approved supplier list.

Our procurement personnel select suppliers from the approved supplier list through tendering, competitive quotations, negotiation or other procurement procedures, depending on the nature and value of the relevant supplies. Upon delivery, procured supplies are inspected or verified by our quality and materials inspection personnel. In the event of any material or recurring non-conformity, we issue a corrective action notice to the relevant supplier and hold it accountable in accordance with our supplier evaluation policies and the relevant contractual terms.

For key supplies, we generally maintain two to three qualified suppliers, where commercially practicable, to reduce our reliance on any single supplier. For supplies procured in large quantities, we may concentrate a substantial portion of our purchases with suppliers that have stable supply capabilities to benefit from economies of scale, while maintaining alternative sources of supply.

CUSTOMERS, SALES AND MARKETING

Sales and Marketing

We organize our sales and marketing personnel by product and geographic market. As of June 30, 2026, we had 114 sales and marketing personnel. Our overseas sales activities are managed by dedicated personnel based in China and assigned to the relevant geographic markets. Our sales and marketing personnel are principally responsible for identifying and developing prospective customers, understanding customers' product and technical requirements, conducting commercial negotiations, managing sales orders and agreements, and coordinating customer service and internal order fulfillment.

We identify prospective customers primarily through industry exhibitions, referrals from existing customers and other industry participants, online platforms, social media and direct customer visits. We maintain regular communication with existing and prospective customers to understand their product requirements and development plans, and obtain feedback on our products and services and maintain customer relationships. We use a customer relationship management system to record and manage customer information, business opportunities, sales activities and customer communications.

Before commencing commercial-scale sales to certain major customers, we are generally required to complete their supplier qualification and product approval procedures. For our pharmaceutical glass packaging, in addition to the applicable product registrations or filings, pharmaceutical companies may conduct supplier assessments and other product-specific validation procedures before using our products for the relevant pharmaceutical products. For our household heat-resistant glass, major corporate customers may review our business qualifications, production capabilities, manufacturing facilities, quality management systems and product samples before including us in their approved supplier lists. The scope and duration of these procedures vary depending on the customer, product and end-use application. Material changes to the relevant products, raw materials or production processes may also require additional qualification or revalidation.

Sales Model

We generate revenue primarily from the sale of glass products manufactured by us and sell our products primarily directly to corporate customers. Since 2025, we have also sold selected household heat-resistant glass products directly to individual consumers through our self-operated e-commerce channels and third-party e-commerce platforms, including *Douyin* (抖音), *Pinduoduo* (拼多多), *JD.com* (京東), *Xiaohongshu* (小紅書) and *Amazon*.

We sell our pharmaceutical glass packaging primarily to domestic pharmaceutical companies, biotechnology R&D institutions and cosmetics manufacturers. Following completion of the applicable product registrations or filings and the supplier qualification and product validation procedures, we supply our products under framework agreements, individual sales contracts and purchase orders.

We sell our household heat-resistant glass primarily to consumer goods brands, household appliance manufacturers and other corporate customers. Certain products are manufactured according to customer specifications and are subsequently sold under the customers' brands or incorporated into their finished products.

For customized products, our sales personnel coordinate with the relevant finance, operation and other departments to assess the customers' requirements, determine product and manufacturing specifications and prepare quotations. After the product specifications, quality standards, pricing, quantities and delivery arrangements are agreed, customers place purchase orders with us, and we arrange production based on confirmed orders and demand forecasts.

Our Customers

The customers of our pharmaceutical glass packaging primarily consist of domestic pharmaceutical companies, such as Brilliant Pharmaceutical and CR Double-Crane Pharmaceutical, as well as biotechnology R&D institutions and cosmetics manufacturers. The customers of our household heat-resistant glass primarily consist of internationally renowned consumer goods brands, home appliance manufacturers and other corporate customers, such as Lock&Lock, Tupperware, Décor, Midea, and Galanz.

In 2023, 2024, 2025 and the six months ended June 30, 2026, our revenue generated from the five largest customers in each period during the Track Record Period amounted to RMB193.6 million, RMB226.8 million, RMB181.0 million and RMB159.7 million, representing 20.4%, 21.0%, 18.4% and 23.7% of our total revenue for the corresponding period, respectively, and our revenue generated from the largest customer in each period during the Track Record Period amounted to RMB56.4 million, RMB49.7 million, RMB45.6 million and RMB63.5 million, representing 6.0%, 4.6%, 4.6% and 9.4% of our total revenue for the corresponding period, respectively.

The following tables set forth the details of our five largest customers in each period during the Track Record Period.

Year Ended December 31, 2023

Customer	Background	Major products provided by us	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
Guangdong Galanz Enterprise Co., Ltd. with its affiliates	A private household appliance company headquartered in Guangdong, China, with a registered capital of US$92.6 million, together with its PRC-incorporated affiliates, mainly engaging in the manufacturing and sale of household appliances.	Household heat-resistant glass	56,384	6.0%	Since 2003	60 days	Bank transfer
Chengdu Brilliant Pharmaceutical Co., Ltd.	A private company headquartered in Sichuan, China, with a registered capital of RMB450.0 million, mainly engaging in the R&D, manufacturing and sale of pharmaceutical products.	Pharmaceutical glass packaging	42,078	4.4%	Since 2014	60 days	Bank transfer/ acceptance bill
Customer A	A private company headquartered in Illinois, United States, mainly engaging in the manufacturing and sale of glass kitchenware and tableware products.	Household heat-resistant glass	37,875	4.0%	Since 2014	30 days	Bank transfer
Renhe Yikang Group Co., Ltd.	A private company headquartered in Hebei, China, with a registered capital of RMB100.0 million, mainly engaging in the R&D, manufacturing and sale of pharmaceutical products.	Pharmaceutical glass packaging	31,632	3.3%	Since 2012	90 days	Bank transfer/ acceptance bill
Hebei Mijia Houseware Co., Ltd.	A private company headquartered in Hebei, China, with a registered capital of RMB3.0 million, mainly engaging in the manufacturing and sale of household products.	Household heat-resistant glass	25,608	2.7%	Since 2017	30 days	Bank transfer
Total			**193,577**	**20.4%**			

Year Ended December 31, 2024

Customer	Background	Major products provided by us	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
Renhe Yikang Group Co., Ltd.	A private company headquartered in Hebei, China, with a registered capital of RMB100.0 million, mainly engaging in the R&D, manufacturing and sale of pharmaceutical products.	Pharmaceutical glass packaging	49,665	4.6%	Since 2012	90 days	Bank transfer/ acceptance bill
Chengdu Brilliant Pharmaceutical Co., Ltd.	A private company headquartered in Sichuan, China, with a registered capital of RMB450.0 million, mainly engaging in the R&D, manufacturing and sale of pharmaceutical products.	Pharmaceutical glass packaging	48,915	4.5%	Since 2014	90 days	Bank transfer/ acceptance bill
Customer A	A private company headquartered in Illinois, United States, mainly engaging in the manufacturing and sale of glass kitchenware and tableware products.	Household heat-resistant glass	46,911	4.3%	Since 2014	30 days	Bank transfer
Hebei Mijia Houseware Co., Ltd.	A private company headquartered in Hebei, China, with a registered capital of RMB3.0 million, mainly engaging in the manufacturing and sale of household products.	Household heat-resistant glass	40,768	3.8%	Since 2017	30 days	Bank transfer
Guangdong Galanz Enterprise Co., Ltd. with its affiliates	A private household appliance company headquartered in Guangdong, China, with a registered capital of US$92.6 million, together with its PRC-incorporated affiliates, mainly engaging in the manufacturing and sale of household appliances.	Household heat-resistant glass	40,492	3.8%	Since 2003	60 days	Bank transfer
Total			**226,751**	**21.0%**			

Year Ended December 31, 2025

Customer	Background	Major products provided by us	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
Guangdong Galanz Enterprise Co., Ltd. with its affiliates	A private household appliance company headquartered in Guangdong, China, with a registered capital of US$92.6 million, together with its PRC-incorporated affiliates, mainly engaging in the manufacturing and sale of household appliances.	Household heat-resistant glass	45,555	4.6%	Since 2003	60 days	Bank transfer
Hebei Mijia Houseware Co., Ltd.	A private company headquartered in Hebei, China, with a registered capital of RMB3.0 million, mainly engaging in the manufacturing and sale of household products.	Household heat-resistant glass	42,072	4.3%	Since 2017	typically 60 days	Bank transfer
Customer B	A Hong Kong-incorporated subsidiary of a private retail loyalty marketing group headquartered in the Netherlands, mainly engaging in the sourcing and sale of kitchenware and household products.	Household heat-resistant glass	33,488	3.4%	Since 2024	75 days	Bank transfer
Jiangsu Bestfull Technology Co., Ltd.	A company quoted on the NEEQ and headquartered in Jiangsu, China, with a registered capital of RMB20.0 million, mainly engaging in the R&D, manufacturing and sale of plastic products, including lids and covers for glass food storage containers.	Household heat-resistant glass	30,892	3.1%	Since 2017	30 days	Bank transfer/ acceptance bill
The Decor Corporation Pty. Ltd.	A private company headquartered in Victoria, Australia, mainly engaging in the manufacturing and sale of household and kitchenware products.	Household heat-resistant glass	29,032	3.0%	Since 2015	35 days	Bank transfer
Total			**181,039**	**18.4%**			

Six Months Ended June 30, 2026

Customer	Background	Major products provided by us	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us	Credit terms	Payment methods
			RMB'000				
Customer B	A Hong Kong-incorporated subsidiary of a private retail loyalty marketing group headquartered in the Netherlands, mainly engaging in the sourcing and sale of kitchenware and household products.	Household heat-resistant glass	63,465	9.4%	Since 2024	75 days	Bank transfer
Guangdong Galanz Enterprise Co., Ltd. with its affiliates	A private household appliance company headquartered in Guangdong, China, with a registered capital of US$92.6 million, together with its PRC-incorporated affiliates, mainly engaging in the manufacturing and sale of household appliances.	Household heat-resistant glass	31,458	4.7%	Since 2003	typically 60 days	Bank transfer
Jiangsu Bestfull Technology Co., Ltd.	A company quoted on the NEEQ and headquartered in Jiangsu, China, with a registered capital of RMB20.0 million, mainly engaging in the R&D, manufacturing and sale of plastic products, including lids and covers for glass food storage containers.	Household heat-resistant glass	24,847	3.7%	Since 2017	60 days	Bank transfer/ acceptance bill
Hebei Mijia Houseware Co., Ltd.	A private company headquartered in Hebei, China, with a registered capital of RMB3.0 million, mainly engaging in the manufacturing and sale of household products.	Household heat-resistant glass	21,054	3.1%	Since 2017	45 days	Bank transfer
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	A PRC-incorporated subsidiary of a household appliance group listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange and headquartered in Guangdong, China, with a registered capital of RMB1,055.2 million, mainly engaging in the manufacturing and sale of kitchen appliances.	Household heat-resistant glass	18,865	2.8%	Since 2004	typically 90 days	Acceptance bill
Total			**159,689**	**23.7%**			

All of our five largest customers during the Track Record Period were Independent Third Parties. To the best knowledge of our Directors, none of our Directors, their respective associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers during the Track Record Period.

Sales Agreements

We generally enter into annual framework agreements with our major customers and provide products pursuant to purchase orders issued by them, while certain customers transact with us solely through individual purchase orders. Certain agreements are based on the relevant customers' standard terms. Unless otherwise agreed, demand forecasts or production plans provided by customers are generally for planning purposes only and do not constitute binding minimum purchase commitments.

Our sales framework agreements, individual sales contracts and purchase orders generally contain the following principal terms:

- ***Duration and renewal.*** Our framework sales agreements generally have a term of approximately one year, while individual sales contracts and purchase orders apply to specific transactions. Renewal or extension is subject to agreement between the parties.
- ***Products and specifications.*** The relevant agreements or purchase orders specify the product types, specifications, quality standards and quantities.
- ***Pricing.*** Product prices are generally determined through negotiations with customers and specified in the relevant agreements or purchase orders.
- ***Purchase commitments.*** Unless otherwise agreed, the actual purchase quantities are specified in purchase orders, and customer forecasts do not constitute minimum purchase commitments.

- ***Payment.*** Customers generally settle payments within the agreed credit period, generally 30 to 90 days, following delivery, acceptance, reconciliation or invoicing, as applicable.
- ***Delivery and risk transfer.*** We generally deliver products to locations designated by customers, and title and risk transfer in accordance with the agreed delivery and acceptance terms.
- ***Inspection and quality assurance.*** Customers inspect our products against the agreed specifications and quality standards and may reject or return non-conforming products or require replacement or other agreed remedies.
- ***Termination.*** The relevant agreements may be terminated upon expiry, material breach or the occurrence of other specified termination events.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any disputes with our customers or early termination of any customer agreement that had a material adverse effect on our business, financial condition or results of operations.

Pricing

We generally determine the prices of our products through negotiations with customers after taking into account a range of factors, including the relevant production costs, prevailing market prices and competitive conditions, product specifications and degree of customization, order volume, applicable quality and technical requirements, the nature and length of our relationship with the customer and, for overseas sales, exchange rates and other relevant factors.

For our pharmaceutical glass packaging, our pricing also takes into account the type and specification of the product, applicable quality and technical standards, product registration and validation requirements and, where applicable, additional processing, washing, depyrogenation, sterilization and packaging requirements.

For our household heat-resistant glass, our pricing also takes into account the customers' requirements relating to product functionality, appearance, dimensions and manufacturing processes, the complexity of product and mold design and development, the expected annual order volume and other customer-specific requirements.

We generally discuss forecast annual demand and pricing arrangements with our major customers and enter into annual framework agreements with certain of them. Unless otherwise agreed, customer forecasts are used principally for production and commercial planning purposes and do not constitute binding minimum purchase commitments. The final product specifications, quantities and prices are generally specified in the relevant purchase orders.

Certain agreements with major customers contain price adjustment or renegotiation mechanisms that may apply upon material changes in specified cost items, such as raw material prices, freight costs or exchange rates. Any price adjustment remains subject to negotiation with the relevant customer, and we may not be able to pass on increases in our costs fully or promptly.

For new products, customers not covered by annual pricing arrangements and other individual orders, we generally provide quotations on an order-by-order basis after taking into account the relevant product specifications, order volume and other applicable pricing factors.

OVERLAPPING CUSTOMER AND SUPPLIER

During the Track Record Period, certain of our five largest customers, namely, Hebei Mijia Houseware Co., Ltd. and Jiangsu Bestfull Technology Co., Ltd., were also our suppliers (the "**Overlapping Customers**"), and certain of our five largest suppliers, namely, Supplier A, Supplier C

and Shandong Xingnuo Industry and Trade Co., Ltd., were also our customers (the "**Overlapping Suppliers**", and collectively with the Overlapping Customers, the "**Overlapping Customers and Suppliers**").

During the Track Record Period, our purchases from Jiangsu Bestfull Technology Co., Ltd. primarily included accessories for our household heat-resistant glass, such as lids for glassware. In 2023, 2024, 2025 and the six months ended June 30, 2026, our purchases from this customer amounted to RMB17.0 million, RMB7.3 million, RMB7.5 million and RMB6.1 million, representing 2.4%, 0.9%, 1.0% and 1.2% of our total purchases for the corresponding period, respectively. We made such purchases primarily to leverage our existing relationships with this customer and its available accessory resources to complement our household heat-resistant glass products in a timely and cost-effective manner and enhance the overall functionality and quality of our products.

During the Track Record Period, our purchases from Hebei Mijia Houseware Co., Ltd. and sales to the Overlapping Suppliers primarily involved various glass products and related services, and the relevant transactions were immaterial. In 2023, 2024, 2025 and the six months ended June 30, 2026, our purchases from Hebei Mijia Houseware Co., Ltd. accounted for nil, nil, nil and less than 0.1% of our total purchases for the corresponding periods, respectively. During the same periods, our revenue generated from the Overlapping Suppliers collectively accounted for less than 0.1% of our total revenue in each period, respectively.

All purchases from and sales to the Overlapping Customers and Suppliers were negotiated through separate processes, conducted in the ordinary course of business and carried out on commercial terms negotiated at arm's length, and were not inter-conditional or inter-related. According to Frost & Sullivan, such arrangement represents a reasonable utilization of existing business relationships and supply chain resources and is not uncommon in the pharmaceutical glass packaging and household heat-resistant glass industries.

Our Directors confirm that (i) such overlapping customer and supplier relationships represented normal commercial arrangements in the ordinary and usual course of business, (ii) the terms of these transactions were fair and reasonable, and (iii) such arrangements did not have any adverse impact on our operational independence, pricing mechanisms or business arrangements. We are not reliant on such overlapping relationships.

BUSINESS ACTIVITIES RELATING TO RELEVANT COUNTRIES AND U.S. EXPORT CONTROL COMPLIANCE

Sanctions Risks

The U.S. and other jurisdictions or international organizations, including the European Union, the United Nations, the United Kingdom and Australia, have implemented international sanctions through executive orders, legislation and other governmental measures. Such sanctions may target specific countries, regions, industries, entities and individuals, including Sanctioned Targets, entities and individuals located in or associated with Sanctioned Countries, and entities and individuals associated with certain industries or sectors in specific countries.

During the Track Record Period, we conducted limited sales to customers located in Iran, Russia and Belarus ("**Relevant Transactions**"). We sold certain household glass storage containers to one Iranian customer in 2023 and 2024, certain household heat-resistant glass and pharmaceutical glass packaging to Russian customers in 2023, 2024, 2025, and for the six months ended June 30, 2026, and glass jars to one Belarusian customer only in 2024. The amount of Relevant Transactions in 2023, 2024, 2025, and for the six months ended June 30, 2026 was RMB25.1 million, RMB15.8 million, RMB10.9 million, and RMB11.1 million, respectively, representing 2.6%, 1.5%, 1.1%, and 1.7% of our revenue for the corresponding periods.

U.S. Sanctions

Primary Sanctions Risk

U.S. Primary Sanctions apply principally to U.S. persons and may apply to non-U.S. persons where a sufficient U.S. jurisdictional nexus exists, such as transactions involving U.S. persons, U.S.-origin goods or technology subject to applicable restrictions, U.S. dollar clearing through the U.S. financial system, or activities conducted in whole or in part within the U.S.

During the Track Record Period, the Iran-, Russia- and Belarus-related transactions described above were denominated and settled in RMB and did not involve any U.S. person, U.S. financial institution, U.S. dollar settlement or activities conducted within the U.S. The screening conducted by our International Sanctions Advisor did not identify any relevant customer as a Sanctioned Target.

As advised by our International Sanctions Advisor, as the foregoing transactions did not involve an applicable U.S. jurisdictional nexus, such transactions did not constitute Primary Sanctioned Activities or violate applicable U.S. Primary Sanctions laws.

Secondary Sanctions Risk

U.S. Secondary Sanctions may be imposed on non-U.S. persons determined to have knowingly engaged in significant transactions with Sanctioned Targets, provided material assistance to Sanctioned Targets or operated in certain sanctioned sectors, even in the absence of a U.S. jurisdictional nexus.

With respect to our Iran-related business, we had only two Iranian transactions in 2023 and 2024 involving only one customer that was not a Sanctioned Target, and the glass products sold were intended for ordinary household use. Such products for household purpose did not relate to any sanctioned sector of the Iranian economy. Revenue generated from the relevant transactions accounted for less than 0.1% of our total revenue in 2023 and 2024. Accordingly, the amount, number and frequency of the relevant transactions were limited. We ceased all Iran-related business since 2025 and did not conduct any subsequent Iran-related transaction. As advised by our International Sanctions Advisor, considering the nature of such transactions, our exposure to Secondary Sanctions risk arising from such historical transactions was remote.

With respect to our Russia-related business, the relevant customers were not included on any applicable sanctions list, the relevant products comprised civilian household heat-resistant glass and pharmaceutical glass packaging, such products for kitchen use and medical packaging purposes did not relate to any sanctioned sector of the Russian economy or any restricted critical item, and the scale of the relevant business was limited. As advised by our International Sanctions Advisor, the risk that our Group or any Relevant Person would become subject to U.S. Secondary Sanctions as a result of our Russia-related business was low.

With respect to our Belarus-related business, the relevant transaction comprised only one sale of glass jars intended for civilian use to a customer that was not a Sanctioned Target in 2024, in the amount of approximately RMB18,900. We did not conduct any subsequent Belarus-related business. As advised by our International Sanctions Advisor, our exposure to Secondary Sanctions risk arising from such historical transaction was remote.

As advised by our International Sanctions Advisor, (i) no member of our Group was included on any applicable sanctions list administered or maintained by the relevant authorities of the U.S., the European Union, the United Nations, the United Kingdom or Australia; (ii) it did not identify any violation of applicable international sanctions laws arising from the foregoing activities conducted by our Group during the Track Record Period; (iii) the risk that our Group or any Relevant Person would be subject to sanctions, penalties or designation as a result of the foregoing activities was low; and (iv) the

participation by the Relevant Persons in the [REDACTED] and the [REDACTED], [REDACTED] and [REDACTED] of our Shares would not, in itself, cause such Relevant Persons to violate or become subject to applicable international sanctions.

Internal Control Measures Against Sanctions Risks

We have established an international sanctions and export control compliance framework to identify, assess and monitor the relevant risks. Our principal measures have included: (i) screening customers, suppliers, end-users, beneficial owners and settlement banks against applicable sanctions and export control lists before establishing business relationships and during the course of the relevant transactions; (ii) requiring relevant customers to provide end-user and end-use information and, where appropriate, execute end-user and end-use undertakings; (iii) escalating proposed transactions involving comprehensively sanctioned countries or regions, Sanctioned Targets, restricted sectors or restricted financial institutions for further review and approval; (iv) prohibiting the receipt or remittance of payments through financial institutions included on applicable restrictive lists without prior compliance review and approval; (v) monitoring changes in applicable laws, regulations and restrictive lists and seeking external legal advice where appropriate; and (vi) providing periodic sanctions and export control compliance training to relevant Directors, senior management and employees.

Having considered (i) the implementation of the foregoing internal control measures; (ii) the recommendations of our International Sanctions Advisor; and (iii) the review of such measures conducted by our Internal Control Consultant, our Directors are of the view that such measures are adequate and effective to identify, assess and monitor material international sanctions and export control risks to our Group and to protect the interests of the Relevant Persons.

U.S. Export Control Risks

During the Track Record Period, our relevant glass products were manufactured in the PRC. Such products did not incorporate any controlled U.S.-origin item, software or technology, and taking into account the relevant end-users, end-uses, destinations and product characteristics, no applicable Foreign Direct Product Rule was triggered. Accordingly, we are advised by our International Sanctions Advisor that our products are not subject to the EAR.

One of our known end-users was added to the Entity List maintained by the Bureau of Industry and Security ("**BIS**") of the U.S. Department of Commerce in September 2025. We sold borosilicate glass injection vials to a subsidiary of such end-user in November 2025 and June 2026, respectively, and provided samples to such end-user in connection with the relevant transactions. As analyzed above, our products are not subject to the EAR, and our International Sanctions Advisor assessed that such delivery did not violate the EAR.

In addition, one of our suppliers was added to the Entity List in December 2022. In July 2024, we procured technical improvement services relating to the intelligent manufacturing technology of glass furnaces from such supplier. Since BIS explicitly stated that inclusion on the Entity List does not create a prohibition on purchases from the listed person, and except for the procurement, we did not export, re-export or transfer to such supplier any item, software or technology subject to the EAR in connection with such services. We are advised by our International Sanctions Advisor that such procurement did not give rise to U.S. export control risks.

In light of the foregoing, we are advised by our International Sanctions Advisor that, during the Track Record Period, we did not engage in any unauthorized transactions or commit any violations of the EAR from the perspective of U.S. export control.

Based on the foregoing and having considered the amount and proportion of the relevant transactions, the current status of such transactions and the advice of our International Sanctions Advisor, our Directors are of the view that the foregoing transactions do not give rise to any material compliance or operational risk to our Group or have any material adverse effect on our business, financial condition or results of operations.

INTELLECTUAL PROPERTY

Intellectual property rights are important to our product development, production processes and brand operations. We rely on a combination of patent, trademark, copyright, trade secret and other intellectual property laws, together with contractual protections, to safeguard our proprietary intellectual property rights. As of June 30, 2026, we had 141 registered patents, 31 trademarks, 21 copyrights and two domain names in China, as well as 17 patents and 21 trademarks overseas. See "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property" for a list of our material intellectual properties.

We protect our intellectual property rights through confidentiality, invention-assignment and non-competition agreements with our employees and key technical personnel. Access to our proprietary software, designs, technical documentation and other confidential information is restricted under internal policies and safeguarded by electronic security measures. We believe these measures are in line with industry practices and provide reasonable protection of our intellectual property rights, while mitigating the risk of infringement, misappropriation or claims of invalidity.

During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes or any pending or, to the best of our knowledge, threatened legal proceedings concerning intellectual property rights with third parties that could materially and adversely affect our business, financial condition and results of operations.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

Our inventories primarily comprise raw materials, work in progress and finished goods. As of the Latest Practicable Date, we operated a total of 41 warehouses located at or near our production facilities, with an aggregate gross floor area of approximately 97,216 sq.m., of which 37 were self-owned warehouses with an aggregate gross floor area of approximately 94,580 sq.m. and four were leased warehouses with an aggregate gross floor area of approximately 2,636 sq.m. We maintain separate storage areas based on inventory type and quality status, including raw materials, work in progress, qualified finished goods and quarantined or non-conforming inventories. Certain materials and products are stored under designated environmental and storage conditions based on their characteristics and applicable quality requirements.

We use ERP, MES, WMS and other systems to manage our production, warehousing and logistics activities. These systems record and manage information relating to inventory receipt, storage location, production batch, quality status and outbound delivery, and support the traceability of products and relevant logistics data. Inventory movements are subject to prescribed authorization and record-keeping procedures. Raw materials are released for production only after the applicable incoming inspection procedures have been completed, while finished products are put into storage and released for delivery only after they have passed the applicable inspections and the relevant batch records have been reviewed. We generally arrange the picking and release of inventories on a first-in, first-out basis and conduct regular cycle counts and annual physical stocktakes.

For domestic sales, we primarily transport products to locations designated by customers using third-party logistics service providers, while some customers arrange self-pickup. For overseas sales, we engage freight forwarders to provide logistics services and apply standardized packaging to our products before shipment. Our overseas sales are generally made on free on board ("**FOB**") or cost, insurance and freight ("**CIF**") terms, and we arrange customs clearance and transportation in accordance with the relevant contracts and trade terms. We select and assess logistics service providers with reference to

factors including their qualifications, transportation capabilities, service coverage, delivery performance and safety records. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material loss of or damage to products, delivery disruption or other logistics incident that had a material adverse effect on our business or operations.

Inventory Management

Our inventories primarily consisted of raw materials, work in progress, finished goods, materials for consigned processing and contract fulfillment assets. We manage our inventories with reference to customer orders and demand forecasts, production plans, the continuous operating requirements of our glass furnaces, procurement and transportation lead times, market supply conditions, customer qualification, product validation and regulatory filing progress, and historical sales.

For raw materials, we determine inventory procurement quantities and inventory levels based on our production requirements, existing inventory levels, procurement and transportation lead times and prevailing supply conditions. For raw materials with relatively long procurement cycles, we adjust our procurement schedules and inventory levels accordingly to ensure continuity of production. Our inventory of regular raw materials is generally sufficient to support more than ten days of production.

For finished products, we generally manufacture customer-specific products based on confirmed customer orders. We manufacture standardized products with reference to demand forecasts, inventory levels and the continuous operating requirements of our glass furnaces. Following the expansion of our production capacity for molded glass vials, our production volume may precede the receipt of bulk customer orders, as customers generally require time to complete product validation and applicable regulatory filing procedures before placing such orders. We may also produce and stock household heat-resistant glass in advance based on anticipated customer demand and expected fluctuations in the prices and supply of raw materials. These arrangements are intended to maintain production continuity and support the timely fulfillment of customer orders.

Our sales, production, procurement, warehousing and finance departments periodically review our inventory levels and adjust procurement and production plans based on order coverage, demand forecasts, inventory aging and turnover, customer validation progress and prevailing market conditions. We monitor long-aged and slow-moving inventories and assess the appropriate measures, which may include adjusting production or procurement plans, coordinating sales, or disposing of the relevant inventories. We make write-downs for inventories where their net realizable value is lower than their carrying amount in accordance with the applicable accounting policies.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our inventory turnover days were 88 days, 101 days, 173 days and 170 days, respectively. The fluctuations during the Track Record Period were primarily attributable to the expansion of our production capacity, our production and stocking arrangements for standardized products, and higher inventory levels of certain molded glass vials pending completion of customer validation and regulatory filing procedures. See "Financial Information — Discussion of Major Consolidated Statements of Financial Position Items — Inventories" for further details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our operations involve the consumption of energy, water and raw materials, as well as the management of emissions and waste, occupational health and safety, product quality and supply chain responsibility. We are committed to conducting our operations in a responsible manner, improving resource efficiency and creating sustainable long-term value for our stakeholders.

Our Board oversees our ESG-related matters and periodically reviews our relevant policies and management systems. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material penalties relating to environmental protection, workplace safety or product quality, nor did we experience any material incidents in these areas, and we complied with applicable PRC laws and regulations in all material respects.

Governance

We have established a three-tier ESG governance framework comprising our Board, the management teams of our business units and a dedicated ESG working group. Through this framework, we oversee our ESG strategy, translate ESG objectives into implementation plans and coordinate the implementation of relevant initiatives.

- *Strategy level.* Our Board has overall responsibility for our ESG strategy and oversight of material ESG-related matters and approves our annual sustainability report. For climate-related matters, we have established a strategy leadership group chaired by our chairman to coordinate strategy formulation, resource allocation and major decision-making.
- *Management level.* We require the management of each business unit to translate ESG objectives into business unit-level action plans, implement relevant projects within their respective operations and oversee the implementation of such action plans and projects. We have also established policies and procedures covering climate change, environmental protection, occupational health and safety, product quality, supply chain management and compliance.
- *Execution level.* We carry out day-to-day ESG-related work through our ESG working group, which coordinates with the relevant business units to support the implementation of our ESG policies, action plans and projects. Accordingly, the management of each business unit is responsible for overseeing ESG implementation within its respective operations, while the ESG working group supports the day-to-day coordination and execution of ESG-related work across the relevant business units. Under our climate governance framework, our strategy execution office coordinates the implementation of climate-related measures, monitors progress and evaluates results, while designated low-carbon coordinators within relevant business departments support the implementation of such measures.

We have established internal ESG information collection and reporting procedures. Each business unit collects, consolidates and analyzes ESG data and reports relevant information to our management and Board regularly. We have also established an ESG indicator system, which provides a framework for identifying, collecting and monitoring key indicators relating to environmental management, product quality and other ESG-related matters. Pursuant to this system, we monitor the implementation and performance of relevant ESG initiatives and plan to progressively incorporate key ESG indicators into the annual performance assessments of relevant business units and management personnel. We conduct training on environmental management, workplace safety, product quality, compliance and other ESG-related matters to support the implementation of our ESG initiatives.

ESG-Related Risk Identification and Assessment

Given the nature of our pharmaceutical glass packaging and heat-resistant glass manufacturing operations, our principal ESG-related risks relate to environmental compliance, energy and water consumption, climate change and greenhouse gas ("**GHG**") emissions, emissions and waste management, occupational health and safety, product quality and safety, supply chain management, information security, regulatory compliance and other operational risks relevant to our business. We assess identified risks by reference to their likelihood and potential impact, determine the priority in managing these risks and formulate corresponding mitigation measures where appropriate. Relevant

business units consolidate ESG-related data and matters for reporting to our management and Board on a regular basis, while our ESG working group supports the implementation and ongoing monitoring of relevant measures.

During the Track Record Period, we assessed the potential financial and operational impacts of climate-related physical and transition risks on our operations and value chain. Physical risks refer to risks arising from extreme weather events and longer-term changes in climate patterns, while transition risks refer to risks arising from the transition towards a low-carbon economy, including changes in environmental and carbon-related policies, energy markets and technologies. The physical risks identified primarily included extreme weather events that could damage facilities, disrupt production or affect raw material supply, while transition risks primarily arose from increasingly stringent environmental and carbon-related requirements, energy price fluctuations and the adoption of low-carbon technologies. We assessed such risks by reference to their likelihood, scope, time horizon and priority and formulated corresponding mitigation measures. Based on our assessment, we did not identify any material assets or business activities that were significantly vulnerable to climate-related physical or transition risks during the Track Record Period. We will continue to enhance our climate risk assessment and monitoring mechanisms and improve our ability to evaluate the potential impacts of climate-related risks and opportunities.

Measures Addressing ESG-Related Risks

We have implemented targeted measures to address the principal climate transition, environmental compliance, resource-use and product quality risks arising from our operations.

- *Climate transition and energy cost risk.* Our glass-melting and related forming processes are energy-intensive and expose us to risks arising from energy price fluctuations, increasingly stringent carbon-related requirements and the transition to lower-carbon production technologies. To mitigate these risks, we monitor energy use and emissions through our integrated control and energy management and continue to improve the efficiency of furnaces and other major energy-consuming equipment. We also implement energy-efficiency projects, including equipment upgrades, waste heat recovery and furnace insulation, and promote the use of renewable energy.

- *Water resource and wastewater compliance risk.* Our production processes consume water principally for electrode cooling in our industrial furnaces. Inefficient water use or improper wastewater treatment could result in unnecessary resource consumption or non-compliant discharge. To mitigate these risks, we maintain water-use records, regularly analyze consumption data and reuse cooling water within our production processes. We also monitor abnormal water use, implement water-saving and furnace cooling-water circulation measures, and treat and reuse wastewater where practicable.

- *Waste management and resource-efficiency risk.* Improper classification, storage, transfer or disposal of general and hazardous waste could result in environmental pollution and regulatory non-compliance, while inefficient use of glass and packaging materials could increase resource consumption. To mitigate these risks, we classify and manage waste throughout its collection, storage, transfer and disposal. We recover and reuse all waste glass collected from our production processes as production materials and engage qualified service providers to recover or dispose of other waste. We also reduce packaging material consumption by promoting reusable packaging, replacing certain carton packaging with shrink-wrapped pallet packaging and reducing unnecessary paper use.

- *Product quality and safety risk.* Variations in raw material quality or failures in production and process controls could result in product defects, mix-ups, contamination or cross-contamination, which may lead to customer complaints, product recalls and reputational damage. We maintain quality controls throughout product design, raw material procurement,

production, inspection, storage and after-sales service. We apply GMP principles designed to prevent errors, mix-ups, contamination and cross-contamination in our pharmaceutical glass packaging operations and use digital traceability systems to monitor key control points. We also conduct internal audits and management reviews and have obtained ISO 9001 and ISO 15378 certifications.

Environmental Responsibility

Goals, Measures and Targets

Our quantitative targets of environmental management for 2026 include: (1) zero major safety incidents, as defined under applicable regulations; (2) zero environmental incidents; and (3) reductions in electricity consumption intensity and water consumption intensity of 6.8% and 5.3%, respectively, from 2025 levels. We have also established GHG emissions reduction targets. Using 2025 as the base year, we aim to reduce our combined total GHG emission by 40% by 2030. Our emissions reduction targets are based on our medium- and long-term low-carbon plan and the expected benefits of key projects, including equipment electrification, hydrogen trials, furnace waste heat recovery and a 6 MW rooftop photovoltaic and energy storage project. The targets assume that these projects will be implemented substantially as planned.

During the Track Record Period, we invested in environmental protection, energy conservation and low-carbon initiatives, including rooftop photovoltaic systems, energy-efficient equipment upgrades, waste heat recovery, furnace insulation and digital energy management systems, which supported our climate action and efforts in maintaining resource-efficiency.

Energy Efficiency and Climate Management

We have established an energy management system in accordance with ISO 50001 and established a dedicated energy and carbon management function to oversee energy supply, consumption monitoring and energy-efficiency initiatives. Our principal measures include:

- monitoring energy consumption and emissions through our integrated control and energy management systems and analyzing the energy performance of major production equipment;
- improving the efficiency of glass furnaces, fans, air compressors and other major energy-consuming equipment through equipment upgrades, process optimization, furnace insulation and waste heat recovery;
- increasing our use of renewable energy through rooftop photovoltaic systems. In 2025, such systems generated approximately 1.96 million kWh of electricity and reduced carbon emissions by approximately 1,093.3 tons; and
- conducting energy management training covering energy data collection, consumption benchmarking, equipment efficiency and energy-saving project implementation.

In 2025, we completed four principal energy-saving projects, which collectively reduced electricity consumption by approximately 730,000 kWh.

Water Resources and Wastewater Management

Water used in our production processes is principally sourced from municipal water supplies and is mainly used for electrode cooling in our glass furnaces. We maintain water-use records, regularly analyze consumption data and incorporate water-saving indicators into the performance assessments of relevant departments. Our principal measures include:

- circulating and reusing furnace cooling water where practicable;
- installing water-saving valves and monitoring abnormal water consumption;

- treating wastewater through appropriate treatment facilities and reusing treated wastewater; and
- implementing wastewater discharge indicators to ensure compliance with applicable discharge standards.

In 2025, we circulated or reused approximately 2.42 million tons of water and reduced water consumption by approximately 1,095 tons through water-saving and water circulation measures. We treated approximately 14,600 tons of wastewater, of which approximately 2,600 tons were recovered and reused.

Waste and Circular Resource Use

We manage waste in accordance with the principles of reduction, resource recovery and safe disposal. We have established internal procedures governing general industrial waste, hazardous waste and domestic waste and manage waste throughout its collection, storage, transfer and disposal. Our principal measures include:

- classifying waste into general industrial waste, hazardous waste and domestic waste and applying differentiated management procedures;
- engaging qualified service providers to recover or dispose of waste that cannot be internally reused;
- maintaining a designated storage area and records for hazardous waste and managing hazardous waste transfers and disposal through the applicable manifest system; and
- recovering waste glass generated during production through our internal recycling system and reusing all recovered waste glass as production materials.

Material Efficiency and Sustainable Packaging

We seek to reduce raw material and packaging consumption without compromising safety or transportation requirements. Our principal measures include:

- promoting the use of lightweight materials and reducing unnecessary packaging;
- replacing carton packaging with pallet packaging for certain products;
- replacing disposable cartons used for certain pressed glassware products with reusable polypropylene turnover boxes;
- reducing the number of layers in certain packaging cartons from five to three, thereby reducing paper consumption for the relevant packaging by approximately 30%; and
- where applicable, applying supply chain traceability requirements to relevant materials under our chain-of-custody management system established in accordance with the standards of the Forest Stewardship Council ("**FSC**").

We will continue to improve material utilization, reduce unnecessary packaging and expand the use of reusable or recyclable packaging materials where practicable.

Monitoring indicators

We monitor the following indicators to assess and manage environmental and climate-related risks arising from our business operations.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Indicator				
GHG emissions				
Scope 1 emissions (tCO2e)	60,151.4	36,272.6	30,680.9	17,247.4
Scope 2 emissions (tCO2e)	99,699.4	110,908.0	125,197.9	66,098.7
Total GHG emissions (tCO2e)	159,850.8	147,180.6	155,878.8	83,346.1
Electricity consumption				
Purchased electricity (MWh)	170,349.4	199,835.5	217,270.1	114,417.0
Solar photovoltaic electricity generated (MWh)	1,840.5	2,074.3	1,963.6	955.4
Total electricity consumption (MWh)	172,189.9	201,909.8	219,233.7	115,372.4
Water consumption				
Total water consumption (tons)	107,276.0	124,020.0	156,850.0	93,527.0
Waste generation				
Amount of non-hazardous waste (tons)	4,860.4	8,258.2	4,455.3	1,180.0
Amount of hazardous waste (tons)	13.5	11.1	11.0	2.0
Total amount of waste (tons)	4,873.9	8,269.3	4,466.3	1,182.0

From 2023 to 2025, our total electricity consumption increased from 172,189.9 MWh to 219,233.7 MWh, and our total water consumption increased from 107,276.0 tons to 156,850.0 tons, primarily due to the expansion of our production scale of household heat-resistant glass and the ramp-up of additional production capacity.

In particular, purchased electricity consumption increased from 170,349.4 MWh in 2023 to 199,835.5 MWh in 2024 and further to 217,270.1 MWh in 2025 as our expanded production activities increased electricity demand. Our production water is principally used for electrode cooling in our industrial furnaces, and the expansion of production activities and additional production capacity increased furnace operating activity and the corresponding demand for cooling water. During the same period, we continued to promote water circulation and wastewater reuse to improve water-use efficiency.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, our total GHG emissions (Scope 1 and Scope 2) were 159,850.8 tCO2e, 147,180.6 tCO2e and 155,878.8 tCO2e, and 83,346.1 tCO2e respectively. Scope 1 emissions decreased consistently from approximately 60,151.4 tCO2e in 2023 to 36,272.6 tCO2e in 2024 and further to 30,680.9 tCO2e in 2025, while our natural gas consumption also decreased over the same period. The continued decrease in Scope 1 emissions reflected lower direct emissions from fuel combustion and our production processes, supported by our ongoing efforts to improve furnace and equipment efficiency and implement energy-efficiency measures. Scope 2 emissions increased from approximately 99,699.4 tCO2e to 125,197.9 tCO2e in 2025, primarily reflecting the increase in purchased electricity consumption arising from our expanded production activities. During the same period, electricity generated by our solar photovoltaic systems amounted to 1,840.5 MWh, 2,074.3 MWh and 1,963.6 MWh, respectively, contributing to the diversification of our energy mix and supporting our transition towards lower-carbon operations.

Taken together, the fluctuations in our total GHG emissions from 2023 to 2025 primarily reflected the combined effect of the continued decrease in Scope 1 emissions and the increase in Scope 2 emissions associated with our expanded production activities. Despite the expansion of our production scale during the period, our total GHG emissions in 2025 remained below the 2023 level.

Going forward, using 2025 as the base year, we aim to reduce our energy consumption intensity by no less than 5% annually through 2030. By 2030, we also aim to reduce our emissions intensity and establish a low-carbon operational system. In addition, we intend to continue improving water-use efficiency and maintaining the safe and compliant disposal of waste and the internal recycling of waste glass. To achieve these targets, we plan to further enhance our energy and resource monitoring systems, optimize production processes, upgrade energy-efficient equipment, expand renewable energy use, strengthen water circulation and wastewater reuse, and improve material recovery and reuse.

Corporate Social Responsibility

Employment and Welfare

We recognize that talent is fundamental to our sustainable development and are committed to providing a fair, compliant and supportive working environment. We manage employment matters in accordance with the applicable labor laws and regulations of each jurisdiction in which we operate, and have established employee handbooks and related internal policies. We maintain zero tolerance for child labor and forced labor.

As of June 30, 2026, we had a total of 1,284 employees, among which 839 were male and 445 were female. As of the same date, employees aged under 30 accounted for approximately 15.9% of our total workforce.

As part of our employee care initiatives, we are committed to supporting employee well-being through competitive remuneration and a broad range of welfare arrangements, including summer heat allowances, festival benefits, health examinations, marriage allowances, birthday benefits, book and newspaper subsidies and home leave. We also provide enhanced health examination programs and incentive-based benefits to eligible employees. For employees experiencing serious illness, family emergencies or other financial difficulties, we provide financial assistance and other forms of support.

We arrange annual health examinations for employees, and our occupational health examination coverage rate was 100% in 2025. We also protect the rights and well-being of female employees through maternity and breastfeeding leave, health seminars, vocational training and employee engagement activities. In addition, we regularly organize sports competitions, team-building activities, festive gatherings and family-oriented activities to promote employee engagement and work-life balance.

Occupational health protection

We have established an occupational health and safety management system certified under ISO 45001. We identify occupational health and safety risks arising from our production processes, equipment, working environment and operating activities and implement risk-based controls and regular inspections. In particular, we adopt targeted measures to manage occupational health risks associated with workplace noise, high-temperature operations and dust and toxic substances through equipment maintenance, operational controls and employee training. We also arrange occupational health examinations for relevant employees. In 2025, our occupational health examination coverage rate, safety training coverage rate and control rate for major hazards, dust and toxic substances were each 100%.

Development and training

We have established a multi-level employee training system covering new employee induction, professional knowledge, on-the-job skills, departmental training and external training. We formulate training programs with reference to business development, job responsibilities and employee competency requirements and maintain training records in employees' digital personnel files to support competency assessments, career development and remuneration reviews.

Our induction training covers corporate culture and strategy, internal policies, occupational health and safety, quality awareness, lean operations and energy and carbon management. Training is delivered through classroom instruction, practical exercises and assessments. In 2025, both the participation rate and assessment pass rate for new employee induction training were 100%.

Our professional and on-the-job training covers GMP requirements for pharmaceutical packaging materials, quality change control, product defect prevention, process optimization, job-specific operating procedures, intelligent equipment operation and maintenance, quality risk control, energy efficiency and production safety. We also provide management and team-effectiveness training and support eligible employees in attending external professional programs, qualification training and MBA programs. Relevant employees receive additional training on ESG compliance, anti-corruption, business ethics, information security and customer privacy protection.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, we recorded 3,860, 4,012, 4,327 and 1,382 training attendances, respectively, during the Track Record Period. Our average training hours per employee were 27.6 hours, 28.1 hours, 30.9 hours and 13.6 hours in the respective years, and our employee training coverage rate was 100% throughout the Track Record Period.

Anti-corruption and anti-bribery

We have established and implemented our Anti-commercial Bribery Management Policy and Code of Conduct for Integrity and adopt a zero-tolerance approach towards corruption and bribery. We require employees to comply with applicable laws, regulations and our internal conduct requirements and prohibit the offering or acceptance of bribes, improper benefits and other corrupt practices. Our audit and supervisory function oversees our anti-corruption measures through regular reviews, integrity undertakings for employees in key positions and targeted integrity risk assessments.

We also extend our integrity requirements to suppliers and other business partners. We conduct qualification reviews and background checks during supplier onboarding, require suppliers to sign integrity cooperation undertakings and monitor their integrity and compliance performance through periodic assessments and annual reviews. We regularly provide compliance, integrity and responsible marketing training and case-based education to relevant employees. In 2025, we conducted 34 responsible marketing training sessions, recording 1,060 attendances and an aggregate of 3,250 training hours.

During the Track Record Period, we were not subject to any material litigation, regulatory investigation or administrative penalty relating to corruption, bribery or unfair competition.

Supply chain management

We have established a supplier lifecycle management framework covering admission, evaluation, audit, improvement and removal. We classify suppliers according to the impact of supplied materials on product quality. New suppliers are required to complete qualification reviews, while suppliers of key materials are subject to on-site reviews and sample testing or trial use before being included on our qualified supplier list.

We assess suppliers monthly through our ERP system based on quality, pricing, delivery timeliness and service responsiveness. Suppliers with identified deficiencies are required to implement corrective measures, which we track and verify. Persistent deficiencies may result in reduced orders, suspension or removal. We also conduct periodic and event-driven audits where applicable.

We incorporate environmental, occupational health and safety and social responsibility requirements into key supplier admission and assessment. We use digital systems to monitor supplier information, purchase orders, deliveries and quality performance and improve supply chain traceability

Community Engagement

We are committed to supporting the communities in which we operate through education support, charitable donations and local employment. During the Track Record Period, we made charitable donations to support community development. For example, in 2025, we made a donation to a local education development center to support local education and provide assistance to teachers and students.

We also contribute to local development by creating employment opportunities in Shanghe County, where our principal operations are located. Since 2002, we have created over 3,000 employment opportunities for local residents across management, technical and general positions. Through these initiatives, we seek to support community development, strengthen our relationships with local stakeholders and create positive social impact.

DATA SECURITY AND PRIVACY

In the ordinary course of our business, we process limited personal information and business data necessary for our operations, primarily including employee information, names and contact details of customer and supplier contacts, corporate and order information voluntarily submitted by e-commerce customers, and publicly available data relating to pharmaceutical packaging material registrations, centralized procurement and drug reviews. Our official website and WeChat official account are primarily used to display corporate and product information, and provide account registration functions. Except for limited facial recognition information processed for access control and attendance purposes, we do not collect other biometric information.

The business data we collect and generate is primarily stored on our own local servers in China, while information submitted by e-commerce customers through third-party platforms is primarily stored on servers in China by the relevant platforms in accordance with their rules. We have not established any data centers or servers overseas. In the course of conducting our business operations outside the PRC, certain of our employees, based on business activity needs, provide limited personal information, including names and contact details, to suppliers and customers located outside the PRC for routine business communications. Such personal information is necessary for the normal conduct of our business operations, and the total volume of personal information transferred out of the PRC is relatively small (not exceeding 10,000 individuals) and does not involve any sensitive personal information. Except for the foregoing, we do not transfer data to any other overseas recipients.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any data leakage, loss or tampering that had a material adverse effect on our business, financial condition or results of operations, nor were we subject to any material administrative penalties for violations of data privacy or cybersecurity laws.

We strive to comply with applicable data security and privacy laws in the jurisdictions where we operate, including the PRC Cybersecurity Law and Data Security Law. Given the evolving and uncertain nature of these regulations, we may be unable to always remain in full compliance with all applicable requirements. Failure to comply could subject us to fines, penalties, restrictions or other regulatory sanctions. See "Risk Factors — Risks Relating to Doing Business in Jurisdictions Where We Operate — We may be subject to rapidly evolving PRC laws and regulations on cybersecurity, data security and data protection. Any non-compliance with such laws and regulations may subject us to fines and other legal or administrative actions."

COMPETITION

The markets in which we operate are competitive and generally fragmented. We compete with both domestic and international manufacturers across our principal product categories, including pharmaceutical glass packaging and household heat-resistant glass. Our principal competitors include

established technical glass manufacturers with extensive product portfolios and significant financial, production and technological resources. Competition is based primarily on product performance and reliability, product quality and consistency, R&D and formulation capabilities, production cost and pricing, customer service and responsiveness, supply stability and delivery performance. As we expand into glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass, we expect to face additional competition from established material suppliers and new market entrants. For details, see "Industry Overview."

We believe we compete effectively by leveraging our integrated capabilities in glass formulation, furnace design, glass melting and forming, precision manufacturing and quality control, our diversified product portfolio, large-scale production capabilities and established customer relationships. The industries in which we operate are characterized by barriers to entry, including stringent technical and quality requirements, substantial capital investment, the need to achieve stable mass production and, for pharmaceutical glass packaging, lengthy regulatory registration and customer qualification processes. We believe these barriers, together with our established market position, operating track record and technological capabilities, provide us with significant competitive advantages in the markets in which we operate. See "— Our Strengths."

SEASONALITY

Our business and operations as a whole are not subject to material seasonality. Orders for pharmaceutical glass packaging may decrease in the third quarter due to maintenance shutdowns or holidays at certain pharmaceutical companies, and gradually recover after October. Customers of our household heat-resistant glass may build inventory in the fourth quarter in preparation for Christmas and the year-end consumption peak season. These trends offset each other to a certain extent. In addition, our selling and marketing expenses are generally higher in the second half of the year, when we typically participate in more industry exhibitions, conduct more customer visits and carry out additional promotional and market development activities, including those undertaken in preparation for the year-end consumption peak season. Accordingly, our revenue and results of operations may fluctuate between periods due to the timing of customer orders, product mix, delivery arrangements and operating expenses, and our interim results may not be indicative of our results for the full year.

EMPLOYEES

As of June 30, 2026, we had a total of 1,284 full-time employees, substantially based in China. We also had one employee in each of Brazil, Russia and Singapore as of June 30, 2026. The following table sets forth a breakdown of our full-time employees by function as of June 30, 2026.

Function	Number of full-time employees	% of total full-time employees
Production	790	61.5
Sales and marketing	114	8.9
Research and development	140	10.9
General and administration	182	14.2
Supply chain management	58	4.5
Total	**1,284**	**100.0**

Our success depends on our ability to attract, retain and motivate qualified employees. We recruit employees through campus recruitment, open-market recruitment and other channels based on our business development and staffing needs, and optimize personnel allocation through internal transfers. We determine compensation based on the nature and requirements of the position, individual capabilities, responsibilities and contributions, work experience and performance. Compensation for management personnel generally comprises fixed and performance-based compensation, while

production personnel are primarily compensated on a piece-rate basis. We make social insurance and housing provident fund contributions for our employees in China in accordance with applicable laws and provide year-end bonuses, meal allowances, holiday benefits and other benefits. Our training programs cover professional skills and general competencies, with a focus on both our daily business operations and each employee's individual career development.

We generally enter into employment contracts with our employees and include confidentiality and, where appropriate, non-competition provisions in agreements with key personnel. We have established a labor union and an employee representative congress system, and solicit employee feedback through employee representative congresses, suggestion boxes, regular communication with management and other channels. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labor shortages, strikes or labor disputes with our full-time employees which have had or are likely to have a material effect on our business.

INSURANCE

We maintain insurance policies that are required under laws and regulations in the jurisdictions where we operate, as well as based on our assessment of our operational needs and industry practice.

We maintain natural disaster insurance and equipment insurance. Pursuant to PRC laws and regulations, we also provide social insurance including pension insurance, medical insurance, workplace injury insurance, unemployment insurance and maternity insurance, as well as housing provident fund contributions for our employees based in China. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims.

We believe that our insurance coverage is sufficient for our daily business operations and is consistent with customary industry practice. We review our insurance coverage from time to time and will make necessary and appropriate adjustments to our insurance coverage. However, the risks relating to our business and operation may not be fully covered by insurance. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be inadequate to protect us from potential losses."

PROPERTIES

Our headquarters are located in Jinan, Shandong, China. We occupy certain properties in China and overseas in connection with our business operations. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of June 30, 2026, the book value of any of our properties has not reached 15% or more of our total consolidated assets. According to Section 6(2) of the Company (Exemption of Companies and document from Compliance with Provisions) Notice, this document is exempt from compliance with the requirement under Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the valuation report of all interests in land or buildings as specified in the Third Schedule, Paragraph 34(2) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the date hereof, we held land use rights in China with an aggregate site area of approximately 389,821 sq.m. and owned 50 buildings with an aggregate gross floor area of approximately 148,663 sq.m. These land and properties are primarily used as production facilities, offices, warehouses and dormitories. For details of our principal production premises, see "— Production — Production Base."

Leased Properties

As of the Latest Practicable Date, we leased four properties in China with an aggregate floor area of 144,293 sq.m., which were primarily used as offices, production facilities, warehouses and staff dormitories. Except for certain staff dormitories leased from Linuo Group, the relevant properties were leased from Independent Third Parties.

As of the Latest Practicable Date, we leased four properties in the United Arab Emirates, Brazil, Singapore and the U.S. with an aggregate floor area of approximately 6,800 sq.m., which were mainly used as offices, production facilities and warehouses. Except for a property leased in the U.S., the relevant properties were leased from Independent Third Parties.

Title defects

As of the Latest Practicable Date, certain of our leased properties had title defects, including (i) one leased property with a gross floor area of 700 sq.m. located on collective construction land for which the requisite construction approval procedures had not been completed and no confirmation had been obtained from the competent land administrative authority in respect of the sublease of the collective construction land use right, and no real property ownership certificate had been obtained, (ii) one leased property with a gross floor area of 1,100 sq.m. for which the lessor had not obtained real property ownership certificates, and (iii) one leased property with a gross floor area of 142,225 sq.m. developed under a build-lease-repurchase arrangement for which real property ownership certificates remained pending. Pursuant to applicable PRC laws and regulations, if leased properties were constructed without completing the requisite construction approval procedures, the relevant lease agreements may be subject to the risk of being held invalid.

Considering that (a) the properties referred to in items (i) and (ii) above are used as warehouses and staff dormitories, respectively, represent a relatively small portion of our leased properties and are not our major production and operating premises; (b) after the expiry of the lease for the property referred to in item (i) above, we expect to be able to identify suitable alternative premises within a relatively short period of time, and relocation is not expected to be difficult; and (c) the lessor of the property referred to in item (iii) above had obtained the relevant construction land use right, construction planning permits, construction permits and completed the fire safety acceptance filings and planning verification, and the relevant real property ownership certificates were being processed, our PRC Legal Advisor is of the view that the title defects of the above leased properties will not have a material adverse effect on our production and operations.

Lease registration

As of the Latest Practicable Date, our four lease agreements for properties in China had not been registered and filed with the relevant PRC authorities as required under applicable PRC laws and regulations. Pursuant to applicable PRC laws and regulations, lease agreements for leased properties shall be filed with the relevant real estate administration authorities, and the relevant authorities may order rectification within a prescribed period and, in the event of non-compliance, impose fines ranging from RMB1,000 to RMB10,000 per lease agreement. If such fines are imposed, the maximum penalty we may be required to pay would be approximately RMB40,000 for the above four unregistered lease agreements. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalty in connection with such non-registration, and our use of the relevant leased properties remained normal. The registration of such lease agreements will require the cooperation of the relevant lessors, and if we are required by the relevant authorities to complete lease registration and filing, we will take all practical and reasonable steps to cooperate with the relevant lessors to complete such procedures. We will also monitor the registration status of our lease agreements and follow up with the relevant lessors on the completion of the relevant procedures. As advised by our

PRC Legal Advisor, failure to complete such registration and filing does not affect the validity of the underlying lease agreements between the parties. Accordingly, our PRC Legal Advisor is of the view that our failure to register and file the lease agreements for our leased properties will not have a material adverse impact on our production and operations.

LEGAL PROCEEDINGS AND COMPLIANCE

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties imposed by PRC government authorities, nor had we been involved in any non-compliance incidents that were systemic or had a material adverse effect on our business, financial condition or results of operations.

Outstanding PRC Outbound Direct Investment Procedures

As of the Latest Practicable Date, we had not completed the requisite outbound direct investment procedures for two overseas investments, namely a branch established by our Group in Sharjah, the United Arab Emirates (the "**Sharjah Branch**"), and a subsidiary established by our Group in Dubai, the United Arab Emirates (the "**Dubai Subsidiary**"). The Sharjah Branch and the Dubai Subsidiary were established on August 14, 2025 and December 27, 2024, respectively, as part of our overseas expansion strategy and primarily to explore potential production and business development opportunities in the Middle East. As of the Latest Practicable Date, neither the Sharjah Branch nor the Dubai Subsidiary had commenced actual operations, and no capital contribution had been made by the relevant PRC entities to either of them. In particular, (i) the requisite NDRC filing and overseas investment certificate issued by MOFCOM in respect of the Sharjah Branch had not been obtained, and (ii) the NDRC filing notice and overseas investment certificate previously obtained in respect of the Dubai Subsidiary had expired and had not yet been renewed.

As advised by our PRC Legal Advisor, PRC enterprises conducting overseas investments are required to comply with the applicable approval or filing requirements administered by the NDRC and MOFCOM. In general, non-sensitive overseas investments are subject to filing requirements, while overseas investments involving sensitive countries, regions or industries are subject to approval requirements. According to applicable PRC laws and regulations, failure to complete the requisite approval or filing formalities for overseas investments may result in a fine ranging from 1‰ to 5‰ of the amount of capital contributions actually made or such other investment amount as may be determined by the relevant competent authority, which may increase to 5‰ to 10‰ if corrective action is not taken. See "Regulatory Overview — Laws and Regulations on Overseas Investment."

Taking into account (i) the fact that, as of the Latest Practicable Date, no capital contribution had been made by the relevant PRC entities to the Sharjah Branch or the Dubai Subsidiary and neither had commenced actual operations, and (ii) the telephone consultations conducted by our PRC Legal Advisor with the Department of Commerce of Shandong Province and Shandong Development and Reform Commission on the PRC outbound direct investment procedures on August 25, 2026, which indicated that such circumstances would generally not give rise to administrative penalties in practice, our PRC Legal Advisor is of the view that the risk of our Company and its PRC subsidiaries being subject to material administrative penalties arising from the foregoing matters that would have a material adverse effect on our Company's business operations is relatively low.

We have implemented rectification actions, which include (i) currently proceeding with the deregistration of the Sharjah Branch, and (ii) completing the renewal of the filing and the overseas investment certificate for the Dubai Subsidiary as soon as possible prior to [REDACTED], and in any case before any actual capital contribution is made and actual operations commence. We have also enhanced our internal control procedures to ensure no recurrence of similar incidents in the future. Our

Board of Directors' Office, which is responsible for overseeing our overall compliance with applicable laws of the jurisdictions where we operate, will supervise the implementation of these internal control procedures. See "— Risk Management and Internal Control — Internal Control."

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. We cannot predict the results of such claims and proceedings. See "Risk Factors — Risks Relating to Our Business and Industry — We, our Directors and senior management may be involved in legal or administrative proceedings, disputes and claims arising from our operations, which could result in significant costs and liabilities."

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any material claim, litigation, arbitration or administrative proceeding, and we were not aware of any claims or proceedings contemplated by government authorities or third parties that could materially and adversely affect our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, our Directors were not involved in any actual or threatened material claims or proceedings.

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we have obtained the requisite licenses, permits and approvals from applicable authorities which are material to our existing operations, all of which were within their respective effective periods. We renew all such material licenses, permits and approvals from time to time to comply with the relevant laws and regulations. We had not experienced any material difficulty in renewing such licenses, permits and approvals during the Track Record Period and up to the Latest Practicable Date.

The following table sets forth a list of our material licenses, permits and approvals that we have obtained for our business operations as of the Latest Practicable Date:

Type of licenses, permits and approvals	Holder	Issuing authority	Expiry dates
Water Drawing Permit (取水許可證)	Our Company	Shanghe County Administrative Examination and Approval Service Bureau	January 31, 2028
Pollutant Discharge Permit (排污許可證)	Our Company	Jinan Municipal Ecology and Environment Bureau	July 1, 2030
Pollutant Discharge Permit (排污許可證)	Our Company	Jinan Municipal Ecology and Environment Bureau	August 5, 2031
Class II Medical Device Distribution Filing Certificate (第二類醫療器械經營備案憑證)	Our Company	Jinan Municipal Administrative Examination and Approval Service Bureau	N/A
Medical Device Distribution License (醫療器械經營許可證)	Our Company	Jinan Municipal Administrative Approval Service Bureau	August 20, 2030
Hazardous Chemicals Registration Certificate (危險化學品登記證)	Our Company	Shandong Hazardous Chemicals Registration Center	August 27, 2028
Cross-Border E-Commerce Enterprise Registration (跨境電子商務電商企業)	Our Company	Quancheng Customs	December 31, 2099
Registration of a Consignee or Consignor of Imported or Exported Goods (進出口貨物收發貨人備案)	Our Company	Quancheng Customs	December 31, 2099
Registration of a Consignee or Consignor of Imported or Exported Goods (進出口貨物收發貨人備案)	Linuo International Trade	Quancheng Customs	December 31, 2099
Registration of a Consignee or Consignor of Imported or Exported Goods (進出口貨物收發貨人備案)	Linuo Glass Products	Quancheng Customs	December 31, 2099
Registration of a Consignee or Consignor of Imported or Exported Goods (進出口貨物收發貨人備案)	Linuo Glass E-Commerce	Qianjiang Customs	December 31, 2099
Registration of a Consignee or Consignor of Imported or Exported Goods (進出口貨物收發貨人備案)	Linuo Optoelectronic Technology	Quancheng Customs	December 31, 2099
Registration of a Consignee or Consignor of Imported or Exported Goods (進出口貨物收發貨人備案)	Linuo Intelligent Robot	Quancheng Customs	December 31, 2099

AWARDS, ACCREDITATION AND RECOGNITION

The table below sets forth an indicative list of some of the awards, accreditations and recognitions we had received as of the Latest Practicable Date.

Year	Award/Accreditation/Recognition	Granting Institution/Authority
2026	"Quality Products of Jinan" Recognition for Heat-resistant Glassware ("泉城好品" — 耐熱玻璃器皿)	Jinan Municipal Coordinating Group for Promoting the Development of a Quality-focused City (濟南市質量強市建設協調推進專項小組)
2025	National High and New Technology Enterprise (國家高新技術企業)	Department of Science and Technology of Shandong Province, Department of Finance of Shandong Province, and Shandong Provincial Tax Service, State Taxation Administration (山東省科學技術廳、山東省財政廳、國家税務總局山東省税務局)
2025	Advanced (Provincial-level) Intelligent Factory of Shandong Province (山東省先進級(省級)智能工廠)	Department of Industry and Information Technology of Shandong Province (山東省工業和信息化廳)
2025	China Light Industry Top 10 Enterprise in the Household Glass Products Industry (中國輕工業日用玻璃行業(日用玻璃製品)十強企業)	China National Light Industry Council (中國輕工業聯合會)
2025	Outstanding Contribution Enterprise for High-quality Development of the Private Economy in Shandong Province (山東省民營經濟高質量發展突出貢獻企業)	Development and Reform Commission of Shandong Province and Department of Industry and Information Technology of Shandong Province (山東省發展和改革委員會及山東省工業和信息化廳)
2025	CMMM Level 4 Certification (國家智能製造能力成熟度四級認證)	Beijing CESI Technology Development Co., Ltd. (北京賽西科技發展有限責任公司)
2024	National-level Manufacturing Single Champion Enterprise (國家級製造業單項冠軍企業)	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
2024	Leading Enterprise in Pharmaceutical Packaging Innovation (醫藥包裝創新領航單位)	China Pharmaceutical Packaging Association (中國醫藥包裝協會)
2023	Shandong Provincial Benchmark Enterprise for Intelligent Manufacturing (山東省智能製造標杆企業)	Department of Industry and Information Technology of Shandong Province (山東省工業和信息化廳)
2023	China Light Industry Top 10 Enterprise in the Household Glass Products Industry (中國輕工業日用玻璃行業(日用玻璃製品)十強企業)	China National Light Industry Council and China National Association For Glass Industry (中國輕工業聯合會及中國日用玻璃協會)
2022	National Intellectual Property Demonstration Enterprise (國家知識產權示範企業)	China National Intellectual Property Administration (國家知識產權局)

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management and internal control systems comprising internal guidelines, policies and procedures to monitor and manage risks arising from our daily operations.

Risk Management

We are exposed to various risks in our business operations, and we believe that effective risk management is important to our success. Our Directors oversee and manage the overall risks associated with our operations. To monitor the ongoing implementation of our risk management policies and corporate governance measures following the [REDACTED], we have adopted or will continue to adopt, among other things, the following measures:

- maintain an Audit Committee to review and supervise our financial reporting process and risk management and internal control systems;
- maintain an independent Audit Department to conduct internal audits, monitor the implementation of internal controls and report material findings to our Audit Committee;
- adopt policies and procedures to ensure compliance with the Listing Rules, including those relating to risk management, connected transactions, disclosure of inside information and conflicts of interest;

- provide periodic anti-corruption, anti-bribery, anti-money laundering and economic sanctions compliance training to our senior management and employees; and
- arrange training for our Directors and senior management on the Listing Rules and their duties as directors and senior management of a company [REDACTED] in Hong Kong.

We have formulated anti-fraud, anti-corruption and anti-bribery policies in accordance with applicable laws and regulations. We have also established whistleblowing procedures to encourage employees to report suspected misconduct or violations. Employees involved in our accounting and finance functions are required to remain alert to suspicious transactions and report any suspected violations.

Internal Control

In preparation for the [REDACTED], we engaged an independent internal control consultant (the "**Internal Control Consultant**") to review selected aspects of our internal control system. The scope of the review covered entity-level controls and internal controls over various business processes, including sales, procurement, inventory, production, human resources, fixed assets, cash and treasury, financial reporting, taxation, contracts, information technology, R&D and insurance management.

We have adopted the following principal internal control measures:

- **Financial reporting risk management.** We have adopted policies and procedures relating to budgeting, financial reporting, cash and treasury management, taxation, expenses and payments. Our Finance Department regularly reviews our financial records and management accounts, while our Audit Department independently monitors the implementation of the relevant controls.
- **Legal and regulatory compliance risk management.** We have adopted policies relating to corporate governance, connected transactions, disclosure of inside information, conflicts of interest, anti-money laundering, compliance with trade and economic sanctions and general compliance with the laws of the jurisdictions where we operate. Our Board of Directors' Office is responsible for overseeing our compliance with applicable laws of the jurisdictions where we operate. We monitor regulatory developments and update our internal policies and procedures accordingly.
- **Operational risk management.** We have established control procedures covering sales and customer management, procurement and supplier management, inventory and logistics, production and cost control, R&D and contract management. We also implement quality control procedures throughout our production process. See "— Quality Control."
- **Human resources and anti-fraud risk management.** We have adopted policies relating to employee conduct, conflicts of interest, anti-fraud, anti-corruption and anti-bribery. We provide relevant training to our employees and have established whistleblowing procedures for reporting suspected misconduct or violations.
- **Information technology risk management.** We have established controls over system access, system development and changes, data backup and information security. We periodically review user access rights and system controls and take remedial measures where potential risks are identified.

The Internal Control Consultant identified certain deficiencies relating primarily to our corporate governance and internal control policies. We adopted appropriate remedial measures, including formulating or revising the relevant policies, appointing a company secretary qualified under the Listing Rules, enhancing our whistleblowing procedures and providing relevant training to our Directors and senior management.

As of the Latest Practicable Date, we had implemented remedial measures recommended by the Internal Control Consultant. Following its review of such remedial measures, the Internal Control Consultant did not identify any material deficiencies in our internal control system. Our Directors are therefore of the view that our risk management and internal control systems are adequate and effective for our present operations.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, the single largest Shareholder of our Company was Linuo Investment Holding, which holds 26.55% voting rights at general meetings of our Company. Linuo Investment Holding is in turn held as to 78.87% by Linuo Group and 1.97% by Linuo Logistics with the remaining 19.16% held by Independent Third Parties. Linuo Logistics is a wholly-owned subsidiary of Linuo Group. Accordingly, Linuo Group directly and indirectly controls approximately 80.84% of Linuo Investment Holding in aggregate. Linuo Group is held as to 80% by Mr. Gao and 20% by Mr. Shen Yingming (申英明).

In addition to their investment in our Company, Linuo Group and Linuo Investment Holding invest in and operate other businesses including, but not limited to, Shandong Keyuan Pharmaceutical Co., Ltd. (山東科源製藥股份有限公司), whose shares are listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301281.SZ), Linuo Power Group Co., Ltd. (力諾電力集團股份有限公司), Shandong Hongjitang Pharmaceutical Group Co., Ltd. (山東宏濟堂製藥集團股份有限公司) and Shandong Linuo New Energy Development Co., Ltd. (山東力諾新能源發展有限公司). Pursuant to the Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants, Mr. Gao, Linuo Investment Holding, Linuo Logistics and Linuo Group constitute the Single Largest Group of Shareholders. For the background and biographical details of Mr. Gao, see "Directors and Senior Management."

As of the Latest Practicable Date, Mr. Shen held approximately 53.85% of the partnership interests in Hongdao New Energy as its general partner, which in turn held approximately 1.61% of the voting rights at general meetings of our Company. Notwithstanding Mr. Shen's interests in Linuo Group and Hongdao New Energy, neither Mr. Shen nor Hongdao New Energy exercises, or is entitled to exercise, any material influence or controlling power over our Company. In particular, (i) Mr. Shen does not hold any direct interest in our Company; (ii) Mr. Shen only holds a minority 20% equity interest in Linuo Group, while Mr. Gao holds the remaining 80% equity interest and controls Linuo Group. Mr. Shen does not control the board of directors of Linuo Group; (iii) there is no acting-in-concert agreement, voting proxy or other arrangement between Mr. Gao and Mr. Shen in respect of the exercise of voting rights in Linuo Group or our Company; (iv) Mr. Shen does not have any right to nominate or appoint any Director or member of our senior management, nor does he hold any veto, consent or other special right in respect of any material corporate, operational or management matter of our Company; and (v) Mr. Shen does not participate in the day-to-day management or operation of our Group. Accordingly, Mr. Shen is not designated as a member of the Single Largest Group of Shareholders for the purposes of the Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants.

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), Mr. Gao, Linuo Group, Linuo Investment Holding and Linuo Logistics will in aggregate be entitled to exercise [REDACTED]% of the voting rights at general meetings of our Company. Accordingly, they will continue to constitute our Single Largest Group of Shareholders immediately upon completion of the [REDACTED].

DELINEATION OF BUSINESS

Our Principal Business

We are an established borosilicate technical glass provider in China. We specialize in developing, producing and selling borosilicate pharmaceutical glass packaging and household heat-resistant glass for applications in the pharmaceutical, biotech, food and beverage and daily housewares industries. For details, see "Business."

Principal Business of our Single Largest Group of Shareholders

Each of Linuo Group, Linuo Investment Holding and Linuo Logistics is a company principally engaged in investment activities and established under the laws of the PRC. As of the Latest Practicable Date, apart from their investments in our Company, our Single Largest Group of Shareholders, individually or collectively, control or invest in companies which engage in (i) the research and development, manufacturing and sale of active pharmaceutical ingredients and chemical raw materials through Shandong Keyuan Pharmaceutical Co., Ltd. (山東科源製藥股份有限公司) (stock code: 301281.SZ); and (ii) other business, including (a) generation and supply of electricity and renewable energy, (b) manufacturing and sale of (aa) Chinese medicine and healthcare products; (bb) chemical products; and (cc) coating materials; and (c) hotel and food and beverage operations, which do not compete or are unlikely to compete, either directly or indirectly, with the business of our Group.

Each member of our Single Largest Group of Shareholders confirms that he or it does not have any interest in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules.

For the purpose of the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange and in order to avoid potential competition with our Group, Mr. Gao and Linuo Investment Holding (collectively, the "**Covenantors**"), entered into a non-competition undertaking in favor of our Company prior to the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange in November 2021 (the "**Non-competition Undertaking**"), pursuant to which Mr. Gao and Linuo Investment Holding have undertaken, inter alia, that:

(1) should the Shares of our Company be listed on a domestic stock exchange, the Covenantors shall take effective measures and shall also procure any entities in which the Covenantors may invest in the future to take effective measures, so as not to engage, directly or indirectly, in any form, within or outside China, in any business or activities that compete or may compete directly or indirectly with the principal business of our Group; nor shall the Covenantors hold any interest or benefit in such businesses. Furthermore, the Covenantors shall not support, in any form, any third party other than our Group to engage in any business or activities that compete or may compete with the current or future principal business of our Group, nor otherwise intervene (whether directly or indirectly) in any such competing or potentially competing business or activities;

(2) should the Covenantors, or any entity in which the Covenantors may invest in the future, have any business opportunity to engage in or participate in, or acquire any equity interest in, any business or activities that compete or may compete with the principal business of our Group, the Covenantors, as well as any entity they control and their subsidiaries, shall refer such business opportunities to our Group;

(3) should there be any patents or technologies developed by the Covenantors or any entity in which the Covenantors may invest in the future in the course of research and development that are related to the principal business of our Group and are suitable for commercialization, such patents or technologies shall be transferred to our Group on a priority basis; and

(4) all information stated in the Non-competition Undertaking is objective and true, without any false records, misrepresentation, or material omissions, and the Covenantors assume legal responsibility for the truthfulness, accuracy, and completeness thereof. The companies controlled by the Covenantors currently do not, and will not in the future, engage directly or

indirectly in any business or activity that directly or indirectly competes with the principal business of our Company in any manner (including but not limited to operating alone, through joint ventures, or holding shares or other interests in another company or enterprise). In the event of any breach of this undertaking, the Covenantors agree to fully indemnify our Group for all losses, damages, and expenses arising therefrom.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Taking into consideration the following factors, our Directors are of the view that we are capable of carrying on our business independently from our Single Largest Group of Shareholders and their close associates upon completion of the [REDACTED].

Management Independence

Our business is managed by our Board and senior management. Upon [REDACTED], our Board will consist of eight Directors, comprising two executive Directors, two non-executive Directors and four independent non-executive Directors, and our senior management team (other than our executive Directors) will comprise three members. For more details, see "Directors and Senior Management."

Save for Mr. Gao and Dr. Ma Yi (馬一), our non-executive Directors, there are no other overlapping directors or members of the senior management between our Company and our Single Largest Group of Shareholders and their respective close associates.

Despite the overlapping roles of Mr. Gao and Dr. Ma, our Directors believe we can operate our business independently from our Single Largest Group of Shareholders for the following reasons:

(i) as of the Latest Practicable Date, there were only two overlapping directors between our Single Largest Group of Shareholders and our Company, namely Mr. Gao and Dr. Ma. Mr. Gao and Dr. Ma are non-executive Directors of our Company and will not be involved in the day-to-day management and operations of our business. They will provide strategic advice to our Company and recommendations on the operations and management of our Group. In particular, in respect of any transaction, including any continuing connected transaction, between our Group and any member of our Single Largest Group of Shareholders or their respective close associates in which Mr. Gao or Dr. Ma has a material interest, the relevant Director(s) will abstain from voting on the relevant Board resolution(s) and will not be counted towards the quorum of the relevant Board meeting in accordance with the Articles of Association and the applicable requirements under the Listing Rules. Accordingly, decisions of our Board in respect of such transactions will be made by Directors who do not have a material interest in the relevant transactions. For details of the corporate measures to avoid potential conflicts of interest between our Group and the Single Largest Group of Shareholders, see "— Corporate Governance";

(ii) none of our executive Directors or members of the core management team of our Group with executive functions will hold any position in any members of our Single Largest Group of Shareholders or their respective close associates;

(iii) our day-to-day operational and management decisions are made collectively by our Board and senior management, all of whom have substantial experience in the industry in which we are operate and will be able to make business decisions that are in the best interests of our Group. For the background and biographical details of our executive Directors and senior management, see "Directors and Senior Management";

(iv) 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 interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(v) we have appointed four independent non-executive Directors, comprising more than one-third of the total number of Directors on our Board, who have sufficient knowledge, experience and competence to bring independent judgment to the decision-making process of our Board and provide independent advice to our Board committees;

(vi) in the event that a potential conflict of interest arises out of any transaction to be entered into between our Group and our Directors or their respective close associates, the relevant Director shall abstain from voting and shall not be counted towards the quorum for the relevant Board meeting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and

(vii) our Company is an A-share listed company, and we have adopted a series of corporate governance measures and controls to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. See "— Corporate Governance in this section."

Based on the above, our Directors believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Company independently from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

Operational Independence

Our Group is not operationally dependent on our Single Largest Group of Shareholders and our Group is able to continue to operate independently from our Single Largest Group of Shareholders after the [REDACTED]. We do not rely on our Single Largest Group of Shareholders for the execution of our business strategies, the operation of our business systems and platforms, staffing or sales and marketing activities. We have and will continue to have a separate management team and separate functional departments, including accounting, internal audit, administration, human resources, legal and company secretarial departments, and all of our essential administrative and operational functions are and will continue to be carried out by employees of our Group independently from our Single Largest Group of Shareholders. In this regard, our Directors and senior management are responsible for the conduct and day-to-day management of our business.

We have independent access to our customers and suppliers and sufficient capital, facilities, equipment and employees to operate our business without relying on our Single Largest Group of Shareholders. We also maintain a set of comprehensive internal control measures and have obtained the relevant licenses, approvals and permits from the relevant regulatory authorities that are material to our operations in Chinese Mainland and other jurisdictions.

We have entered into certain agreements with members of our Single Largest Group of Shareholders and their respective associates, and the transactions contemplated under such agreements will constitute continuing connected transactions of our Company under the Listing Rules following the [REDACTED]. The terms of all such transactions are determined after arm's length negotiations and on normal commercial terms. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole. For details of these continuing connected transactions, see "Connected Transactions."

Based on the above, our Directors believe that we are able to operate independently from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, we have maintained our own accounting department to perform internal control, accounting, audit, funding, reporting and financial management functions. We also maintain our own bank accounts independently and do not share any bank accounts with our Single Largest Group of Shareholders. Our Group has independent tax registration in accordance with the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has made tax filings and tax payments independently from our Single Largest Group of Shareholders or any other entities controlled by it.

As of June 30, 2026, our Group had (i) borrowings with a principal amount equivalent to approximately RMB100 million, which were guaranteed by Linuo Group, and (ii) borrowings with a principal amount equivalent to approximately RMB6,602,000 guaranteed by Linuo Group, Mr. Gao and Ms. Chen Lianna, spouse of Mr. Gao. As of the Latest Practicable Date, such borrowings had been fully settled. Other than certain accounts receivable and accounts payable which are trade in nature arising in the ordinary course of business, as of the Latest Practicable Date, we did not have any outstanding loans due to or due from our Single Largest Group of Shareholders and their respective associates, nor did we have any loans or guarantees provided by, or granted to, our Single Largest Group of Shareholders or their respective associates.

We are also capable of obtaining financing from third parties, if necessary, without relying on our Single Largest Group of Shareholders or their respective close associates in view of our Group's financial position, steady cash flow and level of liquid assets as well as our ability to raise funds on a standalone basis.

Based on the above, our Directors believe that we are able to maintain financial independence from our Single Largest Group of Shareholders and their respective close associates.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests and we will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance. We have adopted/will adopt the following measures to safeguard our corporate governance and avoid potential conflicts of interest between our Group and our Single Largest Group of Shareholders:

(a) 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 approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates has a material interest and shall not be counted in the quorum for the relevant meeting.

(b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain from voting on matters in which such Director or his/her close associates have a material interest.

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Group enters into any connected transaction with our Single Largest Group of Shareholders or any of their associates, we will comply with the applicable requirements under the Listing Rules.

(d) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in the ordinary and usual course of business of our Group, are either on normal commercial terms or better and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

(e) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our Single Largest Group of Shareholders, our Single Largest Group of Shareholders shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements.

(f) on an annual basis, our independent non-executive Directors will continuously review the compliance of the non-competition undertakings provided by the Covenantors and their compliance with such undertakings.

(g) 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 to our Board upon [REDACTED]. We believe our independent non-executive Directors possess sufficient experience and 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 impartial and external opinions to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see "Directors and Senior Management — Board of Directors — Independent non-executive Directors."

(h) pursuant to the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code.

(i) we have appointed Lego Corporate Finance 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, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Single Largest Group of Shareholders, and to protect minority Shareholders' interests as a whole after the [REDACTED].

OVERVIEW

Upon [REDACTED], transactions between us and our connected persons will constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

We have entered into certain transactions in the ordinary and usual course of our business with the following connected persons, which will constitute continuing connected transactions upon [REDACTED]:

Connected persons	Connected relationship
Linuo Group and its associates (excluding our Group)	As of the Latest Practicable Date, Linuo Group was held as to 80.0% by Mr. Gao, our non-executive Director and a member of the Single Largest Group of Shareholders. Therefore, Linuo Group is an associate of Mr. Gao and a connected person of our Company upon [REDACTED].
Shandong Linuo Industrial Co., Ltd. (山東力諾實業有限公司) ("**Linuo Industrial**")	As of the Latest Practicable Date, Linuo Industrial was wholly-owned by Linuo Group, which is an associate of Mr. Gao and a connected person of our Company upon [REDACTED].
Shandong Linuo Paradigma Co., Ltd. (山東力諾瑞特新能源有限公司) ("**Linuo Paradigma**") and Wuhan Xinkang Chemical Equipment Co., Ltd. (武漢新康化工設備有限公司) ("**Xinkang Chemical Equipment**")	As of the Latest Practicable Date, Linuo Paradigma is ultimately controlled as to 82.0%, and Xinkang Chemical Equipment is ultimately controlled as to 65.18%, by Mr. Gao Lei (高雷), the son of Mr. Gao, our non-executive Director and a member of the Single Largest Group of Shareholders. Therefore, Linuo Paradigma and Xinkang Chemical Equipment are associates of Mr. Gao and connected persons of our Company upon [REDACTED].

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transaction	Counterparty(ies)	Category of transaction	Applicable Listing Rule	Waiver sought
Procurement of consumer goods and services	Linuo Group and its associates (excluding our Group)	Fully-exempt continuing connected transactions	14A.76(1)(c)	N/A
Supply of products	Linuo Group and its associates (excluding our Group), Linuo Paradigma and Xinkang Chemical Equipment	Partially-exempt continuing connected transactions	14A.76(2)(a)	Announcement requirement
Procurement of raw materials	Linuo Industrial	Non-exempt continuing connected transactions	14A.35, 14A.36	Announcement, circular and independent Shareholders' approval requirements

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of goods and services

We have procured and will continue to procure from Linuo Group and/or its associates consumer goods and services from time to time. The pricing of the goods and services procured from Linuo Group and/or its associates shall be determined on arm's length basis between the parties with reference to, among others, the prevailing market price, the quantities and qualities of the goods and services.

As the highest applicable percentage ratio is expected to be less than 5% on an annual basis and the annual consideration is expected to be less than HK$3,000,000, the transactions will constitute a *de minimis* continuing connected transaction of our Company pursuant to Rule 14A.76(1)(c) of the Listing Rules that will be fully exempt from reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2. Linuo Group Products Supply Framework Agreement

Principal terms

On [●], our Company (for ourselves and on behalf of our subsidiaries) entered into a products supply framework agreement (the "**Linuo Group Products Supply Framework Agreement**") with Linuo Group (for itself and on behalf of its associates), pursuant to which we agreed to supply to Linuo Group and/or its associates household heat-resistant glass and pharmaceutical glass packaging products from time to time.

The initial term of the Linuo Group Products Supply Framework Agreement shall commence from the [REDACTED] until December 31, 2029, subject to renewal by mutual consent and compliance with the requirements of the Listing Rules and applicable laws and regulations. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of household heat-resistant glass products and pharmaceutical glass packaging products according to the principles provided in the Linuo Group Products Supply Framework Agreement.

Pricing policy

The pricing of the household heat-resistant glass products under the Linuo Group Products Supply Framework Agreement shall be determined on a cost-plus pricing basis with reasonable profit margin and adjusted for a customization premium as the products supplied by us are tailor-made and involve different product mixes according to the requirements of Linuo Group and/or its associates.

The pricing of the pharmaceutical glass packaging products under the Linuo Group Products Supply Framework Agreement shall be determined based on arm's length negotiation between the parties, with reference to, among others, the type and specification of products, applicable quality and technical standards and the price of similar products offered by our Group to Independent Third Parties.

Historical amounts and annual caps

During the Track Record Period, we primarily supplied household heat-resistant glass products to Linuo Group and/or its associates. During the six months ended June 30, 2026, we supplied a small amount of pharmaceutical glass packaging products as samples to a wholly-owned subsidiary of Shandong Keyuan Pharmaceutical Co., Ltd. (山東科源製藥股份有限公司) ("**Keyuan Pharmaceutical**"), which is a subsidiary of Linuo Group. The table below sets out the historical

amounts with respect to the supply of household heat-resistant glass products and pharmaceutical glass packaging products to Linuo Group and/or its associates during the Track Record Period and the proposed annual caps for the three years ending December 31, 2029.

	Historical amounts				Proposed annual caps		
	For the year ended December 31,			Six months ended June 30,	For the year ending December 31,		
	2023	2024	2025	2026	2027	2028	2029
			(RMB'000)			*(RMB'000)*	
Supply of household heat-resistant glass and pharmaceutical glass packaging products	139	925	4,465	644	4,700	5,600	6,200

In arriving at the above proposed annual caps, our Directors have considered, among others, the following factors: (i) the historical transaction amounts paid by Linuo Group and its associates during the Track Record Period; (ii) the expected increase in demand for household heat-resistant glass products from Linuo Group and/or its associates taking into account their expansion with an expected increase in the number of employees and employee benefits; (iii) the expected demand for pharmaceutical glass packaging products from Keyuan Pharmaceutical and/or its subsidiaries (collectively referred to as "**Keyuan Pharmaceutical Group**"), taking into account their business development and needs; and (iv) the expected increase in the production cost and selling price of the relevant products.

3. Linuo Paradigma and Xinkang Chemical Equipment Products Supply Framework Agreement

Principal terms

On [●], our Company (for ourselves and on behalf of our subsidiaries) entered into a products supply framework agreement (the "**Linuo Paradigma and Xinkang Chemical Equipment Products Supply Framework Agreement**") with Linuo Paradigma and Xinkang Chemical Equipment, pursuant to which we agreed to supply to Linuo Paradigma and Xinkang Chemical Equipment household heat-resistant glass products.

The initial term of the Linuo Paradigma and Xinkang Chemical Equipment Products Supply Framework Agreement shall commence from the [REDACTED] until December 31, 2029, subject to renewal by mutual consent and compliance with the requirements of the Listing Rules and applicable laws and regulations. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of household heat-resistant glass products according to the principles provided in the Linuo Paradigma and Xinkang Chemical Equipment Products Supply Framework Agreement.

Pricing policy

The pricing of the household heat-resistant glass products under the Linuo Paradigma and Xinkang Chemical Equipment Supply Framework Agreement shall be determined on a cost-plus pricing basis with reasonable profit margin and adjusted for a customization premium as the products supplied by us are tailor-made and involve different product mixes according to the requirements of Linuo Paradigma and/or Xinkang Chemical Equipment.

Historical amounts and annual caps

The table below sets out the historical amounts with respect to the supply of household heat-resistant glass products to Linuo Paradigma and Xinkang Chemical Equipment during the Track Record Period and the proposed annual caps for the three years ending December 31, 2029.

	Historical amounts				Proposed annual caps		
	For the year ended December 31,			Six months ended June 30,	For the year ending December 31,		
	2023	2024	2025	2026	2027	2028	2029
			(RMB'000)			*(RMB'000)*	
Supply of household heat-resistant glass products	0	9	1,115	0	1,600	1,800	1,900

In arriving at the above proposed annual caps, our Directors have considered, among others, the following factors: (i) the historical transaction amounts paid by Linuo Paradigma and Xinkang Chemical Equipment for the year ended December 31, 2025; (ii) the expected increase in demand for household heat-resistant glass products from Linuo Paradigma and/or Xinkang Chemical Equipment taking into account their expansion with an expected increase in the number of employees and employee benefits; and (iii) the expected increase in the production cost and selling price of the products.

Aggregation

Since the Linuo Group Products Supply Framework Agreement and the Linuo Paradigma and Xinkang Chemical Equipment Products Supply Framework Agreement (collectively, the "**Products Supply Framework Agreements**") are similar in nature and Linuo Group and Linuo Paradigma and Xinkang Chemical Equipment are connected with each other, the transactions under the Products Supply Framework Agreements should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual cap amounts for the three years ending December 31, 2029 in respect of the Products Supply Framework Agreements are as follows:

	For the year ending December 31,		
	2027	2028	2029
		(RMB'000)	
Linuo Group Products Supply Framework Agreement	4,700	5,600	6,200
Linuo Paradigma and Xinkang Chemical Equipment Products Supply Framework Agreement	1,600	1,800	1,900
Aggregate	**6,300**	**7,400**	**8,100**

As the highest applicable percentage ratio (other than the profit ratio) under the Listing Rules in respect of the aggregated annual caps under the Products Supply Framework Agreements is expected to be less than 5% on an annual basis, the transactions contemplated under the Products Supply Framework Agreements will, upon [REDACTED], constitute continuing connected transactions for our Company subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for and benefits of the transactions

During the Track Record Period, we supplied household heat-resistant glass products to Linuo Group and/or its associates, Linuo Paradigma and Xinkang Chemical Equipment for their use as employee benefits. We also supplied a small amount of pharmaceutical glass packaging products to a wholly-owned subsidiary of Keyuan Pharmaceutical as samples. Having considered the supply of products can expand the source of revenue of our Group and broaden our customer base as well as the sales networks for our products, and the continuing friendly business

relationships with them, we believe that the entering into of the Products Supply Framework Agreements and the transactions contemplated thereunder are in the interest of our Company and our Shareholders as a whole.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

4. Linuo Industrial Procurement Framework Agreement

Principal terms

On [●], our Company (for ourselves and on behalf of our subsidiaries) entered into a procurement framework agreement with Linuo Industrial (the "**Linuo Industrial Procurement Framework Agreement**"), pursuant to which we will procure borax from Linuo Industrial from time to time.

The initial term of the Linuo Industrial Procurement Framework Agreement shall commence from the [REDACTED] until December 31, 2029, subject to renewal by mutual consent and compliance with the requirements of the Listing Rules and applicable laws and regulations. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of borax according to the principle provided in the Linuo Industrial Procurement Framework Agreement.

Pricing policy

The pricing of borax under the Linuo Industrial Procurement Framework Agreement shall be determined based on arm's length negotiation between the parties, with reference to, among others, the type and specification of borax, the transaction volume and the prices of borax of similar origin. We require that the price offered by Linuo Industrial to be comparable to the prevailing market price. In this regard, we will obtain quotations or price references from at least two Independent Third Parties, where available, to benchmark the price offered by Linuo Industrial so as to ensure that the terms offered by Linuo Industrial are no less favorable than those offered by Independent Third Parties.

Historical amounts and annual caps

The table below sets out the historical amounts with respect to the procurement of borax from Linuo Industrial during the Track Record Period and the proposed annual caps for the three years ending December 31, 2029.

	Historical amounts				Proposed annual caps		
	For the year ended December 31,			Six months ended June 30,	For the year ending December 31,		
	2023	2024	2025	2026	2027	2028	2029
			(RMB'000)			*(RMB'000)*	
Procurement of borax	0	0	0	8,971	76,000	89,000	99,000

We only began purchasing borax from Linuo Industrial in the first half of 2026. In previous years, the market price of borax was relatively stable. However, starting in 2025, borax prices began to fluctuate, and our Directors expect this volatility to continue. Therefore, we started sourcing borax from Linuo Industrial in 2026 to manage the risk associated with future price fluctuations.

In arriving at the above proposed annual caps, our Directors have considered, among others, the following factors: (i) the historical market price of borax; (ii) the existing contracts with Linuo Industrial and the expected demand of our Group for borax due to our plan to expand production capacity and increase sales volume; and (iii) other factors including but not limited to the expected market price of borax and its future fluctuations.

Reasons for and benefits of the transactions

In our ordinary and usual business, borax is one of the principal raw materials used in our production. The reasons for and benefits of entering into the Linuo Industrial Framework Agreement are as follows: (i) our Group had limited bargaining power in its price negotiations with the relevant suppliers as the volume of the purchases made by us on a standalone basis was relatively small and was therefore unable to obtain more favorable pricing terms. As Linuo Industrial is principally engaged in trading business, including the trading of boron products, it could place orders of a substantially larger volume than we could achieve on our own, which gives Linuo Industrial stronger bargaining power in negotiating with suppliers and obtaining more favorable pricing terms; (ii) we consider that having Linuo Industrial as an additional source of supply of borax could diversify our supplier base and strengthen the stability of our supply chain of borax; and (iii) procuring borax from Linuo Industrial, which is a local trading company, allows our Group to reduce the administrative costs and efforts associated with sourcing borax directly from overseas suppliers.

As the highest applicable percentage ratio (other than the profit ratio) under the Listing Rules in respect of the proposed annual caps under the Linuo Industrial Procurement Framework Agreements is expected to exceed 5% on an annual basis, the transactions contemplated under the Linuo Industrial Procurement Framework Agreement will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant agreement(s) for the continuing connected transactions are fair and reasonable, or no less favorable than terms available to or from independent third parties, and are carried out on normal commercial terms, we will adopt the following internal control procedures:

(i) we have adopted a connected transaction management policy for the purpose of ensuring that our connected transactions will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole;

(ii) we will regularly review the terms of our continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

(iii) our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions mentioned under the framework agreements and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and

(iv) when considering any renewal or revisions to the agreements after the [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the agreements to the extent that they constitute non-exempt continuing connected transactions under rule 14A.35 of the Listing Rules.

APPLICATION FOR WAIVER

In respect of the continuing connected transaction as described above, we have applied for, and the Stock Exchange [has granted] us, a waiver pursuant to Rule 14A.105 of the Listing Rules from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the Products Supply Framework Agreements and the transactions contemplated thereunder; and (ii) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the Linuo Industrial Procurement Framework Agreement and the transactions contemplated thereunder, provided that the total amount of such transactions for each financial year will not exceed the relevant proposed annual caps as set out above.

We will comply with the applicable requirements under the Listing Rules if any of the proposed annual caps set out above are exceeded, or when there is a material change in the terms of these transactions.

DIRECTORS' VIEW

Our Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions set out above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and the proposed annual caps for these transactions are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

JOINT SPONSORS' VIEW

Based on (i) the relevant documents and information provided by our Company in relation to the aforesaid partially exempt and non-exempt continuing connected transactions; (ii) the confirmation from our Directors disclosed above; and (iii) their participation in the due diligence and discussions with the management of our Company, the Joint Sponsors are of the view that, the partially-exempt and non-exempt continuing connected transactions, for which waivers have been sought, have been and will be entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better that are fair and reasonable, and in the interests of our Shareholders as a whole, and that the proposed annual caps in respect of such transactions are fair and reasonable and in the interests of our Shareholders as a whole.

BOARD OF DIRECTORS

Upon [REDACTED], our Board will consist of eight Directors, comprising two executive Directors, two non-executive Directors and four independent non-executive Directors. Our Directors serve a term of three years and shall be subject to re-election upon the expiry of their respective term of office. The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities	Relationships with other Directors or senior management members
Executive Directors						
Mr. Song Lai (宋來)	50	Chairman of our Board and Executive Director	July 15, 2011	May 29, 2020	Overall strategic planning, business development and operational management of our Group	None
Mr. Xie Jisheng (謝吉勝)	54	Executive Director (employee representative Director) and chief safety officer	December 8, 2002	October 31, 2025	Overseeing business operations, safety management and corporate governance of our Group	None
Non-executive Directors						
Mr. Gao Yuankun (高元坤)	68	Non-executive Director	December 27, 2013	October 31, 2025	Providing strategic advice and recommendations on the operations and management of our Group	None
Dr. Ma Yi (馬一)	47	Non-executive Director	April 6, 2015	October 31, 2025	Providing strategic advice and recommendations on the operations and management of our Group	None
Independent non-executive Directors						
Mr. Pan Guangcheng (潘廣成)	76	Independent non-executive Director	April 15, 2024	April 15, 2024	Providing independent advice and judgment to our Board	None
Prof. Yang Gongsui (楊公隨)	59	Independent non-executive Director	April 15, 2024	April 15, 2024	Providing independent advice and judgment to our Board	None
Ms. Liu Yuan (劉媛)	45	Independent non-executive Director	April 15, 2024	April 15, 2024	Providing independent advice and judgment to our Board	None
Mr. Yuan Chenjie (袁陳杰)	44	Independent non-executive Director	[REDACTED]	[REDACTED]	Providing independent advice and judgment to our Board	None

Executive Directors

Mr. Song Lai (宋來), aged 50, has been the chairman of our Board since October 31, 2025 and an executive Director since May 29, 2020. He also holds directorships and senior management positions in certain subsidiaries of our Group. Mr. Song is primarily responsible for the overall strategic planning, business development and operational management of our Group. He joined our Group in July 2011 as the deputy general manager of Linuo Glass Products Marketing. He then served as our marketing director from April 2015 to April 2016 and as a deputy general manager from April 2016 to October 2025.

Prior to joining our Group, he worked at Jinan Yingte Refrigeration Co., Ltd. (濟南英特製冷有限公司) from August 1999 to February 2006. He then worked at the Linuo Group and its then subsidiaries from February 2010 to July 2011.

Mr. Song obtained his bachelor's degree majoring in hoisting, transportation and construction machinery from Taiyuan University of Heavy Machinery (太原重型機械學院) (now known as Taiyuan University of Science and Technology (太原科技大學)) in the PRC in July 1999.

Mr. Xie Jisheng (謝吉勝), aged 54, has been the chief safety officer of our Company since November 2021 and an executive Director (employee representative Director) since October 31, 2025. He is also a supervisor of certain subsidiaries of our Group. Mr. Xie is primarily responsible for overseeing business operations, safety management and corporate governance of our Group.

Mr. Xie has accumulated over 20 years of industry experience and possesses a proven track record in management in our Company. He held various positions in our Company, including division manager of the production division, division manager of the supplier management division, deputy division manager of the heat-resistant materials division and deputy division manager of the materials control division from December 2002 to July 2018. Mr. Xie served as our division manager of the safety and environment division from July 2018 to November 2021. He was an employee representative supervisor of our Company from April 2015 to October 2025.

Prior to joining our Group, Mr. Xie served as the workshop director at Shandong Sanli Industrial Group Co., Ltd. (山東三力工業集團有限公司) (the predecessor of Linuo Group).

Mr. Xie obtained an associate degree from Shanghai Institute of Building Materials Industry (上海建築材料工業學院) (later merged into Tongji University) in the PRC in July 1996 majoring in silicate technology. He completed the online top-up bachelor's degree program majoring in business administration at China University of Petroleum (Huadong) (中國石油大學(華東)) in the PRC in July 2020. He has been an intermediate certified safety engineer (中級註冊安全工程師) since November 2020.

Non-executive Directors

Mr. Gao Yuankun (高元坤), aged 68, has been a non-executive Director since October 31, 2025. He is primarily responsible for providing strategic advice and recommendations on the operations and management of our Group.

Mr. Gao has almost 40 years of experience in industrial operations and pharmaceutical glass manufacturing. From July 1976 to June 1979, he served as a technician at the Bearing Factory of Yinan County, Linyi City, Shandong Province (山東省臨沂市沂南縣軸承廠). From June 1979 to June 1981, he served as the section chief of the business operation section of Yinan County Bank Printing Factory of Linyi City, Shandong Province (山東省臨沂市沂南縣銀行印刷廠). From June 1981 to October 1984, he served as the section chief of the supply and marketing section and the section chief of the finance

section at Yinan County Shoe Factory of Linyi City, Shandong Province (山東省臨沂市沂南縣製鞋廠). From October 1984 to April 1986, he served as the deputy section chief of the supply and marketing section at the Industrial Bureau of Yinan County, Linyi City, Shandong Province of Linyi City, Shandong Province (山東省臨沂市沂南縣工業局). From April 1986 to August 1987, he worked at the Yinan County Economic Commission of Linyi City, Shandong Province (山東省臨沂市沂南縣經委). From August 1987 to October 1992, he led the establishment of the Lunan Pharmaceutical Glass General Factory (魯南醫藥玻璃總廠) and served as the party secretary and factory manager. From October 1992 to September 1994, he served as the deputy director of the Shandong Medical Device Research Institute (山東省醫療器械研究所). From September 1994 to August 1997, he served as the general manager of Jinan Sanwei Co., Ltd. (濟南三威有限責任公司) (the predecessor of Linuo Group).

Since August 1997, Mr. Gao has been the chairman of the Board and general manager of Linuo Group. Since September 2024, he has served as a director of Shandong Keyuan Pharmaceutical Co., Ltd. (山東科源製藥股份有限公司) ("**Keyuan Pharma**"), a company listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301281.SZ).

Mr. Gao obtained an executive master of business administration from Nankai University (南開大學) in the PRC in December 2005. Mr. Gao was certified as a senior engineer by the State Scientific and Technological Commission of the PRC (中國國家科學技術委員會) in October 1996.

Mr. Gao was a director and/or the legal representative of the following companies which had their business licenses revoked:

Name of company	Place of establishment	Principal business activity	Date of revocation	Status
Jinan Industry and Commerce Enterprise Guarantee Investment Co., Ltd. (濟南工商企業擔保投資有限公司)	PRC	Providing financing and other guarantees to enterprises and individuals	November 22, 2010	Forced Deregistration*(Note)*
Jinan Sanli — Price Daimler Glass Machinery Co., Ltd. (濟南三力-普萊斯.戴姆勒玻璃機械有限公司)	PRC	Manufacturing of glass machinery and equipment, and research and development of new products	January 13, 2003	Revocation of business license
Jinan Linuo Yongning Pharmaceutical Co., Ltd. (濟南力諾永寧製藥有限責任公司)	PRC	Research and development of special anesthetic drugs	December 30, 2004	Forced Deregistration*(Note)*
Shanghai Linuo — LiGlass Glass Products Co., Ltd. (上海力諾璃格拉斯玻璃製品有限公司)	PRC	Manufacturing and processing glass products; selling the company's own products and providing after-sales repair services	December 26, 2005	Forced Deregistration*(Note)*

Note:

It was first revoked and subsequently forced to deregister.

Due to prolonged inactivity, the business licenses of the abovementioned companies were revoked. Mr. Gao confirmed that (i) to the best of his knowledge, information and belief, the abovementioned companies were solvent immediately prior to the respective revocation of business license; (ii) there was no wrongful act on his part leading to the respective revocation; 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 respective revocation.

Dr. Ma Yi (馬一), aged 47, has been a non-executive Director since October 31, 2025. He is primarily responsible for providing strategic advice and recommendations on the operations and management of our Group. He was a supervisor of our Company from April 2015 to October 2025.

Dr. Ma has been serving at Linuo Group since April 2011 and has held various positions, including general counsel and director of the board office. He is currently a director and the secretary to the board of directors of Linuo Group. From January 2024 to September 2025, he served as the chairman of the supervisory committee at Keyuan Pharma. He has served as an associate professor at the School of Law of Shandong University (山東大學) since September 2017.

Dr. Ma obtained his bachelor's degree in law majoring in economic law, master's degree in law majoring in international law, and doctoral degree in law majoring in civil and commercial law from Southwest University of Political Science and Law (西南政法大學) in the PRC in July 2001, July 2004 and July 2008, respectively. He further completed a postdoctoral fellowship in theoretical economics at the Center for Economic Research at Shandong University (山東大學經濟研究中心) in Shandong Province, the PRC in 2010. Dr. Ma also holds a lawyer's license issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in June 2022.

Independent non-executive Directors

Mr. Pan Guangcheng (潘廣成), aged 76, has been an independent non-executive Director since April 15, 2024. Mr. Pan is primarily responsible for providing independent advice and judgment to our Board.

Mr. Pan held various positions in the PRC State Pharmaceutical Administration (中國國家醫藥管理局) from May 1986 to September 1998, including the director of the technical cadre division of the department of personnel and labor (人事勞動司技術幹部處), deputy director of the department of personnel and labor (人事勞動司) and the director of the department of policy and regulations (政策法規司). Mr. Pan was a deputy general manager of China National Medical Equipment Industry Corporation (中國醫療器械工業公司) from September 1998 to February 2001. He then successive served as the director of the information department, director of the general office, director of the party committee office and secretary to the chairman of the board at China National Pharmaceutical Group Corporation (中國醫藥集團總公司) from February 2001 to November 2009. Mr. Pan served at China Pharmaceutical Industry Association (中國化學製藥工業協會) since June 2017 and is currently the senior president.

Mr. Pan served as an independent non-executive director of (i) Tianjin Lisheng Pharmaceutical Company Ltd. (天津力生製藥股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002393.SZ), from April 2015 to December 2021; (ii) Harbin Pharmaceutical Group Co., Ltd. (哈藥集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600664.SH), from October 2017 to October 2023; and (iii) Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司), a company listed on the Stock Exchange and the Shenzhen Stock Exchange (stock code: 6821.HK; 002821.SZ), from October 2017 to June 2021. He has been an independent non-executive director of Shandong Xinhua Pharmaceutical Company Limited (山東新華製藥股份有限公司), a company listed on the Stock Exchange and the Shenzhen Stock Exchange (stock code: 719.HK; 000756.SZ), since December 2020.

Mr. Pan graduated from Shanghai Institute of Mechanical Engineering (上海機械學院) (later merged into University of Shanghai for Science and Technology (上海理工大學)) in the PRC in August 1977 majoring in electrical engineering. He was accredited as a senior engineer by the PRC State Drug Administration (中國國家藥品監督管理局) (now known as NMPA) in December 1998.

Professor Yang Gongsui (楊公隨) (with a former Chinese name 楊公遂), aged 59, has been an independent non-executive Director since April 15, 2024. He is primarily responsible for providing independent advice and judgment to our Board.

Prof. Yang has successively served as a lecturer, an associate professor, and a professor in accounting at Shandong Institute of Economics (山東經濟學院) (merged with another institute and formed Shandong University of Finance and Economics (山東財經大學) in 2012) since December 1993. He was a visiting scholar at Tsinghua University (清華大學) from September 2004 to July 2005.

Prof. Yang has been (i) an independent non-executive director of Shandong Sanyuan Biotechnology Co., Ltd. (山東三元生物科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301206.SZ), since October 2020; (ii) a supervisor of Shandong Xinshiji Education Technology Co., Ltd. (山東新石基教育科技有限公司) since December 2020; and (iii) and a director of Shandong Mingren Freda Pharmaceutical Co., Ltd. (山東明仁福瑞達製藥股份有限公司) since June 2022. He was an independent non-executive director of Shandong Hongyu Precision Machinery Co., Ltd. (山東弘宇精機股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002890.SZ), from December 2022 to December 2025.

Prof. Yang obtained his bachelor's degree majoring in accounting from Shandong Institute of Economics (山東經濟學院) in the PRC in July 1988. He further completed his master's degree majoring in political economy at Fudan University (復旦大學) in the PRC in January 1997. He later obtained a doctorate degree majoring in technical economics and management from Hohai University (河海大學) in the PRC in June 2014. He was accredited as a certified public accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 1995.

Ms. Liu Yuan (劉媛), aged 45, has been an independent non-executive Director since April 15, 2024. She is primarily responsible for providing independent advice and judgment to our Board.

Ms. Liu worked at Shandong Luoyuan Law Firm (山東濼源律師事務所) from March 2005 to May 2006. She has been with Beijing DeHeng (Jinan) Law Firm since June 2007, where she currently serves as a managing partner and its secretary of the party general branch (黨總支部書記).

Ms. Liu was named one of the 4th Quancheng Outstanding Young Lawyers (第四屆泉城優秀青年律師) in November 2009 and awarded a Shandong Provincial Intermediate Professional Qualification Certificate (山東省中級職稱證書) by the Jinan Municipal Bureau of Human Resources and Social Security (濟南市人力資源和社會保障局) in March 2020. She was recognized as an outstanding committee member of 2021 by the Jinan Lawyers Association (濟南律師協會) in March 2022.

Ms. Liu obtained her bachelor's degree in law through self-study from Shandong University (山東大學) in the PRC in December 2005. She then obtained a master of business administration from Webster University in the United States in August 2024 upon completion of the international MBA program of Shanghai University of Finance and Economics (上海財經大學) and Webster University. She obtained the legal professional qualification certificate issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2005.

Mr. Yuan Chenjie (袁陳杰), aged 44, has been appointed as an independent non-executive Director of our Company with effect from the [REDACTED]. He is primarily responsible for providing independent advice and judgment to our Board.

Mr. Yuan began his career at GE China Co., Ltd. (通用電氣(中國)有限公司) from 2004 to 2007. He then worked at Boston Scientific (波士頓科學(美國)) from 2009 to 2012. After that, Mr. Yuan worked at PwC Consulting (Shenzhen) Co., Ltd. (普華永道諮詢(深圳)有限公司) from April 2012 to April 2014. Mr. Yuan then joined SAIF Partners (賽富投資基金) in May 2014, and he served as the chairman of the board of directors of Shenzhen Saifu Qianyuan Investment Fund Management Co., Ltd. (深圳市賽富前元股投資基金管理有限公司). He is currently a partner of Shenzhen Saifu Zehui Private Equity Investment Fund Management Partnership (Limited Partnership) (深圳市賽富澤輝私募股權投資基金管理合夥企業(有限合夥)). He is currently the executive director of Shenzhen Zehui Investment Advisory Co., Ltd. (深圳市澤輝投資顧問有限公司) and a director of Affluence Capital Limited (澤輝資本有限公司). He also holds various roles in portfolio companies, including serving as a director of Shenzhen Keyto Fluid Technology Co., Ltd. (深圳墾拓流體技術股份有限公司) since January 2021. Mr. Yuan has been appointed as an independent non-executive director of Rayson HI-TECH (SZ) Co., Ltd. (深圳市晶存科技股份有限公司) since August 2025.

Mr. Yuan obtained a bachelor's degree majoring in physics from Fudan University (復旦大學) in the PRC in July 2004 and a master of science degree from Columbia University in the United States in February 2009. He became a Chartered Financial Analyst in October 2019.

SENIOR MANAGEMENT

Our senior management team also oversees the day-to-day management of our business. The following table sets forth general information regarding our senior management:

Name	Age	Position(s)	Date of joining our Group	Date of appointment to the current position(s)	Roles and responsibilities	Relationships with other Directors or senior management members
Mr. Sun Pengfei (孫鵬飛)	46	General manager	July 15, 2004	April 15, 2024	Overseeing the overall business operations of our Group (including production and sales processes)	None
Mr. Xie Yan (謝岩)	43	Deputy general manager and secretary to the Board	July 5, 2022	November 29, 2022	Managing capital operations, investment, financing and other securities related matters and coordinating the day-to-day affairs of the Board	None
Mr. Li Guo (李國)	45	Chief financial officer	July 21, 2020	November 29, 2022	Overseeing the financial management of our Group and coordinating financial accounting, cash management and risk control	None

Mr. Sun Pengfei (孫鵬飛), aged 46, has been the general manager of our Company since April 15, 2024. He is also a director of certain subsidiaries of our Group. Mr. Sun is primarily responsible for overseeing the overall business operations of our Group, including production and sales processes.

Mr. Sun joined our Group in July 2004 and successively held positions as workshop technician, business manager of our Shenyang representative office, director of our Jilin representative office, regional manager of Northeast China, and head of the marketing department of our Company, from July 2004 to June 2012. He then served as a regional manager of North China and a regional manager of Shandong-Henan region of our Company from July 2012 to September 2016. He successively served as the director of the market department, key account (KA) manager, and regional director of South China of our Company, from October 2016 to March 2019. Mr. Sun was the deputy general manager and the general manager of domestic marketing for pharmaceutical packaging division of our Company from April 2019 to December 2023 and from January 2024 to April 2024, respectively.

Mr. Sun obtained his bachelor's degree majoring in materials physics from the University of Jinan (濟南大學) in the PRC in July 2004. He later obtained a master's degree in business administration from Yunnan Minzu University (雲南民族大學) in the PRC in June 2017. Mr. Sun was accredited as a senior engineer by Jinan Municipal Human Resources and Social Security Bureau (濟南市人力資源和社會保障局) in December 2025.

Mr. Xie Yan (謝岩), aged 43, has been the deputy general manager of our Company and secretary to the Board since November 2022. He is also a director of our wholly-owned subsidiary, Linuo Pharmaceutical Packaging (Hong Kong) Limited (力諾醫藥包裝(香港)有限公司). Mr. Xie is primarily responsible for managing capital operations, investment, financing and other securities related matters and coordinating the day-to-day affairs of the Board. He joined our Group in July 2022 as the office manager of the Board of Directors' Office and director of investment and financing.

Prior to joining our Group, Mr. Xie was a project manager at Shandong Tiancheng Investment Management Co., Ltd. (山東天誠投資管理有限公司) from October 2009 to October 2012 and a manager of business department in Shanghai Lead Wealth Asset Management Co., Ltd. (上海利得財富資產管理有限公司) from October 2012 to October 2014. He served as an investment director at Shandong Zhongzheng Taihe Investment Co., Ltd. (山東鐘證泰和投資有限公司), from October 2014 to April 2021. He worked at Shandong Hetie Asset Management Co., Ltd. (山東菏鐵資產管理有限公司) from May 2021 to December 2021 with his last position held as a director. Mr. Xie served as a director of investment and financing at Linuo Group from December 2021 to January 2022. He was the secretary to the board and the director of investment and financing at Shandong Hongjitang Pharmaceutical Group Co., Ltd. (山東宏濟堂製藥集團股份有限公司), a non-wholly-owned subsidiary of Linuo Group, from February 2022 to July 2022. Mr. Xie was a supervisor of Shandong Jinjie Gas Co., Ltd. (山東金捷燃氣有限責任公司) from August 2023 to October 2025, and has been its director since October 2025. He has been appointed as a director of Suzhou CRH New Material Technology Co., Ltd. (蘇州創揚新材料科技股份有限公司), a company quoted on the NEEQ (stock code: 836810) since December 2025.

Mr. Xie obtained his bachelor's degree majoring in finance from Shandong Institute of Economics (山東經濟學院) in the PRC in July 2006. He obtained the certificate of board secretary qualification issued by the Shenzhen Stock Exchange in August 2022.

Mr. Li Guo (李國), aged 45, has been our chief financial officer since November 2022. He is primarily responsible for overseeing the financial management of our Group and coordinating financial accounting, cash management and risk control. Mr. Li joined our Group as the deputy director of our finance center in July 2020.

Prior to joining our Group, Mr. Li served as an audit manager at ShineWing Certified Public Accountants (信永中和會計師事務所) from October 2009 to December 2016. He later worked at Dahua Certified Public Accountants (大華會計師事務所) from January 2017 to July 2020.

Mr. Li obtained his associate degree in accounting from Shandong Institute of Light Industry (山東輕工業學院) (now known as Qilu University of Technology (齊魯工業大學)) in the PRC in July 2004. He later obtained his top-up bachelor's degree in accounting taught by correspondence from Shandong University of Finance and Economics (山東財經大學) in the PRC in July 2024. Mr. Li was accredited as a certified intermediate accountant by Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and Ministry of Finance of PRC (中華人民共和國財政部) in September 2022.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SENIOR MANAGEMENT

None of our Directors or senior management is related to other Directors and senior management.

Save as disclosed above, none of our Directors or senior management 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.

Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there is no other matter relating to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there is no other information in relation 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.

JOINT COMPANY SECRETARIES

Mr. Xie Yan (謝岩) has been serving as the secretary to the Board since November 2022 and was appointed as a joint company secretary with effect from the [REDACTED]. For details of his biography, see "— Senior Management."

Ms. Leung Wai Yan (梁慧欣) was appointed as a joint company secretary with effect from the [REDACTED]. Ms. Leung is currently a senior manager at Corporate Services of Vistra Corporate Services (HK) Limited. She has over 19 years of experience in providing company secretarial services and compliance services to listed companies and private companies.

Ms. Leung is currently serving as the company secretary at Akeso, Inc. (康方生物科技(開曼)有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9926.HK), and a joint company secretary at Cryofocus Medtech (Shanghai) Co., Ltd. (康灃生物科技(上海)股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6922.HK) and Luxshare Precision Industry Co., Ltd. (立訊精密工業股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2475.HK) and listed on the Shenzhen Stock Exchange (stock code: 002475.SZ).

Ms. Leung obtained a master of laws majoring in corporate and financial law from the University of Hong Kong in July 2024 and graduated from University of South Australia in Australia with a bachelor's degree in business (administrative management) in April 2004. Ms. Leung has been an associate member of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and an associate member of The Chartered Governance Institute in the United Kingdom since October 2009.

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, our Company has established four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

Our Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to coordinate internal and external audits and review the financial information of our Group, oversee and evaluate the internal control systems of our Group, and exercise the powers and functions of the supervisory committee under the PRC Company Law. The Audit Committee consists of three members, namely Prof. Yang Gongsui, Ms. Liu Yuan and Mr. Yuan Chenjie. Prof. Yang Gongsui is the chairperson of the Audit Committee and is our independent non-executive Director who possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

Our Company has established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to formulate appraisal standards for our Directors and senior management, conduct appraisals, and formulate and review the remuneration policies and proposals for our Directors and senior management. The Remuneration and Appraisal Committee consists of three members, namely Ms. Liu Yuan, Prof. Yang Gongsui, and Mr. Song Lai. Ms. Liu Yuan is the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

Our Company has established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to establish the selection criteria and procedures for our Directors and senior management, review the structure, size and composition of our Board, assess the independence of our independent non-executive Directors, assess candidates and make recommendations to our Board. The Nomination Committee consists of three members, namely Mr. Pan Guangcheng, Ms. Liu Yuan and Mr. Gao Yuankun. Mr. Pan Guangcheng is the chairperson of the Nomination Committee.

Strategy Committee

Our Company has established a Strategy Committee in accordance with the Articles of Association. The primary duties of the Strategy Committee are to review and formulate our Company's long-term development strategies and major investment decisions, review matters relating to our Company's sustainable development and environmental, social and governance (ESG) matters, and make recommendations to our Board. The Strategy Committee consists of three members, namely Mr. Pan Guangcheng, Mr. Gao Yuankun and Mr. Song Lai. Mr. Pan Guangcheng is the chairperson of the Strategy Committee.

BOARD DIVERSITY

We have adopted our board diversity policy (the "**Board Diversity Policy**") which sets out the objectives and approaches to achieve and maintain diversity on our Board. Our Board Diversity Policy provides that our Company should endeavor to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support sustainable and balanced development.

We seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and contribution which the selected candidates are expected to bring to our Board. Our Nomination Committee is delegated by our Board to be responsible for monitoring our compliance with the relevant code provisions governing board diversity under the Corporate Governance Code. After [REDACTED], our Nomination Committee will review our Board Diversity Policy from time to time to ensure its continued effectiveness, develop and review measurable objectives for implementing our Board Diversity Policy, and monitor the progress on achieving these measurable objectives. We will disclose the implementation of our Board Diversity Policy and the progress on achieving these measurable objectives in our corporate governance report on an annual basis.

Upon [REDACTED], our Board comprises of eight members, including two executive Directors, two non-executive Directors and four independent non-executive Directors. Our Directors have a balanced mix of experiences, including knowledge and experiences in materials science, business administration, legal and finance in addition to industry experience relevant to our Group's operations and business. Our Directors' age ranges from 44 to 76, and we have both male and female representatives on our Board. After due consideration, our Board believes that based on the meritocracy of our Directors, the composition of our Board satisfies our Board Diversity Policy.

WAIVERS GRANTED BY THE STOCK EXCHANGE

We have applied to the Stock Exchange for[, and the Stock Exchange has granted,] (i) a waiver from strict compliance with the requirement of Rules 8.12 and 19A.15 of the Listing Rules in relation to the requirement of management presence in Hong Kong; and (ii) a waiver from strict compliance with the requirement of Rules 3.28 and 8.17 of the Listing Rules in relation to the academic or professional qualifications of our Company's joint company secretaries. For details of the waiver, see "Waivers from Strict Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance."

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance, which are crucial to our development, and safeguard the interests of our Shareholders. Our Company intends to comply with all code provisions in the Corporate Governance Code after [REDACTED].

SHARE INCENTIVE SCHEME

In order to incentivize our Directors, senior management and core technical personnel for their contribution to our Group and to attract and retain talented personnel for our Group, we adopted the 2026 Restricted Share Incentive Scheme on March 16, 2026. For further details, see "Statutory and General Information — D. 2026 Restricted Share Incentive Scheme."

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive remuneration including fees, salaries, wages and bonuses, retirement benefits, housing fund and other benefits.

For the years ended December 31, 2023, 2024 and 2025, the total amount of remuneration paid to our Directors were RMB4.2 million, RMB3.1 million and RMB2.9 million, respectively.

For the years ended December 31, 2023, 2024 and 2025, there were four, three and two Directors among the five highest paid individuals, respectively. The total emoluments for the remaining one, two and three individuals among the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 were RMB0.5 million, RMB1.4 million and RMB2.4 million, respectively.

It is estimated that the aggregate remuneration payable to our Directors for the year ending December 31, 2026 to be approximately RMB1.8 million.

No remuneration was paid by our Company to our Directors and senior management 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 our Directors or senior management had waived or agreed to waive any remuneration during the Track Record Period. Save as disclosed above, during the Track Record Period, no other amounts shall be paid or payable by us or any of our subsidiaries to our Directors and senior management or the five highest paid individuals.

For further details, see Note 10 of the Accountants' Report as set out in Appendix I.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he/she (i) has obtained the legal advice referred to in Rule 3.09D of the Listing Rules in September 2026, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his/her independence with regard to each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his/her independence at the time of his or her appointment.

Rule 8.10 of the Listing Rules

Each of our Directors (other than the independent non-executive Directors) confirms that as of the Latest Practicable Date, he/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.

COMPLIANCE ADVISOR

We have appointed Lego Corporate Finance Limited as our compliance advisor (the "**Compliance Advisor**") upon [REDACTED] of our Shares on the Stock Exchange in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will provide advice to us when consulted by us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or [REDACTED] volume of our Shares, the possible development of a false market in our Shares, or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment of the Compliance Advisor shall commence on the [REDACTED] and end on the date on which our Company distributes its annual report in respect of its financial results for the first full financial year commencing after the [REDACTED].

So far as our Directors are aware, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the following persons will have interests or short positions in the Shares or underlying Shares of our Company which are required to be disclosed to our Company and the Stock Exchange pursuant to 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 any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company:

Shareholder/ Ultimate Shareholder	Nature of Interest	Class and number of Shares directly or indirectly held[4]	Approximate % of shareholding in our A Shares as of the Latest Practicable Date[5]	Approximate % of shareholding in our A Shares immediately after the [REDACTED][5]	Approximate % of shareholding in the total share capital of our Company immediately after the [REDACTED][5]
Mr. Gao	Interest in controlled corporation[1]	68,895,461 A Shares	25.75%	25.75%	[REDACTED]%
Linuo Group	Interest in controlled corporation[1]	68,895,461 A Shares	25.75%	25.75%	[REDACTED]%
Linuo Investment Holding	Beneficial owner[1][2]	68,895,461 A Shares	25.75%	25.75%	[REDACTED]%
Ms. Chen Lianna	Interest of spouse[3]	68,895,461 A Shares	25.75%	25.75%	[REDACTED]%

Notes:

(1) As of the Latest Practicable Date, Linuo Investment Holding was held as to 78.87% by Linuo Group, which in turn was held as to 80% by Mr. Gao. By virtue of the SFO, each of Linuo Group and Mr. Gao is deemed to be interested in the Shares held by Linuo Investment Holding.

(2) As of the Latest Practicable Date, 53,930,000 A Shares held by Linuo Investment Holding were pledged to certain PRC commercial banks as collateral.

(3) Ms. Chen Lianna is the spouse of Mr. Gao. By virtue of the SFO, Ms. Chen Lianna is deemed to be interested in the Shares controlled by Mr. Gao.

(4) All interest stated are long positions in the Shares.

(5) The calculation is based on the total number of [REDACTED] Shares, consisting of 267,536,615 A Shares and [REDACTED] H Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]). The calculation of the percentage includes 8,082,700 A Shares being held as Treasury Shares which were repurchased by our Company pursuant to the share repurchase plans approved by Shareholders, accounting for approximately 3.02% of the total number of A Shares in issue as of the Latest Practicable Date.

For further information on any person who will be, immediately following completion of the [REDACTED], directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group, see "Statutory and General Information — C. Further Information About Our Directors and Substantial Shareholders — 1. Disclosure of Interest — (b) Interests of Substantial Shareholders" in Appendix IV.

SHARE PLEDGES BY LINUO INVESTMENT HOLDING

Linuo Investment Holding, a member of our Single Largest Group of Shareholders, has from time to time pledged the A Shares it owned to certain PRC commercial banks as collateral in order for Linuo Group, Shandong Linuo Industrial Co., Ltd. (山東力諾實業有限公司), a company wholly-owned by Linuo Group, and Shandong Linuo Paradigma Co., Ltd. (山東力諾瑞特新能源有限公司), a company ultimately controlled by the son of Mr. Gao, (together, the "**Connected Borrowers**") to obtain financing for the purposes of procurement of raw materials and replenishment of working capital. As of the Latest Practicable Date, Linuo Investment Holding pledged 53,930,000 A Shares, representing approximately 20.16% of the total issued Shares of our Company and approximately [REDACTED]% of the issued Shares of our Company immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised, no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], and taking into account 8,082,700 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the share repurchase plans), as collateral in favor of certain PRC commercial banks for credit facilities in the amount of RMB604 million which will continue to subsist after [REDACTED] (the "**Share Pledges**"). To the best knowledge of our Directors having made all reasonable enquiries, (i) the Connected Borrowers possess the financial strength and liquidity to discharge their indebtedness secured by the Share Pledges, and (ii) there have not been any adverse credit records against the Connected Borrowers, in respect of any breach of repayment obligations under their indebtedness. As of the Latest Practicable Date, there have been no defaults, disputes or litigation or arbitration cases in relation to the Share Pledges.

Linuo Investment Holding has irrevocably undertaken to our Company that, at any time during the period of 12 months commencing from the [REDACTED] (or, where applicable, the expiry of the relevant statutory lock-up period or the termination date of the relevant regulatory requirements, whichever is later), (i) if there is any risk of default or early repayment under any of its bank borrowings or if there are any circumstances that may give rise to the enforcement of the Share Pledges, Linuo Investment Holding shall take all necessary actions, including but not limited to provision of additional collateral and/or repayment of the relevant indebtedness, to prevent the occurrence of the enforcement of the pledged A Shares. For the avoidance of doubt, the additional pledge or collateral shall not involve the shares, equity, or assets of our Company or its subsidiaries; and (ii) Linuo Investment Holding shall not create any new pledge or any third-party rights over the A Shares it owns. In the event that any re-registration of the Share Pledge is required in connection with the renewal, extension, collateral substitution, or increase in credit facilities upon the maturity of the existing financing, such re-registration shall not constitute a creation of any new share pledge, nor will it increase the number of pledged shares or result in any change of the actual controller of our Company.

In the event that any loss is incurred by our Company or other Shareholders as a result of the non-performance of the abovementioned undertakings, our Single Largest Group of Shareholders shall indemnify and hold harmless our Company or other Shareholders against such loss pursuant to applicable laws.

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, there is no material dispute regarding the aforementioned Share Pledges, and subject to the fulfillment of the relevant undertakings by Linuo Investment Holding, the legal risk of such Share Pledges being subject to compulsory enforcement is relatively low.

IMMEDIATELY BEFORE THE [REDACTED]

As at the Latest Practicable Date, the total issued share capital of our Company was 267,536,615 A Shares of nominal value of RMB1.00 each, which are all listed on the ChiNext of the Shenzhen Stock Exchange.

Description of Shares	Number of Shares	Approximate % of issued share capital
A Shares in issue*(Note)*	267,536,615	100%

Note: Including 8,082,700 A Shares being held as Treasury Shares which were repurchased by our Company pursuant to the share repurchase plans approved by Shareholders, accounting for approximately 3.02% of the total number of A Shares in issue as of the Latest Practicable Date.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised and that there will be no change in the total issued share capital of our Company other than the [REDACTED], the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
A Shares in issue*(Note)*	267,536,615	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%

Note: Including 8,082,700 A Shares being held as Treasury Shares which were repurchased by our Company pursuant to the share repurchase plans approved by Shareholders, accounting for approximately 3.02% of the total number of A Shares in issue as of the Latest Practicable Date.

Immediately following the completion of the [REDACTED], assuming that the [REDACTED] is exercised in full and that there will be no change in the total issued share capital of our Company other than the [REDACTED], the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
A Shares in issue*(Note)*	267,536,615	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%

Note: Including 8,082,700 A Shares being held as Treasury Shares repurchased by our Company pursuant to the share repurchase plans approved by the Shareholders, accounting for approximately 3.02% of the total number of A Shares in issue as of the Latest Practicable Date.

OUR SHARES

Our H Shares in issue upon completion of the [REDACTED], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between Chinese mainland and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be [REDACTED] for or [REDACTED] by Hong Kong and other overseas [REDACTED] and qualified domestic institutional [REDACTED]. If our H Shares are eligible [REDACTED] under the Southbound Trading Link, they can also be [REDACTED] for and [REDACTED] by mainland Chinese [REDACTED] in accordance with the rules and limits of Shenzhen-Hong Kong Stock Connect or Shanghai-Hong Kong Stock Connect.

RANKING

Our H Shares and A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of A Shares will receive dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the [REDACTED] of our A Shares and our H Shares may be different after the [REDACTED]. 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》) announced by the CSRC are not applicable to companies dual-listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to [REDACTED] H Shares and seek the [REDACTED] of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at extraordinary general meeting of our Company held on September 16, 2026 and is subject to the following conditions:

(i) **Size of the [REDACTED]**. The proposed number of H Shares to be [REDACTED] shall not exceed [REDACTED]% of the total issued share capital enlarged by the H Shares to be [REDACTED] pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be [REDACTED] pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED]% of the number of H Shares to be [REDACTED] initially under the [REDACTED].

(ii) **Method of [REDACTED]**. The method of [REDACTED] shall be by way of an [REDACTED] to institutional [REDACTED] and a [REDACTED] for [REDACTED] in Hong Kong.

(iii) **Target [REDACTED]**. The H Shares shall be [REDACTED] to overseas institutional [REDACTED], enterprise and individual [REDACTED], as well as qualified domestic [REDACTED] and other [REDACTED] who are approved by mainland Chinese regulatory bodies to [REDACTED] abroad.

(iv) **[REDACTED] basis.** The [REDACTED] of the H Shares will be determined, among others, after due consideration of the interests of existing shareholders of our Company and the domestic and overseas capital market conditions, according to international practice, through the demands for orders and book building process, and adopting a market-oriented [REDACTED] method.

(v) **Validity period**. The [REDACTED] of H Shares and [REDACTED] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the extraordinary general meeting was held on September 16, 2026 (the "**Validity Period**"), which will be automatically extended until completion of the [REDACTED] (including any exercise of the [REDACTED]), if our Company obtains the approval from the relevant regulatory authorities for the [REDACTED] and [REDACTED] of H Shares within the Validity Period.

There are no other approved [REDACTED] plans for our Shares except the [REDACTED].

SHAREHOLDERS' GENERAL MEETINGS

For details of the circumstances under which a Shareholders' general meeting is required, see "Summary of the Articles of Association — Shareholders and General Meetings" in Appendix III.

SHARE SCHEMES

Certain employees of our Company or our subsidiaries are eligible to subscribe for the interests in our Shares under the 2026 Restricted Share Incentive Scheme. For details of our 2026 Restricted Share Incentive Scheme, see "Statutory and General Information — D. 2026 Restricted Share Incentive Scheme" in Appendix IV.

*You should read the following discussion and analysis in conjunction with our consolidated financial statements, including the notes thereto, as set forth in the Accountants' Report in Appendix I and the Unaudited Interim Condensed Consolidated Financial Information in Appendix IA to this document. You should read the entire Accountants' Report in Appendix I and Unaudited Interim Condensed Consolidated Financial Information in Appendix IA to this document and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with International Financial Reporting Standards (the "**IFRS**"), which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States.*

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 trends, current conditions and expected future developments, as well as 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. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Forward-looking Statements" in this document.

OVERVIEW

We are an established borosilicate technical glass provider in China. We specialize in developing, producing and selling borosilicate pharmaceutical glass packaging and household heat-resistant glass for applications in the pharmaceutical, biotech, food and beverage and daily housewares industries. According to Frost & Sullivan, in terms of sales revenue in 2025, we ranked ninth in China's pharmaceutical glass packaging market, with a market share of 2.4%. In the household heat-resistant glass market, according to Frost & Sullivan, we ranked first in China and second globally, with market shares of 9.5% and 5.1%, respectively. We maintain a diversified customer base spanning both domestic and overseas markets. We seek to continuously enhance our existing offerings of pharmaceutical glass packaging and household heat-resistant glass while focusing on developing new products with higher value-added features and significant market potential.

During the Track Record Period, we recorded revenue of RMB947.4 million, RMB1,080.8 million, RMB981.5 million, RMB498.7 million and RMB672.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our gross profit and gross profit margin were RMB157.1 million, RMB193.1 million, RMB196.8 million, RMB102.8 million and RMB144.1 million and 16.6%, 17.9%, 20.1%, 20.6% and 21.4% for the same periods, respectively. Our net profit and net profit margin were RMB65.9 million, RMB66.1 million, RMB39.7 million, RMB41.0 million and RMB31.2 million and 7.0%, 6.1%, 4.0%, 8.2% and 4.6% for the same periods, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by general factors relating to the pharmaceutical glass packaging and household heat-resistant glass industries, including macroeconomic conditions, downstream market demand, industry competition, regulatory and trade policies, technological developments and fluctuations in raw material and energy prices. In addition, we believe the following company-specific factors have affected and are expected to continue to affect our results of operations.

Market Demand and Industry Dynamics and Our Ability to Capture Industry Growth Opportunities

We generate substantially all of our revenue from pharmaceutical glass packaging and household heat-resistant glass. Demand for our pharmaceutical glass packaging is principally affected by the development of the pharmaceutical industry, pharmaceutical production volumes and regulatory requirements relating to the safety and quality of pharmaceutical packaging materials. The pharmaceutical glass packaging industry is undergoing a shift towards medium borosilicate glass and other higher-quality pharmaceutical packaging materials, driven by increasingly stringent requirements for drug safety, packaging compatibility and production quality. According to Frost & Sullivan, the global pharmaceutical glass packaging market is projected to grow from RMB76.3 billion in 2026 to RMB86.9 billion in 2030, representing a CAGR of 3.2%, supported by global population aging, the development of biologics and high-value injectables, and improved access to medicines in emerging markets. It is anticipated that the industry transition may create additional market opportunities. On the other hand, volume-based procurement, medical insurance cost control and fluctuations in downstream pharmaceutical demand may adversely affect our sales volume, pricing and product mix.

Specifically, healthcare reform policies have affected, and may continue to affect, our pharmaceutical glass packaging business, with their impact primarily on our tubular glass vials. Continued tightening of medical insurance cost control may weaken downstream pharmaceutical demand and cause customers to reduce procurement, thereby affecting our sales volume. Centralized procurement policies may have mixed effects on our business. While lower pharmaceutical product prices may generally create cost pressure that is transmitted along the value chain and place downward pressure on the selling prices of our products, successful bids by certain customers may increase their production and deliveries, thereby driving demand for our products and supporting our sales volume. Changes in sales volume and selling prices resulting from these policies may therefore have direct effects on our revenue and gross profit margin. Accordingly, the scope and implementation of these policies, our customers' bidding results, changes in downstream pharmaceutical demand and our ability to respond through customer development and product portfolio optimization may materially affect our revenue, profitability and results of operations.

Demand for our household heat-resistant glass is primarily affected by consumer demand for household glassware and kitchenware, procurement by our customers and demand in overseas markets. Changes in consumer preferences, product replacement cycles and the procurement plans of our major customers may therefore affect the sales volume and average selling prices of such products. The household heat-resistant glass industry is currently benefiting from the increasing adoption of borosilicate technical glass in food storage, cooking and kitchen appliance applications, supported by rising consumer preferences for food-contact safety, thermal performance, ease of cleaning and product durability. According to Frost & Sullivan, the global household heat-resistant glass market is projected to grow from RMB12.4 billion in 2026 to RMB15.0 billion in 2030, representing a CAGR of 4.8%, supported by product renewal and quality upgrading in European and American markets, as well as increasing penetration of heat-resistant kitchenware and tableware in emerging markets.

Across both principal business lines, our ability to capture these industry growth opportunities depends in part on our ability to develop and commercialize products that respond to evolving industry and customer requirements. In particular, our ability to develop customized and higher value-added products, complete applicable customer qualification and validation procedures, and achieve market acceptance and commercial-scale sales may affect our revenue growth and profitability.

Our Ability to Maintain Customer Relationships and Expand Our Market Presence

Our ability to maintain relationships with existing customers and develop new customers is important to our revenue growth. For pharmaceutical glass packaging, customers generally conduct product qualification, compatibility assessment and other verification procedures before adopting our products and typically do not change suppliers frequently. Our ability to secure additional orders therefore depends on our product quality, supply stability, responsiveness and successful completion of customer qualification procedures for new products or with new customers.

For household heat-resistant glass, we have established long-term relationships with a number of domestic and international consumer product brands. Our ability to respond to customers' product development requirements and deliver high-quality products in a timely manner is important to maintain and expand these relationships.

Across both principal business lines, we seek to expand our customer base and market presence through targeted sales and marketing efforts, including overseas market development. We organize our sales teams by product and geographic market and identify potential customers through industry exhibitions, referrals, online platforms, social media and direct customer visits. We maintain regular communication with existing and potential customers to understand their product requirements and coordinate internal resources for product development, order fulfillment and customer service. Our revenue generated from overseas markets increased from RMB185.2 million in 2023 to RMB208.3 million in 2024 and RMB242.9 million in 2025, and further increased from RMB100.1 million in the six months ended June 30, 2025 to RMB215.3 million during the same period in 2026, as we have continuously expanded customer base and sales channels and increased sales of household heat-resistant glass in overseas markets during the Track Record Period. Our overseas sales and profitability may be affected by international trade tensions, changes in trade policies, including tariffs and export tax refund policies, and fluctuations in foreign exchange rates. Our future growth will be affected by our ability to expand customer coverage, deepen cooperation with existing customers, complete customer qualification and product validation procedures, and convert customer development opportunities into commercial orders.

Raw Material and Energy Costs and Our Ability to Control Costs

Our cost of sales is significantly affected by the prices of raw materials and energy. Our principal raw materials include borax, boric acid, quartz sand and borosilicate glass tubes, while our principal energy sources include electricity and natural gas. The prices and availability of these inputs may be affected by market supply and demand, inflation, international trade conditions and other factors beyond our control. In addition, we rely on imports for a significant portion of certain key raw materials, including borax and boric acid. As a result, their purchase prices may be subject to fluctuations in international market prices, foreign exchange rates, transportation costs and trade conditions. Any material increase in the prices of these raw materials could increase our cost of sales and affect our profitability and results of operations.

Our ability to maintain profitability depends on our ability to manage procurement costs, improve material utilization and pass cost increases on to customers where commercially feasible. We seek to mitigate cost fluctuations by maintaining stable relationships with key suppliers, diversifying our supplier base, planning procurement based on production requirements, improving production efficiency and adjusting product prices after taking into account market conditions and customer arrangements.

Our Ability to Optimize Our Product Portfolio and Commercialize New Products

Our product portfolio and product mix affect our revenue, average selling prices per unit/ton and gross profit margin, as our products have different pricing and profitability profiles. We seek to enhance our existing offerings of pharmaceutical glass packaging and household heat-resistant glass while developing new products with broader applications and higher value-added features. For example, we have successfully commenced mass production of a series of new products, including RTU and PFS, which we believe will broaden our revenue base and enhance our profitability in the long term as their sales scale up. Leveraging our capabilities in glass formulation, melting and forming processes and precision manufacturing, we are also developing glass sheets for semiconductor packaging, functional glass-ceramics and other applications of technical glass. Many of these products remain at the laboratory development, pilot production or customer validation stage and have not yet generated material revenue. In June 2026, the pilot furnace at our Glass New Materials Innovation Incubation Center was ignited and preliminary trial production for glass sheets for semiconductor packaging commenced.

The successful commercialization of our new products depends on technological development, process optimization, customer qualification, regulatory registration or filing, market acceptance and our ability to achieve stable and cost-efficient mass production. Accordingly, the progress and commercial success of our new products may affect our product mix, profitability and results of operations.

Our Production Capacity, Utilization, Inventory and Operational Efficiency

Our ability to align production capacity with market demand and improve operational efficiency directly affects our average unit production costs and profitability. As glass furnaces generally operate continuously after ignition, we are required to formulate production and inventory plans based on expected customer demand while maintaining an appropriate level of production flexibility. We have strengthened coordination between production and sales by aligning production schedules with customer orders, delivery plans and finished goods inventory levels, thereby improving order fulfillment efficiency and reducing the aging of finished goods. Maintaining appropriate levels of raw materials and finished goods enables us to ensure production continuity, fulfill customer orders in a timely manner and mitigate the impact of raw material price increases and supply fluctuations. However, if actual product demand falls below our expectations or the ramp-up of new production capacity is delayed, we may experience lower capacity utilization, higher unit costs and inventory accumulation, which may tie up working capital and increase inventory impairment risk. Given the relatively high levels of inventories during the Track Record Period, any material mismatch between production and customer demand could have a greater impact on our working capital and profitability. Conversely, insufficient production capacity or inventory may constrain our ability to fulfill customer orders.

We have continued to upgrade our production equipment, optimize mold designs and enhance automation and intelligent manufacturing. These measures have improved our production efficiency, product yield, equipment stability and molten glass utilization, thereby reducing material consumption and production costs. In addition, during the Track Record Period, our operating expenses, including general and administrative expenses, selling and marketing expenses and research and development expenses, consistently increased, primarily reflecting upfront investments in market development, management capabilities and product R&D. Our results of operations and profitability will continue to depend on our ability to improve operating leverage and realize economies of scale as our business expands, while effectively utilizing existing and newly added production capacity and realizing the expected benefits from our production upgrades.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with IFRS and is presented in RMB unless otherwise stated. We have adopted all applicable new and revised IFRS to the Track Record Period, except for any new and revised or amended standards that are not yet effective for the accounting period beginning on January 1, 2027. See Note 2 to the Accountants' Report included in Appendix I and the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document for details on our basis of preparation and presentation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that we believe are most significant in the preparation of our consolidated financial statements. Some of the accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Our management continuously evaluates such estimates, assumptions and judgments based on past experience, industry practices, and expectations of future events that are deemed reasonable under the circumstances. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

Our significant accounting policies and estimates, which are important for understanding our results of operations and financial condition, are set forth in Notes 4 and 46 to the Accountants' Report included in Appendix I and Note 2.2 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Revenue	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**
Cost of sales	(790,272)	(83.4)	(887,760)	(82.1)	(784,682)	(79.9)	(395,945)	(79.4)	(528,796)	(78.6)
Gross profit	**157,096**	**16.6**	**193,082**	**17.9**	**196,790**	**20.1**	**102,782**	**20.6**	**144,133**	**21.4**
General and administrative expenses	(32,282)	(3.4)	(43,071)	(4.0)	(58,385)	(5.9)	(21,286)	(4.3)	(35,274)	(5.2)
Selling and marketing expenses	(39,491)	(4.2)	(48,491)	(4.5)	(61,709)	(6.3)	(26,710)	(5.4)	(50,891)	(7.6)
Research and development expenses	(30,132)	(3.2)	(33,797)	(3.1)	(34,366)	(3.5)	(16,031)	(3.2)	(19,435)	(2.9)
Net impairment losses on financial assets	(2,864)	(0.3)	(1,552)	(0.1)	(1,847)	(0.2)	(1,056)	(0.2)	(3,707)	(0.6)
Other income	11,144	1.2	9,949	0.9	19,039	1.9	11,472	2.3	6,681	1.0
Other gains, net	7,848	0.8	10,564	1.0	5,195	0.5	5,631	1.1	3,317	0.5
Operating profit	**71,319**	**7.5**	**86,684**	**8.0**	**64,717**	**6.6**	**54,802**	**11.0**	**44,824**	**6.7**
Finance income	4,403	0.5	6,507	0.6	3,090	0.3	1,871	0.4	1,016	0.2
Finance costs	(9,035)	(1.0)	(25,806)	(2.4)	(26,742)	(2.7)	(13,159)	(2.7)	(7,079)	(1.1)
Finance costs, net	(4,632)	(0.5)	(19,299)	(1.8)	(23,652)	(2.4)	(11,288)	(2.3)	(6,063)	(0.9)
Share of net profit of investments in associates	6,120	0.6	4,064	0.4	8,154	0.8	2,810	0.6	2,407	0.4
Profit before income tax	**72,807**	**7.7**	**71,449**	**6.6**	**49,219**	**5.0**	**46,324**	**9.3**	**41,168**	**6.1**
Income tax expense	(6,889)	(0.7)	(5,381)	(0.5)	(9,559)	(1.0)	(5,357)	(1.1)	(10,011)	(1.5)
Profit for the year/period	**65,918**	**7.0**	**66,068**	**6.1**	**39,660**	**4.0**	**40,967**	**8.2**	**31,157**	**4.6**

Non-IFRS Financial Measure

We use adjusted net profit, a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net profit (non-IFRS measure) helps identify underlying trends in our business, provides useful information about our results of operations, and enhances the overall understanding of our past performance and future prospects.

Adjusted net profit (non-IFRS measure) should not be considered in isolation or construed as an alternative to profit for the period or any other measure of performance or as an indicator of our operating performance. Adjusted net profit (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage [REDACTED] and others to review our financial information in its entirety and not rely on a single financial measure.

Adjusted net profit (non-IFRS measure) represents net profit for the period excluding share-based compensation expenses, which are non-cash in nature. We believe that this non-IFRS measure facilitates comparisons of our operating performance across periods by eliminating the potential impact of an item that our management does not consider indicative of our underlying operating performance. The following table sets forth a reconciliation of our profit for the period to adjusted net profit (non-IFRS measure) for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Profit for the year/period	**65,918**	**66,068**	**39,660**	**40,967**	**31,157**
Add:					
Share-based compensation expenses	—	—	—	—	14,680
Adjusted net profit (non-IFRS measure)	**65,918**	**66,068**	**39,660**	**40,967**	**45,837**

DISCUSSION OF MAJOR PROFIT OR LOSS ITEMS

Revenue

By business line

During the Track Record Period, we generated revenue primarily from (i) pharmaceutical glass packaging, including tubular glass vials, molded glass vials and other pharmaceutical glass packaging products, including RTU, PFS and borosilicate glass tubes, (ii) household heat-resistant glass, including heat-resistant glass tableware, glass turntable and other heat-resistant glass products, and (iii) others, primarily including sales of surplus raw materials, molds and scrap materials. The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Pharmaceutical glass packaging	**405,980**	**42.9**	**466,965**	**43.2**	**356,648**	**36.3**	**203,187**	**40.7**	**227,001**	**33.7**
Tubular glass vials	395,010	41.7	444,388	41.1	313,645	32.0	182,215	36.5	174,248	25.9
Molded glass vials	4,311	0.5	15,269	1.4	31,198	3.2	15,380	3.1	30,163	4.5
Other pharmaceutical glass packaging products	6,659	0.7	7,308	0.7	11,805	1.1	5,592	1.1	22,590	3.3
Household heat-resistant glass	**518,413**	**54.7**	**587,818**	**54.4**	**609,434**	**62.1**	**284,362**	**57.0**	**436,109**	**64.8**
Others	**22,975**	**2.4**	**26,059**	**2.4**	**15,390**	**1.6**	**11,178**	**2.3**	**9,819**	**1.5**
Total	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue generated from pharmaceutical glass packaging accounted for 42.9%, 43.2%, 36.3%, 40.7% and 33.7% of our total revenue, respectively, while our revenue generated from household heat-resistant glass accounted for 54.7%, 54.4%, 62.1%, 57.0% and 64.8% of our total revenue, respectively. The lower revenue contribution from pharmaceutical glass packaging in 2025 was primarily due to lower revenue from tubular glass vials, while the decrease in the six months ended June 30, 2026 was primarily due to the faster revenue growth of household heat-resistant glass.

Within our pharmaceutical glass packaging business, our revenue from tubular glass vials as a percentage of our total revenue decreased from 41.1% in 2024 to 32.0% in 2025, and from 36.5% in the six months ended June 30, 2025 to 25.9% during the same period in 2026. Such decreases were primarily due to lower sales volume amid weaker downstream demand resulting from continued tightening of medical insurance cost control and lower average selling prices following the implementation of centralized procurement policies, particularly in 2025. By contrast, our revenue from molded glass vials as a percentage of our total revenue increased during the Track Record Period, primarily as their Class A registrations were completed in 2024 and more customers subsequently completed their validation procedures, supporting increased commercial sales. Our revenue from other pharmaceutical glass packaging products as a percentage of our total revenue increased beginning in 2025, primarily driven by the commencement of mass production and increased commercial sales of our RTU.

The increase in revenue contribution from household heat-resistant glass in 2025 and the six months ended June 30, 2026 was primarily due to higher sales volume driven by the expansion of our customer base and sales channels, particularly in overseas markets, and growing market demand for borosilicate technical glass, as well as higher average selling prices in the six months ended June 30, 2026.

By geographic location

In terms of geographic coverage, we generate revenue mainly from the sales in Chinese mainland. During the Track Record Period, our revenue from overseas markets was primarily derived from sales of household heat-resistant glass. The following table sets forth a breakdown of our revenue by geographic location, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Chinese mainland	762,151	80.4	872,588	80.7	738,564	75.3	398,598	79.9	457,630	68.0
Overseas[(1)]	185,217	19.6	208,254	19.3	242,908	24.7	100,129	20.1	215,299	32.0
Total	**947,368**	**100.0**	**1,080,842**	**100.0**	**981,472**	**100.0**	**498,727**	**100.0**	**672,929**	**100.0**

Note:

(1) Primarily includes the markets in the U.S., Australia, Japan and South Korea.

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue generated from overseas markets was RMB185.2 million, RMB208.3 million, RMB242.9 million, RMB100.1 million and RMB215.3 million, accounting for 19.6%, 19.3%, 24.7%, 20.1% and 32.0% of our total revenue, respectively. The increase in revenue contribution from overseas markets in 2025 and the six

months ended June 30, 2026 was primarily driven by increased sales of household heat-resistant glass in line with growing overseas market demand, as we expanded our overseas customer base and sales channels through targeted marketing activities, industry exhibitions and direct customer outreach.

The following table sets forth the sales volume and average selling price of our core products for the periods indicated. For tubular and molded glass vials, sales volume is presented in million units and average selling price is presented in RMB per unit; for household heat-resistant glass, sales volume is presented in tons and average selling price is presented in RMB per ton.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton	Sales volume	Average selling price per unit/per ton
	(million units/tons)	*(RMB)*	*(million units/tons)*	*(RMB)*	*(million units/tons)*	*(RMB)*	*(million units/tons)*	*(RMB)*	*(million units/tons)*	*(RMB)*
Pharmaceutical glass packaging										
Tubular glass vials	3,350	0.12	4,036	0.11	3,199	0.10	1,847	0.10	1,714	0.10
Molded glass vials	17	0.25	26	0.59	92	0.34	26	0.58	78	0.39
Household heat-resistant glass	**57,706**	**8,984**	**66,958**	**8,779**	**68,030**	**8,958**	**32,684**	**8,700**	**43,960**	**9,920**

Other pharmaceutical glass packaging products primarily include RTU, PFS and borosilicate glass tubes, as well as various ancillary pharmaceutical packaging products and components, spanning a broad range of product types and price points. During the Track Record Period, the selling prices of our RTU, PFS and borosilicate glass tubes generally ranged from RMB1.0 to RMB17.7 per unit, RMB1.9 to RMB8.3 per unit and RMB2.9 to RMB11.5 per unit, respectively, depending on their specifications and configurations.

Cost of Sales

Our cost of sales primarily consists of (i) materials cost, which was the largest component of our cost of sales during the Track Record Period, mainly representing the cost of raw materials such as borax, boric acid, quartz sand and borosilicate glass tubes, (ii) manufacturing expenses, mainly representing energy, logistics and repair and maintenance expenses, (iii) labor costs, mainly representing salaries, wages, benefits and share-based compensation of our production personnel, (iv) depreciation and amortization, mainly related to our production facilities and equipment, (v) impairment loss on inventories, and (vi) others.

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Materials cost	416,318	52.7	454,480	51.2	388,445	49.5	196,576	49.6	275,157	52.0
Manufacturing expenses	194,067	24.6	209,324	23.6	189,526	24.2	95,274	24.1	121,952	23.1
Labor costs	98,425	12.5	115,591	13.0	98,515	12.6	50,321	12.7	61,538	11.6
Depreciation and amortization	71,478	9.0	93,869	10.6	95,832	12.2	48,456	12.2	60,342	11.4
Impairment loss on inventories	5,561	0.7	9,516	1.1	8,453	1.1	3,477	0.9	7,411	1.4
Others	4,423	0.5	4,980	0.5	3,911	0.4	1,841	0.5	2,396	0.5
Total	**790,272**	**100.0**	**887,760**	**100.0**	**784,682**	**100.0**	**395,945**	**100.0**	**528,796**	**100.0**

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded gross profit of RMB157.1 million, RMB193.1 million, RMB196.8 million, RMB102.8 million and RMB144.1 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing gross profit margins of 16.6%, 17.9%, 20.1%, 20.6% and 21.4%, respectively, during the same periods.

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit	Gross Profit Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Pharmaceutical glass packaging	**91,156**	**22.5**	**100,437**	**21.5**	**62,821**	**17.6**	**37,575**	**18.5**	**43,560**	**19.2**
Tubular glass vials	94,957	24.0	103,345	23.3	60,046	19.1	36,535	20.1	34,455	19.8
Molded glass vials	(2,894)	(67.1)	(2,762)	(18.1)	2,389	7.7	1,491	9.7	3,443	11.4
Other pharmaceutical glass packaging products	(907)	(13.6)	(146)	(2.0)	386	3.3	(451)	(8.1)	5,662	25.1
Household heat-resistant glass	**63,159**	**12.2**	**84,933**	**14.4**	**126,276**	**20.7**	**60,338**	**21.2**	**96,752**	**22.2**
Others	**2,781**	**12.1**	**7,712**	**29.6**	**7,693**	**50.0**	**4,869**	**43.6**	**3,821**	**38.9**
Total	**157,096**	**16.6**	**193,082**	**17.9**	**196,790**	**20.1**	**102,782**	**20.6**	**144,133**	**21.4**

The gross profit margin of our pharmaceutical glass packaging decreased in 2024 and 2025, primarily due to weaker downstream demand amid continued tightening of medical insurance cost control and downward pricing pressure resulting from lower pharmaceutical product prices following the implementation of centralized procurement policies. The impact was partially mitigated by the improvement in the gross profit/(loss) margin of molded glass vials, which gradually improved from loss-making to profitable during the Track Record Period as commercialization of such products progressed. The gross profit/(loss) margin of our pharmaceutical glass packaging improved in the six months ended June 30, 2026, primarily due to product mix adjustments and increased revenue contribution from new products such as RTU. The gross profit margin of our household heat-resistant glass increased steadily during the Track Record Period, primarily driven by improved production efficiency and molten glass utilization, as well as increased revenue contribution from overseas sales, which generally had higher gross profit margins.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee salaries and benefits, representing salaries, wages and benefits of our administrative and management personnel, (ii) share-based compensation expenses relating to our administrative and management personnel, (iii) depreciation and amortization, mainly related to our administrative offices, electronic equipment, land use rights and software, (iv) office expenses, mainly related to our routine office operations, (v) taxes and surcharges, primarily levied with reference to the scale of our operations, (vi) professional service expenses, mainly representing fees paid to external professional advisors for consulting and auditing services, as well as application support and assessment services in connection with certain government grants, and (vii) others.

The following table sets forth a breakdown of our general and administrative expenses by nature, in absolute amounts and as a percentage of our total general and administrative expenses, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Employee salaries and benefits	13,266	41.1	17,688	41.1	23,607	40.4	10,053	47.2	12,149	34.4
Share-based compensation expenses	—	—	—	—	—	—	—	—	6,583	18.7
Depreciation and amortization	6,625	20.5	4,627	10.7	7,947	13.6	3,194	15.0	4,857	13.8
Office expenses	5,418	16.8	4,974	11.5	8,389	14.4	3,601	16.9	3,365	9.5
Taxes and surcharges	3,921	12.1	4,215	9.8	4,880	8.4	2,392	11.2	2,671	7.6
Professional service expenses	1,392	4.3	9,538	22.1	10,004	17.1	1,124	5.3	2,148	6.1
Others	1,660	5.2	2,029	4.8	3,558	6.1	922	4.4	3,501	9.9
Total	**32,282**	**100.0**	**43,071**	**100.0**	**58,385**	**100.0**	**21,286**	**100.0**	**35,274**	**100.0**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee salaries and benefits, representing salaries, wages and benefits of our sales and marketing personnel, (ii) share-based compensation expenses relating to our sales and marketing personnel, (iii) advertising and marketing expenses, mainly relating to the promotion of our sales channels and brands, particularly our e-commerce channels in 2025 and the six months ended June 30, 2026, (iv) sales service fees, mainly representing platform service fees incurred primarily in connection with our e-commerce channels, (v) business development expenses, mainly representing business entertainment and travel expenses for customer development and relationship management, (vi) depreciation and amortization, and (vii) others. In particular, our advertising and marketing expenses and sales service fees increased significantly in the six months ended June 30, 2026 as compared to the same period in 2025, primarily due to increased platform promotion expenses and service fees in connection with the growth of our e-commerce business.

The following table sets forth a breakdown of our selling and marketing expenses by nature, in absolute amounts and as a percentage of our total selling and marketing expenses, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Employee salaries and benefits	20,764	52.6	26,498	54.6	27,937	45.3	15,070	56.4	15,656	30.8
Share-based compensation expenses	—	—	—	—	—	—	—	—	3,872	7.6
Advertising and marketing expenses	6,563	16.6	8,945	18.4	14,667	23.8	4,094	15.3	15,412	30.3
Sales service fee	1,558	3.9	1,278	2.7	2,980	4.8	1,128	4.3	5,704	11.2
Business development expenses	8,006	20.3	9,034	18.6	11,377	18.4	4,739	17.7	5,207	10.2
Depreciation and amortization	449	1.1	490	1.0	1,312	2.1	411	1.5	432	0.8
Others	2,151	5.5	2,246	4.7	3,436	5.6	1,268	4.8	4,608	9.1
Total	**39,491**	**100.0**	**48,491**	**100.0**	**61,709**	**100.0**	**26,710**	**100.0**	**50,891**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee salaries and benefits, representing salaries, wages and benefits of our R&D personnel, (ii) share-based compensation expenses relating to our R&D personnel, (iii) materials expenses, mainly representing materials consumed in our R&D activities, (iv) utility costs, mainly related to utilities consumed in our R&D activities, (v) depreciation and amortization, and (vi) others.

The following table sets forth a breakdown of our research and development expenses by nature, in absolute amounts and as a percentage of our total research and development expenses, for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Employee salaries and benefits	17,690	58.7	21,651	64.1	22,292	64.9	11,406	71.2	11,458	59.0
Share-based compensation expenses	—	—	—	—	—	—	—	—	935	4.8
Materials expenses	6,834	22.7	5,028	14.9	4,150	12.1	1,957	12.2	3,479	17.9
Utility costs	5,272	17.5	4,032	11.9	4,418	12.9	2,118	13.2	2,394	12.3
Depreciation and amortization	305	1.0	2,024	6.0	2,116	6.2	224	1.4	1,122	5.8
Others	31	0.1	1,062	3.1	1,390	3.9	326	2.0	47	0.2
Total	**30,132**	**100.0**	**33,797**	**100.0**	**34,366**	**100.0**	**16,031**	**100.0**	**19,435**	**100.0**

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily represent expected credit losses recognized in respect of our trade and notes receivables and other receivables. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we recorded net impairment losses on financial assets of RMB2.9 million, RMB1.6 million, RMB1.8 million, RMB1.1 million and RMB3.7 million, respectively.

Other Income

Our other income primarily consists of (i) government grants, mainly representing business development subsidies from local governments, (ii) additional deduction for VAT, mainly representing preferential VAT credits available to advanced manufacturing enterprises, and (iii) others.

The following table sets forth a breakdown of our other income for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Government grants	7,287	5,149	14,751	9,170	4,981
Additional deduction for VAT	3,801	4,442	3,735	2,240	1,473
Others	56	358	553	62	227
Total	**11,144**	**9,949**	**19,039**	**11,472**	**6,681**

Other Gains, Net

Our other gains, net primarily consist of (i) net gains on disposal and holding of financial instruments, mainly representing investment returns from wealth management products upon their maturity, redemption or disposal, (ii) net fair value gains on financial assets and liabilities at fair value through profit or loss ("**FVTPL**"), mainly representing changes in the fair value of wealth management

products during the relevant holding periods, (iii) net foreign exchange differences arising from the translation or settlement of foreign currency-denominated balances as a result of fluctuations in exchange rates, (iv) net (losses)/gains on disposal of property, plant and equipment and other long-term assets, mainly arising from the disposal of production equipment, such as glass furnaces, (v) insurance indemnity income, mainly representing insurance indemnity income for damaged property, plant and equipment, and (vi) others.

The following table sets forth a breakdown of our other gains, net for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Net gains on disposal and holding of financial instruments	5,746	7,687	2,256	1,449	214
Net fair value gains on financial assets and liabilities at FVTPL	2,154	1,454	1,667	1,106	482
Net foreign exchange differences	(19)	2,042	(179)	702	(3,577)
Net (losses)/gains on disposal of property, plant and equipment and other long-term assets	(5)	(621)	2,395	2,374	4,388
Insurance indemnity income	—	—	—	—	888
Others	(28)	2	(944)	—	922
Total	**7,848**	**10,564**	**5,195**	**5,631**	**3,317**

Finance Costs, Net

Our finance income consists of interest income from financial assets held for cash management purposes, mainly representing income earned on our bank deposits. Our finance costs consist of (i) interest expenses on lease liabilities, mainly representing the interest component of our lease obligations under lease contracts, (ii) interest expenses on borrowings, (iii) interest expenses on convertible bonds, and (iv) net exchange gains on foreign currency borrowings, mainly arising from foreign currency credit and guaranteed borrowings.

The following table sets forth a breakdown of our finance costs, net for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Finance income:					
Interest income from financial assets held for cash management purposes	4,403	6,507	3,090	1,871	1,016
Finance costs:					
Interest expenses on lease liabilities	(45)	(31)	(197)	(8)	(134)
Interest expenses on borrowings	—	(44)	(2,414)	(508)	(4,051)
Interest expenses on convertible bonds	(8,990)	(25,731)	(24,131)	(12,643)	(3,003)
Net exchange gains on foreign currency borrowings	—	—	—	—	109
Total	**(4,632)**	**(19,299)**	**(23,652)**	**(11,288)**	**(6,063)**

Share of Net Profit of Investments in Associates

Our share of net profit of investments in associates primarily represents the profits attributable to us from our investments in associates. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we recorded share of net profit of investments in associates of RMB6.1 million, RMB4.1 million, RMB8.2 million, RMB2.8 million and RMB2.4 million, respectively.

Income Tax Expense

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate.

Under the EIT Law and the relevant regulations, our PRC subsidiaries are generally subject to EIT at a statutory rate of 25%, except for entities entitled to preferential tax treatment. During the Track Record Period, our Company obtained High and New Technology Enterprise ("**HNTE**") certification and was therefore entitled to a preferential EIT rate of 15% for the three-year period from 2026 to 2028. Certain of our subsidiaries also qualified as Small Low-profit Enterprises (小型微利企業). Under the preferential tax policy effective from January 1, 2023 to December 31, 2027, where the annual taxable income of a qualifying enterprise does not exceed RMB3.0 million, 25% of such taxable income is subject to EIT at a rate of 20%.

During the Track Record Period, our subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at a rate of 8.25% on the first HK$2.0 million of assessable profits and 16.5% on any assessable profits exceeding HK$2.0 million.

We recorded income tax expense of RMB6.9 million, RMB5.4 million, RMB9.6 million, RMB5.4 million and RMB10.0 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, and our effective tax rate (calculated as income tax expense divided by profit before tax) was 9.5%, 7.5%, 19.4%, 11.6% and 24.3%, respectively, for the same periods. The increases in our effective tax rate in 2025 and the six months ended June 30, 2026 were primarily due to increased taxable profits generated by Linuo Technical Glass as its business expanded, which had not obtained HNTE certification and was therefore subject to a higher applicable EIT rate.

In 2025, we paid tax late-payment surcharges of RMB1.4 million following a self-inspection of tax obligations for the period from January 1, 2021 to December 31, 2024, as required by the local tax authority. We had fully settled the relevant tax expenses and late-payment surcharges. As of the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

Our revenue increased by 34.9% from RMB498.7 million in the six months ended June 30, 2025 to RMB672.9 million during the same period in 2026, primarily due to a 53.4% increase in revenue from household heat-resistant glass, together with an 11.7% increase in revenue from pharmaceutical glass packaging.

- ***Pharmaceutical glass packaging.*** Our revenue generated from pharmaceutical glass packaging increased by 11.7% from RMB203.2 million in the six months ended June 30, 2025 to RMB227.0 million during the same period in 2026, primarily due to increases in revenue from (i) other pharmaceutical glass packaging products from RMB5.6 million in the six months ended June 30, 2025 to RMB22.6 million during the same period in 2026, as a result of the continued ramp-up in sales of our RTU following the commencement of mass production, and (ii) molded glass vials from RMB15.4 million in the six months ended June 30, 2025 to RMB30.2 million during the same period in 2026, driven by an increase in sales volume from 26 million units to 78 million units following successful completion of certain

customer validation for our molded glass vials, enabling us to secure orders from both new and existing customers, which was partially offset by a decrease in average selling price from RMB0.58 per unit to RMB0.39 per unit as a result of increased revenue contribution from injection vials, which generally had lower selling prices due to their smaller sizes. The increase was partially offset by a decrease in revenue from tubular glass vials from RMB182.2 million in the six months ended June 30, 2025 to RMB174.2 million during the same period in 2026, as a result of a decrease in sales volume from 1,847 million units to 1,714 million units, primarily due to weaker market demand for certain tubular glass vial products.

- ***Household heat-resistant glass.*** Our revenue generated from household heat-resistant glass increased by 53.4% from RMB284.4 million in the six months ended June 30, 2025 to RMB436.1 million during the same period in 2026, primarily due to increases in (i) sales volume from 32,684 tons to 43,960 tons, mainly driven by (a) our efforts to expand our customer base and sales channels, particularly in overseas markets, and (b) growing market demand for borosilicate technical glass as an alternative to plastic amid stringent environmental and food safety requirements, and (ii) average selling price from RMB8,700 per ton to RMB9,920 per ton, mainly attributable to (a) a higher proportion of overseas sales, which generally command higher selling prices as the products sold overseas typically featured sophisticated designs and additional features, (b) the launch of our own-brand household heat-resistant glass products, which generally had higher selling prices due to their branded positioning, and (c) upward price adjustments due to product optimization.

- ***Others.*** Our revenue generated from others remained relatively stable at RMB11.2 million and RMB9.8 million in the six months ended June 30, 2025 and 2026, respectively.

Cost of sales

Our cost of sales increased by 33.6% from RMB395.9 million in the six months ended June 30, 2025 to RMB528.8 million during the same period in 2026, primarily driven by increases in (i) materials cost of RMB78.6 million, generally in line with higher sales volume, as well as higher prices of certain raw materials, such as borax and borosilicate glass tubes, and (ii) manufacturing expenses of RMB26.7 million, generally in line with higher sales volume.

Gross profit and gross profit margin

Our gross profit increased by 40.2% from RMB102.8 million in the six months ended June 30, 2025 to RMB144.1 million during the same period in 2026. Our overall gross profit margin increased from 20.6% in the six months ended June 30, 2025 to 21.4% during the same period in 2026. Specifically,

- ***Pharmaceutical glass packaging.*** The gross profit of our pharmaceutical glass packaging increased by 15.9% from RMB37.6 million in the six months ended June 30, 2025 to RMB43.6 million during the same period in 2026, generally in line with the increase in revenue. The gross profit margin of our pharmaceutical glass packaging increased from 18.5% in the six months ended June 30, 2025 to 19.2% during the same period in 2026, primarily due to the improved gross profit/(loss) margin of other pharmaceutical glass packaging products from gross loss margin of 8.1% to gross profit margin of 25.1%, primarily driven by increased revenue contribution from RTU, which generally had higher gross profit margins given their higher value-added features. The gross loss margin of 8.1% in the six months ended June 30, 2025 was primarily due to the provision of certain new

products for customer sampling and validation. To a lesser extent, the increase was also attributable to an increase in the gross profit margin of molded glass vials from 9.7% to 11.4% as a result of lower average unit production costs resulting from improved production efficiency and economies of scale as sales increased following successful completion of customer validation for our molded glass vials. The gross profit margin of tubular glass vials remained relatively stable at 20.1% and 19.8% in the six months ended June 30, 2025 and 2026, respectively.

- ***Household heat-resistant glass.*** The gross profit of our household heat-resistant glass increased by 60.4% from RMB60.3 million in the six months ended June 30, 2025 to RMB96.8 million during the same period in 2026, generally in line with the increase in revenue. The gross profit margin of our household heat-resistant glass remained relatively stable at 21.2% and 22.2% in the six months ended June 30, 2025 and 2026, respectively.

- ***Others.*** The gross profit of others decreased by 21.5% from RMB4.9 million in the six months ended June 30, 2025 to RMB3.8 million during the same period in 2026. The gross profit margin of others decreased from 43.6% in the six months ended June 30, 2025 to 38.9% during the same period in 2026, primarily due to decreased revenue contribution from sales of molds and scrap materials, which generally had higher gross profit margins.

General and administrative expenses

Our general and administrative expenses increased by 65.7% from RMB21.3 million in the six months ended June 30, 2025 to RMB35.3 million during the same period in 2026, primarily due to increases in (i) share-based compensation expenses of RMB6.6 million, mainly in relation to restricted Shares granted to our administrative and management personnel, and (ii) others of RMB2.6 million, mainly attributable to increases in various expenses incurred in the ordinary course of business, including business-related handling fees, rental expenses in the U.S., and depreciation of right-of-use assets.

Selling and marketing expenses

Our selling and marketing expenses increased by 90.5% from RMB26.7 million in the six months ended June 30, 2025 to RMB50.9 million during the same period in 2026, primarily due to increases in (i) advertising and marketing expenses of RMB11.3 million, driven by the growth of our e-commerce business, resulting in additional promotional spending on major e-commerce platforms, (ii) sales service fees of RMB4.6 million, mainly attributable to higher service fees charged by e-commerce platforms in line with the growth of our e-commerce sales, and (iii) share-based compensation expenses of RMB3.9 million, mainly in relation to restricted Shares granted to our sales and marketing personnel.

Research and development expenses

Our research and development expenses increased by 21.2% from RMB16.0 million in the six months ended June 30, 2025 to RMB19.4 million during the same period in 2026, primarily due to increases in (i) materials expenses of RMB1.5 million, mainly attributable to materials consumed for new R&D projects, and (ii) share-based compensation expenses of RMB0.9 million, mainly in relation to restricted Shares granted to our R&D personnel.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 251.0% from RMB1.1 million in the six months ended June 30, 2025 to RMB3.7 million during the same period in 2026, primarily driven by the increased gross carrying amount of our trade and notes receivables.

Other income

Our other income decreased by 41.8% from RMB11.5 million in the six months ended June 30, 2025 to RMB6.7 million during the same period in 2026, primarily due to a decrease in government grants of RMB4.2 million.

Other gains, net

Our other gains, net decreased from RMB5.6 million in the six months ended June 30, 2025 to RMB3.3 million during the same period in 2026, primarily because we recorded net foreign exchange losses of RMB3.6 million in the six months ended June 30, 2026, compared with net foreign exchange gains of RMB0.7 million during the same period in 2025, primarily due to the appreciation of the Renminbi against the U.S. dollar.

Finance costs, net

Our finance costs, net decreased by 46.3% from RMB11.3 million in the six months ended June 30, 2025 to RMB6.1 million during the same period in 2026, primarily due to a decrease in interest expenses on convertible bonds of RMB9.6 million, reflecting lower amortization and interest adjustments following the settlement of all our outstanding Convertible Bonds in 2026.

Share of net profit of investments in associates

Our share of net profit of investments in associates decreased by 14.3% from RMB2.8 million in the six months ended June 30, 2025 to RMB2.4 million during the same period in 2026, primarily due to decreased profits of our associates.

Income tax expense

Our income tax expense increased by 86.9% from RMB5.4 million in the six months ended June 30, 2025 to RMB10.0 million during the same period in 2026, primarily due to increased taxable profits generated by Linuo Technical Glass as its business expanded, which had not obtained HNTE certification and was therefore subject to a higher applicable EIT rate.

Profit for the period

As a result of the foregoing, our profit for the period decreased by 23.9% from RMB41.0 million in the six months ended June 30, 2025 to RMB31.2 million during the same period in 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue decreased by 9.2% from RMB1,080.8 million in 2024 to RMB981.5 million in 2025, primarily attributable to a 23.6% decrease in revenue from pharmaceutical glass packaging, partially offset by a 3.7% increase in revenue from household heat-resistant glass.

- ***Pharmaceutical glass packaging.*** Our revenue generated from pharmaceutical glass packaging decreased by 23.6% from RMB467.0 million in 2024 to RMB356.6 million in 2025, primarily due to a decrease in revenue from tubular glass vials from RMB444.4 million in 2024 to RMB313.6 million in 2025, as a result of decreases in (i) sales volume from 4,036

million units to 3,199 million units amid weaker downstream demand for pharmaceutical products attributable to continued tightening of medical insurance cost control in the PRC, and (ii) average selling price from RMB0.11 per unit to RMB0.10 per unit, primarily due to lower pharmaceutical product prices following the implementation of centralized procurement policies, which resulted in downward pressure on the selling prices of our pharmaceutical glass packaging. The decrease was partially offset by increases in revenue from (i) molded glass vials from RMB15.3 million in 2024 to RMB31.2 million in 2025, as a result of an increase in sales volume from 26 million units to 92 million units, driven by the scaled commercialization of our molded glass vials following their Class A registrations, which was partially offset by a decrease in average selling price from RMB0.59 per unit to RMB0.34 per unit, as a result of increased revenue contribution from injection vials, which generally command lower selling prices due to their smaller sizes, and (ii) other pharmaceutical glass packaging products from RMB7.3 million in 2024 to RMB11.8 million in 2025, driven by the commencement of mass production and commercial sales of our RTU.

- ***Household heat-resistant glass.*** Our revenue generated from household heat-resistant glass increased by 3.7% from RMB587.8 million in 2024 to RMB609.4 million in 2025, primarily due to an increase in sales volume from 66,958 tons to 68,030 tons, mainly driven by (i) our efforts to expand our customer base and sales channels, particularly in overseas markets, (ii) growing market demand for borosilicate technical glass as an alternative to plastic amid stringent environmental and food safety requirements, and (iii) our expanded presence across self-operated and third-party e-commerce channels. The average selling price of our household heat-resistant glass remained relatively stable at RMB8,779 per ton and RMB8,958 per ton in 2024 and 2025, respectively.

- ***Others.*** Our revenue generated from others decreased by 40.9% from RMB26.1 million in 2024 to RMB15.4 million in 2025, primarily due to lower sales volume of surplus raw materials.

Cost of sales

Our cost of sales decreased by 11.6% from RMB887.8 million in 2024 to RMB784.7 million in 2025, primarily due to decreases in (i) materials cost of RMB66.0 million, (ii) manufacturing expenses of RMB19.8 million and (iii) labor costs of RMB17.1 million, generally in line with lower sales volume.

Gross profit and gross profit margin

Our gross profit increased by 1.9% from RMB193.1 million in 2024 to RMB196.8 million in 2025. Our overall gross profit margin increased from 17.9% in 2024 to 20.1% in 2025. Specifically,

- ***Pharmaceutical glass packaging.*** The gross profit of our pharmaceutical glass packaging decreased by 37.5% from RMB100.4 million in 2024 to RMB62.8 million in 2025, primarily due to the decrease in revenue. The gross profit margin of our pharmaceutical glass packaging decreased from 21.5% in 2024 to 17.6% in 2025, primarily due to a decrease in the gross profit margin of tubular glass vials, which was the most significant revenue contributor, from 23.3% to 19.1%, as a result of a decrease in average selling price per unit. The decrease was partially offset by an increase in the gross profit/(loss) margin of molded glass vials from gross loss margin of 18.1% to gross profit margin of 7.7%, driven by the scaled commercialization of our molded glass vials following their Class A registrations, as

well as lower average unit production costs resulting from economies of scale. The gross loss margin of 18.1% in 2024 was primarily due to the ongoing provision of products for customer sampling and validation.

- ***Household heat-resistant glass.*** The gross profit of our household heat-resistant glass increased by 48.7% from RMB84.9 million in 2024 to RMB126.3 million in 2025, and the gross profit margin of our household heat-resistant glass increased from 14.4% in 2024 to 20.7% in 2025, primarily due to (i) the increase in revenue, and (ii) lower average unit production costs resulting from improved production efficiency and molten glass utilization.

- ***Others.*** The gross profit of others remained relatively stable at RMB7.7 million and RMB7.7 million in 2024 and 2025, respectively. The gross profit margin of others increased from 29.6% in 2024 to 50.0% in 2025, primarily due to increased revenue contribution from sales of scrap materials, which generally had a higher gross profit margin.

General and administrative expenses

Our general and administrative expenses increased by 35.6% from RMB43.1 million in 2024 to RMB58.4 million in 2025, primarily due to increases in (i) employee salaries and benefits of RMB5.9 million, mainly attributable to higher compensation levels for our administrative and management personnel to support the development and construction of our overseas investment projects, and (ii) office expenses of RMB3.4 million, mainly attributable to increased expenses relating to overseas projects, our new office building and business activities.

Selling and marketing expenses

Our selling and marketing expenses increased by 27.3% from RMB48.5 million in 2024 to RMB61.7 million in 2025, primarily due to increases in (i) advertising and marketing expenses of RMB5.7 million, as a result of increased promotional activities during the initial development of our e-commerce channels, and (ii) business development expenses of RMB2.3 million, driven by increased business travel in support of our business development activities.

Research and development expenses

Our research and development expenses increased by 1.7% from RMB33.8 million in 2024 to RMB34.4 million in 2025, primarily due to an increase in employee salaries and benefits of RMB0.6 million, mainly attributable to higher compensation levels for our R&D personnel.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 19.0% from RMB1.6 million in 2024 to RMB1.8 million in 2025, primarily driven by the increased gross carrying amount of our trade and notes receivables.

Other income

Our other income increased by 91.4% from RMB9.9 million in 2024 to RMB19.0 million in 2025, primarily due to an increase in government grants of RMB9.6 million received mainly to support the development of our molded glass vials project.

Other gains, net

Our other gains, net decreased by 50.8% from RMB10.6 million in 2024 to RMB5.2 million in 2025, primarily due to a decrease in net gains on disposal and holding of financial instruments of RMB5.4 million, reflecting fluctuations in the amount invested in and rates of return from our wealth management products.

Finance costs, net

Our finance costs, net increased by 22.6% from RMB19.3 million in 2024 to RMB23.7 million in 2025, primarily due to a decrease in interest income from financial assets held for cash management purposes of RMB3.4 million, as a result of reduced bank deposit balances as we deployed more cash resources in our business operations and development.

Share of net profit of investments in associates

Our share of net profit of investments in associates increased by 100.6% from RMB4.1 million in 2024 to RMB8.2 million in 2025, primarily due to increased profits of our associates.

Income tax expense

Our income tax expense increased by 77.6% from RMB5.4 million in 2024 to RMB9.6 million in 2025, primarily due to increased taxable profits generated by Linuo Technical Glass as its business expanded, which had not obtained HNTE certification and was therefore subject to a higher applicable EIT rate.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 40.0% from RMB66.1 million in 2024 to RMB39.7 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 14.1% from RMB947.4 million in 2023 to RMB1,080.8 million in 2024, primarily attributable to a 13.4% increase in revenue from household heat-resistant glass and a 15.0% increase in revenue from pharmaceutical glass packaging.

- ***Pharmaceutical glass packaging.*** Our revenue generated from pharmaceutical glass packaging increased by 15.0% from RMB406.0 million in 2023 to RMB467.0 million in 2024, primarily due to increases in revenue from (i) tubular glass vials from RMB395.0 million in 2023 to RMB444.4 million in 2024, driven by an increase in sales volume from 3,350 million units to 4,036 million units, as a result of stronger demand from certain major pharmaceutical customers in the first half of 2024, mainly attributable to increased production and deliveries of their drug products following successful bids for centralized procurement contracts, (ii) molded glass vials from RMB4.3 million in 2023 to RMB15.3 million in 2024, driven by an increase in sales volume from 17 million units to 26 million units, mainly attributable to higher volumes of product samples supplied under trial orders for customer testing and validation, primarily in support of the application for Class A

registrations of our molded glass vials, which were completed in 2024, and (iii) other pharmaceutical glass packaging products from RMB6.7 million in 2023 to RMB7.3 million in 2024 as a result of normal business fluctuations.

- ***Household heat-resistant glass.*** Our revenue generated from household heat-resistant glass increased by 13.4% from RMB518.4 million in 2023 to RMB587.8 million in 2024, primarily due to an increase in sales volume from 57,706 tons to 66,958 tons, driven by (i) our efforts to expand our customer base and sales channels, particularly in overseas markets, and (ii) growing market demand for borosilicate technical glass as an alternative to plastic amid stringent environmental and food safety requirements.

- ***Others.*** Our revenue generated from others increased by 13.4% from RMB23.0 million in 2023 to RMB26.1 million in 2024.

Cost of sales

Our cost of sales increased by 12.3% from RMB790.3 million in 2023 to RMB887.8 million in 2024, primarily driven by increases in (i) materials cost of RMB38.2 million, (ii) depreciation and amortization of RMB22.4 million, and (iii) labor costs of RMB17.2 million, generally in line with higher sales volume.

Gross profit and gross profit margin

Our gross profit increased by 22.9% from RMB157.1 million in 2023 to RMB193.1 million in 2024. Our overall gross profit margin increased from 16.6% in 2023 to 17.9% in 2024. Specifically,

- ***Pharmaceutical glass packaging.*** The gross profit of our pharmaceutical glass packaging increased by 10.2% from RMB91.2 million in 2023 to RMB100.4 million in 2024, generally in line with the increase in revenue. The gross profit margin of our pharmaceutical glass packaging decreased from 22.5% in 2023 to 21.5% in 2024, primarily due to a decrease in the gross profit margin of tubular glass vials, which was the most significant revenue contributor, from 24.0% to 23.3%, as a result of a decrease in average selling price per unit. The decrease was partially offset by the improved gross loss margin of molded glass vials from 67.1% to 18.1%, as a result of an increase in average selling price per unit as our customer sampling and validation progressed and the Class A registrations were completed in 2024. The gross loss margin of 67.1% in 2023 was primarily due to (i) the provision of products for customer sampling and validation to expand our market presence, and (ii) relatively high average unit production costs as a result of high upfront production expenses incurred during the initial ramp-up of our newly commissioned molded glass vial production lines.

- ***Household heat-resistant glass.*** The gross profit of our household heat-resistant glass increased by 34.5% from RMB63.2 million in 2023 to RMB84.9 million in 2024, and the gross profit margin of our household heat-resistant glass increased from 12.2% in 2023 to 14.4% in 2024, primarily due to (i) the increase in revenue, and (ii) lower average unit production costs resulting from economies of scale and improved production efficiency.

- ***Others.*** The gross profit of others increased by 177.3% from RMB2.8 million in 2023 to RMB7.7 million in 2024. The gross profit margin of others increased from 12.1% in 2023 to 29.6% in 2024, primarily due to increased revenue contribution from sales of molds and scrap materials, which generally had higher gross profit margins.

General and administrative expenses

Our general and administrative expenses increased by 33.4% from RMB32.3 million in 2023 to RMB43.1 million in 2024, primarily due to increases in (i) professional service expenses of RMB8.1 million, mainly attributable to the engagement of external professional advisors to assist with applications for certain government grants, and (ii) employee salaries and benefits of RMB4.4 million, mainly attributable to higher compensation levels for our administrative and management personnel. The increase was partially offset by a decrease in depreciation and amortization of RMB2.0 million.

Selling and marketing expenses

Our selling and marketing expenses increased by 22.8% from RMB39.5 million in 2023 to RMB48.5 million in 2024, primarily due to increases in (i) employee salaries and benefits of RMB5.7 million, mainly attributable to higher compensation levels for our sales and marketing personnel, and (ii) advertising and marketing expenses of RMB2.4 million, mainly attributable to increased market development and sales promotion activities.

Research and development expenses

Our research and development expenses increased by 12.2% from RMB30.1 million in 2023 to RMB33.8 million in 2024, primarily due to an increase in employee salaries and benefits of RMB4.0 million, mainly attributable to increased headcount and higher compensation levels for our R&D personnel.

Net impairment losses on financial assets

Our net impairment losses on financial assets decreased by 45.8% from RMB2.9 million in 2023 to RMB1.6 million in 2024, primarily due to the improved aging profile of our trade receivables, with a higher proportion aged within one year and therefore subject to lower expected credit losses.

Other income

Our other income decreased by 10.7% from RMB11.1 million in 2023 to RMB9.9 million in 2024, primarily due to a decrease in government grants of RMB2.1 million, as we received non-recurring government grants to support our business development in 2023, with no similar government grants in 2024.

Other gains, net

Our other gains, net increased by 34.6% from RMB7.8 million in 2023 to RMB10.6 million in 2024, primarily because we recorded net foreign exchange gains of RMB2.0 million in 2024, compared with net foreign exchange losses of RMB19 thousand in 2023, primarily due to the depreciation of the Renminbi against the U.S. dollar.

Finance costs, net

Our finance costs, net increased significantly from RMB4.6 million in 2023 to RMB19.3 million in 2024, primarily due to an increase in interest expenses on convertible bonds of RMB16.7 million, which in turn was mainly attributable to increased amortization of interest expenses on our Convertible Bonds.

Share of net profit of investments in associates

Our share of net profit of investments in associates decreased by 33.6% from RMB6.1 million in 2023 to RMB4.1 million in 2024, primarily due to decreased profits of our associates.

Income tax expense

Our income tax expense decreased by 21.9% from RMB6.9 million in 2023 to RMB5.4 million in 2024, primarily due to lower profit before income tax.

Profit for the year

As a result of the foregoing, our profit for the year remained relatively stable at RMB65.9 million in 2023 and RMB66.1 million in 2024.

DISCUSSION OF MAJOR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
ASSETS				
Non-current assets				
Property, plant and equipment	649,237	818,884	1,000,111	1,075,038
Right-of-use assets	28,134	71,714	80,807	80,167
Deferred tax assets	—	—	—	20,145
Intangible assets	1,253	1,075	4,424	5,663
Investments in associates	48,739	52,987	145,751	148,461
Term deposits	20,000	—	—	—
Prepayments and other receivables	31,060	32,853	76,886	137,396
Total non-current assets	**778,423**	**977,513**	**1,307,979**	**1,466,870**
Current assets				
Inventories	204,674	272,692	457,527	514,015
Prepayments and other receivables	27,540	26,991	26,640	38,251
Trade and notes receivables	213,950	254,141	275,717	321,642
Financial assets at fair value through profit or loss	453,154	295,751	56,358	56,840
Notes receivables at fair value through other comprehensive income	9,770	18,140	13,589	13,305
Restricted cash and term deposits	43,291	139,743	119,211	126,109
Cash and cash equivalents	403,339	350,746	402,315	252,198
Other current assets	13,758	20,300	45,860	43,424
Total current assets	**1,369,476**	**1,378,504**	**1,397,217**	**1,365,784**
Total assets	**2,147,899**	**2,356,017**	**2,705,196**	**2,832,654**

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
LIABILITIES				
Non-current liabilities				
Borrowings	—	—	245,012	215,550
Lease liabilities	362	—	8,205	7,771
Deferred tax liabilities	23,002	16,190	3,126	1
Deferred income	1,548	53,930	81,846	77,086
Convertible bonds	371,047	394,481	339,721	—
Total non-current liabilities	**395,959**	**464,601**	**677,910**	**300,408**
Current liabilities				
Borrowings	—	15,012	30,173	131,049
Trade and notes payables	117,209	243,014	336,053	373,873
Contract liabilities	18,713	14,330	21,578	20,567
Lease liabilities	348	741	2,806	3,290
Current income tax liabilities	4,882	5,909	7,306	5,542
Accruals and other payables	25,305	19,115	19,007	18,732
Derivative financial liabilities	—	199	—	—
Convertible bonds	536	895	1,423	—
Other current liabilities	24,683	37,986	35,804	24,693
Total current liabilities	**191,676**	**337,201**	**454,150**	**577,746**
Net current assets	**1,177,800**	**1,041,303**	**943,067**	**788,038**
Total liabilities	**587,635**	**801,802**	**1,132,060**	**878,154**
EQUITY				
Equity attributable to owner of the Company				
Share capital	232,410	232,451	239,068	267,537
Share premium	797,700	798,251	892,210	1,303,157
Treasury shares	—	(50,030)	(131,153)	(131,153)
Equity reserves-convertible bonds	109,524	109,396	91,449	—
Other reserves	71,532	78,511	83,523	111,708
Retained earnings	349,098	385,636	398,039	403,251
Total equity	**1,560,264**	**1,554,215**	**1,573,136**	**1,954,500**
Total liabilities and equity	**2,147,899**	**2,356,017**	**2,705,196**	**2,832,654**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) buildings, mainly representing our production plants, (ii) machinery equipment, mainly representing our production equipment, (iii) motor vehicles, mainly representing vehicles used in our business operations, (iv) other equipment, mainly representing office equipment and electronic equipment, (v) construction in progress, mainly representing projects under construction for future operations, and (vi) leasehold improvement, mainly related to our leased office premises. The following table sets forth the details of the carrying amount of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Buildings	234,153	250,438	241,425	277,929
Machinery equipment	373,667	409,148	420,358	496,502
Motor vehicles	2,182	3,797	3,678	4,071
Other equipment	2,063	3,928	5,581	10,305
Construction in progress	31,891	150,111	301,371	259,745
Leasehold improvement	5,281	1,462	27,698	26,486
Total	**649,237**	**818,884**	**1,000,111**	**1,075,038**

The carrying amount of our property, plant and equipment increased from RMB649.2 million as of December 31, 2023 to RMB818.9 million as of December 31, 2024, primarily due to an increase in the carrying amount of construction in progress of RMB118.2 million, which in turn was primarily attributable to the construction of a dormitory building and new production lines for our molded glass vials. The carrying amount of our property, plant and equipment further increased to RMB1,000.1 million as of December 31, 2025, primarily due to an increase in the carrying amount of construction in progress of RMB151.3 million, which in turn was primarily attributable to the construction of new production lines for our RTU and molded glass vials. The carrying amount of our property, plant and equipment further increased to RMB1,075.0 million as of June 30, 2026, primarily due to an increase in the carrying amount of machinery equipment of RMB76.1 million, which in turn was primarily attributable to the procurement of production equipment for our RTU.

Right-of-use Assets

Our right-of-use assets primarily consist of land use rights and buildings. The following table sets forth the details of our right-of-use assets as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Land use rights	25,134	69,222	67,695	66,931
Buildings	3,000	2,492	13,112	13,236
Total	**28,134**	**71,714**	**80,807**	**80,167**

Our right-of-use assets increased from RMB28.1 million as of December 31, 2023 to RMB71.7 million as of December 31, 2024, primarily due to an increase in land use rights, mainly because we acquired land use rights for new parcels of land. Our right-of-use assets further increased to RMB80.8 million as of December 31, 2025, primarily due to an increase in buildings, mainly relating to newly leased office premises. Our right-of-use assets remained relatively stable at RMB80.2 million as of June 30, 2026.

Intangible Assets

Our intangible assets represent software. Our intangible assets amounted to RMB1.3 million, RMB1.1 million, RMB4.4 million and RMB5.7 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Investments in Associates

Our investments in associates represent our equity investments in our associates. We recorded investments in associates of RMB48.7 million, RMB53.0 million, RMB145.8 million and RMB148.5 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. The increase in our investments in associates as of December 31, 2025 primarily reflected our equity investment in Suzhou CRH New Material Technology Co., Ltd. See "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers."

Inventories

Our inventories primarily consist of (i) raw materials, such as borax, boric acid and quartz sand, (ii) work in progress, mainly representing glass products under production, (iii) finished goods, mainly representing completed glass products ready for sale, (iv) materials for consigned processing, mainly representing products and related materials sent to third-party service providers for routine ancillary processing, such as packaging, assembly with lids and plastic components, and application of decorative elements or product markings, and (v) contract fulfillment assets, mainly representing production line equipment procured for the fulfillment of specific customer contracts. The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Raw materials	48,702	39,805	41,717	65,015
Work in progress	2,323	1,809	2,770	4,762
Finished goods	152,590	228,155	401,323	428,789
Materials for consigned processing	9,585	13,491	24,041	30,372
Contract fulfillment assets	—	1,289	1,258	132
Less: provision for impairment	(8,526)	(11,857)	(13,582)	(15,055)
Total	**204,674**	**272,692**	**457,527**	**514,015**

Our inventories increased from RMB204.7 million as of December 31, 2023 to RMB272.7 million as of December 31, 2024, primarily due to an increase in finished goods of RMB75.6 million, primarily due to (i) inventory accumulation following the expansion of our production capacity for pharmaceutical glass packaging, mainly molded glass vials, as the relevant glass furnaces generally operate continuously once ignited, and (ii) increased stocking in response to stronger market demand and to support product sampling and validation for the Class A registrations of our molded glass vials, partially offset by a decrease in raw materials of RMB8.9 million, as a result of increased raw material consumption in line with higher sales and production volume. Our inventories further increased to RMB457.5 million as of December 31, 2025, primarily due to increases in (i) finished goods of RMB173.2 million, mainly attributable to (a) higher inventory levels of molded glass vials following production capacity expansion, coupled with slower sales amid ongoing customer sampling and validation in connection with the Class A registrations; and (b) advance production and stocking of household heat-resistant glass in anticipation of increased market demand and potential fluctuations in raw material prices and supply, and (ii) materials for consigned processing of RMB10.6 million, as we outsourced certain non-core processes of household heat-resistant glass due to stronger customer demand and limited in-house personnel capacity. Our inventories further increased to RMB514.0 million as of June 30, 2026, primarily due to increases in (i) finished goods of RMB27.5 million, mainly attributable to higher inventory levels of molded glass vials following production capacity expansion, while bulk orders had yet to be placed after completion of Class A registrations, as certain customers were still completing their validation procedures, and (ii) raw materials of RMB23.3 million, primarily due to the centralized procurement of certain raw materials in June 2026 to maintain production continuity.

We measure our inventories at the lower of cost and net realizable value and regularly review our inventories for impairment. In determining net realizable value, we primarily consider the estimated selling prices, costs to completion, selling expenses and related taxes, taking into account the condition and aging of our inventories and prevailing market conditions. We recognize a provision for impairment when the cost of inventories exceeds their net realizable value and reverse such provision when their net realizable value subsequently increases. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our provision for impairment of inventories amounted to RMB8.5 million, RMB11.9 million, RMB13.6 million and RMB15.1 million, respectively. The increase in the absolute amount of our provision for

impairment of inventories primarily reflected higher gross inventory balances as we increased stocking levels to support business expansion. As of the same dates, our provision for impairment of inventories represented approximately 4.0%, 4.2%, 2.9% and 2.9% of our gross inventory balances. Based on the foregoing assessment, we believe that we maintained adequate provision for impairment of inventories during the Track Record Period.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Within 1 year	180,637	240,631	387,660	489,837
1 to 2 years	24,909	31,396	77,273	31,880
2 to 3 years	3,939	7,936	4,300	3,066
Over 3 years	3,715	4,586	1,876	4,287
Total	**213,200**	**284,549**	**471,109**	**529,070**

The following table sets forth our inventories turnover days for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Inventories turnover days[(1)]	88	101	173	170

Note:

(1) The inventories turnover days are calculated by dividing the arithmetic mean of the opening and ending balances of inventories excluding provision for impairment in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period. The number of days for the years ended December 31 is 360 days. The number of days for the six months ended June 30 is 180 days.

Our inventories turnover days increased from 88 days in 2023 to 101 days in 2024, and further increased to 173 days in 2025, consistent with the increase in our inventory balances resulting from production capacity expansion and advance stocking, as well as weaker demand for pharmaceutical glass packaging in 2025. Our inventories turnover days slightly decreased to 170 days in the six months ended June 30, 2026.

As of August 31, 2026, RMB162.8 million, or 31.7% of our inventories outstanding as of June 30, 2026 had been subsequently utilized or sold.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consist of (i) prepayments for purchase of property, plant and equipment, mainly in relation to production equipment, such as furnaces, glass tubing equipment and molded glass vial manufacturing equipment, (ii) prepayments for long-term prepaid expenses, (iii) prepayments for raw materials, mainly representing amounts paid to suppliers in advance for the procurement of raw materials and components, such as borax, boric acid and molds, (iv) prepayments for operating expenses, mainly representing prepaid service fees for marketing and promotional activities, (v) deposits, mainly representing deposits paid in connection with the construction of production facilities and procurement of equipment, (vi) purchase refund receivables, mainly representing refunds relating to production equipment purchased in 2023, (vii) advances to employees for social insurance and housing fund, representing social insurance and housing provident

fund contributions paid on behalf of our employees, (viii) employee advances, mainly representing cash advances to employees for business-related expenses, and (ix) others. The following table sets forth the details of our prepayments and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Non-Current				
Prepayments				
Prepayments for purchase of property, plant and equipment	30,978	32,853	76,886	137,396
Prepayments for long-term prepaid expenses	82	—	—	—
	31,060	**32,853**	**76,886**	**137,396**
Current				
Prepayments				
Prepayments for raw materials	10,572	14,125	11,139	20,712
Prepayments for operating expenses	1,954	3,139	7,244	9,104
Others	20	200	223	1,886
	12,546	**17,464**	**18,606**	**31,702**
Other receivables				
Deposits	13,101	10,141	7,008	6,402
Purchase refund receivables	2,560	—	—	—
Advances to employees for social insurance and housing fund	214	492	1,481	1,467
Employee advances	1	18	656	289
Others	—	—	344	397
Less: provision for impairment	(882)	(1,124)	(1,455)	(2,006)
	14,994	**9,527**	**8,034**	**6,549**
Total	**27,540**	**26,991**	**26,640**	**38,251**

Our current portion of prepayments and other receivables decreased from RMB27.5 million as of December 31, 2023 to RMB27.0 million as of December 31, 2024, primarily due to a decrease in deposits, as a result of the refund of customs deposits paid in connection with our imported equipment. Our current portion of prepayments and other receivables further decreased to RMB26.6 million as of December 31, 2025, primarily due to a decrease in deposits, as a result of the refund of project deposits paid in connection with the construction of new production facilities. Our current portion of prepayments and other receivables subsequently increased to RMB38.3 million as of June 30, 2026, primarily due to an increase in prepayments for raw materials, as a result of the centralized procurement of certain raw materials in June 2026 to maintain production continuity.

Our non-current portion of prepayments and other receivables increased from RMB31.1 million as of December 31, 2023 to RMB32.9 million as of December 31, 2024, and further increased to RMB76.9 million as of December 31, 2025, primarily due to increases in prepayments for purchase of property, plant and equipment, mainly attributable to increased purchases of equipment to support our production. Our non-current portion of prepayments and other receivables further increased to RMB137.4 million as of June 30, 2026, due to an increase in prepayments for purchase of property, plant and equipment, mainly attributable to increased purchases of equipment, production line upgrades and land acquisition to support our production.

As of August 31, 2026, RMB23.3 million, or 61.0% of our current portion of prepayments and other receivables outstanding as of June 30, 2026 had been subsequently settled.

Trade and Notes Receivables

Our trade receivables mainly represent amounts due from our customers. Our notes receivables primarily represent bank acceptance notes received from our customers. The following table sets forth the details of our trade and notes receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Trade receivables	194,971	219,129	247,901	307,708
Notes receivables	29,005	46,338	40,575	29,848
Less: credit loss allowance	(10,026)	(11,326)	(12,759)	(15,914)
Total	**213,950**	**254,141**	**275,717**	**321,642**

Our trade and notes receivables increased from RMB214.0 million as of December 31, 2023 to RMB254.1 million as of December 31, 2024, and further increased to RMB275.7 million as of December 31, 2025, primarily reflecting our business growth in 2024, as well as slower payments from certain pharmaceutical glass packaging customers in 2024 and 2025 amid the implementation of medical insurance cost control in the PRC. Our trade and notes receivables further increased to RMB321.6 million as of June 30, 2026, generally in line with our business growth.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Within 1 year	192,676	217,570	244,054	303,446
1 to 2 years	1,904	1,037	3,222	3,249
2 to 3 years	57	136	507	673
Over 3 years	334	386	118	340
Total	**194,971**	**219,129**	**247,901**	**307,708**

The following table sets forth our trade receivables turnover days for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
		(days)		
Trade receivables turnover days[(1)]	66	69	86	74

Note:

(1) The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balances of trade receivables excluding credit loss allowance in that period by revenue for the corresponding period and then multiplying by the number of days in that period. The number of days for the years ended December 31 is 360 days. The number of days for the six months ended June 30 is 180 days.

Our trade receivables turnover days remained relatively stable at 66 days in 2023 and 69 days in 2024. Our trade receivables turnover days increased from 69 days in 2024 to 86 days in 2025, consistent with the increase in our trade receivables balances resulting from our business growth and slower payments from certain pharmaceutical glass packaging customers. Our trade receivables turnover days subsequently decreased to 74 days in the six months ended June 30, 2026, mainly driven by the increased revenue contribution from household heat-resistant glass, which generally had shorter credit terms of approximately 30 to 60 days, compared with approximately 90 days for pharmaceutical glass packaging.

We have established credit control procedures to manage the recoverability of our trade and notes receivables. We determine customer credit terms and limits based on their creditworthiness, financial condition, transaction scale and historical settlement records, and regularly monitor receivable aging and subsequent settlements. We follow up on overdue balances in a timely manner and, where appropriate, require advance payments or letters of credit. We also assess impairment in accordance with the applicable expected credit loss model and believe that we have adequately managed the associated credit risks.

As of August 31, 2026, RMB203.7 million, or 63.3% of our trade and notes receivables outstanding as of June 30, 2026 had been subsequently settled.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss primarily represent wealth management products that we acquired, which are low-risk and short-to-medium-term products issued by reputable commercial banks in China. Our financial assets at fair value through profit or loss amounted to RMB453.2 million, RMB295.8 million, RMB56.4 million and RMB56.8 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Changes in our financial assets at fair value through profit or loss were primarily due to redemptions of wealth management products to fund the construction of our production facilities and equity investments.

We have implemented a comprehensive set of internal policies and guidelines to monitor and control investment risks associated with our wealth management products. Our investment strategy aims to optimize the efficiency of idle funds, generate investment returns for our Shareholders, and minimize investment and financial risks. Guided by this strategy, we typically allocate a portion of our available cash for investment in wealth management products, after setting aside sufficient funds for working capital purposes and any strategic investments. We primarily invest in wealth management products with high liquidity and security, and our proposed investments are screened by our finance department based on the investment amount, the provider's creditworthiness, and the product type and term. Investments not exceeding 10% of our latest audited net assets, individually or cumulatively over any 12-month period, are reviewed by our chief financial officer and approved by our general manager, while investments exceeding this threshold or otherwise requiring Board approval are submitted to our Board. We conduct ongoing monitoring and internal audits and segregate the application, approval, execution and risk-monitoring functions to ensure effective risk management.

Notes Receivables at Fair Value through Other Comprehensive Income

Our notes receivables at fair value through other comprehensive income mainly represent bank acceptance notes received from customers in settlement of trade receivables. For details, see Note 16 to the Accountants' Report included in Appendix I and Note 13 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document. Our notes receivables at fair value through other comprehensive income amounted to RMB9.8 million, RMB18.1 million, RMB13.6 million and RMB13.3 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Restricted Cash and Term Deposits

Our restricted cash and term deposits mainly represent bank deposits pledged as a guarantee for bank acceptance notes, letters of guarantee and letters of credit, among others. Our restricted cash and term deposits amounted to RMB63.3 million, RMB139.7 million, RMB119.2 million and RMB126.1 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash on hand and cash at bank. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had cash and cash equivalents of RMB403.3 million, RMB350.7 million, RMB402.3 million and RMB252.2 million, respectively. See "— Liquidity and Capital Resources — Cash Flow Analysis" for details of the fluctuations of our cash and cash equivalents.

Other Current Assets

Our other current assets mainly consist of deductible input VAT arising from purchases of production equipment. Our other current assets amounted to RMB13.8 million, RMB20.3 million, RMB45.9 million and RMB43.4 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Trade and Notes Payables

Our trade payables primarily represent amounts due to our suppliers. Our notes payables primarily represent bank acceptance notes issued to our suppliers for settlement. The following table sets forth the details of our trade and notes payables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Trade payables	110,435	182,900	216,187	236,138
Notes payables	6,774	60,114	119,866	137,735
Total	**117,209**	**243,014**	**336,053**	**373,873**

Our trade and notes payables increased from RMB117.2 million as of December 31, 2023 to RMB243.0 million as of December 31, 2024, and further increased to RMB336.1 million as of December 31, 2025 and RMB373.9 million as of June 30, 2026, primarily due to increased purchases of raw materials for inventory stocking, as well as centralized procurement of equipment for the development of new production projects.

The following table sets forth the aging analysis of our trade payables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Within 1 year	103,451	181,595	207,814	223,325
Over 1 year	6,984	1,305	8,373	12,813
Total	**110,435**	**182,900**	**216,187**	**236,138**

The following table sets forth our trade payables turnover days for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
		(days)		
Trade payables turnover days[(1)]	56	59	92	77

Note:

(1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balances of trade payables in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period. The number of days for the years ended December 31 is 360 days. The number of days for the six months ended June 30 is 180 days.

Our trade payables turnover days remained relatively stable at 56 days in 2023 and 59 days in 2024. Our trade payables turnover days increased from 59 days in 2024 to 92 days in 2025, primarily because (i) we negotiated with certain suppliers to extend payment settlement periods generally from 60 days to 90 days as part of our cash flow management, and (ii) we recorded an increase in payables for equipment and construction, which generally had longer credit periods. Our trade payables turnover days subsequently decreased to 77 days in the six months ended June 30, 2026.

As of August 31, 2026, RMB184.3 million, or 49.3% of our trade and notes payables outstanding as of June 30, 2026 had been subsequently settled.

Contract Liabilities

Our contract liabilities primarily represent advance payments received from our customers. Our contract liabilities amounted to RMB18.7 million, RMB14.3 million, RMB21.6 million and RMB20.6 million as of December 31, 2023, 2024 and 2025, and June 30, 2026, respectively. Changes in our contract liabilities generally reflected fluctuations in customer orders subject to advance payment arrangements.

As of August 31, 2026, RMB9.2 million, or 44.8% of our contract liabilities outstanding as of June 30, 2026 had been subsequently recognized as revenue.

Current Income Tax Liabilities

Our current income tax liabilities primarily represent income taxes payable. Our current income tax liabilities amounted to RMB4.9 million, RMB5.9 million, RMB7.3 million and RMB5.5 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Accruals and Other Payables

Our accruals and other payables primarily consist of (i) salaries, wages and benefits, mainly representing salaries, benefits, social insurance and housing provident fund contributions, (ii) taxes other than income tax payables, mainly representing property tax, individual income tax and land use tax, (iii) deposits, mainly representing performance deposits payable to customers, and (iv) others. The following table sets forth the details of our accruals and other payables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Salaries, wages and benefits	15,300	16,163	15,640	15,023
Taxes other than income tax payables	1,591	1,411	1,459	1,760
Deposits	7,681	604	1,145	891
Others	733	937	763	1,058
Total	**25,305**	**19,115**	**19,007**	**18,732**

Our accruals and other payables decreased from RMB25.3 million as of December 31, 2023 to RMB19.1 million as of December 31, 2024, primarily due to a decrease in deposits of RMB7.1 million following the refund of a delivery deposit to a customer upon receipt of payment for the relevant goods. Our accruals and other payables remained relatively stable at RMB19.0 million as of December 31, 2025, and slightly decreased to RMB18.7 million as of June 30, 2026.

As of August 31, 2026, RMB18.0 million, or 95.8% of our accruals and other payables outstanding as of June 30, 2026 had been subsequently settled.

Derivative Financial Liabilities

Our derivative financial liabilities primarily represent foreign currency forwards. Our derivative financial liabilities amounted to nil, RMB0.2 million, nil and nil as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Other Current Liabilities

Our other current liabilities mainly consist of (i) recourse obligations, mainly representing our potential payment obligations arising from notes receivables or supply chain financing notes endorsed to our suppliers with recourse, and (ii) other tax to be recognized, mainly representing output VAT associated with advance payments received from our customers. Our other current liabilities amounted to RMB24.7 million, RMB38.0 million, RMB35.8 million and RMB24.7 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements mainly from cash generated from our business operations, shareholder contributions and bank loans. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, and the [REDACTED] from the [REDACTED]. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB403.3 million, RMB350.7 million, RMB402.3 million, RMB252.2 million and RMB105.9 million as of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, respectively.

Net Current Assets

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
				(Unaudited)	
Current assets					
Inventories	204,674	272,692	457,527	514,015	541,475
Prepayments and other receivables	27,540	26,991	26,640	38,251	50,685
Trade and notes receivables	213,950	254,141	275,717	321,642	297,237
Financial assets at fair value through profit or loss	453,154	295,751	56,358	56,840	86,951
Notes receivables at fair value through other comprehensive income	9,770	18,140	13,589	13,305	20,744
Restricted cash and term deposits	43,291	139,743	119,211	126,109	119,676
Cash and cash equivalents	403,339	350,746	402,315	252,198	105,929
Other current assets	13,758	20,300	45,860	43,424	53,337
Total current assets	**1,369,476**	**1,378,504**	**1,397,217**	**1,365,784**	**1,276,034**
Current liabilities					
Borrowings	—	15,012	30,173	131,049	151,943
Trade and notes payables	117,209	243,014	336,053	373,873	363,033
Contract liabilities	18,713	14,330	21,578	20,567	22,722
Lease liabilities	348	741	2,806	3,290	3,314
Current income tax liabilities	4,882	5,909	7,306	5,542	1,233
Accruals and other payables	25,305	19,115	19,007	18,732	23,055
Derivative financial liabilities	—	199	—	—	—
Convertible bonds	536	895	1,423	—	—
Other current liabilities	24,683	37,986	35,804	24,693	32,428
Total current liabilities	**191,676**	**337,201**	**454,150**	**577,746**	**597,728**
Net current assets	**1,177,800**	**1,041,303**	**943,067**	**788,038**	**678,306**

Our net current assets decreased from RMB788.0 million as of June 30, 2026 to RMB678.3 million as of August 31, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB146.3 million, (ii) a decrease in trade and notes receivables of RMB24.4 million, and (iii) an increase in borrowings of RMB20.9 million. The decrease in our net current assets was partially offset by increases in (i) financial assets at fair value through profit or loss of RMB30.1 million, (ii) inventories of RMB27.5 million, and (iii) prepayments and other receivables of RMB12.4 million.

Our net current assets decreased from RMB943.1 million as of December 31, 2025 to RMB788.0 million as of June 30, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB150.1 million, (ii) an increase in current borrowings of RMB100.9 million, and (iii) an increase in trade and notes payables of RMB37.8 million. The decrease in our net current assets was partially offset by (i) an increase in inventories of RMB56.5 million, (ii) an increase in trade and notes receivables of RMB45.9 million, and (iii) an increase in prepayments and other receivables of RMB11.6 million.

Our net current assets decreased from RMB1,041.3 million as of December 31, 2024 to RMB943.1 million as of December 31, 2025, primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB239.4 million, (ii) an increase in trade and notes payables of RMB93.0 million, (iii) a decrease in restricted cash and term deposits of RMB20.5 million, and (iv) an increase in borrowings of RMB15.2 million. The decrease in our net current assets was partially offset by increases in (i) inventories of RMB184.8 million, (ii) cash and cash equivalents of RMB51.6 million, (iii) other current assets of RMB25.6 million, and (iv) trade and notes receivables of RMB21.6 million.

Our net current assets decreased from RMB1,177.8 million as of December 31, 2023 to RMB1,041.3 million as of December 31, 2024, primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB157.4 million, (ii) an increase in trade and notes payables of RMB125.8 million, (iii) a decrease in cash and cash equivalents of RMB52.6 million, and (iv) an increase in borrowings of RMB15.0 million. The decrease in our net current assets was partially offset by increases in (i) restricted cash and term deposits of RMB96.5 million, (ii) inventories of RMB68.0 million, and (iii) trade and notes receivables of RMB40.2 million.

Cash Flow Analysis

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

	Year ended December 31,			Six months ended June 30,	
	2023	**2024**	**2025**	**2025**	**2026**
	(RMB in thousands)				
				(Unaudited)	
Net cash generated from/(used in) operating activities	60,752	69,258	(55,156)	(45,435)	(68,295)
Net cash (used in)/generated from investing activities	(473,836)	(64,438)	(41,822)	114,433	(136,883)
Net cash generated from/(used in) financing activities	444,584	(59,511)	149,146	(26,434)	58,710
Net increase/(decrease) in cash and cash equivalents	**31,500**	**(54,691)**	**52,168**	**42,564**	**(146,468)**
Cash and cash equivalents at the beginning of the year/period	371,839	403,339	350,746	350,746	402,315
Effects of exchange rate changes on cash and cash equivalents	—	2,098	(599)	—	(3,649)
Cash and cash equivalents at the end of the year/period	**403,339**	**350,746**	**402,315**	**393,310**	**252,198**

Net cash generated from/(used in) operating activities

Net cash used in operating activities in the six months ended June 30, 2026 was RMB68.3 million, which primarily consisted of profit before tax of RMB41.2 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) depreciation and amortization of non-current assets of RMB66.8 million, (ii) share-based compensation expenses of RMB14.7 million, and (iii) impairment provision for inventories of RMB7.4 million. The amount was further adjusted by income tax paid of RMB18.3 million, interest received of RMB1.0 million, and changes in working capital, primarily including (i) increase in receivables of RMB166.4 million and (ii) increase in inventories of RMB60.2 million, partially offset by increase in payables of RMB39.8 million. Our net cash used in operating activities increased from RMB45.4 million in the six months ended June 30, 2025 to RMB68.3 million during the same period in 2026. The increase in receivables was generally in line with our business growth in the six months ended June 30, 2026, while the increase in inventories was mainly attributable to higher inventory levels of molded glass vials following production capacity expansion, with certain customers' validation procedures still ongoing, as well as increased raw materials following centralized procurement in June 2026.

Net cash used in operating activities in 2025 was RMB55.2 million, which primarily consisted of profit before tax of RMB49.2 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) depreciation and amortization of non-current assets of RMB107.2 million, (ii) finance cost of RMB26.7 million, and (iii) impairment provision for inventories of RMB8.5 million. The amount was further adjusted by income tax paid of RMB13.0 million, interest received of RMB3.1 million, and changes in working capital, primarily including (i) increase in inventories of RMB193.3 million, and (ii) increase in receivables of RMB189.0 million, partially offset by increase in payables of RMB161.4 million. We recorded net cash used in operating activities of RMB55.2 million in 2025, as compared to net cash generated from

operating activities of RMB69.3 million in 2024, primarily due to increased working capital requirements, primarily reflecting increases in inventories and receivables. The increase in inventories was mainly attributable to higher finished goods inventory levels following production capacity expansion and advance stocking of household heat-resistant glass, while the increase in receivables reflected slower payments from certain customers.

Net cash generated from operating activities in 2024 was RMB69.3 million, which primarily consisted of profit before tax of RMB71.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) depreciation and amortization of non-current assets of RMB101.0 million, (ii) finance costs of RMB25.8 million, and (iii) impairment provision for inventories of RMB9.5 million. The amount was further adjusted by income tax paid of RMB11.1 million, interest received of RMB6.5 million, and changes in working capital, primarily including (i) increase in receivables of RMB171.9 million, and (ii) increase in inventories of RMB77.5 million, partially offset by increase in payables of RMB135.5 million.

Net cash generated from operating activities in 2023 was RMB60.8 million, which primarily consisted of profit before tax of RMB72.8 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) depreciation and amortization of non-current assets of RMB78.9 million, (ii) finance cost of RMB9.0 million, and (iii) share of profit of associates, net of RMB6.1 million. The amount was further adjusted by income tax paid of RMB0.5 million, interest received of RMB4.4 million, and changes in working capital, primarily including (i) increase in inventories of RMB44.9 million, (ii) increase in receivables of RMB24.5 million, and (iii) decrease in payables of RMB24.5 million.

Net cash (used in)/generated from investing activities

Net cash used in investing activities in the six months ended June 30, 2026 was RMB136.9 million, which primarily consisted of (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB165.3 million, (ii) placement of term deposits and wealth management products of RMB70.0 million, and (iii) payments for restricted cash for investing purpose of RMB60.5 million, partially offset by (i) proceeds from release of restricted cash for investing purpose of RMB87.4 million, and (ii) withdrawal of term deposits and wealth management products of RMB70.1 million. We recorded net cash used in investing activities of RMB136.9 million in the six months ended June 30, 2026, as compared to net cash generated from investing activities of RMB114.4 million in the six months ended June 30, 2025, primarily due to higher cash outflows for production capacity expansion and related investing activities, together with a decrease in withdrawals of term deposits and wealth management products.

Net cash used in investing activities in 2025 was RMB41.8 million, which primarily consisted of (i) placement of term deposits and wealth management products of RMB345.0 million, (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB287.2 million, and (iii) payments for purchase of investments in associates of RMB84.4 million, partially offset by withdrawals of term deposits and wealth management products of RMB635.4 million.

Net cash used in investing activities in 2024 was RMB64.4 million, which primarily consisted of (i) placement of term deposits and wealth management products of RMB2,701.0 million, and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB209.6 million, partially offset by withdrawals of term deposits and wealth management products of RMB2,827.0 million.

Net cash used in investing activities in 2023 was RMB473.8 million, which primarily consisted of (i) placement of term deposits and wealth management products of RMB1,186.0 million, and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB116.2 million, partially offset by withdrawals of term deposits and wealth management products of RMB831.0 million.

Net cash generated from/(used in) financing activities

Net cash generated from financing activities in the six months ended June 30, 2026 was RMB58.7 million, which primarily consisted of proceeds from borrowings of RMB95.0 million, partially offset by (i) dividends paid to the Shareholders of RMB25.9 million, (ii) repayments of borrowings of RMB4.2 million, and (iii) interest paid of RMB3.4 million.

Net cash generated from financing activities in 2025 was RMB149.1 million, which primarily consisted of proceeds from borrowings of RMB274.9 million, partially offset by (i) payments for repurchase of shares for the share based schemes of RMB81.1 million, (ii) dividends paid to the Shareholders of RMB22.8 million, and (iii) repayments of borrowings of RMB15.0 million.

Net cash used in financing activities in 2024 was RMB59.5 million, which primarily consisted of (i) payments for repurchase of shares for the share based schemes of RMB50.0 million, and (ii) dividends paid to the Shareholders of RMB22.9 million, partially offset by proceeds from borrowings of RMB15.0 million.

Net cash generated from financing activities in 2023 was RMB444.6 million, which primarily consisted of net proceeds from issuance of convertible bonds of RMB491.4 million, partially offset by dividends paid to the Shareholders of RMB46.5 million.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including our cash and cash equivalents, the estimated [REDACTED] from the [REDACTED] and the expected cash flows generated from operating activities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this document.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
				(Unaudited)	
Current					
Borrowings	—	15,012	30,173	131,049	151,943
Lease liabilities	348	741	2,806	3,290	3,314
Convertible bonds	536	895	1,423	—	—
Non-current					
Borrowings	—	—	245,012	215,550	115,550
Lease liabilities	362	—	8,205	7,771	8,199
Convertible bonds	371,047	394,481	339,721	—	—
Total	**372,293**	**411,129**	**627,340**	**357,660**	**279,006**

Borrowings

Our borrowings mainly represent secured and unsecured bank borrowings and the related interest payables. Our borrowings amounted to nil, RMB15.0 million, RMB275.2 million, RMB346.6 million and RMB267.5 million as of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, respectively. Changes in our borrowings were primarily driven by our increased working capital requirements. Our borrowings bear interest rates ranging from 1.95% to 3.75% per annum, and are payable within periods ranging from within one year to over five years. For details, see Note 29 to the Accountants' Report included in Appendix I and Note 24 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

	As of December 31,			As of June 30,	As of August 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
				(Unaudited)	
Current					
Bank borrowings — secured[(1)]	—	—	10,000	6,602	1,801
Bank borrowings — unsecured	—	15,012	20,017	123,704	149,909
Interest payables	—	—	156	743	233
	—	**15,012**	**30,173**	**131,049**	**151,943**
Non-current					
Bank borrowings — secured[(2)]	—	—	100,000	100,000	—
Bank borrowings — unsecured	—	—	145,012	115,550	115,550
	—	**—**	**245,012**	**215,550**	**115,550**
Total	**—**	**15,012**	**275,185**	**346,599**	**267,493**

Notes:

(1) As of December 31, 2025, secured by trade receivables. As of June 30, 2026 and August 31, 2026, guaranteed by Linuo Group, Mr. Gao and Ms. Chen Lianna. All outstanding secured bank borrowings were fully settled in September 2026.

(2) Guaranteed by Linuo Group.

As of August 31, 2026, our unutilized bank facilities amounted to RMB233.6 million.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material and adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no default in bank borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment.

Lease Liabilities

Our lease liabilities mainly represent payment obligations for properties leased primarily as office premises, warehouses and dormitories. The carrying amount of our lease liabilities amounted to RMB0.7 million, RMB0.7 million, RMB11.0 million, RMB11.1 million and RMB11.5 million as of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, respectively.

Convertible Bonds

Our convertible bonds primarily represent the Convertible Bonds issued by our Company to unspecified investors in August 2023. Our convertible bonds amounted to RMB371.6 million, RMB395.4 million, RMB341.1 million, nil and nil as of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, respectively. For details, see Note 30 to the Accountants' Report included in Appendix I and Note 25 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

Specifically, on August 23, 2023, we conducted a public issuance of 5,000,000 Convertible Bonds at face value of RMB100 each in an aggregate principal amount of RMB500.0 million, with a maturity period of six years. Funds raised from the issuance of Convertible Bonds amounted to RMB491.4 million after deduction of issuance costs of RMB8.6 million.

The initial conversion price of the Convertible Bonds is RMB14.40 per share. The coupon rate of the Convertible Bonds is 0.30% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.50% for the sixth year. In 2023, 2024, 2025 and the six months ended June 30, 2026, nil, 5,847, 940,856 and 4,053,297 Convertible Bonds were converted, redeemed or sold back to us, respectively. As of June 30, 2026, there were no outstanding Convertible Bonds that had not been converted.

Save as otherwise disclosed under the section headed "— Indebtedness", as of August 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any material bank overdrafts, loans and other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees or other material contingent liabilities. Our Directors confirm that there were no material changes in our indebtedness since August 31, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, June 30, 2026 and up to the Latest Practicable Date, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities as of the Latest Practicable Date.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures primarily consist of the payments for purchase of property, plant and equipment, intangible assets and other non-current assets. Our capital expenditures were RMB196.3 million, RMB313.6 million, RMB409.0 million, RMB133.3 million and RMB201.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We funded our capital expenditures mainly from cash generated from operating activities, proceeds from the issue of Convertible Bonds and bank borrowings. We intend to fund our future capital expenditures with financial resources available to us, including our existing cash and bank balances, net cash generated from our operating activities, available bank facilities and [REDACTED] from the [REDACTED]. See "Future Plans and [REDACTED] — [REDACTED]" for the portion of capital expenditures to be funded by the [REDACTED] from the [REDACTED].

Capital Commitments

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had capital commitments related to the purchase of property, plant and equipment in the amount of RMB32.5 million, RMB76.0 million, RMB172.2 million and RMB111.2 million, respectively.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our Shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising (a) fees and expenses paid to our legal advisors and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and (b) other fees and expenses. Assuming full payment of the [REDACTED], based on an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]), and that the [REDACTED] is not exercised, the estimated total [REDACTED] expenses for the [REDACTED] are approximately HK$[REDACTED], accounting for approximately [REDACTED]% of our [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of HK$[REDACTED], fees and expenses for our legal advisors and reporting accountants of HK$[REDACTED] and other fees and expenses of HK$[REDACTED]. An estimated amount of HK$[REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of HK$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. During the Track Record Period, we did not recognize [REDACTED] expenses in our consolidated statements of profit or loss and other comprehensive income.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 44 to the Accountants' Report included in Appendix I and Note 37 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

Our Directors are of the view that each of the related party transactions set out in Note 44 to the Accountants' Report included in Appendix I and Note 37 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

KEY FINANCIAL RATIOS

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin	16.6%	17.9%	20.1%	21.4%
Current ratio[(1)]	7.1	4.1	3.1	2.4
Gearing ratio[(2)]	23.9%	26.5%	39.9%	18.3%

Notes:

(1) Calculated using current assets divided by current liabilities as of the end of the period.

(2) Calculated using total debt, being the sum of borrowings, lease liabilities and convertible bonds, divided by total equity as of the end of the period and multiplied by 100%.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market and other financial risks, including credit risk, liquidity risk, interest rate risk, foreign currency risk, and capital management risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. See Note 3 to the Accountants' Report included in Appendix I and Note 3 to the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

DIVIDENDS

During the Track Record Period, we declared and paid dividends of RMB46.5 million, RMB22.9 million, RMB22.8 million and RMB25.9 million to our Shareholders in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

According to the applicable PRC laws and our dividend policy, we may pay dividends out of our profit after tax only after we have made the (i) recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company's profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company's total issued share capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our Shareholders in a Shareholders' meeting.

We may distribute dividends in the form of cash, stocks or a combination of cash and stocks. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our Shareholders. Our Company currently does not have a predetermined dividend payout ratio. As set forth in our Articles of Association, subject to the differentiated cash dividend policy stipulated therein, for each year in which our distributable profits are positive, the profits distributed by us in cash shall be no less than 10% of our distributable profits realized for that year, or the aggregate profits distributed by us in cash for the most recent three years shall be no less than 30% of our average annual distributable profits realized during the same three-year period.

Generally, we will maintain a continuous and stable profit distribution, with a view to providing reasonable returns to our Shareholders while supporting our sustainable development. Our Board will formulate dividend proposals taking into account our profitability, cash flow position, stage of development and prevailing funding requirements. Our Shareholders in a general meeting may approve declaration of dividends.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we had retained earnings of RMB403.3 million, representing our distributable reserves available for distribution to our Shareholders.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change to our financial or trading position since June 30, 2026 (being the date on which the latest consolidated financial information of our Group was prepared) and there is no event since June 30, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report included in Appendix I and the Unaudited Interim Condensed Consolidated Financial Information included in Appendix IA to this document.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix IIA — Unaudited [REDACTED] Financial Information."

FUTURE PLANS

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

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED], after deducting [REDACTED] commissions, fees and estimated expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range stated in this document).

In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below. We expect to utilize the [REDACTED] allocated to each purpose within three years after the [REDACTED].

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the industrialization of our glass sheets for semiconductor packaging. We plan to construct one glass sheet production line with an expected aggregate annual production capacity of 4.8 million glass sheets suitable for subsequent TGV processing and semiconductor packaging, which is expected to be constructed in the Area E of our Jinan Plant. The development of glass sheet production lines is expected to enable the large-scale production and commercialization of glass sheets for semiconductor packaging, allowing us to capture the growing demand for advanced packaging materials driven by the rapid development of the semiconductor packaging industry and strengthen our position in this emerging market. In particular:

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the procurement of production line equipment, primarily including batching, melting, glass conditioning channels, forming and annealing, cutting, grinding and polishing, cleaning, inspection, packaging and automated logistics equipment, such as furnace melting systems, platinum channel and forming systems, cold-end cutting systems, inspection systems, automated packaging systems and other core process equipment. These equipment and systems are expected to enhance our production and process capabilities for glass sheets and support the stable and efficient operation of our glass sheet production lines.

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for construction and installation works relating to the glass sheet production facilities, involving the renovation of an existing factory building situated on land owned by us, primarily including foundation and structural works, building decoration, ancillary outdoor works and indoor utility and fire protection installations.

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the recruitment, training and remuneration of personnel, including production personnel, technical personnel, management personnel and other personnel with technical backgrounds and/or work experience in glass industry production and familiarity with various production processes of glass sheet production lines.

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the industrialization of our RTU and PFS. We plan to construct two RTU production lines with an expected aggregate annual production capacity of 160.0 million units, and two PFS production lines with expected aggregate annual production capacities of 200.0 million units, including 30.0 million units of dual-chamber PFS, all of which are expected to be constructed in the Area E of our Jinan Plant. These production lines are expected to accelerate the capacity expansion of our RTU and PFS, meet the stringent packaging demands of biologic drugs, innovative long-acting preparations and high-end vaccines, and further strengthen our competitive edge in the high-end, sterile and high-barrier pharmaceutical packaging segments. In particular:

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to procure production line equipment, primarily including forming equipment, needle insertion equipment, RTU and PFS washing equipment, air compressors, water preparation equipment, steam generators, laboratory equipment, automatic packaging machines, AGVs and other workshop ancillary equipment, which will support clean utilities, automated handling and production-data traceability across the production process.

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the construction of production facilities and ancillary civil works, including the construction of production facilities with a gross floor area of approximately 20,000 sq.m., warehouses of approximately 7,000 sq.m. and clean workshops of approximately 3,000 sq.m., as well as related design, renovation and supporting works.

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to enhance our R&D capabilities for our existing and new products and materials. The relevant funds will support the research, development, testing, validation and commercialization of these products and materials. In particular:

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used to procure and upgrade our R&D equipment, mainly including equipment and systems for glass processing, testing and inspection, raw material preparation, melting, forming, annealing and heat treatment, automated handling and packaging, AI-enabled inspection, process monitoring and control, together with related cleanroom, utility and environmental protection facilities, to support our R&D, pilot testing and process optimization activities.

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the development of new glass products and material formulations, sample preparation, trial production and performance testing, primarily including the procurement of R&D materials, testing samples and other trial production consumables and fixtures, as well as other ancillary expenses relating to technical support, process trials and R&D operations.

  - approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], will be used for the recruitment, training and remuneration of personnel, including industry experts and personnel with relevant professional backgrounds or experience in glass R&D, testing and data analysis, glass process engineering, laboratory operations, intellectual property, materials compliance and project management.

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

The additional [REDACTED] that we would receive if the [REDACTED] is exercised in full would be (i) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the maximum [REDACTED]), (ii) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the [REDACTED] of the [REDACTED] range) and (iii) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the minimum [REDACTED]).

To the extent that the [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we may adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

While the [REDACTED] from the [REDACTED] are expected to cover a significant portion of the capital expenditure associated with our industrialization plans of our RTU, PFS and glass sheets for semiconductor packaging, to the extent that the [REDACTED] of the [REDACTED] are not sufficient to fund our development plans, we intend to fund the shortfall through a variety of means, including cash generated from our business operations and other financing channels, as appropriate.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will hold such funds 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 the applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages [I-1] to [I-3], received from the Company's reporting accountants, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

PAN-CHINA 天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANDONG LINUO PHARMACEUTICAL PACKAGING CO.,LTD. AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED, LEGO CORPORATE FINANCE LIMITED

Introduction

We report on the historical financial information of Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-4] to [I-94], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-4] to [I-94] 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 initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' Responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of 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* 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.

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 considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 Company's and the Group's financial position as at December 31, 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "LISTING RULES") 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-4] have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

[Confucius International CPA Limited]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Confucius International CPA Limited in accordance with Hong Kong Standards on Auditing issued by HKICPA ("**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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended December 31		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	947,368	1,080,842	981,472
Cost of sales	*9*	(790,272)	(887,760)	(784,682)
Gross profit		**157,096**	**193,082**	**196,790**
General and administrative expenses	*9*	(32,282)	(43,071)	(58,385)
Selling and marketing expenses	*9*	(39,491)	(48,491)	(61,709)
Research and development expenses	*9*	(30,132)	(33,797)	(34,366)
Net impairment losses on financial assets	*3.2*	(2,864)	(1,552)	(1,847)
Other income	*7*	11,144	9,949	19,039
Other gains, net	*8*	7,848	10,564	5,195
Operating profit		**71,319**	**86,684**	**64,717**
Finance income	*11*	4,403	6,507	3,090
Finance costs	*11*	(9,035)	(25,806)	(26,742)
Finance costs, net	*11*	(4,632)	(19,299)	(23,652)
Share of net profit of investments in associates	*15*	6,120	4,064	8,154
Profit before income tax		**72,807**	**71,449**	**49,219**
Income tax expense	*12*	(6,889)	(5,381)	(9,559)
Profit for the year		**65,918**	**66,068**	**39,660**
Attributable to:				
— Owners of the Company	*40*	65,918	66,068	39,660
Earnings per share attributable to the owners of the Company				
— Basic earnings per share	*14*	0.28	0.29	0.17
— Diluted earnings per share	*14*	0.28	0.29	0.17

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year		**65,918**	**66,068**	**39,660**
Other comprehensive income		**—**	**—**	**—**
Total comprehensive income for the year		**65,918**	**66,068**	**39,660**
Attributable to:				
— Owners of the Company		65,918	66,068	39,660

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
ASSETS				
Non-current assets				
Property, plant and equipment	*18*	649,237	818,884	1,000,111
Right-of-use assets	*19*	28,134	71,714	80,807
Intangible assets	*20*	1,253	1,075	4,424
Investments in associates	*15*	48,739	52,987	145,751
Term deposits	*28*	20,000	—	—
Prepayments and other receivables	*24*	31,060	32,853	76,886
Total non-current assets		**778,423**	**977,513**	**1,307,979**
Current assets				
Inventories	*26*	204,674	272,692	457,527
Prepayments and other receivables	*24*	27,540	26,991	26,640
Trade and notes receivables	*23*	213,950	254,141	275,717
Financial assets at fair value through profit or loss	*27*	453,154	295,751	56,358
Notes receivables at fair value through other comprehensive income	*16*	9,770	18,140	13,589
Restricted cash and term deposits	*28*	43,291	139,743	119,211
Cash and cash equivalents	*28*	403,339	350,746	402,315
Other current assets	*25*	13,758	20,300	45,860
Total current assets		**1,369,476**	**1,378,504**	**1,397,217**
Total assets		**2,147,899**	**2,356,017**	**2,705,196**

	Notes	As at December 31 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
LIABILITIES				
Non-current liabilities				
Borrowings	*29*	—	—	245,012
Lease liabilities	*19*	362	—	8,205
Deferred tax liabilities	*22*	23,002	16,190	3,126
Deferred income	*34*	1,548	53,930	81,846
Convertible bonds	*30*	371,047	394,481	339,721
Total non-current liabilities		**395,959**	**464,601**	**677,910**
Current liabilities				
Borrowings	*29*	—	15,012	30,173
Trade and notes payables	*31*	117,209	243,014	336,053
Contract liabilities	*6*	18,713	14,330	21,578
Lease liabilities	*19*	348	741	2,806
Current income tax liabilities		4,882	5,909	7,306
Accruals and other payables	*32*	25,305	19,115	19,007
Derivative financial liabilities	*21*	—	199	—
Convertible bonds	*30*	536	895	1,423
Other current liabilities	*33*	24,683	37,986	35,804
Total current liabilities		**191,676**	**337,201**	**454,150**
Net current assets		**1,177,800**	**1,041,303**	**943,067**
Total liabilities		**587,635**	**801,802**	**1,132,060**
EQUITY				
Equity attributable to owner of the Company				
— Share capital	*35*	232,410	232,451	239,068
— Share premium		797,700	798,251	892,210
— Treasury shares	*36*	—	(50,030)	(131,153)
— Equity reserves-convertible bonds	*38*	109,524	109,396	91,449
— Other reserves	*39*	71,532	78,511	83,523
— Retained earnings	*40*	349,098	385,636	398,039
TOTAL EQUITY		**1,560,264**	**1,554,215**	**1,573,136**
TOTAL LIABILITIES AND EQUITY		**2,147,899**	**2,356,017**	**2,705,196**

COMPANY'S STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
ASSETS				
Non-current assets				
Property, plant and equipment	*18*	649,237	818,884	999,939
Right-of-use assets	*19*	28,134	71,714	80,364
Intangible assets	*20*	1,253	1,075	4,424
Investments in associates	*15*	48,739	52,987	145,751
Investments in subsidiaries	*17*	2,700	2,700	12,700
Term deposits	*28*	20,000	—	—
Prepayments	*24*	31,060	32,853	76,291
Total non-current assets		**781,123**	**980,213**	**1,319,469**
Current assets				
Inventories	*26*	204,674	272,692	348,852
Prepayments and other receivables	*24*	28,050	27,502	42,138
Trade and notes receivables	*23*	213,950	254,263	284,491
Financial assets at fair value through profit or loss	*27*	453,154	295,751	56,358
Notes receivables at fair value through other comprehensive income	*16*	9,770	18,140	13,070
Restricted cash and term deposits	*28*	43,291	139,743	106,611
Cash and cash equivalents	*28*	402,680	349,861	362,531
Other current assets	*25*	13,744	20,266	40,125
Total current assets		**1,369,313**	**1,378,218**	**1,254,176**
Total assets		**2,150,436**	**2,358,431**	**2,573,645**
LIABILITIES				
Non-current liabilities				
Borrowings	*29*	—	—	245,012
Lease liabilities	*19*	362	—	7,992
Deferred tax liabilities	*22*	23,002	16,190	5,691
Deferred income	*34*	1,548	53,930	81,846
Convertible bonds	*30*	371,047	394,481	339,721
Total non-current liabilities		**395,959**	**464,601**	**680,262**

	Notes	As at December 31 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities				
Borrowings	*29*	—	15,012	20,173
Trade and notes payables	*31*	117,209	243,014	226,320
Contract liabilities	*6*	18,713	14,155	15,497
Lease liabilities	*19*	348	741	2,600
Current income tax liabilities		4,876	5,902	5,635
Accruals and other payables	*32*	28,305	22,136	15,578
Derivative financial liabilities	*21*	—	199	—
Convertible bonds	*30*	536	895	1,423
Other current liabilities	*33*	24,683	37,986	28,299
Total current liabilities		**194,670**	**340,040**	**315,525**
Net current assets		**1,174,643**	**1,038,178**	**938,651**
Total liabilities		**590,629**	**804,641**	**995,787**
EQUITY				
— Share capital	*35*	232,410	232,451	239,068
— Share premium		797,400	797,951	891,910
— Treasury shares	*36*	—	(50,030)	(131,153)
— Equity reserves-convertible bonds	*38*	109,524	109,396	91,449
— Other reserves	*39*	71,532	78,511	83,523
— Retained earnings	*40*	348,941	385,511	403,061
TOTAL EQUITY		**1,559,807**	**1,553,790**	**1,577,858**
TOTAL LIABILITIES AND EQUITY		**2,150,436**	**2,358,431**	**2,573,645**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Share premium	Equity reserves-convertible bonds	Other Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	**232,410**	**797,700**	**—**	**64,862**	**336,266**	**1,431,238**	**—**	**1,431,238**
Profit for the year	—	—	—	—	65,918	65,918	—	65,918
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**65,918**	**65,918**	**—**	**65,918**
Appropriation to statutory reserves	—	—	—	6,604	(6,604)	—	—	—
Share of other equity movement of associates	—	—	—	66	—	66	—	66
Dividends	—	—	—	—	(46,482)	(46,482)	—	(46,482)
Value of conversion rights on convertible bonds	—	—	109,524	—	—	109,524	—	109,524
Balance at December 31, 2023	**232,410**	**797,700**	**109,524**	**71,532**	**349,098**	**1,560,264**	**—**	**1,560,264**

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Equity reserves-convertible bonds	Other Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2024	**232,410**	**797,700**	**—**	**109,524**	**71,532**	**349,098**	**1,560,264**	**—**	**1,560,264**
Profit for the year	—	—	—	—	—	66,068	66,068	—	66,068
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**—**	**66,068**	**66,068**	**—**	**66,068**
Repurchase of shares under share schemes	—	—	(50,030)	—	—	—	(50,030)	—	(50,030)
Share of other equity movement of associates	—	—	—	—	369	—	369	—	369
Appropriation to statutory reserves	—	—	—	—	6,610	(6,610)	—	—	—
Dividends	—	—	—	—	—	(22,920)	(22,920)	—	(22,920)
Conversion of convertible bonds to ordinary shares	41	551	—	(128)	—	—	464	—	464
Balance at December 31, 2024	**232,451**	**798,251**	**(50,030)**	**109,396**	**78,511**	**385,636**	**1,554,215**	**—**	**1,554,215**

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Treasury shares**	**Equity reserves-convertible bonds**	**Other Reserves**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025	**232,451**	**798,251**	**(50,030)**	**109,396**	**78,511**	**385,636**	**1,554,215**	**—**	**1,554,215**
Profit for the year	—	—	—	—	—	39,660	39,660	—	39,660
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**—**	**39,660**	**39,660**	**—**	**39,660**
Repurchase of shares under share schemes	—	—	(81,123)	—	—	—	(81,123)	—	(81,123)
Share of other equity movement of associates	—	—	—	—	531	—	531	—	531
Appropriation to statutory reserves	—	—	—	—	4,481	(4,481)	—	—	—
Dividends	—	—	—	—	—	(22,776)	(22,776)	—	(22,776)
Conversion of convertible bonds to ordinary shares	6,617	93,959	—	(17,947)	—	—	82,629	—	82,629
Balance at December 31, 2025	**239,068**	**892,210**	**(131,153)**	**91,449**	**83,523**	**398,039**	**1,573,136**	**—**	**1,573,136**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities				
Cash generated from/(used in) operations	*42(a)*	56,854	73,888	(45,199)
Interest received		4,403	6,507	3,090
Income tax paid		(505)	(11,137)	(13,047)
Net cash generated from/(used in) operating activities		**60,752**	**69,258**	**(55,156)**
Cash flows from investing activities				
Proceeds from investment income		8,999	10,757	2,908
Proceeds from disposal of property, plant and equipment and intangible assets		118	443	9,255
Withdrawal of term deposits and wealth management products		831,000	2,827,000	635,403
Government grant received in relation to assets		639	53,750	35,830
Proceeds from release of restricted cash for investing purpose		17,323	55,401	265,693
Payments for purchase of investments in associates		—	—	(84,358)
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(116,171)	(209,556)	(287,171)
Placement of term deposits and wealth management products		(1,186,000)	(2,701,000)	(345,000)
Payments for restricted cash for investing purpose		(29,744)	(101,233)	(274,183)
Payments for settlement of derivative financial instruments		—	—	(199)
Net cash used in investing activities		**(473,836)**	**(64,438)**	**(41,822)**

	Notes	Year ended December 31		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from financing activities				
Proceeds from borrowings		—	15,000	274,891
Repayments of borrowings		—	—	(15,000)
Principal elements of lease payments		(378)	—	(2,781)
Interests paid		—	(1,561)	(4,065)
Dividends paid to the Company's shareholders	*13*	(46,482)	(22,920)	(22,776)
Payments for repurchase of shares for the share based schemes		—	(50,030)	(81,123)
Net proceed from issuance of convertible bonds		491,444	—	—
Net cash generated from/(used in) financing activities		**444,584**	**(59,511)**	**149,146**
Net increase/(decrease) in cash and cash equivalents		**31,500**	**(54,691)**	**52,168**
Cash and cash equivalents at beginning of the year		371,839	403,339	350,746
Effects of exchange rate changes on cash and cash equivalents		—	2,098	(599)
Cash and cash equivalents at the end of the year		**403,339**	**350,746**	**402,315**

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (山東力諾醫藥包裝股份有限公司) (hereinafter referred to as the "**Company**"), formerly known as Shandong Linuo Technical Glass Co., Ltd., (山東力諾特種玻璃股份有限公司), is a joint stock company with limited liability incorporated in the People's Republic of China (the "**PRC**") on April 13, 2015. With the approval and registration of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301188) on November 11, 2021. The registered office of business of the Company is located at Government Resident, Yuhuangmiao Town, Shanghe County, Jinan City, Shandong Province, PRC. The ultimate controller of the Company is Mr. Gao Yuankun ("**the ultimate controlling shareholder**").

The Company and its subsidiaries (hereinafter collectively referred to as "**the Group**") belong to the nonmetallic mineral product manufacturing industry, and are primarily engaged in the research, development, production and sales of pharmaceutical glass packaging, household heat-resistant glass etc.

The Company's primary subsidiaries during the Track Record Period are set out in Note 17.

The Historical Financial Information are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands (RMB'000) except when otherwise indicated.

The statutory consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025 prepared in accordance with the relevant accounting principles in the PRC were audited by Dahua Certified Public Accountants LLP (大華會計師事務所(特殊普通合夥)) for 2023 and Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)) for 2024 and 2025, both of which are certified public accounting firms registered in the PRC.

2. BASIS OF PREPARATION

The Historical Financial Information of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board ("**IASB**"). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit or loss ("**FVTPL**") and financial assets measured at other comprehensive income ("**FVOCI**").

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the years presented, unless prohibited by the relevant standard to apply retrospectively.

Other than those material accounting policies information as disclosed elsewhere in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 46 to this Historical Financial Information.

2.1 New Standards and Amendments to Standards Not Yet Adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined
Amendments to IAS 28 'Fair Value Option for Investments in Associates or Joint Ventures'	January 1, 2027
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Amendments to IAS 21 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027
IFRS 20 'Regulatory Assets and Regulatory Liabilities'	January 1, 2029

Except for the impact of IFRS 18 mentioned below, other new/amended standards are either not relevant to the Group or not expected to have a material impact on the Group's consolidated financial statements when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 ''Presentation and Disclosure in Financial Statements'', which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 ''Presentation of Financial Statements''. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 ''Accounting Policies, Changes in Accounting Estimates and Errors'' and IFRS 7 ''Financial Instruments: Disclosures''. Minor amendments to IAS 7 ''Statement of Cash Flows'' and IAS 33 ''Earnings per Share'' are also made.

IFRS 18 will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 is not expected to have significant impact on the Group's financial position and performance, but may affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on the Group's finance performance and maximizes the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

3.1 Market Risk

(a) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Company and its subsidiaries. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through buying and selling foreign currencies at market rate, wherever possible.

As at December 31, 2023, 2024 and 2025, the Group's major financial assets/liabilities exposed to foreign exchange risk, representing those financial assets/liabilities denominated in United States dollar ("**USD**") and others, and included in a group entity with different functional currency:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets denominated in:			
USD	81,078	87,101	88,030
Others	117	304	701

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities denominated in:			
USD	2,135	2,149	14,462
Others	2,193	696	858

As shown in the table above, the Group is primarily exposed to changes in USD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments is as below:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
USD exchange rate –			
Increase 5%	3,947	4,248	3,678
Decrease 5%	(3,947)	(4,248)	(3,678)

Other foreign currencies of changes have no significant impact on foreign exchange risk.

(b) Interest Rate Risk

The Group's interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings issued at floating rates and fixed rates based on the market environment and maintains an appropriate combination of financial instruments through regular review and monitoring.

As at December 31, 2023, 2024 and 2025, total borrowings of the Group which were bearing at floating rates amounted to approximately nil, nil and RMB172,012,000 respectively.

If interest rate had been 50 basis points higher or lower with all other variables held constant, the profit before tax would decrease/increase approximate nil, nil and RMB860,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

Considering the repricing or maturity date, the fair value interest rate risk arises from borrowings and bank balances carried at fixed rates is not significant for the Group.

(c) Price Risk

The Group is mainly exposed to equity price risk arising from investments held by the Group that are classified either as FVTPL (Note 27) or FVOCI (Note 16). To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are mainly made for strategic purposes. Each investment is managed by the management on a case-by-case basis.

Sensitivity analysis is performed by the management to assess the exposure of the Group's financial results to equity price risk of FVTPL and FVOCI at the end of each Track Record Period. If prices of the respective instruments held by the Group had been 5%, 5% and 5% higher/lower as at December 31, 2023, 2024 and 2025, profit before tax for the year would have been approximately RMB22,658,000, RMB14,788,000 and RMB2,818,000, higher/lower as a result of gains/losses on financial instruments classified as at FVTPL, other comprehensive income before tax would have been approximately RMB488,000, RMB907,000 and RMB679,000, higher/lower as a result of fair value changes on financial instruments classified as at FVOCI.

3.2 Credit Risk

Credit risk arises from cash and cash equivalents, restricted cash and term deposits, as well as trade and notes receivables, other receivables and notes receivables at FVOCI. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(a) Risk Management

To manage this risk, cash and cash equivalents as well as restricted cash and term deposits are mainly placed with reputable financial institutions which are all high-credit-quality financial institutions.

To manage risk from trade and notes receivables as well as other receivables and FVOCI, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

(b) Impairment of Financial Assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents, restricted cash and term deposits;
- Trade receivables;
- Notes receivables at amortized cost and notes receivables at FVOCI, and
- Other receivables.

Credit risk of cash and cash equivalents and restricted cash and term deposits

Cash and cash equivalents and restricted cash and term deposits are mainly placed with high-credit rating financial institutions. There has been no recent history of default in relation to these financial institutions. The expected credit loss was immaterial as at December 31, 2023, 2024 and 2025.

Credit risk of trade and notes receivables

(i) Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit loss ("**ECL**") which uses a lifetime expected loss allowance for all trade receivables.

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and aging.

The Group also made individual assessment on the recoverability of its trade receivables for certain customers based on historical settlement records.

The historical loss rates are calculated based on the historical payment profiles of customers and the corresponding historical incurred credit losses. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and other indicators of severe financial difficulties.

As at December 31, 2023, 2024 and 2025, the loss allowance of grouped impaired trade receivables is determined as follows:

Assessed based on grouping:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
As at December 31, 2023							
Expected loss rate	5.00%	9.98%	29.82%	50.00%	80.43%	—	
Gross carrying amount *(RMB'000)*	192,676	1,904	57	288	46	—	194,971
Loss allowance *(RMB'000)*	9,634	190	17	144	37	—	10,022
As at December 31, 2024							
Expected loss rate	5.00%	10.03%	30.15%	50.00%	80.21%	100.00%	
Gross carrying amount *(RMB'000)*	217,570	1,037	136	52	288	46	219,129
Loss allowance *(RMB'000)*	10,878	104	41	26	231	46	11,326
As at December 31, 2025							
Expected loss rate	5.00%	9.99%	29.98%	50.00%	—	100.00%	
Gross carrying amount *(RMB'000)*	244,054	3,222	507	72	—	46	247,901
Loss allowance *(RMB'000)*	12,203	322	152	36	—	46	12,759

The management of the Group determined the ECL rates for portfolio of trade receivables with reference to past-due status of such balances by estimating their default rates taking into account the historical information and forward-looking information.

As at the end of each Track Record Period, the Group assessed the historical observed default rates and the forward-looking estimates, respectively. The management of the Group reviewed the portfolio of customers contributing the trade receivables balances for the respective past-due time band throughout the Track Record Period and noted that the majority of the balances of the respective past-due time band were due from similar portfolio of customers. Furthermore, the Group assessed these customers' financial condition, past settlement history, business relationship with the Group and other factors such as current market conditions and industry information, and considered that the credit risk for the same portfolio of customers remains approximately the same throughout the Track Record Period. Accordingly, the same ECL rates were adopted for the same past-due time band throughout the Track Record Period.

The loss allowances for trade receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	7,783	10,022	11,326
Loss allowance recognized, net	2,239	1,314	1,516
Loss allowance written off *(i)*	—	(10)	(83)
Closing loss allowance	**10,022**	**11,326**	**12,759**

(i) In 2024 and 2025, the Group wrote off receivables from customers who had filed for bankruptcy or were in financial difficulties, upon obtaining board approval.

(ii) Notes Receivables at Amortized Cost and Notes Receivables at FVOCI

The Group measured provisions for impairment of notes receivables based on the lifetime ECL and assessed that there was no significant credit risk associated with its bank acceptance notes issued by large-sized banks as the Group did not expect that there would be any significant losses from non-performance by these reputable banks. For the commercial acceptance notes and bank acceptance notes issued by small and medium-sized banks, which are usually settled within 6 months to 1 year from the respective issuance date, the Group provided the provision to RMB4,000, nil and nil as at December 31, 2023, 2024 and 2025, respectively.

Movements on the provision of ECL for notes receivables at amortized cost and notes receivables at FVOCI are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	74	4	—
Loss allowance reversal, net	(70)	(4)	—
Closing loss allowance	**4**	**—**	**—**

(iii) Other Receivables

Other receivables at the end of each of the periods are mainly comprised of deposits, intercompany balances and others. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout Track Record Period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant impact on the debtor's ability to meet its obligations;
- external credit rating of the counterparty;
- actual or expected significant adverse changes in the operating results of the debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment.

If the credit risk of the asset is in line with original expectations, the Group categorizes the asset as performing and recognizes 12 months expected credit losses (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorized as underperforming or non-performing and lifetime expected credit losses are recognized (Stages 2 and 3):

Set out below is the information about credit risk exposure on the Group's other receivables:

	Stage 1	Stage 2	Stage 3	Total
As at December 31, 2023				
Expected loss rate	5.00%	—	64.00%	
Gross carrying amount *(RMB'000)*	15,726	—	150	15,876
Loss allowance *(RMB'000)*	786	—	96	882
As at December 31, 2024				
Expected loss rate	5.00%	10.00%	83.33%	
Gross carrying amount *(RMB'000)*	580	9,951	120	10,651
Loss allowance *(RMB'000)*	29	995	100	1,124
As at December 31, 2025				
Expected loss rate	4.99%	11.59%	32.34%	
Gross carrying amount *(RMB'000)*	5,849	69	3,571	9,489
Loss allowance *(RMB'000)*	292	8	1,155	1,455

The loss allowances for other receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	187	882	1,124
Loss allowance recognized, net	695	242	331
Closing loss allowance	**882**	**1,124**	**1,455**

3.3 Liquidity Risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents and term deposits or to retain adequate financing arrangements to meet the Group's liquidity requirements.

The tables below analyze the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at each balance sheet date to their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due for the corresponding period equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**	**Total carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Trade and notes payables	117,209	—	—	—	117,209	117,209
Accruals and other payables (excluding non-financial liabilities)	8,414	—	—	—	8,414	8,414
Lease liabilities	378	378	—	—	756	710
Convertible Bonds	2,036	2,500	21,500	512,500	538,536	371,583
Other current liabilities (excluding non-financial liabilities)	23,615	—	—	—	23,615	23,615
	151,652	**2,878**	**21,500**	**512,500**	**688,530**	**521,531**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024						
Trade and notes payables	243,014	—	—	—	243,014	243,014
Accruals and other payables (excluding non-financial liabilities)	1,541	—	—	—	1,541	1,541
Lease liabilities	756	—	—	—	756	741
Derivative financial liabilities	199	—	—	—	199	199
Borrowings	15,358	—	—	—	15,358	15,012
Convertible Bonds	3,392	4,994	528,381	—	536,767	395,376
Other current liabilities (excluding non-financial liabilities)	36,714	—	—	—	36,714	36,714
	300,974	**4,994**	**528,381**	**—**	**834,349**	**692,597**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025						
Trade and notes payables	336,053	—	—	—	336,053	336,053
Accruals and other payables (excluding non-financial liabilities)	1,908	—	—	—	1,908	1,908
Lease liabilities	2,806	2,784	7,971	912	14,473	11,011
Borrowings	36,982	31,459	181,811	52,614	302,866	275,185
Convertible Bonds	4,053	6,080	422,759	—	432,892	341,144
Other current liabilities (excluding non-financial liabilities)	34,099	—	—	—	34,099	34,099
	415,901	**40,323**	**612,541**	**53,526**	**1,122,291**	**999,400**

The interest rate of borrowings and lease liabilities are disclosed in Note 29 and Note 19, respectively.

3.4 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 maximize shareholders' value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or banks as and when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2024 and 2025.

The Group monitors capital on the basis of the debt to asset ratio as at December 31, 2023, 2024 and 2025 are as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total assets	2,147,899	2,356,017	2,705,196
Total liabilities	587,635	801,802	1,132,060
Debt to asset ratio	27.36%	34.03%	41.85%

3.5 Fair Value Estimation

(a) Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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As at December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	453,154	—	453,154
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	9,770	9,770
Total financial assets	**—**	**453,154**	**9,770**	**462,924**

As at December 31, 2024	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	295,751	—	295,751
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	18,140	18,140
Total financial assets	**—**	**295,751**	**18,140**	**313,891**
Financial liabilities				
Derivative financial liabilities				
— Foreign currency forwards	—	199	—	199
Total financial liabilities	**—**	**199**	**—**	**199**

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	56,358	—	56,358
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	13,589	13,589
Total financial assets	**—**	**56,358**	**13,589**	**69,947**

The Company

As at December 31, 2023	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	453,154	—	453,154
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	9,770	9,770
Total financial assets	**—**	**453,154**	**9,770**	**462,924**

As at December 31, 2024	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	295,751	—	295,751
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	18,140	18,140
Total financial assets	**—**	**295,751**	**18,140**	**313,891**
Financial liabilities				
Derivative financial liabilities				
— Foreign currency forwards	—	199	—	199
Total financial liabilities	**—**	**199**	**—**	**199**

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	56,358	—	56,358
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	13,070	13,070
Total financial assets	**—**	**56,358**	**13,070**	**69,428**

(i) The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the Track Record Period, there was no transfer between Level 1 and Level 2.

(b) The Group's Valuation Process

For the financial assets and financial liabilities, including Level 3 fair values, the Group's finance department performs the valuations for financial reporting purpose. The finance department reports the valuation results to the management.

The fair values of the wealth management products issued by banks with standardised terms and conditions are determined with reference to indicative fair values (i.e.. net asset value) provided by the respective issuing banks as at the reporting date. These indicative fair values take into account the expected investment returns of the products. The fair value measurements are classified as Level 2 in the fair value hierarchy.

(c) Transfers between levels in the hierarchy

For the years ended December 31, 2023, 2024 and 2025, there were no transfers into or out of Level 3 fair value measurements of the Group's financial instruments.

(d) The reconciliation of Level 3 assets and liabilities are analyzed below:

	Notes receivables at FVOCI
	RMB'000
As at January 1, 2023	42,996
Additions	189,896
Disposals	(223,122)
As at December 31, 2023 and January 1, 2024	**9,770**
Additions	219,856
Disposals	(211,486)
As at December 31, 2024 and January 1, 2025	**18,140**
Additions	237,228
Disposals	(241,779)
As at December 31, 2025	**13,589**

(e) Valuation Inputs and Relationships to Fair Value

	Fair value			Valuation	Significant unobservable	Ranges of inputs As at December 31			Relation of unobservable input(s)
Description	2023	2024	2025	techniques	Input(s)	2023	2024	2025	to fair values
	RMB'000	*RMB'000*	*RMB'000*						
Notes receivables at FVOCI	9,770	18,140	13,589	Discounted cash flow method	Discount rate	1.50%	1.50%	2.60%-2.85%	An increase in discount rate would result in decrease in fair value, and vice versa.

If the discount rate of the Note receivable at FVOCI held by the Group had been 0.5% higher/lower, the fair values of the Note receivable at FVOCI held by the Group as at December 31, 2023, 2024 and 2025 would have been approximately RMB31,000, RMB53,000 and RMB48,000 lower, or RMB31,000, RMB54,000 and RMB49,000 higher, respectively.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

(a) Allowance for Expected Credit Loss of Trade Receivables

Except for certain trade receivables from customers with specific credit risk that management adopts an individual impairment assessment approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The loss allowances for receivables are based on assumptions about risk of default and expected loss rates to determine the expected loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables.

The Group takes into account different macroeconomic scenarios in considering forward-looking information in Chinese mainland and abroad. The Group regularly monitors and reviews the key macroeconomic assumptions and parameters related to the calculation of expected credit losses. The Group has identified the Gross Domestic Product ("**GDP**") of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(b) Estimated Net Realizable Value of Inventories

In accordance with the Group's accounting policy, the Group estimates net realizable value of inventories based on specific facts and circumstances. For different types of inventories, it requires the estimation on selling prices, costs of conversion, selling expenses and the related tax expense to calculate the net realizable amount of inventories. For inventories held for executed sales contracts, management estimates the net realizable amount based on the contracted price. For raw materials and work-in-progress, management has established a model in estimating the net realizable amount at which the inventories can be realizable in the normal course of business after considering the manufacturing cycles, production capacity and forecasts, estimated future conversion costs and selling prices. Management also takes into account the price or cost fluctuations and other related matters occurring after the end of the year which reflect conditions that existed at the end of each year.

It is reasonably possible that if there is a significant change in circumstances including the Group's business and the external environment, outcomes would be significantly affected.

(c) Property, Plant and Equipment and Intangible Assets — Estimated Useful Lives and Residual Values

The Group determines the estimated useful lives and residual values (if applicable) and consequently the related depreciation/amortization charges for its property, plant and equipment and intangible assets (excluding freehold land and goodwill). These estimates are based on the historical experience, anticipated change of technology, market condition and the actual consumptions of related assets. The depreciation/amortization charge will increase when useful lives are less than previously estimated. In addition, technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in change in useful lives and residual values and therefore change in depreciation/amortization expense in future periods.

(d) Income Tax and Deferred Taxation

Estimation and judgement are required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilized. Significant estimation is required in determining the recoverability of deferred tax assets.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Group's results or financial position.

5. OPERATING SEGMENT INFORMATION

(a) Description of Segments and Principal Activities

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which has been identified as being the CODM, consists of the executive director, the chief financial officer and the managers for each business unit. The CODM reviews the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segment based on these reports.

For management purposes, the Group operates as a single business unit organised by products, with one operating segment that principally engages in the provision of pharmaceutical packaging products, heat-resistant glass etc.

(b) Geographical Information

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets (exclude financial investments (other than equity-accounted investees), deferred tax assets)			
— Chinese mainland	758,423	977,513	1,298,661
— Overseas	—	—	9,318
	758,423	**977,513**	**1,307,979**

6. REVENUE

(a) Disaggregation of revenue by the products' application:

	Year ended December 31					
	2023		2024		2025	
	Revenue	Cost	Revenue	Cost	Revenue	Cost
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Pharmaceutical glass packaging	405,980	314,824	466,965	366,528	356,648	293,827
Household heat-resistant glass	518,413	455,254	587,818	502,885	609,434	483,158
Others *(i)*	22,975	20,194	26,059	18,347	15,390	7,697
	947,368	**790,272**	**1,080,842**	**887,760**	**981,472**	**784,682**

(i) Others mainly consist of income from the sale of surplus raw materials, molds and scrap materials.

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
— Recognized at a point in time	947,239	1,080,742	981,358
Other revenue *(i)*	129	100	114
	947,368	**1,080,842**	**981,472**

(i) Other revenue represents lease income.

All the revenue derived from single external customers were less than 10% of the Group's total revenue for the years ended December 31, 2023, 2024 and 2025.

(b) Geographical Information

The Company is domiciled in Chinese mainland. The amount of the Group's revenue from contracts with customers by location is shown in the table below:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	762,022	872,488	738,450
Overseas	185,217	208,254	242,908
	947,239	**1,080,742**	**981,358**

(c) Contract Liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfillment of performance obligations.

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	18,713	14,330	21,578

As at January 1, 2023, the Group's contract liabilities from customers amounted to approximately RMB16,114,000.

The following table shows how much of the revenue, which was included in the contract liabilities at the beginning of the period, recognized during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the beginning balance	12,365	13,403	8,723

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	18,713	14,155	15,497

(d) Transaction price allocated to remaining performance obligations

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
To be recognized as revenue within 1 year	98,369	77,504	142,884
To be recognized as revenue over 1 year	4,994	5,666	6,323
Transaction price allocated to remaining performance obligations of contracts	103,363	83,170	149,207

The following table shows performance obligations that were unsatisfied or partially unsatisfied.

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unsatisfied	80,125	63,565	120,418
Partially unsatisfied	23,238	19,605	28,789
Transaction price allocated to remaining performance obligations of contracts	103,363	83,170	149,207

(e) Accounting Policies and Significant Judgements for Revenue Recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

If a customer pays consideration or the Company has a right to an amount of consideration that is unconditional, before the Company transfers goods or services to the customer, the Company presents the contract liability when the payment is made. A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

The credit period granted to customers by the Group is determined based on their credit risk characteristics, which is consistent with industry practice, and regardless of whether there is significant financing component.

Products revenue

The Group is primarily engaged in the research, development, production and sales of pharmaceutical packaging products, heat-resistant glass etc..

Revenue from domestic product sales under the customer self-collection model is recognised at a point in time once the inspected goods complying with contractual quality and quantity standards are handed over and signed for by the customer or its authorised consignee. At this point, the customer obtains the ability to direct the use of the goods (such as the right to sell, process or otherwise dispose of the goods at its own discretion) and assumes the significant risks and rewards of ownership of the goods, including the risks of price fluctuations, obsolescence, damage or loss of the relevant goods.

Revenue from domestic product sales under the Group delivery model is recognised at a point in time when the goods are delivered to the contractually designated location and consignee, and the customer or designated consignee has signed the delivery note confirming acceptance. At that point, the customer obtains control of the goods, which includes the ability to direct the use of the goods (for example, to sell, process or otherwise dispose of them at its own discretion) and to obtain substantially all of the remaining benefits from the goods, as well as bearing the risks of price fluctuation, obsolescence, damage or loss.

Revenue from overseas product sales transacted on FOB and CIF is recognised at a point in time once export customs declaration procedures are completed and customs declaration forms together with bills of lading are obtained. Where sales contracts explicitly specify the timing of transfer of significant risks and rewards of ownership of exported goods, the recognition timing shall follow such contractual provisions. At this point, the customer obtains the ability to direct the use of the goods (such as the right to sell, process or otherwise dispose of the goods at its own discretion) and assumes the significant risks and rewards of ownership of the goods, including the risks of price fluctuations, obsolescence, damage or loss of the relevant goods.

7. OTHER INCOME

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	7,287	5,149	14,751
Additional deduction for VAT	3,801	4,442	3,735
Others	56	358	553
	11,144	**9,949**	**19,039**

8. OTHER GAINS, NET

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net gains on disposal and holding of financial instruments	5,746	7,687	2,256
Net fair value gains on financial assets and liabilities at FVTPL	2,154	1,454	1,667
Net foreign exchange differences	(19)	2,042	(179)
Net (losses)/gains on disposal of property, plant and equipment and other long-term assets	(5)	(621)	2,395
Others	(28)	2	(944)
	7,848	**10,564**	**5,195**

9. EXPENSE BY NATURE

Expenses included in cost of sales, general and administrative expenses, selling and marketing expenses and research and development expenses are analyzed as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee benefits expenses *(Note 10)*	150,145	181,428	172,351
Materials costs	423,156	459,517	392,646
Utility costs	166,080	174,528	160,515
Depreciation and amortisation	78,857	101,010	107,207
Logistics expenses	32,056	37,218	32,934
Taxes and surcharges	6,467	7,083	6,973
Office and travel expenses	8,924	10,745	13,589
Impairment losses on inventories	5,561	9,516	8,453
Entertainment expenses	4,583	5,603	5,743
Maintenance expenses	3,709	3,000	2,635
Professional service fees	1,371	9,633	10,135
Advertising and marketing expenses	4,792	6,904	15,433
Auditor's service fees	604	643	878
E-commerce platform service charges	1,558	1,278	2,980
Other expenses *(i)*	4,314	5,013	6,670
	892,177	**1,013,119**	**939,142**

(i) Other expenses primarily include rental fees, etc.

10. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTOR'S REMUNERATION)

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and bonuses	114,860	139,352	130,022
Housing fund, medical insurance and other social insurance	11,362	14,266	14,606
Pension costs	14,615	17,339	18,122
Other employee benefits	9,308	10,471	9,601
	150,145	**181,428**	**172,351**

(a) Directors' and Supervisors' Remuneration

Year ended December 31, 2023	**Fees**	**Salaries, wages and bonuses**	**Retirement benefits**	**Housing fund and other benefits**	**Total remuneration before tax**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director:					
Mr. Yang Zhongchen	—	1,344	65	92	1,501
Mr. Li Lei	—	579	41	41	661
Mr. Song Lai	—	511	41	41	593
Mr. Sun Qingfa *(i)*	—	1,095	—	—	1,095
Mr. Zhang Qilin *(i)*	—	167	10	10	187
Non-executive directors:					
Mr. Xu Guangcheng *(i)*	—	—	—	—	—
Mr. Tang Yingxu *(i)*	—	—	—	—	—
Independent non-executive directors:					
Mr. Xing Lecheng	60	—	—	—	60
Ms. Li Qifeng	60	—	—	—	60
Ms. Jiang Ling	60	—	—	—	60
Supervisors:					
Mr. Sun Qingfa *(i)*	—	—	—	—	—
Mr. Ma Yi	—	—	—	—	—
Mr. Xie Jisheng	—	174	24	25	223
Mr. Zhang Changshan *(i)*	—	—	—	—	—
Total	**180**	**3,870**	**181**	**209**	**4,440**

Year ended December 31, 2024	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Total remuneration before tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director:					
Mr. Yang Zhongchen	—	1,236	65	92	1,393
Mr. Song Lai	—	572	41	44	657
Mr. Li Lei	—	574	41	44	659
Mr. Zhang Qilin *(ii)*	—	38	7	7	52
Non-executive directors:					
Mr. Wang Quanjun *(ii)*	—	—	—	—	—
Independent non-executive directors:					
Mr. Pan Guangcheng *(ii)*	85	—	—	—	85
Mr. Yang Gongsui *(ii)*	85	—	—	—	85
Ms. Liu Yuan *(ii)*	85	—	—	—	85
Ms. Li Qifeng *(ii)*	20	—	—	—	20
Ms. Jiang Ling *(ii)*	20	—	—	—	20
Mr. Xing Lecheng *(ii)*	20	—	—	—	20
Supervisors:					
Mr. Sun Qingfa	—	—	—	—	—
Mr. Ma Yi	—	—	—	—	—
Mr. Xie Jisheng	—	202	27	30	259
Total	**315**	**2,622**	**181**	**217**	**3,335**

Year ended December 31, 2025	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Total remuneration before tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Song Lai	—	719	43	45	807
Mr. Yang Zhongchen *(iii)*	—	1,076	49	69	1,194
Mr. Xie Jisheng *(iii)*	—	33	5	6	44
Mr. Li Lei *(iii)*	—	421	36	37	494
Non-executive directors:					
Mr. Gao Yuankun *(iii)*	—	—	—	—	—
Mr. Ma Yi *(iii)*	—	—	—	—	—
Mr. Wang Quanjun *(iii)*	—	—	—	—	—
Independent non-executive directors:					
Mr. Pan Guangcheng	120	—	—	—	120
Mr. Yang Gongsui	120	—	—	—	120
Ms. Liu Yuan	120	—	—	—	120
Supervisors:					
Mr. Sun Qingfa *(iii)*	—	—	—	—	—
Mr. Ma Yi *(iii)*	—	—	—	—	—
Mr. Xie Jisheng *(iii)*	—	175	27	28	230
Total	**360**	**2,424**	**160**	**185**	**3,129**

(i) Mr. Sun Qingfa resigned as the chairman of the Group on October 16, 2023, and was engaged as a supervisor of the Group on November 2, 2023. Mr. Zhang Qilin was engaged as an executive director of the Group on November 2, 2023. Mr. Zhang Changshan resigned as a supervisor of the Group on November 2, 2023. Mr. Tang Yingxu and Mr. Xu Guangcheng resigned as non-executive directors of the Group on October 16, 2023.

(ii) Mr. Wang Quanjun was engaged as a non-executive director of the Group on April 15, 2024. Mr. Zhang Qilin resigned as an executive director of the Group on April 15, 2024. Ms. Li Qifeng, Ms. Jiang Ling and Mr. Xing Lecheng resigned as independent non-executive directors of the Group on April 15, 2024. Mr. Pan Guangcheng, Mr. Yang Gongsui and Ms. Liu Yuan were engaged as independent non-executive directors of the Group on April 15, 2024.

(iii) Mr. Li Lei resigned as an executive director of the Group on October 14, 2025. Mr. Yang Zhongchen retired and resigned as the chairman of the Group on October 31, 2025. Mr. Xie Jisheng resigned as a supervisor of the Group on October 10, 2025, and was engaged as an executive director of the Group on October 31, 2025. Mr. Wang Quanjun resigned as a non-executive director of the Group on October 14, 2025. Mr. Gao Yuankun was engaged as a non-executive director of the Group on October 31, 2025. Mr. Sun Qingfa resigned as a supervisor of the Group on October 10, 2025. Mr. Ma Yi resigned as a supervisor of the Group on October 10, 2025, and was engaged as a non-executive director of the Group on October 31, 2025.

(b) Directors' and Supervisors' Other Benefits

No termination benefits were paid to the directors and supervisors of the Company by the Group in respect of the director's services as a director and a supervisor of the Group or other services in connection with the management of the affairs of the Group during the Track Record Period.

No consideration provided to third parties for making available directors' and supervisors' services subsisted at the end of each reporting period or at any time during the Track Record Period.

There were no loans, quasi-loans or other dealings entered into in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

Save as disclosed in Note 44, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

(c) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 include 4, 3 and 2 directors respectively whose emoluments are reflected in the analysis shown in Note 10(a) above. The emoluments paid to the remaining 1, 2 and 3 individuals during the years ended December 31, 2023, 2024 and 2025, respectively, are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses and benefits in kind (including contributions to pension plans)	545	1,446	2,380

Details of the remuneration of the five highest paid employees who are neither a director nor a supervisor of the Company during the Track Record Period are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
Nil to HKD1,000,000	**1**	**2**	**3**

11. FINANCE COSTS, NET

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finance income:			
Interest income from financial assets held for cash management purposes	4,403	6,507	3,090
Finance costs:			
Interest expenses on lease liabilities	(45)	(31)	(197)
Interest expenses on borrowings	—	(44)	(2,414)
Interest expenses on convertible bonds	(8,990)	(25,731)	(24,131)
Total finance costs	(9,035)	(25,806)	(26,742)
Finance costs, net	**(4,632)**	**(19,299)**	**(23,652)**

12. INCOME TAX EXPENSE

The income tax expense of the Group during the Track Record Period are analyzed as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax on profits for the year	10,745	12,170	16,323
Deferred income tax	(3,856)	(6,789)	(6,764)
	6,889	**5,381**	**9,559**

The Group is subject to income tax on an entity basis on profits arising in or derived from the different jurisdictions in which members of the Group are domiciled and operate.

(a) PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax laws (the "**EIT Law**") of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the Track Record Period, certain subsidiaries of the Group have obtained High and New Technology Enterprises certification ("**HNTE**") and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of 3 years.

Pursuant to Caishui [2023] No. 12 "Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses" (關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), certain subsidiaries were qualified for Small Low-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

(b) Hong Kong Profits Tax

Hong Kong profits tax has been provided for at the rate of 8.25% on assessable profits up to HK$2,000,000 and 16.5% on any assessable profits over HK$2,000,000 for the years ended December 31, 2023, 2024 and 2025.

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to profits of the subsidiaries as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	**72,807**	**71,449**	**49,219**
Calculated at the PRC taxation rate of the Company (25%)	18,202	17,862	12,305
Effect of different tax rates applicable to subsidiaries *(i)*	(5,959)	(6,854)	(2,505)
Unused tax losses and temporary differences not recognized as deferred tax assets *(ii)*	12	8	468
Super deduction for research and development expenses *(iii)*	(4,448)	(5,065)	(2,678)
Income not subject to tax	(918)	(610)	(1,181)
Previously unrecognised tax losses and used to reduce deferred tax expense	—	—	(1)
Adjustments for current tax of prior periods	—	40	3,151
	6,889	**5,381**	**9,559**

(i) Reconciling differences are attributable to variations between the statutory tax rates applicable to certain subsidiaries and the parent company's 25% rate.

(ii) Deferred income tax assets relating to these unused tax losses are not recognized as the management considers it is uncertain to utilize these unrecognized tax credits prior to their expiry dates mainly based on considerations of future profitability.

(iii) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses for the first three quarters of 2022, and 200% of it for the remaining period, so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super-deduction**"). The Group has made its best estimation for the Super-deduction to be claimed for the Group's entities in ascertaining their assessable profits for the years ended December 31, 2023, 2024 and 2025.

13. DIVIDENDS

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Final cash dividends in respect of the previous year, declared and paid during the year *(i)*	46,482	22,920	22,776

(i) The final dividends of RMB2.00, RMB1.00 and RMB1.00 per 10 shares (tax inclusive) in respect of the years ended December 31, 2022, 2023 and 2024 were approved by the Annual General Meeting of the Company.

14. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share ("**EPS**") is based on the following:

	Year ended December 31		
	2023	**2024**	**2025**
Profit attributable to ordinary shareholders of the Company *(RMB'000)*	65,918	66,068	39,660
Weighted average number of ordinary shares outstanding *(thousands)*	232,410	229,553	230,645
Basic EPS *(RMB per share)*	**0.28**	**0.29**	**0.17**

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The calculation of diluted earnings per share is based on the following:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Adjusted profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	65,918	66,068	39,660
Weighted average number of ordinary shares outstanding *(thousands)*	232,410	229,553	230,645
Adjustments for potential shares arising from convertible bonds *(thousands)*	—	—	—
Weighted average number of ordinary shares used in calculating diluted EPS *(thousands)*	232,410	229,553	230,645
Diluted EPS *(RMB per share)*	**0.28**	**0.29**	**0.17**

The convertible bonds were not included in the calculation of diluted earnings per share for the years ended December 31, 2023, 2024 and 2025, as their effect would have been anti-dilutive. Consequently, the diluted earnings per share amounts presented for those years are the same as the basic earnings per share amounts.

15. INVESTMENTS IN ASSOCIATES

The amounts of investments in associates recognized in the Historical Financial Information are as follows:

The Group and the Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment in associates	**48,739**	**52,987**	**145,751**

The movements of investments in associates during the Track Record Period are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	44,374	48,739	52,987
Additions	—	—	84,358
Share of results of associates	6,120	4,064	8,154
Share of other equity movement of associates	66	369	531
Dividends	(1,821)	(185)	(279)
At the end of the year	**48,739**	**52,987**	**145,751**

The associates of the Group have been accounted based on the financial information prepared under the accounting policies consistent with the Group.

(i) In 2025, the Group acquired a 30% equity interest in Suzhou Crh New Material Technology Co., Ltd. for RMB84,358,000, obtaining significant influence over operational decisions.

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method. The carrying amount and the Group's share of the results of individually immaterial associates are shown in aggregate as below, respectively.

Reconciliation of the carrying amount of the interests recognized in the Historical Financial Information:

The associates

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates	48,739	52,987	145,751
Aggregate amounts of the Group's share of:			
Profit for the year	6,120	4,064	8,154
Share of other equity movement of associates	66	369	531
Total comprehensive income	**6,186**	**4,433**	**8,685**

16. FINANCIAL INSTRUMENTS MEASURED AT FVOCI

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Asset			
Current:			
— Notes receivables at FVOCI *(i)*	9,770	18,140	13,589

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Asset			
Current:			
— Notes receivables at FVOCI *(i)*	9,770	18,140	13,070

(i) Notes receivables at FVOCI

These notes receivables are classified and measured at FVOCI, as they are held under a business model whose objective is to both collect contractual cash flows and sell the financial assets. In the ordinary course of the Group's treasury management, the Group discounts and endorses certain of these notes receivables, and such transactions satisfy the derecognition criteria. Details of notes receivables that have been endorsed or discounted but not yet matured as at the balance sheet date are set out below:

The Group

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Amount transferred to suppliers	83,641	75,309	127,823

17. SUBSIDIARIES

During the Track Record Period, the Company's primary subsidiary is as follows:

	Name of subsidiary	Place of incorporation and type of legal entity	Share capital registered/ paid-up capital	Equity interest held by the Company						Principal activities
				As at December 31						
				2023		2024		2025		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
			'000							
1	山東力諾特種玻璃有限責任公司 (Shandong Linuo Technical Glass Co., Ltd.)	PRC, limited liability company	RMB10,000	—	—	100%	—	100%	—	Production of borosilicate technical glass

The statutory auditors of the above subsidiary of the Group during the Track Record Period are set out below:

	Name of subsidiary	Name of statutory auditors		
		2023	2024	2025
1	山東力諾特種玻璃有限責任公司 (Shandong Linuo Technical Glass Co., Ltd.)	—	—	Pan-China Certified Public Accountants LLP

The entity has not appointed an auditor for this subsidiary to issue statutory financial statements for the year ended December 31, 2024, as it is not required to do so under the statutory requirements of their place of incorporation.

The Company

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries	2,700	2,700	12,700

18. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023							
Cost	340,304	510,941	4,557	7,356	72,857	14,896	950,911
Accumulated depreciation	(103,384)	(233,154)	(2,354)	(5,383)	—	(10,117)	(354,392)
Carrying amounts	**236,920**	**277,787**	**2,203**	**1,973**	**72,857**	**4,779**	**596,519**
Opening carrying amounts	236,920	277,787	2,203	1,973	72,857	4,779	596,519
Additions	—	28,757	665	784	107,750	—	137,956
Transfers from construction in progress	8,728	134,950	—	113	(148,716)	4,925	—
Disposals	(50)	(55)	—	(9)	—	—	(114)
Depreciation charges	(11,445)	(67,772)	(686)	(798)	—	(4,423)	(85,124)
Closing carrying amounts	**234,153**	**373,667**	**2,182**	**2,063**	**31,891**	**5,281**	**649,237**
At December 31, 2023							
Cost	348,959	658,353	5,222	8,069	31,891	19,821	1,072,315
Accumulated depreciation	(114,806)	(284,686)	(3,040)	(6,006)	—	(14,540)	(423,078)
Carrying amounts	**234,153**	**373,667**	**2,182**	**2,063**	**31,891**	**5,281**	**649,237**
At January 1, 2024							
Cost	348,959	658,353	5,222	8,069	31,891	19,821	1,072,315
Accumulated depreciation	(114,806)	(284,686)	(3,040)	(6,006)	—	(14,540)	(423,078)
Carrying amounts	**234,153**	**373,667**	**2,182**	**2,063**	**31,891**	**5,281**	**649,237**
Opening carrying amounts	234,153	373,667	2,182	2,063	31,891	5,281	649,237
Additions	510	22,238	2,484	1,526	252,008	—	278,766
Transfers from construction in progress	28,571	103,972	9	1,236	(133,788)	—	—
Disposals	(240)	(1,308)	(5)	(4)	—	—	(1,557)
Depreciation charges	(12,556)	(89,421)	(873)	(893)	—	(3,819)	(107,562)
Closing carrying amounts	**250,438**	**409,148**	**3,797**	**3,928**	**150,111**	**1,462**	**818,884**
At December 31, 2024							
Cost	377,408	730,106	7,606	10,760	150,111	19,821	1,295,812
Accumulated depreciation	(126,970)	(320,958)	(3,809)	(6,832)	—	(18,359)	(476,928)
Carrying amounts	**250,438**	**409,148**	**3,797**	**3,928**	**150,111**	**1,462**	**818,884**

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025							
Cost	377,408	730,106	7,606	10,760	150,111	19,821	1,295,812
Accumulated depreciation	(126,970)	(320,958)	(3,809)	(6,832)	—	(18,359)	(476,928)
Carrying amounts	**250,438**	**409,148**	**3,797**	**3,928**	**150,111**	**1,462**	**818,884**
Opening carrying amounts	250,438	409,148	3,797	3,928	150,111	1,462	818,884
Additions	—	7,259	975	3,457	300,710	—	312,401
Transfers from construction in progress	4,727	115,506	5	40	(149,450)	29,172	—
Disposals	—	(5,522)	(160)	(6)	—	—	(5,688)
Depreciation charges	(13,740)	(106,033)	(939)	(1,838)	—	(2,936)	(125,486)
Closing carrying amounts	**241,425**	**420,358**	**3,678**	**5,581**	**301,371**	**27,698**	**1,000,111**
At December 31, 2025							
Cost	382,135	812,019	7,643	14,201	301,371	48,993	1,566,362
Accumulated depreciation	(140,710)	(391,661)	(3,965)	(8,620)	—	(21,295)	(566,251)
Carrying amounts	**241,425**	**420,358**	**3,678**	**5,581**	**301,371**	**27,698**	**1,000,111**

(a) Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of lease term as follows:

Buildings	15–30 years
Machinery equipment	3–8 years
Motor vehicles	3–6 years
Other equipment	3–6 years
Leasehold improvements	Shorter of their useful lives and lease terms

See Note 46 for the other accounting policies relevant to property, plant and equipment.

(b) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	71,234	93,493	95,440
Inventories	8,155	8,647	22,526
General and administrative expenses	5,383	3,342	5,087
Research and development expenses	305	1,991	2,048
Selling and marketing expenses	47	89	385
	85,124	**107,562**	**125,486**

The Group has pledged machinery equipment with carrying amount of approximately RMB51,240,000, nil and nil as at December 31, 2023, 2024, 2025, respectively to secure bank borrowings granted to the Group.

As at December 31, 2023, 2024 and 2025, the Group had buildings and structures for which ownership certificate applications were pending, with carrying amount of approximately RMB93,091,000, RMB89,990,000 and RMB86,894,000, respectively.

The Company

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023							
Cost	340,304	510,941	4,557	7,356	72,857	14,896	950,911
Accumulated depreciation	(103,384)	(233,154)	(2,354)	(5,383)	—	(10,117)	(354,392)
Carrying amounts	**236,920**	**277,787**	**2,203**	**1,973**	**72,857**	**4,779**	**596,519**
Opening carrying amounts	236,920	277,787	2,203	1,973	72,857	4,779	596,519
Additions	—	28,758	665	783	107,750	—	137,956
Transfers from construction in progress	8,728	134,950	—	114	(148,717)	4,925	—
Disposals	(50)	(55)	—	(9)	—	—	(114)
Depreciation charges	(11,445)	(67,772)	(686)	(798)	—	(4,423)	(85,124)
Closing carrying amounts	**234,153**	**373,668**	**2,182**	**2,063**	**31,890**	**5,281**	**649,237**
At December 31, 2023							
Cost	348,959	658,354	5,222	8,069	31,890	19,821	1,072,315
Accumulated depreciation	(114,806)	(284,686)	(3,040)	(6,006)	—	(14,540)	(423,078)
Carrying amounts	**234,153**	**373,668**	**2,182**	**2,063**	**31,890**	**5,281**	**649,237**
At January 1, 2024							
Cost	348,959	658,354	5,222	8,069	31,890	19,821	1,072,315
Accumulated depreciation	(114,806)	(284,686)	(3,040)	(6,006)	—	(14,540)	(423,078)
Carrying amounts	**234,153**	**373,668**	**2,182**	**2,063**	**31,890**	**5,281**	**649,237**
Opening carrying amounts	234,153	373,668	2,182	2,063	31,890	5,281	649,237
Additions	510	22,238	2,484	1,526	252,008	—	278,766
Transfers from construction in progress	28,571	103,972	9	1,236	(133,788)	—	—
Disposals	(240)	(1,309)	(6)	(4)	—	—	(1,559)
Depreciation charges	(12,556)	(89,421)	(872)	(893)	—	(3,818)	(107,560)
Closing carrying amounts	**250,438**	**409,148**	**3,797**	**3,928**	**150,110**	**1,463**	**818,884**
At December 31, 2024							
Cost	377,408	730,106	7,606	10,760	150,110	19,821	1,295,811
Accumulated depreciation	(126,970)	(320,958)	(3,809)	(6,832)	—	(18,358)	(476,927)
Carrying amounts	**250,438**	**409,148**	**3,797**	**3,928**	**150,110**	**1,463**	**818,884**

	Buildings	Machinery equipment	Motor vehicles	Other equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025							
Cost	377,408	730,106	7,606	10,760	150,110	19,821	1,295,811
Accumulated depreciation	(126,970)	(320,958)	(3,809)	(6,832)	—	(18,358)	(476,927)
Carrying amounts	**250,438**	**409,148**	**3,797**	**3,928**	**150,110**	**1,463**	**818,884**
Opening carrying amounts	250,438	409,148	3,797	3,928	150,110	1,463	818,884
Additions	—	7,260	975	3,243	300,711	—	312,189
Transfers from construction in progress	4,727	115,506	5	40	(149,450)	29,172	—
Disposals	—	(5,522)	(160)	(6)	—	—	(5,688)
Depreciation charges	(13,740)	(106,033)	(939)	(1,797)	—	(2,937)	(125,446)
Closing carrying amounts	**241,425**	**420,359**	**3,678**	**5,408**	**301,371**	**27,698**	**999,939**
At December 31, 2025							
Cost	382,135	812,020	7,643	13,987	301,371	48,993	1,566,149
Accumulated depreciation	(140,710)	(391,661)	(3,965)	(8,579)	—	(21,295)	(566,210)
Carrying amounts	**241,425**	**420,359**	**3,678**	**5,408**	**301,371**	**27,698**	**999,939**

19. LEASES

19.1 The Group and the Company as the lessee

(a) Amounts Recognized in the Consolidated Statements of Financial Position

The Group

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Land use rights	25,134	69,222	67,695
Buildings	3,000	2,492	13,112
	28,134	**71,714**	**80,807**
Lease liabilities			
Current	348	741	2,806
Non-current	362	—	8,205
	710	**741**	**11,011**

(i) Additions to the right-of-use assets during the years ended December 31, 2023, 2024, 2025 were approximately nil, RMB45,238,000 and RMB12,693,000 respectively.

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Land use rights	25,134	69,222	67,695
Buildings	3,000	2,492	12,669
	28,134	**71,714**	**80,364**
Lease liabilities			
Current	348	741	2,600
Non-current	362	—	7,992
	710	**741**	**10,592**

(b) The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The discount rate used during the years ended December 31, 2023 and 2024 were remained at 4.10% to 4.50%. The discount rate used during the year ended December 31, 2025 was ranged from 3.10% to 4.30%.

(c) Depreciation charges of right-of-use assets have been recognized as follows:

The consolidated statements of profit or loss and the consolidated statements of cash flow contain the following amounts relating to leases:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets:			
— Land use rights	622	1,150	1,527
— Buildings	508	508	2,073
	1,130	**1,658**	**3,600**

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest expense (included in finance cost)	45	31	197
Expense relating to short-term and low value leases not included in lease liabilities	1,105	1,050	941
	1,150	**1,081**	**1,138**

The total cash outflows for lease payments during the years ended December 31, 2023, 2024 and 2025 were approximately RMB1,025,000, RMB854,000 and RMB3,415,000, respectively.

As a lessee, the Group leases buildings, and land use rights. Lease contracts typically have fixed terms, ranging from 1 to 40 years for buildings, 50 years for land use rights. They are stated at cost less accumulated depreciation and accumulated impairment losses.

See Note 46 for the other accounting policies relevant to lease.

19.2 The Group as the lessor

(a) Operating Lease

(i) Lease Income

The Group

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease income	129	100	114

(ii) Assets leased out under operating leases

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets	2,351	2,168	1,985

(iii) Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	88	110	80
Between 1 and 2 years	62	54	50
Over 2 years	70	47	84
	220	**211**	**214**

20. INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
At January 1, 2023	
Cost	11,183
Accumulated amortization	(9,536)
Carrying amounts	**1,647**
Year ended December 31, 2023	
Opening carrying amounts	1,647
Additions	369
Amortization charges	(763)
Closing carrying amounts	**1,253**
At December 31, 2023	
Cost	11,552
Accumulated amortization	(10,299)
Carrying amounts	**1,253**
At January 1, 2024	
Cost	11,552
Accumulated amortization	(10,299)
Carrying amounts	**1,253**
Year ended December 31, 2024	
Opening carrying amounts	1,253
Additions	272
Amortization charges	(450)
Closing carrying amounts	**1,075**
At December 31, 2024	
Cost	3,238
Accumulated amortization	(2,163)
Carrying amounts	**1,075**
At January 1, 2025	
Cost	3,238
Accumulated amortization	(2,163)
Carrying amounts	**1,075**
Year ended December 31, 2025	
Opening carrying amounts	1,075
Additions	4,059
Amortization charges	(710)
Closing carrying amounts	**4,424**
At December 31, 2025	
Cost	7,297
Accumulated amortization	(2,873)
Carrying amounts	**4,424**

(a) Amortization expenses have been recognized as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	244	235	252
General and administrative expenses	437	92	250
Selling and marketing expenses	77	77	77
Research and development expenses	—	33	68
Inventories	5	13	63
	763	**450**	**710**

(b) Amortization Methods and Periods

(i) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software.

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software	3–10 years

21. FINANCIAL INSTRUMENTS BY CATEGORY

The detail information of financial instruments by category during the Track Record Period is as below:

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets measured at fair value:			
Notes receivables at FVOCI *(Note 16)*	9,770	18,140	13,589
Financial assets at FVTPL *(Note 27)*	453,154	295,751	56,358
	462,924	**313,891**	**69,947**
Financial assets measured at amortized cost:			
Trade and notes receivables *(Note 23)*	213,950	254,141	275,717
Restricted cash and term deposits *(Note 28)*	63,291	139,743	119,211
Cash and cash equivalents *(Note 28)*	403,339	350,746	402,315
Other receivables *(Note 24)*	14,994	9,527	8,034
	695,574	**754,157**	**805,277**

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Derivative financial liabilities	—	199	—
Financial liabilities measured at amortized cost:			
Convertible bonds *(Note 30)*	371,583	395,376	341,144
Trade and notes payables *(Note 31)*	117,209	243,014	336,053
Other current liabilities (excluding non-financial liabilities) *(Note 33)*	23,615	36,714	34,099
Accruals and other payables (excluding non-financial liabilities) *(Note 32)*	8,414	1,541	1,908
Lease liabilities *(Note 19)*	710	741	11,011
Borrowings *(Note 29)*	—	15,012	275,185
	521,531	**692,398**	**999,400**

The Company

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets measured at fair value:			
Notes receivables at FVOCI *(Note 16)*	9,770	18,140	13,070
Financial assets at FVTPL *(Note 27)*	453,154	295,751	56,358
	462,924	**313,891**	**69,428**
Financial assets measured at amortized cost:			
Trade and notes receivables *(Note 23)*	213,950	254,263	284,491
Restricted cash and term deposits *(Note 28)*	63,291	139,743	106,611
Cash and cash equivalents *(Note 28)*	402,680	349,861	362,531
Other receivables *(Note 24)*	15,504	10,038	26,215
	695,425	**753,905**	**779,848**

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Derivative financial liabilities	—	199	—
Financial liabilities measured at amortized cost:			
Convertible bonds *(Note 30)*	371,583	395,376	341,144
Trade and notes payables *(Note 31)*	117,209	243,014	226,320
Other current liabilities (excluding non-financial liabilities) *(Note 33)*	23,615	36,714	27,038
Accruals and other payables (excluding non-financial liabilities) *(Note 32)*	11,414	4,565	4,427
Lease liabilities *(Note 19)*	710	741	10,592
Borrowings *(Note 29)*	—	15,012	265,185
	524,531	**695,422**	**874,706**

22. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross deferred tax assets	3,022	3,758	7,337
Offsetting against deferred tax liabilities	(3,022)	(3,758)	(7,337)
Net deferred tax assets	**—**	**—**	**—**
Gross deferred tax liabilities	26,024	19,948	10,463
Offsetting against deferred tax assets	(3,022)	(3,758)	(7,337)
Net deferred tax liabilities	**23,002**	**16,190**	**3,126**

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Loss allowance and impairment provision	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	2,212	—	—	2,212
Credited to profit or loss *(note 12)*	704	106	—	810
At December 31, 2023	**2,916**	**106**	**—**	**3,022**
At January 1, 2024	2,916	106	—	3,022
Credited to profit or loss *(note 12)*	731	5	—	736
At December 31, 2024	**3,647**	**111**	**—**	**3,758**
At January 1, 2025	3,647	111	—	3,758
Credited to profit or loss *(note 12)*	1,228	1,478	873	3,579
At December 31, 2025	**4,875**	**1,589**	**873**	**7,337**

(b) Deferred Tax Liabilities

	Accelerated tax depreciation	Convertible bonds	Right-of-use assets	Fair value adjustments of assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	9,528	—	—	215	9,743
Charged/(credited) to profit or loss *(note 12)*	(2,033)	(1,267)	146	108	(3,046)
Charged to equity	—	19,327	—	—	19,327
At December 31, 2023	**7,495**	**18,060**	**146**	**323**	**26,024**
At January 1, 2024	7,495	18,060	146	323	26,024
Credited to profit or loss *(note 12)*	(2,143)	(3,603)	(97)	(210)	(6,053)
Credited to equity	—	(23)	—	—	(23)
At December 31, 2024	**5,352**	**14,434**	**49**	**113**	**19,948**
At January 1, 2025	5,352	14,434	49	113	19,948
Charged/(credited) to profit or loss *(note 12)*	(1,616)	(3,236)	1,576	91	(3,185)
Credited to equity	—	(6,300)	—	—	(6,300)
At December 31, 2025	**3,736**	**4,898**	**1,625**	**204**	**10,463**

(c) Deferred Tax Assets Not Recognized

The Group has not recognized deferred tax assets in respect of the items below, which were not likely to generate taxable profit:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	232	395	9,730
Temporary differences	—	5	32
	232	**400**	**9,762**

The tax losses not recognized deferred tax assets can be carried forward in future years. As at December 31, 2023, 2024 and 2025, the following table shows unused tax losses based on its expected expiry date:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
2028	232	232	213
2029	—	163	163
2030	—	—	9,354
	232	**395**	**9,730**

The Company

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Gross deferred tax assets	3,022	3,758	4,750
Offsetting against deferred tax liabilities	(3,022)	(3,758)	(4,750)
Net deferred tax assets	**—**	**—**	**—**
Gross deferred tax liabilities	26,024	19,948	10,441
Offsetting against deferred tax assets	(3,022)	(3,758)	(4,750)
Net deferred tax liabilities	**23,002**	**16,190**	**5,691**

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Loss allowance and impairment provision	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023	2,212	—	2,212
Credited to profit or loss	704	106	810
At December 31, 2023	**2,916**	**106**	**3,022**
At January 1, 2024	2,916	106	3,022
Credited to profit or loss	731	5	736
At December 31, 2024	**3,647**	**111**	**3,758**
At January 1, 2025	3,647	111	3,758
Credited/(charged) to profit or loss	(486)	1,478	992
At December 31, 2025	**3,161**	**1,589**	**4,750**

(b) Deferred Tax Liabilities

	Accelerated tax depreciation	Convertible bonds	Fair value changes	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	9,528	—	215	—	9,743
Charged/(credited) to profit or loss	(2,033)	(1,267)	108	146	(3,046)
Charged to equity	—	19,327	—	—	19,327
At December 31, 2023	**7,495**	**18,060**	**323**	**146**	**26,024**
At January 1, 2024	7,495	18,060	323	146	26,024
Credited to profit or loss	(2,143)	(3,603)	(210)	(97)	(6,053)
Credited to equity	—	(23)	—	—	(23)
At December 31, 2024	**5,352**	**14,434**	**113**	**49**	**19,948**
At January 1, 2025	5,352	14,434	113	49	19,948
Charged/(credited) to profit or loss	(1,616)	(3,236)	91	1,554	(3,207)
Credited to equity	—	(6,300)	—	—	(6,300)
At December 31, 2025	**3,736**	**4,898**	**204**	**1,603**	**10,441**

23. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Trade receivables	194,971	219,129	247,901
Notes receivables	29,005	46,338	40,575
Less: credit loss allowance	(10,026)	(11,326)	(12,759)
	213,950	254,141	275,717

(a) As at January 1, 2023, the gross carrying amounts of trade and notes receivables from contracts with customers are amounting to RMB147,345,000 (net of expected credit loss amounting to RMB7,857,000).

(b) The Group grants credit terms to some customers ranging from 7 to 180 days from the date of billing or delivery of goods. The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	192,676	217,570	244,054
1 to 2 years	1,904	1,037	3,222
2 to 3 years	57	136	507
Over 3 years	334	386	118
	194,971	**219,129**	**247,901**

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	194,971	219,247	259,906
Notes receivables	29,002	46,338	33,515
Less: credit loss allowance	(10,023)	(11,322)	(8,930)
	213,950	**254,263**	**284,491**

The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	192,676	217,688	255,877
1 to 2 years	1,904	1,037	3,404
2 to 3 years	57	136	507
Over 3 years	334	386	118
	194,971	**219,247**	**259,906**

24. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayments:			
Prepayment for purchase of property, plant and equipment	30,978	32,853	76,886
Prepayment for long-term prepaid expenses	82	—	—
	31,060	**32,853**	**76,886**
Current:			
Prepayments:			
Prepayments for raw materials	10,572	14,125	11,139
Prepayments for operating expenses	1,954	3,139	7,244
Others	20	200	223
	12,546	**17,464**	**18,606**
Other receivables:			
Deposits	13,101	10,141	7,008
Purchase refund receivables	2,560	—	—
Advances to employees for social insurance and housing fund	214	492	1,481
Employee advances	1	18	656
Others	—	—	344
Less: provision for impairment	(882)	(1,124)	(1,455)
	14,994	**9,527**	**8,034**
	27,540	**26,991**	**26,640**

The Company

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments:			
Prepayment for purchase of property, plant and equipment	30,978	32,853	76,291
Prepayment for long-term prepaid expenses	82	—	—
	31,060	**32,853**	**76,291**
Current			
Prepayments:			
Prepayments for raw materials	10,572	14,125	10,944
Prepayments for operating expenses	1,954	3,139	4,782
Others	20	200	197
	12,546	**17,464**	**15,923**
Other receivables:			
Intercompany balances	510	511	19,594
Purchase refund receivables	2,560	—	—
Deposits	13,101	10,141	6,883
Advances to employees for social insurance and housing fund	214	492	942
Employee advances	1	18	97
Others	—	—	79
Less: provision for impairment	(882)	(1,124)	(1,380)
	15,504	**10,038**	**26,215**
	28,050	**27,502**	**42,138**

25. OTHER CURRENT ASSETS

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other current assets			
Deductible input VAT	**13,758**	**20,300**	**45,860**

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other current assets			
Deductible input VAT	**13,744**	**20,266**	**40,125**

26. INVENTORIES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	48,702	39,805	41,717
Work in progress	2,323	1,809	2,770
Finished goods	152,590	228,155	401,323
Materials for consigned processing	9,585	13,491	24,041
Contract fulfilment assets	—	1,289	1,258
Less: provision for impairment	(8,526)	(11,857)	(13,582)
	204,674	**272,692**	**457,527**

(i) The cost of inventories carried forward to the profit or loss during the year is mainly recognized as the cost of sales. For the years ended December 31, 2023, 2024 and 2025, the cost of inventories carried forward to the cost of sales amounted to approximately RMB750,108,000, RMB838,159,000 and RMB752,002,000, respectively.

(ii) Provision for inventories recorded as cost of sales during the years ended December 31, 2023, 2024 and 2025 were RMB5,561,000, RMB9,516,000 and RMB8,453,000, respectively.

(iii) The written off of provisions for inventories during the years ended December 31, 2023, 2024 and 2025 were RMB3,736,000, RMB6,185,000 and RMB6,728,000, respectively.

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	48,702	39,805	35,093
Work in progress	2,323	1,809	1,547
Finished goods	152,590	228,155	317,033
Materials for consigned processing	9,585	13,491	4,681
Contract fulfilment assets	—	1,289	1,258
Less: provision for impairment	(8,526)	(11,857)	(10,760)
	204,674	**272,692**	**348,852**

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The group classifies the following financial assets at fair value through profit or loss (FVTPL):

Financial assets mandatorily measured at FVTPL include the following:

The Group and The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
— Wealth management products	453,154	295,751	56,358

(ii) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fair value gains on financial assets and liabilities at FVTPL	2,154	1,454	1,667
Net gains on disposal and holding of financial assets at FVTPL	5,746	8,026	2,659
	7,900	**9,480**	**4,326**

28. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

(a) Cash and Cash Equivalents

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	466,630	490,489	521,526
Less: restricted cash and term deposits *(i)*	(63,291)	(139,743)	(119,211)
Cash and cash equivalents	**403,339**	**350,746**	**402,315**

(i) As at December 31, 2023, 2024 and 2025, the Group's bank deposits amounting to RMB63,291,000, RMB139,743,000 and RMB119,211,000 were pledged as a guarantee for the bank acceptance notes, letters of guarantees, letters of credit, etc.

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	465,971	489,604	469,142
Less: restricted cash and term deposits *(ii)*	(63,291)	(139,743)	(106,611)
Cash and cash equivalents	**402,680**	**349,861**	**362,531**

(ii) As at December 31, 2023, 2024 and 2025, the Company's bank deposits amounting to RMB63,291,000, RMB139,743,000 and RMB106,611,000 were pledged as a guarantee for the bank acceptance notes, letters of guarantees, letters of credit, etc.

(b) Cash and cash equivalents are Denominated in:

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
RMB	419,089	424,564	477,649
USD	47,541	65,783	43,566
Others	—	142	311
	466,630	**490,489**	**521,526**

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
RMB	418,430	423,679	436,666
USD	47,541	65,783	32,167
Others	—	142	309
	465,971	**489,604**	**469,142**

29. BORROWINGS

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Bank borrowings			
— Secured	—	—	100,000
— Unsecured	—	—	145,012
	—	**—**	**245,012**
Current			
Bank borrowings			
— Secured	—	—	10,000
— Unsecured	—	15,012	20,017
	—	15,012	30,017
Interest payables	—	—	156
	—	**15,012**	**30,173**

(a) As at December 31, 2023, 2024 and 2025, the annual interest rate of short-term borrowings was nil, 2.60% and ranged from 2.40% to 3.10%, respectively.

As at December 31, 2023, 2024 and 2025, the annual interest rate of long-term borrowings was nil, nil and ranged from 1.95% to 2.70%, respectively.

(b) As at December 31, 2025, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB100,000,000 guaranteed by Linuo Group Holdings Co., Ltd., which is an entity controlled by the ultimate controlling shareholder. (ii) borrowings with a principal equivalent to approximately RMB10,000,000 secured by trade receivables.

(c) As at December 31, 2023, 2024 and 2025, the Group's borrowings were repayable as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	—	15,012	30,173
Between 1 and 2 years	—	—	26,000
Between 2 and 5 years	—	—	169,012
Over 5 years	—	—	50,000
	—	**15,012**	**275,185**

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Bank borrowings			
— Secured	—	—	100,000
— Unsecured	—	—	145,012
	—	**—**	**245,012**
Current			
Bank borrowings			
— Secured	—	—	—
— Unsecured	—	15,012	20,017
	—	15,012	20,017
Interest payables	—	—	156
	—	**15,012**	**20,173**

As at December 31, 2023, 2024 and 2025, the annual interest rate of long-term borrowings was nil, nil and ranged from 1.95% to 2.70%, respectively.

30. CONVERTIBLE BONDS

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities			
Convertible bonds	371,047	394,481	339,721
Current liabilities			
Convertible bonds	536	895	1,423

The convertible bonds issued have been split into the liability and equity components as follows:

	Liability component	Equity component *(Note 38)*	Total
	RMB'000	*RMB'000*	*RMB'000*
Nominal value of convertible corporate bonds	368,905	131,095	500,000
Direct transaction costs	(6,312)	(2,244)	(8,556)
Balance as at the issuance date	**362,593**	**128,851**	**491,444**
Credited to deferred tax liabilities	—	(19,327)	(19,327)
Effective interest expenses	8,990	—	8,990
Balance as at December 31, 2023	**371,583**	**109,524**	**481,107**
Effective interest expenses	25,731	—	25,731
Interest paid	(1,497)	—	(1,497)
Conversion amount	(441)	(128)	(569)
Balance as at December 31, 2024	**395,376**	**109,396**	**504,772**
Effective interest expenses	24,131	—	24,131
Interest paid	(2,028)	—	(2,028)
Conversion amount	(76,335)	(17,947)	(94,282)
Balance as at December 31, 2025	**341,144**	**91,449**	**432,593**

(i) As approved by the relevant regulatory authorities in China, the Company issued A-share convertible corporate bonds at a principal amount of RMB0.5 billion to unspecified investors on August 23, 2023. The convertible corporate bonds have a term of six-years from August 23, 2023 to August 22, 2029, at coupon rates of 0.30% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.50% for the sixth year. The conversion of these convertible corporate bonds begins on the first trading day (February 29, 2024) after six months upon the completion date of the offering (August 29, 2023), until the maturity date (August 22, 2029).

In accordance with formulas set out in the document of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB14.40 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances. As the cash dividend was paid on June 4, 2024, the conversion price of the convertible corporate bonds has been adjusted to RMB14.30 per share. Another cash dividend was paid on May 29, 2025, the conversion price of the convertible corporate bonds has been adjusted to RMB14.20 per share. During the conversion period (from February 29, 2024 to August 22, 2029), if the closing price of the Company's A-shares is lower than 85% of the current conversion price for at least 15 trading days in any 30 consecutive trading days, the Board of Directors of the Company has the discretionary right to propose to lower the conversion price and submit the proposal to the shareholders' meeting for deliberation.

These convertible corporate bonds are subject to conditional redemptions. During their conversion period, if the closing prices of the Company's A-shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Company has the right to redeem all or part of the outstanding convertible corporate bonds at their par value plus the current accrued interest, upon approval of the relevant regulatory authorities (if required). In addition, when the total amount of the outstanding convertible corporate bonds is less than RMB30 million, the Company has the right to redeem all outstanding convertible corporate bonds at their par value plus the current accrued interest.

For the year ended December 31, 2025, convertible corporate bonds of RMB94,282,000 were converted to 6,617,000 A-shares.

31. TRADE AND NOTES PAYABLES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables			
— Trade payables	110,435	182,900	216,187
— Notes payables	6,774	60,114	119,866
	117,209	**243,014**	**336,053**

(a) As at December 31, 2023, 2024 and 2025, trade payables include payables for construction and equipment amounting to RMB25,752,000, RMB53,692,000 and RMB45,434,000.

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	103,451	181,595	207,814
Over 1 year	6,984	1,305	8,373
	110,435	**182,900**	**216,187**

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables			
— Trade payables	110,435	182,900	148,454
— Notes payables	6,774	60,114	77,866
	117,209	**243,014**	**226,320**

As at December 31, 2023, 2024 and 2025, trade payables include payables for construction and equipment amounting to RMB25,752,000, RMB53,692,000 and RMB45,416,000.

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	103,451	181,595	140,081
Over 1 year	6,984	1,305	8,373
	110,435	**182,900**	**148,454**

32. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Salaries, wages and benefits	15,300	16,163	15,640
Taxes other than income tax payables	1,591	1,411	1,459
Deposits	7,681	604	1,145
Others	733	937	763
	25,305	**19,115**	**19,007**

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Salaries, wages and benefits	15,300	16,163	9,704
Taxes other than income tax payables	1,591	1,408	1,447
Deposits	8,409	960	1,145
Intercompany balances	3,000	3,000	3,000
Others	5	605	282
	28,305	**22,136**	**15,578**

33. OTHER CURRENT LIABILITIES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Recourse obligations *(i)*	23,615	36,714	34,099
Other tax to be recognized	1,068	1,272	1,705
	24,683	**37,986**	**35,804**

(i) The Group settled part of its trade payables by endorsing notes receivables or supply chain financing notes to the suppliers. Given that the suppliers retain the right to demand payment from the Group if the notes issuer or a prior holder fails to pay the notes, this created a recourse obligations to the Group.

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other current liabilities:			
Recourse obligations	23,615	36,714	27,038
Other tax to be recognized	1,068	1,272	1,261
	24,683	**37,986**	**28,299**

34. DEFERRED INCOME

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	1,548	53,930	81,846

The movements of deferred income for the Track Record Period are as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	2,335	1,548	53,930
Grants received during the year	639	53,750	35,830
Amounts released to profit or loss during the year	(1,426)	(1,368)	(7,914)
At the end of the year	**1,548**	**53,930**	**81,846**

35. SHARE CAPITAL

The Group and The Company

	Year ended December 31					
	2023		2024		2025	
	Share capital	Number of shares	Share capital	Number of shares	Share capital	Number of shares
	RMB'000	*'000*	*RMB'000*	*'000*	*RMB'000*	*'000*
At the beginning of the year	232,410	232,410	232,410	232,410	232,451	232,451
Conversion of convertible bonds to Ordinary shares. *(i)(ii)*	—	—	41	41	6,617	6,617
At the end of the year	**232,410**	**232,410**	**232,451**	**232,451**	**239,068**	**239,068**

(i) The convertible bonds give the holder the right to convert the convertible bonds into shares. In 2024, the Company issued 41,000 shares that were converted for the convertible bonds, correspondingly increased the share premium by RMB551,000, reduced the equity reserves-convertible bonds by RMB128,000.

(ii) In 2025, the Company issued 6,617,000 shares that were converted for the convertible bonds, correspondingly increased the share premium by RMB93,959,000, reduced the equity reserves-convertible bonds by RMB17,947,000.

36. TREASURY SHARES

The Group and The Company

	Year ended December 31					
	2023		2024		2025	
	Treasury shares	Number of shares	Treasury shares	Number of shares	Treasury shares	Number of shares
	RMB'000	*'000*	*RMB'000*	*'000*	*RMB'000*	*'000*
At the beginning of the year	—	—	—	—	50,030	3,525
Repurchase of shares *(i)(ii)*	—	—	50,030	3,525	81,123	4,558
At the end of the year	**—**	**—**	**50,030**	**3,525**	**131,153**	**8,083**

(i) Pursuant to the Proposal Regarding Repurchase of the Company's Shares adopted at the 24th meeting of the 3rd Board of Directors held on January 16, 2024, the Company repurchased 3,525,000 shares with the trading amount of RMB50,030,000 for the year ended December 31, 2024.

(ii) Pursuant to the Proposal Regarding Repurchase of the Company's Shares adopted at the 8th meeting of the 4th Board of Directors held on February 7, 2025, the Company repurchased 4,558,000 shares with the trading amount of RMB81,123,000 for the year ended December 31, 2025.

37. SHARE INCENTIVE SCHEME

Share Option Incentive Plans

(a) Equity-settled share-based payment arrangement of the Company

2024 Restricted Share Incentive

Pursuant to the Shandong Linuo Technical Glass Co., Ltd. 2024 Restricted Share Incentive Plan (Draft) (《山東力諾特種玻璃股份有限公司2024年限制性股票激勵計劃(草案)》) (the "**Restricted Share Incentive Plan**"), as approved at the Fourth Meeting of the Fourth Board of Directors held on September 5, 2024, eligible participants were granted Class II restricted shares. Upon satisfaction of the applicable vesting conditions, each restricted share entitles the participant to subscribe for one ordinary A share at a grant price of RMB6.88 per share.

On September 5, 2024, the Company granted 3,525,000 awards to 35 eligible participants. The awards vest in two tranches, each representing 50% of the total grant, after one year and two years from the grant date, respectively, subject to satisfaction of the applicable vesting conditions. During 2025, 1,763,000 awards relating to the first tranche lapsed because the applicable vesting conditions were not satisfied. The grant-date fair value was RMB5.09 per award for the first tranche and RMB5.30 per award for the second tranche.

The vesting conditions of the awards are subject to the satisfaction of both corporate-level non-market performance conditions and individual-level service and performance conditions:

Corporate-level non-market performance conditions: Performance is assessed separately for each of the 2024 and 2025 financial years, by reference to the annual growth rates of (i) audited consolidated revenue and (ii) audited consolidated profit before tax, with the 2023 financial year as the base period. Profit before tax for assessment purposes is adjusted to exclude the impact of share-based payment expenses arising from this Incentive Plan.

Individual-level conditions: Participants are required to remain in service with the Group throughout the relevant vesting period and are subject to annual individual performance assessments.

The number of awards under the 2024 Restricted Share Incentive Plan is summarised as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	'000	*'000*	*'000*
At the beginning of the year	—	—	3,525
Granted	—	3,525	—
Vested	—	—	—
Lapsed	—	—	(1,763)
At the end of the year	**—**	**3,525**	**1,762**

The aggregate grant-date fair value of the awards was approximately RMB18,311,000. As at December 31, 2024 and 2025, 3,525,000 and 1,762,000 awards remained outstanding and unvested, respectively, and no awards were vested or exercisable at either reporting date.

The grant-date fair value of the awards granted in 2024 was determined using the Black-Scholes option pricing model. The significant assumptions used in the valuation are set out below.

	2024 Restricted Share Incentive Plan	
	1st Tranche	2nd Tranche
Expected volatility	25.50%	22.19%
Expected award life *(years)*	1.00	2.00
Risk-free interest rate	1.50%	2.10%
Dividend yield	0.00%	0.00%
Share price at date of grant *(RMB)*	11.86	11.86

The exercise price used in the valuation was RMB6.88 per award, and the valuation date was September 5, 2024.

Expected volatility was determined based on the historical volatility of comparable companies over a period commensurate with the expected award life. The risk-free interest rate was referred to the market yield of government bond with similar issuing dates and maturity dates as other respective grant dates.

For the years ended December 31, 2024 and 2025, the Group recognised no share-based payment expense in respect of the 2024 Restricted Share Incentive Plan because, based on management's assessment at each reporting date, the applicable corporate-level non-market performance conditions for the relevant tranches were not expected to be satisfied. The first tranche lapsed during 2025. The Group will reassess the expected vesting outcome of the remaining second-tranche awards at each subsequent reporting date until vesting or lapse.

The awards outstanding at December 31, 2024 and 2025 had an exercise price of RMB6.88 per award and weighted-average remaining contractual lives of 1.68 years and 0.68 years, respectively.

38. EQUITY RESERVES-CONVERTIBLE BONDS

The Group and The Company

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	—	109,524	109,396
Value of conversion rights on convertible bonds	109,524	—	—
Conversion of convertible bonds to ordinary shares	—	(128)	(17,947)
At the end of the year	**109,524**	**109,396**	**91,449**

39. OTHER RESERVES

The Group

	Statutory reserves	Capital surplus	Total
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1, 2023	64,693	169	64,862
Share of other equity movement of associates	—	66	66
Appropriation to statutory reserves	6,604	—	6,604
Balance at December 31, 2023	**71,297**	**235**	**71,532**
Balance at January 1, 2024	71,297	235	71,532
Share of other equity movement of associates	—	369	369
Appropriation to statutory reserves	6,610	—	6,610
Balance at December 31, 2024	**77,907**	**604**	**78,511**
Balance at January 1, 2025	77,907	604	78,511
Share of other equity movement of associates	—	531	531
Appropriation to statutory reserves	4,481	—	4,481
Balance at December 31, 2025	**82,388**	**1,135**	**83,523**

The Company

	Statutory reserves	Capital surplus	Total
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1, 2023	64,693	169	64,862
Share of other equity movement of associates	—	66	66
Appropriation to statutory reserve	6,604	—	6,604
Balance at December 31, 2023	**71,297**	**235**	**71,532**
Balance at January 1, 2024	71,297	235	71,532
Share of other equity movement of associates	—	369	369
Appropriation to statutory reserves	6,610	—	6,610
Balance at December 31, 2024	**77,907**	**604**	**78,511**
Balance at January 1, 2025	77,907	604	78,511
Share of other equity movement of associates	—	531	531
Appropriation to statutory reserves	4,481	—	4,481
Balance at December 31, 2025	**82,388**	**1,135**	**83,523**

40. RETAINED EARNINGS

The Group

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	336,266	349,098	385,636
Net profit	65,918	66,068	39,660
Appropriation to statutory reserves	(6,604)	(6,610)	(4,481)
Dividends *(Note 13)*	(46,482)	(22,920)	(22,776)
At the end of the year	**349,098**	**385,636**	**398,039**

The Company

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	335,990	348,941	385,511
Net profit	66,037	66,100	44,807
Appropriation to statutory reserves	(6,604)	(6,610)	(4,481)
Dividends *(Note 13)*	(46,482)	(22,920)	(22,776)
At the end of the year	**348,941**	**385,511**	**403,061**

41. CONTINGENCIES AND COMMITMENTS

41.1 Contingencies

The Group and the Company have contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at December 31, 2023, 2024 and 2025, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the Historical Financial Information.

41.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment commitments:			
— Contracted, but not provided for	32,461	75,994	172,163

42. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of Profit Before Income Tax to Net Cash Generated from/(used in) Operations:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax for the year	72,807	71,449	49,219
Adjustments for:			
Interest income	(4,403)	(6,507)	(3,090)
Finance cost	9,035	25,806	26,742
Depreciation and amortization of non-current assets	78,857	101,010	107,207
Net (gains)/losses on disposal of property, plant and equipment and intangible assets	5	621	(2,395)
Net impairment losses on financial assets	2,864	1,552	1,847
Impairment provision for inventories	5,561	9,516	8,453
Share of profit of associates, net	(6,120)	(4,064)	(8,154)
Net losses on disposal and holding of financial instruments	(5,746)	(7,687)	(2,256)
Net foreign exchange gains/(losses)	19	(2,042)	179
Net fair value losses on financial assets and liabilities at FVTPL	(2,154)	(1,454)	(1,667)
Other	—	(305)	(403)
Change in working capital:			
Increase in receivables	(24,477)	(171,928)	(189,033)
Increase/(Decrease) in payables	(24,454)	135,455	161,440
Increase in inventories	(44,940)	(77,534)	(193,288)
Cash generated from/(used in) operations	**56,854**	**73,888**	**(45,199)**

(b) Non-Cash Activities

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of inventories and long-term assets by acceptance notes	266,609	317,823	329,335
Additions of right-of-use assets by way of leasing liabilities *(Note 19)*	—	—	12,693
	266,609	**317,823**	**342,028**

(c) Debt Reconciliation

	Borrowings	Convertible bonds	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	—	—	1,043	1,043
Financing cash flows	—	491,444	(378)	491,066
Interest accrued	—	8,990	45	9,035
Value of conversion rights on convertible bonds	—	(128,851)	—	(128,851)
At December 31, 2023	**—**	**371,583**	**710**	**372,293**
At January 1, 2024	—	371,583	710	372,293
Financing cash flows	15,000	—	—	15,000
Interest paid	(64)	(1,497)	—	(1,561)
Interest accrued	44	25,731	31	25,806
Conversion of convertible bonds to ordinary shares	—	(441)	—	(441)
Other non-cash movements	32	—	—	32
At December 31, 2024	**15,012**	**395,376**	**741**	**411,129**
At January 1, 2025	15,012	395,376	741	411,129
Financing cash flows	259,891	—	(2,781)	257,110
Interest paid	(2,037)	(2,028)	—	(4,065)
Interest accrued	2,414	24,131	197	26,742
Conversion of convertible bonds to ordinary shares	—	(76,335)	—	(76,335)
Other non-cash movements	(95)	—	12,854	12,759
At December 31, 2025	**275,185**	**341,144**	**11,011**	**627,340**

43. DISPOSAL OF SUBSIDIARIES

The transaction of disposal of subsidiaries during the Track Record Period had no significant impact on the Group's consolidated financial statements.

44. RELATED PARTY TRANSACTIONS

(a) Parent Entities

		Ownership interest As at December 31		
Name	Place of incorporation	2023	2024	2025
Linuo Investment Holding Group Co., Ltd.	Jinan, Shan Dong, PRC	31.12%	31.12%	32.16%

The Company's immediate holding company is Linuo Investment Holding Group Co., Ltd. and the ultimate controlling shareholder is Mr. Gao Yuankun.

(b) Names and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2023, 2024 and 2025:

Name of the related parties	Relationship with the Group
Shandong Jinjie Gas Co., Ltd. (山東金捷燃氣有限責任公司)	An associate of the Group
Linuo Group Holdings Co., Ltd. (力諾集團股份有限公司)	An entity controlled by the ultimate controlling shareholder
Linuo Power Group Co., Ltd. (力諾電力集團股份有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Hongjitang Pharmaceutical Group Co., Ltd. (山東宏濟堂製藥集團股份有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Hongjitang Health Industry Co., Ltd. (山東宏濟堂健康產業有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Photovoltaic Hi-Tech Co., Ltd. (山東力諾光伏高科技有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Paradigma Co., Ltd. (山東力諾瑞特新能源有限公司)	An entity controlled by the ultimate controlling shareholder's family member
Shandong Linuo Sunshine Power Technology Co., Ltd. (山東力諾陽光電力科技有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Cheng'an Industrial Co., Ltd. (山東城安實業有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Keyuan Pharmaceutical Co., Ltd. (山東科源製藥股份有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Pharmaceutical Co., Ltd. (山東力諾製藥有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Smart Park Cultural Tourism Development Co., Ltd. (山東力諾智慧園文化旅遊發展有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Power Design & Consulting Co., Ltd. (山東力諾電力設計諮詢有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Smart Park Technology Co., Ltd. (山東力諾智慧園科技有限公司)	An entity controlled by the ultimate controlling shareholder

Name of the related parties	Relationship with the Group
Jinan Yuhuangshan Trading Co., Ltd. (濟南玉皇山商貿有限公司)	An entity controlled by the ultimate controlling shareholder
Jinan Yuhuang Villa Catering Management Co., Ltd. (濟南玉皇山莊餐飲管理有限公司)	An entity controlled by the ultimate controlling shareholder
Jinan Hongjitang Chinese Medicine Hospital Co., Ltd. (濟南宏濟堂中醫醫院有限公司)	An entity controlled by the ultimate controlling shareholder
Jinan Ruixin New Energy Co., Ltd. (濟南瑞新新能源有限公司)	An entity controlled by the ultimate controlling shareholder's family member
Jinan Ruijin New Energy Co., Ltd. (濟南瑞金新能源有限公司)	An entity controlled by the ultimate controlling shareholder's family member
Hongjitang Bianque Chinese Medicine Pharmacy (Shandong) Co., Ltd. (宏濟堂扁鵲中藥房(山東)有限公司)	An entity controlled by the ultimate controlling shareholder
Hongjitang Bianque Large Pharmacy (Shandong) Co., Ltd. (宏濟堂扁鵲大藥房(山東)有限公司)	An entity controlled by the ultimate controlling shareholder
Committee of the Communist Party of China, Linuo Group Holdings Co., Ltd. (中國共產黨力諾集團股份有限公司委員會)	An entity controlled by the ultimate controlling shareholder
Shanghai Sanwei Investment Development Co., Ltd. (上海三威投資發展有限公司)	An entity controlled by the ultimate controlling shareholder's spouse
Shanghai Yuequan Catering Management Co., Ltd. (上海悦泉餐飲管理有限公司)	An entity controlled by the ultimate controlling shareholder's family member
Jinan Grand Mansion Cultural Development Co., Ltd. (濟南大宅門文化發展有限公司)	An entity controlled by the ultimate controlling shareholder
Wuhan Shuanghu Coatings Co., Ltd. (武漢雙虎塗料股份有限公司)	An entity controlled by the ultimate controlling shareholder
Wuhan Linuo Smart Park Technology Management Co., Ltd. (武漢力諾智慧園科技管理有限公司)	An entity controlled by the ultimate controlling shareholder
Wuhan Linuo Investment Holding Group Co., Ltd. (武漢力諾投資控股集團有限公司)	An entity controlled by the ultimate controlling shareholder
Shanghai Nuotong New Energy Technology Co., Ltd. (上海諾通新能源科技有限公司)	An entity controlled by the ultimate controlling shareholder
Shanghai Chuangyang International Trade Co., Ltd. (上海創揚國際貿易有限公司)	An entity controlled by the associate's ultimate controlling shareholder
Wuhan Xinkang Chemical Equipment Co., Ltd. (武漢新康化工設備有限公司)	An entity controlled by the ultimate controlling shareholder's family member
Shandong Hongjitang Qiliangjiao Brewing Co., Ltd. (山東宏濟堂七糧窖釀酒有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Industrial Co., Ltd. (山東力諾實業有限公司)	An entity controlled by the ultimate controlling shareholder
Shanghai Xiangjiang Hotel Management Co., Ltd. (上海香江酒店管理有限公司)	An entity controlled by the ultimate controlling shareholder

(c) Transactions with Related Parties

The following transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

The Group has the following transactions with related parties:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods and services received			
An associate of the Group	55,914	53,027	48,296
Entities controlled by the ultimate controlling shareholder	1,177	1,531	1,449
An entity controlled by the ultimate controlling shareholder's family member	649	—	—
	57,740	**54,558**	**49,745**

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of property, plant and equipment			
Entities controlled by the ultimate controlling shareholder	—	246	—
An entity controlled by the ultimate controlling shareholder's family member	6,372	766	766
	6,372	**1,012**	**766**

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sales of goods			
Entities controlled by the ultimate controlling shareholder	139	925	4,465
An entity controlled by the ultimate controlling shareholder's spouse	—	7	—
An entity controlled by the ultimate controlling shareholder's family member	—	22	1,115
An entity controlled by the associate's ultimate controlling shareholder	—	—	279
	139	**954**	**5,859**

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Rental expenses			
An entity controlled by the ultimate controlling shareholder	**—**	**—**	**121**

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Guarantee provided by the ultimate controlling shareholder			
An entity controlled by the ultimate controlling shareholder	**—**	**—**	**100,000**

All the guarantees provided by Linuo Group Holdings Co., Ltd. have been released in August and September 2026.

(d) Balance with Related Parties

All the balances with the related parties are trade in natures.

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Trade receivables			
Entities controlled by the ultimate controlling shareholder	—	2	3,867
An entity controlled by the ultimate controlling shareholder's family member	—	—	620
Less: credit loss allowance	—	—	(224)
	—	**2**	**4,263**

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Prepayments			
An associate of the Group	1,633	1,692	35
Entities controlled by the ultimate controlling shareholder	124	—	3,440
An entity controlled by the ultimate controlling shareholder's family member	—	—	929
	1,757	**1,692**	**4,404**

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Trade Payables			
Entities controlled by the ultimate controlling shareholder	—	3	—
An entity controlled by the ultimate controlling shareholder's family member	—	594	—
	—	**597**	**—**

(e) Key Management Compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 10(a), was as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and bonuses	6,561	5,644	5,538
Pension costs, housing fund, medical insurance and other social benefits	379	390	364
	6,940	**6,034**	**5,902**

As at December 31, 2023, 2024 and 2025, approximately RMB513,000, RMB342,000 and RMB333,000 of payroll payables were included in other payables and accruals.

45. EVENTS AFTER THE REPORTING PERIOD

On April 21, 2026, an annual dividend in respect of the year ended December 31, 2025, of RMB25,945,000 (tax inclusive) was proposed by the Board of Directors. On May 13, 2026, the proposed dividend was approved by the 2025 Annual General Meeting. These financial statements do not reflect this dividend payable as it was not approved as at December 31, 2025. The Company paid the dividend in June 2026.

46. SUMMARY OF OTHER ACCOUNTING POLICIES

(1) Principles of Consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IFRS 9* or, when applicable, the cost on initial recognition of an investment in an associate.

(2) Investments in Associates

An associate is an entity over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in the Group's interests in associates

When the Group reduces its ownership interests in an associate but the Group continues to use the equity method (including situations that change of ownership interest in an associate due to capital increase of other shareholders to the associate), the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interests if that gain or loss would have been reclassified to profit or loss on the disposal of the related assets or liabilities.

(3) Business Combinations

(i) Business Combination not Under Common Controls

The acquisition method of accounting is used to account for all business combinations (except for the business combinations under common controls), regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

(4) Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment test of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee's net assets including goodwill.

(5) Foreign Currencies

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB, which is also the Company's functional and the Group's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within other gains/(losses), net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(iii) Group Companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group's entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss of the Group's entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(6) Property, Plant and Equipment

The Group's accounting policy for buildings and equipment is explained in Note 18(a). Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress mainly represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

(7) Impairment of Non-Financial Assets

Freehold land and intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(8) Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment property over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

(9) Intangible assets

(i) Trademark right and patent right combination

Trademark right and Patent right are initially recognized at fair value and historical costs on the acquisition date. They have a finite useful life and subsequently carried at cost less accumulated amortization and impairment losses.

(ii) Software

Purchased software is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

(10) Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

(ii) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the assets. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses), net in the period in which it arises.

- FVOCI: assets 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, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the statement of profit or loss as applicable.

(iv) Impairment of Financial Assets

The Group recognizes 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 flow will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Details, please refer to credit risks in Note 3.2.

(11) Financial Liabilities

Financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at FVTPL at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortized cost, including trade and note payables, other payables and accruals, borrowings and customer deposit. Such financial liabilities are initially recognized at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognized or partly derecognized when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognized part of the financial liability and the consideration paid is recognized in profit or loss for the current period.

(12) Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges),
- hedges of a particular risk associated with the cash flows of recognized assets or liabilities or highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items.
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge.
- the hedging relationship meets all of the following hedge effectiveness requirements:

  (i) there is an economic relationship between the hedged item and the hedging instrument; and

  (ii) the effect of credit risk does not dominate the value changes that result from that economic relationship; and

  (iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness (irrespective of whether recognized or not) that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other portion is recognised directly in profit or loss.

If the forecast transaction being hedged is subsequently recognised as a non-financial asset or non-financial liability, or if the forecast transaction for the non-financial asset or non-financial liability results in a firm commitment to apply a fair value hedge, the amount of the cash flow hedging reserve that would otherwise have been recognised in other comprehensive income is reversed out to the amount initially recognised for that asset or liability. The remaining cash flow hedges are reversed out of the cash flow hedge reserve recognised in other comprehensive income to profit or loss in the same period in which the expected cash flows to be hedged affect profit or loss, if a purchase is expected to occur.

Derivatives that do not apply hedge accounting

Certain derivative instruments do not apply hedge accounting. Changes in the fair value of such derivative instruments are recognized immediately in profit or loss and are included in other gains/(losses), net.

Accounting policy for fair value hedges

Changes in the fair value of derivatives that are designated and qualify as hedging instruments of fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged items that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognized in profit or loss within other gains/(losses).

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories are determined on the weighted average method. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.2 for a description of the Group's impairment policies.

(15) Share Capital and Capital Reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(16) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(17) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(18) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(19) Employee Benefits

(i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Housing Funds, Medical Insurances and Other Social Insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) Basic Pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(20) Share-Based Payments

(i) Equity-settled share-based payment transactions

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (including shares or share options) of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period);

- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-marketing performance and service conditions, irrespective of whether those non-vesting conditions are satisfied. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

(ii) Share-based payment transactions among group entities

The Company settling a share-based payment transaction when another entity in the Group receives the goods or services shall recognize the transaction as an equity-settled share-based payment transaction only if it is settled in the Company's own equity instruments. Otherwise, the transaction shall be recognized as a cash settled share-based payment transaction. In its separate financial statements, the Company records a debit, recognizing an increase in the investment in subsidiaries as a capital contribution from the parent and a credit to equity as no goods or services are received by the Company. The Company records a debit, recognizing the cash the employee paid when exercising the equity-settled share-based payment along with a decrease in reserves and a credit, recognizing share capital and share premium of the Company.

(iii) Modifications and Cancellations

The Group may modify the terms and conditions on which the share-based compensation plan was granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting year. A grant of the share-based compensation plan, that is cancelled or settled during the vesting year, is treated as an acceleration of vesting. The Group will immediately recognize the amount that otherwise would have been recognized for services received over the remainder of the vesting year.

(21) Dividend Distribution

Dividend distribution to the shareholders is recognized as a liability in the Historical Financial Information in the period in which the dividends are approved by the entities' shareholders or directors, where appropriate.

(22) Interest Income

Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(23) Dividend Income

Dividend income is recognized when the right to receive dividend payment is established.

(24) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(25) Government Grant

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(26) Current and Deferred Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(27) Leases

(i) Definition of 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.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(ii) The Group as a Lessee

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to 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 to the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right-of-Use Assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Land leases are also in the scope of IFRS 16. The Group recognizes any prepaid premium for leasehold lands as right-of-use assets which are depreciated over the relevant lease terms.

Refundable rental deposits paid are account under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease Liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

(iii) The Group as a Lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

(28) Convertible Bonds

The component parts of the Convertible Bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue of the Convertible Bonds, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the Convertible Bonds as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025, and up to the date of this report.

PAN-CHINA 天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF SHANDONG LINUO PHARMACEUTICAL PACKAGING CO.,LTD.

Introduction

We have reviewed the interim financial information set out on pages [IA-3] to [IA-38], which comprises the interim condensed consolidated statement of financial position of Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") as at June 30, 2026 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended and selected explanatory notes (together, the "**Interim Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the Interim Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of the Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Confucius International CPA Limited
Certified Public Accountants
Hong Kong
[●]

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Six months ended June 30	
		2026	**2025**
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	*5*	672,929	498,727
Cost of sales	*8*	(528,796)	(395,945)
Gross profit		**144,133**	**102,782**
General and administrative expenses	*8*	(35,274)	(21,286)
Selling and marketing expenses	*8*	(50,891)	(26,710)
Research and development expenses	*8*	(19,435)	(16,031)
Net impairment losses on financial assets		(3,707)	(1,056)
Other income	*6*	6,681	11,472
Other gains, net	*7*	3,317	5,631
Operating profit		**44,824**	**54,802**
Finance income	*9*	1,016	1,871
Finance costs	*9*	(7,079)	(13,159)
Finance costs, net	*9*	(6,063)	(11,288)
Share of net profit of investments in associates	*12*	2,407	2,810
Profit before income tax		**41,168**	**46,324**
Income tax expense	*10*	(10,011)	(5,357)
Profit for the period		31,157	40,967
Attributable to:			
— Owners of the Company	*33*	31,157	40,967
Earnings per share for profit attributable to owners of the Company			
— Basic earnings per share	*11*	0.12	0.18
— Diluted earnings per share	*11*	0.12	0.18
Profit for the period		**31,157**	**40,967**

	Notes	Six months ended June 30	
		2026	**2025**
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Other comprehensive loss		(427)	—
Items that may be reclassified to profit or loss in subsequent periods, net of tax:			
— Foreign currency differences		(427)	—
Other comprehensive loss for the period, net of tax		**(427)**	**—**
Attributable to:			
— Owners of the Company		(427)	—
Total comprehensive income for the period		**30,730**	**40,967**
Attributable to:			
— Owners of the Company		30,730	40,967

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at June 30 2026	As at December 31 2025
		RMB'000	*RMB'000*
		(Unaudited)	
ASSETS			
Non-current assets			
Property, plant and equipment	*14*	1,075,038	1,000,111
Right-of-use assets	*15*	80,167	80,807
Deferred tax assets	*23*	20,145	—
Intangible assets	*16*	5,663	4,424
Investments in associates	*12*	148,461	145,751
Prepayments and other receivables	*18*	137,396	76,886
Total non-current assets		**1,466,870**	**1,307,979**
Current assets			
Inventories	*20*	514,015	457,527
Prepayments and other receivables	*18*	38,251	26,640
Trade and notes receivables	*17*	321,642	275,717
Financial assets at fair value through profit or loss	*21*	56,840	56,358
Notes receivables at fair value through other comprehensive income	*13*	13,305	13,589
Restricted cash	*22*	126,109	119,211
Cash and cash equivalents	*22*	252,198	402,315
Other current assets	*19*	43,424	45,860
Total current assets		**1,365,784**	**1,397,217**
Total assets		**2,832,654**	**2,705,196**

	Notes	As at June 30 2026	As at December 31 2025
		RMB'000	*RMB'000*
		(Unaudited)	
LIABILITIES			
Non-current liabilities			
Borrowings	*24*	215,550	245,012
Lease liabilities	*15*	7,771	8,205
Deferred tax liabilities	*23*	1	3,126
Deferred income	*29*	77,086	81,846
Convertible bonds	*25*	—	339,721
Total non-current liabilities		**300,408**	**677,910**
Current liabilities			
Borrowings	*24*	131,049	30,173
Trade and notes payables	*26*	373,873	336,053
Contract liabilities	*5*	20,567	21,578
Lease liabilities	*15*	3,290	2,806
Current income tax liabilities		5,542	7,306
Accruals and other payables	*27*	18,732	19,007
Convertible bonds	*25*	—	1,423
Other current liabilities	*28*	24,693	35,804
Total current liabilities		**577,746**	**454,150**
Net current assets		**788,038**	**943,067**
Total liabilities		**878,154**	**1,132,060**
EQUITY			
Equity attributable to owners of the Company			
— Share capital	*30*	267,537	239,068
— Share premium		1,303,157	892,210
— Treasury shares	*31*	(131,153)	(131,153)
— Equity reserves-convertible bonds	*32*	—	91,449
— Other reserves	*34*	111,708	83,523
— Retained earnings	*33*	403,251	398,039
TOTAL EQUITY		**1,954,500**	**1,573,136**
TOTAL LIABILITIES AND EQUITY		**2,832,654**	**2,705,196**

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Equity reserves-convertible bonds	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)									
Balance at January 1, 2026	**239,068**	**892,210**	**(131,153)**	**91,449**	**83,523**	**398,039**	**1,573,136**	**—**	**1,573,136**
Profit for the period	—	—	—	—	—	31,157	31,157	—	31,157
Other comprehensive loss	—	—	—	—	(427)	—	(427)	—	(427)
Total comprehensive income/(loss) for the period	**—**	**—**	**—**	**—**	**(427)**	**31,157**	**30,730**	**—**	**30,730**
Conversion of convertible bonds to ordinary shares	28,469	410,947	—	(91,449)	—	—	347,967	—	347,967
Share-based compensation expenses	—	—	—	—	14,680	—	14,680	—	14,680
Deferred tax on share-based payment	—	—	—	—	13,629	—	13,629	—	13,629
Dividends	—	—	—	—	—	(25,945)	(25,945)	—	(25,945)
Share of other equity movement of associates	—	—	—	—	303	—	303	—	303
Balance at June 30, 2026	**267,537**	**1,303,157**	**(131,153)**	**—**	**111,708**	**403,251**	**1,954,500**	**—**	**1,954,500**

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Equity reserves-convertible bonds	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)									
Balance at January 1, 2025	**232,451**	**798,251**	**(50,030)**	**109,396**	**78,511**	**385,636**	**1,554,215**	**–**	**1,554,215**
Profit for the period	–	–	–	–	–	40,967	40,967	–	40,967
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**40,967**	**40,967**	**–**	**40,967**
Repurchase of shares under share schemes	–	–	(50,265)	–	–	–	(50,265)	–	(50,265)
Share of other equity movement of associates	–	–	–	–	487	–	487	–	487
Conversion of convertible bonds to ordinary shares	6,595	86,977	–	(20,542)	–	–	73,030	–	73,030
Dividends	–	–	–	–	–	(22,776)	(22,776)	–	(22,776)
Balance at June 30, 2025	**239,046**	**885,228**	**(100,295)**	**88,854**	**78,998**	**403,827**	**1,595,658**	**–**	**1,595,658**

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Six months ended June 30	
		2026	**2025**
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Cash flows from operating activities			
Cash used in operations	*35*	(51,056)	(35,546)
Interest received		1,016	1,871
Income tax paid		(18,255)	(11,760)
Net cash used in operating activities		**(68,295)**	**(45,435)**
Cash flows from investing activities			
Proceeds from investment income		214	1,636
Proceeds from disposal of property, plant and equipment, intangible assets		1,174	8,836
Withdrawal of term deposits and wealth management products		70,106	380,000
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(165,272)	(88,069)
Placement of term deposits and wealth management products		(70,000)	(230,300)
Proceeds from release of restricted cash for investing purpose		87,376	6,500
Payments for restricted cash for investing purpose		(60,481)	—
Government grant received in relation to assets		—	35,830
Net cash (used in)/generated from investing activities		**(136,883)**	**114,433**
Cash flows from financing activities			
Proceeds from borrowings		94,980	47,000
Repayments of borrowings		(4,150)	—
Principal elements of lease payments		(1,711)	—
Interests paid		(3,402)	(393)
Dividends paid to the Company's shareholders		(25,945)	(22,776)
Payments for repurchase of shares for the share based schemes		—	(50,265)
Payments for repurchase of convertible bonds		(1,062)	—
Net cash generated from/(used in) financing activities		**58,710**	**(26,434)**
Net (decrease)/increase in cash and cash equivalents		**(146,468)**	**42,564**
Cash and cash equivalents at beginning of the period		402,315	350,746
Effects of exchange rate changes on cash and cash equivalents		(3,649)	—
Cash and cash equivalents at the end of the period		**252,198**	**393,310**

II. NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (山東力諾醫藥包裝股份有限公司) (hereinafter referred to as the "**Company**"), formerly known as Shandong Linuo Technical Glass Co., Ltd., (山東力諾特種玻璃股份有限公司), is a joint stock company with limited liability incorporated in the People's Republic of China (the "**PRC**") on April 13, 2015. With the approval and registration of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 301188) on November 11, 2021. The registered office of business of the Company is located at Government Resident, Yuhuangmiao Town, Shanghe County, Jinan City, Shandong Province, PRC. The ultimate controller of the Company is Mr. Gao Yuankun ("**the ultimate controlling shareholder**").

The Company and its subsidiaries (hereinafter collectively referred to as "**the Group**") belong to the nonmetallic mineral product manufacturing industry, and are primarily engaged in the research, development, production and sales of pharmaceutical glass packaging, household heat-resistant glass etc.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information, comprising interim condensed consolidated statement of financial position as at June 30, 2026, the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended June 30, 2026 (collectively referred to as the "**Interim Financial Information**"), has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**").

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the historical financial information for the years ended December 31, 2023, 2024 and 2025 (the "**Historical Financial Information**") as disclosed in Appendix I to the document issued by the Company.

This Interim Financial Information contains consolidated financial statements and selected explanatory notes. The selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest annual consolidated financial statements as at and for the year ended December 31, 2025. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards ("**IFRS**"). Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the Historical Financial Information and notes thereto.

2.1 New Standards and Amendments to Standards Not Yet Adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined
Amendments to IAS 28 'Fair Value Option for Investments in Associates or Joint Ventures'	January 1, 2027
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Amendments to IAS 21 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027
IFRS 20 'Regulatory Assets and Regulatory Liabilities'	January 1, 2029

Except for the impact of IFRS 18 mentioned below, other new/amended standards are either not relevant to the Group or not expected to have a material impact on the Group's consolidated financial statements when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures". Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 is not expected to have significant impact on the Group's financial position and performance, but may affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

2.2 Critical Accounting Estimates and Judgements

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Historical Financial Information.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets, seeks a balance between risk and return and minimizes the adverse impact of risk on the Group's finance performance. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Historical Financial Information. There were no significant changes in any material risk management policies during the six months ended June 30, 2026.

3.2 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 maximize shareholders' value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or banks as and when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2025 and the six months ended June 30, 2026.

The Group monitors capital on the basis of the debt to asset ratio as at June 30, 2026 and December 31, 2025 are as follows:

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Total assets	2,832,654	2,705,196
Total liabilities	878,154	1,132,060
Debt to asset ratio	31.00%	41.85%

3.3 Fair Value Estimation

(a) Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at June 30, 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	56,840	—	56,840
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	13,305	13,305
Total financial assets	**—**	**56,840**	**13,305**	**70,145**

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss (FVTPL)				
— Wealth management products	—	56,358	—	56,358
Financial assets at fair value through other comprehensive income (FVOCI)				
— Notes receivables at FVOCI	—	—	13,589	13,589
Total financial assets	**—**	**56,358**	**13,589**	**69,947**

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the period, there was no transfer between Level 1 and Level 2.

(b) The Group's Valuation Process

For the financial assets and financial liabilities, including level 3 fair values, the Group's finance department performs the valuations for financial reporting purpose. The finance department reports the valuation results to the management.

(c) Transfers between levels in the hierarchy

For the six months ended June 30, 2025 and 2026, there were no transfers into or out of Level 3 fair value measurements of the Group's financial instruments.

(d) The reconciliation of Level 3 assets and liabilities are analyzed below

	Notes receivables at FVOCI
	RMB'000
(Unaudited)	
Opening balance as at January 1, 2025	**18,140**
Additions	94,198
Disposals	(105,423)
Closing balance as at June 30, 2025	**6,915**
(Unaudited)	
Opening balance as at January 1, 2026	**13,589**
Additions	211,469
Disposals	(211,753)
Closing balance as at June 30, 2026	**13,305**

(e) Valuation Inputs and Relationships to Fair Value

	Fair value				Ranges of inputs		
Description	As at June 30 2026	As at December 31 2025	Valuation techniques	Significant unobservable Input(s)	As at June 30 2026	As at December 31 2025	Relation of unobservable input(s) to fair values
	RMB'000 (Unaudited)	*RMB'000*					
Notes receivables at FVOCI	13,305	13,589	Discounted cash flow method	Discount rate	1.50%	2.60%-2.85%	An increase in discount rate would result in decrease in fair value, and vice versa.

Other than described above, there were no significant unobservable inputs that materially affect its fair values.

If the discount rate of the Note receivable at FVOCI held by the Group had been 0.5% higher/lower, the fair values of the Note receivable at FVOCI held by the Group as at December 31, 2025 and as at June 30, 2026 would have been approximately RMB48,000 and RMB72,000 lower, or RMB49,000 and RMB73,000 higher, respectively.

4. OPERATING SEGMENT INFORMATION

(a) Description of Segments and Principal Activities

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which has been identified as being the CODM, consists of the executive director, the chief financial officer and the managers for each business unit. The CODM reviews the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segment based on these reports.

For management purposes, the Group operates as a single business unit organised by products, with one operating segment that principally engages in the provision of pharmaceutical packaging products, heat-resistant glass etc.

(b) Geographical Information

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Non-current assets (exclude financial investments (other than equity-accounted investees), deferred tax assets)		
— Chinese mainland	1,438,442	1,298,661
— Overseas	8,283	9,318
	1,446,725	**1,307,979**

5. REVENUE

(a) Disaggregation of revenue by the products' application:

	Six months ended June 30			
	2026		2025	
	Revenue	Cost	Revenue	Cost
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Pharmaceutical glass packaging	227,001	183,441	203,187	165,612
Household heat-resistant glass	436,109	339,357	284,362	224,024
Others *(i)*	9,819	5,998	11,178	6,309
	672,929	**528,796**	**498,727**	**395,945**

(i) Others mainly consist of income from the sale of surplus raw materials, molds and scrap materials.

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue from contracts with customers		
— Recognized at a point in time	672,873	498,677
Other revenue *(i)*	56	50
	672,929	**498,727**

(i) Other revenue represents lease income.

All the revenue derived from single external customers were less than 10% of the Group's total revenue for the six months ended June 30, 2025 and 2026.

(b) Geographical Information

The Company is domiciled in Chinese Mainland. The amount of the Group's revenue from contracts with customers by location is shown in the table below:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Chinese Mainland	457,574	398,548
Overseas	215,299	100,129
	672,873	**498,677**

(c) Contract Liabilities

During the year ended December 31, 2025 and the six months ended June 30, 2026, the additions to the contract liabilities were primarily due to cash receipts in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfilment of performance obligations.

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Contract liabilities	**20,567**	**21,578**

	Six months ended June 30	
	2026	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Revenue recognized that was included in the beginning balance	**9,619**	**8,126**

(d) Transaction price allocated to remaining performance obligations

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
To be recognised as revenue within 1 year	118,635	142,884
To be recognised as revenue over 1 year	12,251	6,323
Transaction price allocated to remaining performance obligations of contracts	**130,886**	**149,207**

The following table shows performance obligations that were unsatisfied or partially unsatisfied.

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Unsatisfied	101,921	120,418
Partially unsatisfied	28,965	28,789
Transaction price allocated to remaining performance obligations of contracts	**130,886**	**149,207**

6. OTHER INCOME

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Government grants	4,981	9,170
Additional deduction for VAT	1,473	2,240
Others	227	62
	6,681	**11,472**

7. OTHER GAINS, NET

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Net gains on holding of financial instruments	214	1,449
Net fair value gains on financial assets and liabilities at FVTPL	482	1,106
Net foreign exchange differences	(3,577)	702
Net gains on disposal of property, plant and equipment and other long-term assets	4,388	2,374
Insurance indemnity income *(i)*	888	—
Others	922	—
	3,317	**5,631**

(i) It represents insurance indemnity income for damaged property, plant and equipment.

8. EXPENSE BY NATURE

Expenses included in cost of sales, general and administrative expenses, selling and marketing expenses and research and development expenses are analyzed as follows:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Employee benefits expenses	112,191	86,850
Materials costs	278,636	198,533
Utility costs	94,437	78,955
Depreciation and amortization	66,753	52,285
Logistics expenses	29,384	18,089
Taxes and surcharges	3,588	3,326
Office and travel expenses	5,483	6,107
Impairment losses on inventories	7,411	3,477
Entertainment expenses	1,983	3,082
Maintenance expenses	1,320	1,411
Professional service fees	2,145	1,243
Advertising and marketing expenses	17,015	3,253
Auditor's services fees	576	329
E-commerce platform service charges	5,704	1,128
Other expenses	7,770	1,904
	634,396	**459,972**

(i) Other expenses primarily include rental fees, etc.

9. FINANCE COSTS, NET

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Finance income:		
Interest income from financial assets held for cash management purposes	1,016	1,871
Finance costs:		
Interest expenses on lease liabilities	(134)	(8)
Interest expenses on borrowings	(4,051)	(508)
Interest expenses on convertible bonds	(3,003)	(12,643)
Net exchange gains on foreign currency borrowings	109	—
Total finance costs	(7,079)	(13,159)
Finance costs, net	**(6,063)**	**(11,288)**

10. INCOME TAX EXPENSE

The income tax expense of the Group during the six months ended June 30, 2025 and 2026 are analyzed as follows:

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current income tax	14,754	7,450
Deferred income tax	(4,743)	(2,093)
	10,011	**5,357**

The Group is subject to income tax on an entity basis on profits arising in or derived from the different jurisdictions in which members of the Group are domiciled and operate.

(a) PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax laws (the "**EIT Law**") of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the period, certain subsidiaries of the Group have obtained High and New Technology Enterprises certification ("**HNTE**") and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of 3 years.

Pursuant to Caishui [2023] No. 12 "Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses" (關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), certain subsidiaries were qualified for Small Low-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

(b) Hong Kong Profits Tax

Hong Kong profits tax has been provided for at the rate of 8.25% on assessable profits up to HK$2,000,000 and 16.5% on any assessable profits over HK$2,000,000 for the six months ended June 30, 2025 and 2026.

11. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share ("**EPS**") is based on the following:

	Six months ended June 30	
	2026	**2025**
	(Unaudited)	*(Unaudited)*
Profit attributable to ordinary shareholders of the Company used in calculating basic EPS *(RMB'000)*	31,157	40,967
Weighted average number of ordinary shares in issue *(thousands)*	252,434	225,812
Basic EPS *(RMB per share)*	**0.12**	**0.18**

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The calculation of diluted earnings per share is based on the following:

	Six months ended June 30	
	2026	**2025**
	(Unaudited)	*(Unaudited)*
Adjusted profit attributable to owners of the company used in calculating diluted EPS *(RMB'000)*	31,157	40,967
Weighted average number of ordinary shares in issue *(thousands)*	252,434	225,812
Adjustments for potential shares arising from share schemes *(thousands)*	3,076	—
Weighted average number of ordinary shares used in calculating diluted EPS *(thousands)*	255,510	225,812
Diluted EPS *(RMB per share)*	**0.12**	**0.18**

The convertible bonds were not included in the calculation of diluted earnings per share for the six months ended June 30, 2026 and 2025, as their effect would have been anti-dilutive. Consequently, the diluted earnings per share amounts presented for those periods are the same as the basic earnings per share amounts.

12. INVESTMENTS IN ASSOCIATES

The movements of investments in associates during the six months ended June 30, 2025 and 2026 are as follows:

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
At the beginning of the period	145,751	52,987
Share of results of associates	2,407	2,810
Share of other equity movement of associates	303	487
At the end of the period	**148,461**	**56,284**

The associates of the Group have been accounted based on the financial information prepared under the accounting policies consistent with the Group.

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method. The carrying amount and the Group's share of the results of individually immaterial associates are shown in aggregate as below, respectively.

Reconciliation of the carrying amount of the interests recognized in the Historical Financial Information:

The associates

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Aggregate carrying amount of individually immaterial associates	148,461	56,284
Aggregate amounts of the Group's share of:		
— Profit for the period	2,407	2,810
— Share of other equity movement of associates	303	487
Total comprehensive income	**2,710**	**3,297**

13. FINANCIAL INSTRUMENTS MEASURED AT FVOCI

	As at June 30	As at December 31
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	
ASSETS		
Current:		
— Notes receivables at FVOCI *(i)*	13,305	13,589

(i) Notes receivables at FVOCI

These notes receivables are classified and measured at FVOCI, as they are held under a business model whose objective is to both collect contractual cash flows and sell the financial assets. In the ordinary course of the Group's treasury management, the Group discounts and endorses certain of these notes receivables, and such transactions satisfy the derecognition criteria. Details of notes receivables that have been endorsed or discounted but not yet matured as at the balance sheet date are set out below:

	Six months ended June 30	Year ended December 31
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	
Amount transferred to suppliers	21,206	127,823
Amount transferred to banks	15	—
	21,221	**127,823**

14. PROPERTY, PLANT AND EQUIPMENT

	As at June 30	As at December 31
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	
Buildings	277,929	241,425
Machinery equipment	496,502	420,358
Motor vehicles	4,071	3,678
Other equipment	10,305	5,581
Construction in progress	259,745	301,371
Leasehold improvement	26,486	27,698
	1,075,038	**1,000,111**

(a) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Cost of sales	59,888	48,332
General and administrative expenses	2,480	2,293
Research and development expenses	1,088	190
Selling and marketing expenses	162	210
Inventories	3,625	6,733
	67,243	**57,758**

As at June 30, 2026 and December 31, 2025, the Group had buildings and structures for which ownership certificate applications were pending, with carrying amount of approximately RMB85,346,000 and RMB86,894,000, respectively.

15. LEASES

15.1 The Group as the lessee

(a) Amounts Recognized in the Consolidated Statement of Financial Position

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Right-of-use assets		
Land use rights	66,931	67,695
Buildings	13,236	13,112
	80,167	**80,807**
Lease liabilities		
Current	3,290	2,806
Non-current	7,771	8,205
	11,061	**11,011**

(b) Depreciation charges of right-of-use assets have been recognized as follows:

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Six months ended June 30	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Depreciation charge of right-of-use assets:		
— Land use rights	763	763
— Buildings	1,687	254
	2,450	**1,017**

	Six months ended June 30	
	2026	2025
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Interest expense (included in finance cost)	134	8
Expense relating to short-term and low value leases not included in lease liabilities	1,192	572
	1,326	**580**

The total cash outflows for lease payments during the six months ended June 30, 2026 and 2025 were approximately RMB2,634,000 and RMB477,000, respectively.

15.2 The Group as the lessor

(a) Operating Lease

(i) Lease Income

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Lease income	**57**	**50**

(ii) Assets leased out under operating leases

	As at June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Right-of-use assets	**1,893**	**2,076**

16. INTANGIBLE ASSETS

	As at June 30	As at December 31
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	
Software	**5,663**	**4,424**

Amortization expenses have been recognized as follows:

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Cost of sales	210	124
General and administrative expenses	402	46
Selling and marketing expenses	39	39
Research and development expenses	34	34
Inventories	89	—
	774	**243**

17. TRADE AND NOTES RECEIVABLES

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Current:		
Trade receivables	307,708	247,901
Notes receivables	29,848	40,575
Less: credit loss allowance	(15,914)	(12,759)
	321,642	**275,717**

(a) The Group grants credit terms to some customers ranging from 7 to 180 days from the date of billing or delivery of goods. The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Within 1 year	303,446	244,054
1 to 2 years	3,249	3,222
2 to 3 years	673	507
Over 3 years	340	118
	307,708	**247,901**

18. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Non-current		
Prepayments:		
Prepayment for purchase of property, plant and equipment	137,396	76,886
Current		
Prepayments:		
Prepayments for raw materials	20,712	11,139
Prepayments for operating expenses	9,104	7,244
Others	1,886	223
	31,702	**18,606**

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Other receivables:		
Deposits	6,402	7,008
Advances to employees for social insurance and housing fund	1,467	1,481
Employee advances	289	656
Others	397	344
Less: provision for impairment	(2,006)	(1,455)
	6,549	**8,034**
	38,251	**26,640**

19. OTHER CURRENT ASSETS

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Deductible input VAT	**43,424**	**45,860**

20. INVENTORIES

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Finished goods	428,789	401,323
Raw materials	65,015	41,717
Materials for consigned processing	30,372	24,041
Work in progress	4,762	2,770
Contract fulfilment assets	132	1,258
Less: provision for impairment	(15,055)	(13,582)
	514,015	**457,527**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Current assets		
— Wealth management products	56,840	56,358

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Cash and bank balances	378,307	521,526
Less: restricted cash and term deposits *(i)*	(126,109)	(119,211)
Cash and cash equivalents	**252,198**	**402,315**

(i) As at June 30, 2026 and December 31, 2025, the Group's bank deposits amounting to RMB126,109,000 and RMB119,211,000 were pledged as a guarantee for the bank acceptance notes, letters of guarantees, borrowings, letters of credit and derivative instruments granted to the Group.

23. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Gross deferred tax assets	24,693	7,337
Offsetting against deferred tax liabilities	(4,548)	(7,337)
Net deferred tax assets	**20,145**	**—**
Gross deferred tax liabilities	4,549	10,463
Offsetting against deferred tax assets	(4,548)	(7,337)
Net deferred tax liabilities	**1**	**3,126**

24. BORROWINGS

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Non-current		
Bank borrowings		
— Secured	100,000	100,000
— Unsecured	115,550	145,012
	215,550	**245,012**
Current		
Bank borrowings		
— Secured	6,602	10,000
— Unsecured	123,704	20,017
	130,306	30,017
Interest payables	743	156
	131,049	**30,173**

(a) As at December 31, 2025 and June 30, 2026, the annual interest rate of short-term borrowings ranged from 2.40% to 3.10% and 2.70% to 3.75%, respectively.

As at December 31, 2025 and June 30, 2026, the annual interest rate of long-term borrowings ranged from 1.95% to 2.70% and 1.95% to 2.70%, respectively.

(b) As at December 31, 2025, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB100,000,000 guaranteed by Linuo Group Holdings Co., Ltd. (ii) borrowings with a principal equivalent to approximately RMB10,000,000 secured by trade receivables.

As at June 30, 2026, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB100,000,000 guaranteed by Linuo Group Holdings Co., Ltd. (ii) borrowings with a principal equivalent to approximately RMB6,602,000 guaranteed by the Linuo Group Holdings Co., Ltd., Mr. Gao Yuankun and Mrs. Chen Lianna.

(c) As at June 30, 2026 and December 31, 2025, the Group's bank borrowings were repayable as follows:

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Within 1 year	131,049	30,173
Between 1 and 2 years	47,000	26,000
Between 2 and 5 years	121,050	169,012
Over 5 years	47,500	50,000
	346,599	**275,185**

(d) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are short-term nature.

25. CONVERTIBLE BONDS

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Non-current liabilities		
Convertible bonds	—	339,721
Current liabilities		
Convertible bonds	—	1,423

The convertible bonds issued have been split into the liability and equity components as follows:

	Liability component	Equity component *(Note 32)*	Total
	RMB'000	*RMB'000*	*RMB'000*
(Unaudited)			
Balance as at January 1, 2026	341,144	91,449	432,593
Effective interest expenses	3,003	—	3,003
Redemption amount	(1,062)	—	(1,062)
Conversion amount	(343,085)	(91,449)	(434,534)
Balance as at June 30, 2026	**—**	**—**	**—**
(Unaudited)			
Balance as at January 1, 2025	395,376	109,396	504,772
Effective interest expenses	12,643	—	12,643
Conversion amount	(69,408)	(20,542)	(89,950)
Balance as at June 30, 2025	**338,611**	**88,854**	**427,465**

(i) As approved by the relevant regulatory authorities in China, the Company issued A-share convertible corporate bonds at a principal amount of RMB0.5 billion to unspecified investors on August 23, 2023. The convertible corporate bonds have a term of six-years from August 23, 2023 to August 22, 2029, at coupon rates of 0.30% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.50% for the sixth year. The conversion of these convertible corporate bonds begins on the first trading day (February 29, 2024) after six months upon the completion date of the offering (August 29, 2023), until the maturity date (August 22, 2029).

In accordance with formulas set out in the document of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB14.40 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances. As the cash dividend was paid on June 4, 2024, the conversion price of the convertible corporate bonds has been adjusted to RMB14.30 per share. Another cash dividend was paid on May 29, 2025, the conversion price of the convertible corporate bonds has been adjusted to RMB14.20 per share. During the conversion period (from February 29, 2024 to August 22, 2029), if the closing price of the Company's A-shares is lower than 85% of the current conversion price for at least 15 trading days in any 30 consecutive trading days, the Board of Directors of the Company has the discretionary right to propose to lower the conversion price and submit the proposal to the shareholders' meeting for deliberation.

These convertible corporate bonds are subject to conditional redemptions. During their conversion period, if the closing prices of the Company's A-shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Company has the right to redeem all or part of the outstanding convertible corporate bonds at their par value plus the current accrued interest, upon approval of the relevant regulatory authorities (if required). In addition, when the total amount of the outstanding convertible corporate bonds is less than RMB30 million, the Company has the right to redeem all outstanding convertible corporate bonds at their par value plus the current accrued interest.

For the year ended December 31, 2025, convertible corporate bonds of RMB94,282,000 were converted to 6,617,000 A-shares.

During the period from January 9, 2026 to February 11, 2026, the Company's A-shares met the condition that the closing price was not less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, thereby triggering the conditional redemption clause.

As of the close of trading on the redemption record date (March 12, 2026), 10,559 convertible corporate bonds remained unconverted. The number of convertible corporate bonds to be redeemed in this instance is 10,559, at a redemption price of RMB100.55 per bond, including accrued interest for the current period, for which the current annual interest rate is 1.00%. The total redemption payment for this redemption amounts to RMB1,062,000 (excluding redemption handling fees).

26. TRADE AND NOTES PAYABLES

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Trade and notes payables		
— Trade payables	236,138	216,187
— Notes payables	137,735	119,866
	373,873	**336,053**

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Within 1 year	223,325	207,814
Over 1 year	12,813	8,373
	236,138	**216,187**

27. ACCRUALS AND OTHER PAYABLES

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Current:		
Salaries, wages and benefits	15,023	15,640
Taxes other than income tax payables	1,760	1,459
Deposits	891	1,145
Others	1,058	763
	18,732	**19,007**

28. OTHER CURRENT LIABILITIES

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Recourse obligations *(i)*	22,097	34,099
Other tax to be recognized	2,596	1,705
	24,693	**35,804**

(i) The Group settled part of its trade payables by endorsing notes receivables to the suppliers. Given that the suppliers retain the right to demand payment from the Group if the notes issuer or a prior holder fails to pay the notes, this created recourse obligations to the Group.

29. DEFERRED INCOME

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Government grants	**77,086**	**81,846**

30. SHARE CAPITAL

	Six months ended June 30			
	2026		2025	
	Share capital	Number of shares	Share capital	Number of shares
	RMB'000 (Unaudited)	*'000 (Unaudited)*	*RMB'000 (Unaudited)*	*'000 (Unaudited)*
At the beginning of the period	239,068	239,068	232,451	232,451
Conversion of convertible bonds to ordinary shares *(i)(ii)*	28,469	28,469	6,595	6,595
At the end of the period	**267,537**	**267,537**	**239,046**	**239,046**

(i) The convertible bonds give the holder the right to convert the convertible bonds into shares. For the six months ended June 30, 2025, the Company issued 6,595,000 shares that were converted for the convertible bonds, correspondingly increased the share premium by RMB86,977,000, reduced the equity reserves-convertible bonds by RMB20,542,000.

(ii) For the six months ended June 30, 2026, the Company issued 28,469,000 shares that were converted for the convertible bonds, correspondingly increased the share premium by RMB410,947,000, reduced the equity reserves-convertible bonds by RMB91,449,000.

31. TREASURY SHARES

	Six months ended June 30			
	2026		2025	
	Treasury shares	Number of shares	Treasury shares	Number of shares
	RMB'000	*'000*	*RMB'000*	*'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
At the beginning of the period	(131,153)	8,083	(50,030)	3,525
Repurchase of shares *(i)*	—	—	(50,265)	2,832
At the end of the period	**(131,153)**	**8,083**	**(100,295)**	**6,357**

(i) Pursuant to the Proposal Regarding Repurchase of the Company's Shares adopted at the 8th meeting of the 4th Board of Directors held on February 7, 2025, the Company repurchased 2,832,000 shares with the trading amount of RMB50,265,000 as at June 30, 2025.

32. EQUITY RESERVES-CONVERTIBLE BONDS

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
At the beginning of the period	91,449	109,396
Conversion of convertible bonds to ordinary shares	(91,449)	(20,542)
At the end of the period	**—**	**88,854**

33. RETAINED EARNINGS

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
At the beginning of the period	398,039	385,636
Net profit	31,157	40,967
Dividends	(25,945)	(22,776)
At the end of the period	**403,251**	**403,827**

34. OTHER RESERVES

	Statutory reserves	Other comprehensive income	Capital surplus	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)				
Balance at January 1, 2026	82,388	—	1,135	83,523
Share-based payment:				
— Share-based compensation expenses	—	—	14,680	14,680
— Deferred tax on share-based payment	—	—	13,629	13,629
Share of other equity movement of associates	—	—	303	303
Foreign currency differences of foreign operations	—	(427)	—	(427)
Balance at June 30, 2026	**82,388**	**(427)**	**29,747**	**111,708**

	Statutory reserves	Capital surplus	Total
	RMB'000	*RMB'000*	*RMB'000*
(Unaudited)			
Balance at January 1, 2025	77,907	604	78,511
Share of other equity movement of associates	—	487	487
Balance at June 30, 2025	**77,907**	**1,091**	**78,998**

35. NOTES TO INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliation of Profit Before Income Tax to Net Cash Generated from Operations:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Profit before income tax for the period	41,168	46,324
Adjustments for:		
Interest income	(1,016)	(1,871)
Finance cost	7,079	13,159
Depreciation and amortization of non-current assets	66,753	52,285
Net losses on disposal of property, plant and equipment and intangible assets	(4,388)	(2,374)
Net impairment losses on financial assets	3,707	1,056
Impairment provision for inventories	7,411	3,477
Share of profit of associates, net	(2,407)	(2,810)
Net losses on disposal and holding of financial instruments	(214)	(1,449)
Net foreign exchange gains/(losses)	3,577	(702)
Net fair value losses on financial assets and liabilities at FVTPL	(482)	(1,106)
Other	(106)	—
Share-based compensation expenses	14,680	—
Change in working capital:		
Increase in receivables	(166,423)	(31,537)
(Decrease)/Increase in payables	39,791	(38,470)
Increase in inventories	(60,186)	(71,528)
Cash used in operations	**(51,056)**	**(35,546)**

36. CONTINGENCIES AND COMMITMENTS

36.1 Contingencies

The Group and the Company have contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at June 30, 2026, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in this interim Financial Information.

36.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at June 30 2026	As at December 31 2025
	RMB'000 *(Unaudited)*	*RMB'000*
Property, plant and equipment commitments:		
— Contracted, but not provided for	**111,167**	**172,163**

37. RELATED PARTY TRANSACTIONS

(a) Parent Entities

		Ownership interest	
Name	Place of incorporation	As at June 30 2026	As at December 31 2025
		(Unaudited)	
Linuo Investment Holding Group Co., Ltd.	Jinan, Shan Dong, PRC	25.75%	32.16%

The Company's immediate holding company is Linuo Investment Holding Group Co., Ltd. and the ultimate controlling shareholder is Mr. Gao Yuankun.

(b) Names and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group during the period:

Name of the related parties	Relationship with the Group
Shandong Jinjie Gas Co., Ltd. (山東金捷燃氣有限責任公司)	An associate of the Group
Linuo Group Holdings Co., Ltd. (力諾集團股份有限公司)	An entity controlled by the ultimate controlling shareholder
Linuo Power Group Co., Ltd. (力諾電力集團股份有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Hongjitang Pharmaceutical Group Co., Ltd. (山東宏濟堂製藥集團股份有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Hongjitang Health Industry Co., Ltd. (山東宏濟堂健康產業有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Paradigma Co., Ltd. (山東力諾瑞特新能源有限公司)	An entity controlled by the ultimate controlling shareholder's family member
Shandong Linuo Sunshine Power Technology Co., Ltd. (山東力諾陽光電力科技有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Cheng'an Industrial Co., Ltd. (山東城安實業有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Pharmaceutical Co., Ltd. (山東力諾製藥有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Smart Park Cultural Tourism Development Co., Ltd. (山東力諾智慧園文化旅遊發展有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Power Design & Consulting Co., Ltd. (山東力諾電力設計諮詢有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Smart Park Technology Co., Ltd. (山東力諾智慧園科技有限公司)	An entity controlled by the ultimate controlling shareholder
Jinan Yuhuang Villa Catering Management Co., Ltd. (濟南玉皇山莊餐飲管理有限公司)	An entity controlled by the ultimate controlling shareholder
Hongjitang Bianque Chinese Medicine Pharmacy (Shandong) Co., Ltd. (宏濟堂扁鵲中藥房(山東)有限公司)	An entity controlled by the ultimate controlling shareholder
Hongjitang Bianque Large Pharmacy (Shandong) Co., Ltd. (宏濟堂扁鵲大藥房(山東)有限公司)	An entity controlled by the ultimate controlling shareholder
Jinan Grand Mansion Cultural Development Co., Ltd. (濟南大宅門文化發展有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Hongjitang Qiliangjiao Brewing Co., Ltd. (山東宏濟堂七糧窖釀酒有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Linuo Industrial Co., Ltd. (山東力諾實業有限公司)	An entity controlled by the ultimate controlling shareholder
Shandong Blue Electric Power Co., Ltd. (山東藍電電力有限公司)	An entity controlled by the ultimate controlling shareholder
BRIGHT LAND OF IRVINE LLC	An entity controlled by the ultimate controlling shareholder

The following transactions and balances were carried out between the Group and its related parties during the six months ended June 30, 2025 and 2026. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(c) Transactions with Related Parties

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Purchase of goods and services received		
An associate of the Group	22,631	26,259
Entities controlled by the ultimate controlling shareholder	9,059	1,304
	31,690	**27,563**

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Purchase of property, plant and equipment		
An entity controlled by the ultimate controlling shareholder's family member	**1,283**	**761**

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Sales of goods		
Entities controlled by the ultimate controlling shareholder	644	1,014
An entity controlled by the ultimate controlling shareholder's family member	1,600	—
	2,244	**1,014**

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Rental expense		
An entity controlled by the ultimate controlling shareholder	**133**	**—**

	As at June 30	As at December 31
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	
Guarantee provided by the ultimate controlling shareholder:		
An entity controlled by the ultimate controlling shareholder	**106,602**	**100,000**

All the guarantees provided by Linuo Group Holdings Co., Ltd. have been released in August and September 2026.

(d) Balance with Related Parties

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Trade nature		
Trade receivables		
Entities controlled by the ultimate controlling shareholder	1,883	3,867
An entity controlled by the ultimate controlling shareholder's family member	534	620
Less: credit loss allowance	(126)	(224)
	2,291	**4,263**

For the six months ended June 30, 2025 and 2026, the amount of net impairment losses recognized/(reversed) in the period in respect of bad and doubtful debts are RMB55,000 and RMB(98,000), respectively.

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Trade nature		
Prepayments		
An associate of the Group	220	35
Entities controlled by the ultimate controlling shareholder	6,939	3,440
An entity controlled by the ultimate controlling shareholder's family member	929	929
	8,088	**4,404**

	As at June 30 2026	As at December 31 2025
	RMB'000 (Unaudited)	*RMB'000*
Trade nature		
Trade payables		
Entities controlled by the ultimate controlling shareholder	**916**	**—**

(e) Key Management Compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company's directors and supervisors was as follows:

	Six months ended June 30	
	2026	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Salaries, wages and bonuses	825	1,516
Pension costs, housing fund, medical insurance and other social benefits	78	198
	903	**1,714**

As at June 30, 2026 and December 31, 2025, approximately RMB106,000 and RMB333,000 of payroll payables were included in accruals and other payables.

38. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by or impacted on the Company or the Group subsequent to June 30, 2026 and up to the date of this report.

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

APPENDIX IIB [REDACTED]

[REDACTED]

This Appendix sets out a summary of the principal provisions of the Articles of Association adopted by the Company on September 16, 2026, which will take effect from the date on which the H Shares are [REDACTED] on The Stock Exchange of Hong Kong Limited. The main purpose of this Appendix is to provide [REDACTED] with an overview of the Articles of Association and therefore may not contain all information which may be material to [REDACTED].

Shares

Issue of Shares

The issue of shares by the Company shall be conducted on the principles of openness, fairness and impartiality, and each share of the same class shall carry the same rights. For shares of the same class issued in the same offering, the conditions and price of issue shall be the same for each share; and the same price shall be paid for each share subscribed for by any subscriber.

Increase or Decrease of Shares and Repurchase

The Company may, based on its operational and development needs and in accordance with the provisions of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, increase its capital by way of the following, subject to resolutions of the general meeting separately adopted:

(i) issuing shares to unspecified objects;

(ii) issuing shares to specified objects;

(iii) distributing bonus shares to existing Shareholders;

(iv) converting capital reserve into share capital;

(v) other ways prescribed by laws, administrative regulations and the securities regulatory authority of the place(s) where the Company's shares are listed.

Where the Company issues convertible corporate bonds, matters such as the issuance of the convertible corporate bonds, the conversion procedures and arrangements, and the changes in the Company's share capital resulting from conversion shall be handled in accordance with the provisions of national laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, as well as the terms of the Company's convertible corporate bond prospectus.

The Board may, pursuant to the authorization of the general meeting, decide to issue shares not exceeding 50% of the issued shares within three years. However, capital contribution in the form of non-monetary property shall be subject to a resolution of the general meeting.

Where the Board decides to issue shares in accordance with the preceding paragraph, resulting in changes to the registered capital or the number of issued shares of the Company, the amendment to such particulars recorded in the Articles of Association shall not be subject to further voting by the general meeting.

Where the general meeting authorizes the Board to decide on the issuance of new shares, the Board resolution shall be passed by two-thirds or more of all Directors.

Where the Company issues new shares to increase its registered capital, Shareholders shall not have pre-emptive rights, unless otherwise provided in the Articles of Association or unless the general meeting resolves that Shareholders shall have pre-emptive rights.

The Company may reduce its registered capital. Where the Company reduces its registered capital, it shall follow the procedures prescribed by the Company Law of People's Republic of China (《中華人民共和國公司法》) (the "**PRC Company Law**"), the securities regulatory rules of the place where the Company's shares are listed, and other relevant provisions and the Articles of Association.

The Company shall not purchase its own shares. However, the following circumstances are exceptions:

(i) reduction of the registered capital of the Company;

(ii) combination with another company which holds shares of the Company;

(iii) use of shares for an employee share ownership plan or equity incentive;

(iv) acquisition of shares upon a Shareholder's demand due to that Shareholder's dissenting from a resolution of the general meeting on the merger or division of the Company;

(v) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) where necessary for the Company to safeguard its value and the interests of its Shareholders;

(vii) other circumstances permitted by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and other relevant provisions.

Save for the circumstances set out above, the Company shall not purchase its own shares.

The circumstance referred to in item (vi) above shall satisfy one of the following conditions:

(i) the closing price of the Company's shares is lower than its net asset value per share for the most recent period;

(ii) the cumulative decline in the closing price of the Company's shares over twenty consecutive trading days reaches 20%;

(iii) the closing price of the Company's shares is lower than 50% of the highest closing price of the shares in the most recent year;

(iv) other conditions prescribed by the CSRC and the securities regulatory rules of the place where the Company's shares are listed.

A controlled subsidiary of the Company shall not acquire shares issued by the Company. Where a controlled subsidiary of the Company holds shares of the Company due to merger of the Company, exercise of a pledge, or other reasons, it shall not exercise the voting rights attached to such shares and shall promptly dispose of the relevant shares of the Company.

Where the Company repurchases its own shares, subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, such repurchase may be conducted through open centralized trading or by other means recognized by the laws and regulations and the securities regulatory authority of the place where the Company's shares are listed.

Where the Company repurchases its own shares in the circumstances specified in items (iii), (v) and (vi) above, such repurchase shall be conducted through open centralized [REDACTED].

Notwithstanding the foregoing, if the applicable laws and regulations, other provisions of the Articles of Association, or the laws or securities regulatory authorities of the place where the Company's shares are listed provide otherwise in respect of the aforementioned matters relating to the repurchase of the Company's shares, the Company shall comply with such provisions. The repurchase of the Company's H Shares shall comply with the Hong Kong Listing Rules and other relevant laws, regulations and supervisory requirements of the place where the Company's H Shares are [REDACTED].

Where the Company repurchases its own shares, it shall perform its information disclosure obligations in accordance with the applicable laws and regulations, such as the Securities Law of People's Republic of China (《中華人民共和國證券法》) (the "**PRC Securities Law**") and the Hong Kong Listing Rules, as well as the regulatory requirements of the place where the Company's shares are listed.

Subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, where the Company repurchases its own shares in the circumstances specified in items (i) and (ii) above, such repurchase shall be approved by a resolution of the general meeting; where the Company repurchases its own shares in the circumstances specified in items (iii), (v) and (vi) above, such repurchase may be effected by a resolution of the Board adopted at a meeting attended by two-thirds or more of the Directors, in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

Where the Company repurchases its own shares in accordance with the above provisions, in the case described in item (i), such shares shall be cancelled within 10 days from the date of repurchase; in cases falling under items (ii) and (iv), such shares shall be transferred or cancelled within 6 months; in cases falling under items (iii), (v), (vi) and (vii), the total number of the Company's own shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares in the Company shall be transferred in accordance with the law. All transfers of H Shares shall be effected by a written instrument of transfer in the usual or common form or in any other form acceptable to the Board (including the standard transfer form or transfer form prescribed from time to time by the Hong Kong Stock Exchange); and such instrument of transfer may only be executed by hand or by the affixing of the Company's valid seal (if the transferor or transferee is a company). Where the transferor or transferee is a recognized clearing house (the "Recognized Clearing House") as defined in the relevant regulations in force from time to time under Hong Kong law, or its agent, the instrument of transfer may be signed by hand or by machine-printed signature. All instruments of transfer shall be deposited at the Company's registered office or at such address as the Board may designate from time to time.

The Company shall not accept its own shares as the subject of a pledge.

Shares issued by the Company prior to the public offering of its A Shares may not be transferred within one year from the date on which the Company's A Shares are listed and traded on the Shenzhen Stock Exchange. Where laws, administrative regulations or the securities regulatory authority of the place where the Company's shares are listed stipulate otherwise regarding the transfer of the Company's shares held by its Shareholders or actual controllers, such provisions shall prevail.

Directors and senior management of the Company shall report to the Company the shares they hold in the Company and any changes thereto; during the term of office determined upon their appointment, the number of shares transferred in any one year shall not exceed 25% of the total number of shares of the same class held by them in the Company; the shares they hold in the Company may not be transferred within one year from the date on which the Company's A Shares are listed for trading. The aforementioned persons may not transfer the shares they hold in the Company within six months after leaving their posts. Where laws, administrative regulations or the listing rules of the place where the Company's shares are listed provide otherwise regarding restrictions on the transfer of the Company's shares, such provisions shall prevail.

Where a Director, senior management personnel or Shareholder holding 5% or more of the Company's shares sells the Company's shares or other securities of an equity nature held by them within six months after purchase, or purchases such shares or securities again within six months after sale, the proceeds derived therefrom shall belong to the Company, and the Board of the Company shall recover such proceeds. However, this shall not apply where a securities company holds 5% or more of the shares as a result of underwriting and purchasing the remaining shares after the offering, or in other circumstances specified by the CSRC. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise regarding restrictions on the transfer of the Company's shares, such provisions shall prevail.

Shareholders and General Meetings

General Provisions on Shareholders

The Company maintains the register of members based on vouchers provided by the securities registration and clearing institution, and the register of members constitutes sufficient evidence of Shareholders' ownership of shares in the Company. The original copy of the [REDACTED] of members is kept in Hong Kong. The entrusted overseas agent shall at all times ensure consistency between the original and duplicate copies of the register of members for overseas listed shares. The Hong Kong branch register of members shall be open for inspection by Shareholders; however, the Company may suspend the processing of share registration procedures in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Any Shareholder registered on the [REDACTED] of members, or any person seeking to have his, her or its name entered on the [REDACTED] of members, may apply to the Company for replacement share certificates in respect of the relevant shares if the original share certificates are lost. Where a Shareholder of foreign investment shares listed overseas loses share certificates and applies for replacement, the matter shall be handled in accordance with the laws, stock exchange rules or other relevant provisions of the jurisdiction where the original copy of the register of members for such shares is kept. Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold; Shareholders holding shares of the same class shall enjoy equal rights and assume obligations of the same nature.

When the Company convenes general meetings, distributes dividends, conducts liquidation or engages in other acts requiring verification of Shareholders' identity, the Board or the convener of the general meeting shall determine the record date. Shareholders whose names appear on the register of members as at the close of business on the record date shall be entitled to the relevant rights and interests. Where laws, administrative regulations, departmental rules, regulatory documents, or the stock exchange or regulatory authority of the place where the Company's shares are listed set out provisions governing the suspension period of share transfer registration procedures prior to the convening of a general meeting or before the dividend record date determined by the Company, such provisions shall prevail.

Shareholders of the Company shall be entitled to the following rights:

(i) To receive dividends and other distributions of benefits in proportion to their respective shareholdings;

(ii) To request the convening of, convene, preside over, attend, or appoint a proxy to attend general meetings in accordance with the law, and exercise the corresponding voting rights;

(iii) To supervise the operation of the Company and put forward proposals or inquiries;

(iv) To transfer, donate or pledge their shares in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the articles of association of the Company;

(v) To inspect and copy the articles of association, the register of members, minutes of general meetings, resolutions of board meetings and financial and accounting reports; Shareholders meeting the relevant requirements may inspect the Company's accounting books and accounting vouchers;

(vi) Upon the termination or liquidation of the Company, to participate in the distribution of the Company's residual assets in proportion to their respective shareholdings;

(vii) Where a Shareholder dissents from resolutions on the merger or division of the Company adopted at a general meeting, to require the Company to purchase its shares;

(viii) Such other rights as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the articles of association of the Company.

Shareholders of the Company shall assume the following obligations:

(i) To comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the articles of association of the Company;

(ii) To pay share capital in accordance with the shares they have subscribed for and the method of capital contribution;

(iii) Save as provided by laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, not to withdraw their share capital;

(iv) Not to abuse Shareholders' rights to prejudice the interests of the Company or other Shareholders; not to abuse the independent legal person status of the Company and the limited liability of Shareholders to prejudice the interests of the Company's creditors;

(v) Such other obligations as prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the articles of association of the Company.

Controlling Shareholders and Actual Controller

The controlling Shareholders and the actual controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, and safeguard the interests of the listed company.

General Provisions on General Meetings

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

(i) to elect and replace Directors who are not employee representatives and to decide on matters concerning the remuneration of Directors;

(ii) to review and approve the report of the Board;

(iii) to review and approve the Company's profit distribution plan and plan for making up losses;

(iv) to resolve on any increase or reduction of the Company's registered capital;

(v) to resolve on the issue of corporate bonds by the Company;

(vi) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve on the appointment and dismissal of the accounting firm engaged to undertake the Company's audit business and to determine its remuneration;

(ix) to review and approve the guarantee matters stipulated in Article 47;

(x) to review the purchase or sale of major assets by the Company within one year exceeding 30% of the Company's latest audited total assets;

(xi) to review and approve matters concerning any change in the use of proceeds raised;

(xii) to review the equity incentive plan and the employee shareholding plan; and

(xiii) to review other matters that shall be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The general meeting may authorize the Board to resolve on the issue of corporate bonds.

Where a listed company provides a guarantee, it shall promptly disclose the same to the public after deliberation by the Board.

Where a guarantee matter falls under any of the following circumstances, it shall be submitted to the general meeting for approval after having been deliberated and passed by the Board:

(i) a guarantee the amount of which exceeds 10% of the Company's latest audited net assets in a single transaction;

(ii) any guarantee provided after the total amount of guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;

(iii) a guarantee provided to a guarantee recipient whose asset-liability ratio exceeds 70%;

(iv) a guarantee where the amount of the guarantee within twelve consecutive months exceeds 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million;

(v) any guarantee provided after the total amount of guarantees provided by the Company and its controlled subsidiaries exceeds 30% of the Company's latest audited total assets;

(vi) a guarantee where the amount of the guarantee within twelve consecutive months exceeds 30% of the Company's latest audited total assets;

(vii) a guarantee provided to a Shareholder, the actual controller or their respective connected parties;

(viii) other guarantee circumstances stipulated by laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

When the Board deliberates on a guarantee matter, the approval of two-thirds or more of the Directors present at the Board meeting shall be required. When the general meeting deliberates on the guarantee matter referred to in item (vi) of the preceding paragraph, the approval of two-thirds or more of the voting rights held by the Shareholders present at the meeting shall be required.

Where any of the following circumstances occurs, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the fact:

(i) when the number of Directors is less than the number stipulated in the PRC Company Law or the securities regulatory rules of the place where the Company's shares are listed, or less than two-thirds of the number stipulated in the Articles of Association;

(ii) when the Company's unrecovered losses amount to one-third of its total paid-in share capital;

(iii) when a Shareholder or Shareholders holding, individually or in aggregate, 10% or more of the shares of the Company request the convening of such meeting;

(iv) when the Board considers it necessary;

(v) when the Audit Committee proposes to convene such meeting;

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The venue for the Company's general meeting shall be the domicile of Shandong Linuo Pharmaceutical Packaging Co.,Ltd. or the venue specified in the notice of the general meeting.

The general meeting shall have a meeting venue and shall be held in the form of a physical meeting. The Company shall also, based on actual needs or as required by law or the securities regulatory rules of the place where the Company's shares are listed, provide online voting to facilitate Shareholders' participation in the general meeting. Shareholders who participate in the general meeting through the aforesaid means shall be deemed to be present. In addition to having a meeting venue and being held in a physical form, the general meeting may also be held simultaneously by electronic means of communication.

Convening of General Meeting

The Board shall convene general meeting on time within the prescribed time limit.

With the consent of more than half of all the independent non-executive Directors, the independent non-executive Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. In respect of a proposal by the independent non-executive Directors to convene an extraordinary general meeting, the Board shall, in accordance with the laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of our Articles of Association, give a written reply as to whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receipt of the proposal.

Where the Board agrees to convene an extraordinary general meeting, it shall despatch a notice of the general meeting within 5 days after the Board resolution is passed; where the Board disagrees to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

Where the Audit Committee proposes to the Board to convene an extraordinary general meeting, it shall make such proposal to the Board in writing. The Board shall, in accordance with the laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of our Articles of Association, give a written reply as to whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receipt of the proposal.

Where the Board agrees to convene an extraordinary general meeting, it shall despatch a notice of the general meeting within 5 days after the Board resolution is passed, and any change to the original proposal in the notice shall be subject to the consent of the Audit Committee.

Where the Board disagrees to convene an extraordinary general meeting, or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed that the Board is unable or has failed to perform its duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders holding 10% or more of the shares of our Company individually or in aggregate shall be entitled to request the Board to convene an extraordinary general meeting and shall make such request to the Board in writing. The Board shall, in accordance with the laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of our Articles of Association, give a written reply as to whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receipt of the request.

Where the Board agrees to convene an extraordinary general meeting, it shall dispatch a notice of the general meeting within 5 days after the Board resolution is passed, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

Where the Board disagrees to convene an extraordinary general meeting, or fails to give a reply within 10 days after receipt of the request, Shareholders holding 10% or more of the shares of our Company individually or in aggregate shall have the right to propose to the Audit Committee to convene an extraordinary general meeting and shall make such request to the Audit Committee in writing.

Where the Audit Committee agrees to convene an extraordinary general meeting, it shall dispatch a notice of the general meeting within 5 days after receipt of the request, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

Where the Audit Committee fails to dispatch a notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit Committee does not convene and preside over the general meeting, and Shareholders holding 10% or more of the shares of our Company individually or in aggregate for 90 consecutive days or more may convene and preside over the meeting on their own.

Proposals and Notices of General Meeting

Where our Company convenes a general meeting, the Board, the Audit Committee and Shareholders holding 1% or more of the shares of our Company individually or jointly shall be entitled to put forward proposals to our Company.

Shareholders holding 1% or more of the shares of our Company individually or in aggregate may put forward an interim proposal 10 days before the general meeting is convened and submit the same in writing to the convener. The convener shall dispatch a supplementary notice of the general meeting within 2 days after receipt of the proposal, announce the contents of the interim proposal and submit such interim proposal to the general meeting for consideration, unless such interim proposal violates the laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of our Articles of Association, or does not fall within the scope of duties of the general meeting.

Save as provided in the preceding paragraph, the convener shall not, after the notice of the general meeting has been announced, amend any proposal already set out in the notice of the general meeting or add any new proposal.

No proposal which is not set out in the notice of a general meeting or which does not comply with the provisions of our Articles of Association shall be voted on and resolved at the general meeting.

The convener shall notify all Shareholders by way of announcement 21 days before an annual general meeting is convened, and an extraordinary general meeting shall be notified to all Shareholders by way of announcement 15 days before the meeting is convened.

If, pursuant to the securities regulatory rules of the place where the Company's shares are listed, a general meeting is required to be postponed due to the publication of a supplementary notice of the general meeting, the convening of the general meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The notice of the general meeting shall include the following content:

(i) The time, place and duration of the meeting;

(ii) The matters and proposals to be discussed at the meeting;

(iii) A clear statement that all Shareholders are entitled to attend the general meeting, and the Shareholders may appoint a proxy in writing to attend and vote at the general meeting, and that such proxy need not be a Shareholder of the Company;

(iv) The record date for determining the shareholdings of Shareholders who are entitled to attend the general meeting;

(v) Names and telephone numbers of the standing contact persons who handle the meeting affairs;

(vi) The time and procedure of voting via the internet or any other manner;

(vii) Other matters required to be set out in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

After the notice of a general meeting has been issued, the general meeting shall not be postponed or cancelled, and the proposals set out in the notice of the general meeting shall not be cancelled, without good reason. In the event of any postponement or cancellation, the convener shall, at least 2 business days before the originally scheduled date of the meeting, make an announcement and explain the reasons. Where the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or cancelling a general meeting, such provisions shall prevail, provided that they do not contravene domestic regulatory requirements.

Convening of the General Meeting

All Shareholders registered on the record date or their proxies, shall be entitled to attend the general meeting, and exercise their voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, unless a particular Shareholder is required to abstain from voting on a particular matter under the securities regulatory rules of the place where the Company's shares are listed.

A Shareholder may attend and vote at the general meeting in person or by proxy.

The general meeting shall be presided over by the chairman of the Board. If the chairman is unable or unwilling to perform such duties, a Director elected by a majority of the Directors shall preside over the meeting.

Where the general meeting is convened by the Audit Committee on its own, it shall be presided over by the convener of the Audit Committee. If the convener is unable or unwilling to perform such duties, a member of the Audit Committee elected by a majority of the Audit Committee members shall preside over.

The Company shall formulate rules of procedure for the general meeting, setting out in detail the procedures for convening and holding and voting at such meetings, including provisions on notice, registration, deliberation of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, preparation and signing of minutes, publication of announcements, and other relevant matters, as well as the principles governing the authorization by the general meeting to the Board, with the authorization being specific and clearly defined. The rules of procedure for the general meeting shall be drawn up by the Board and approved by the general meeting as an annex to the Articles of Association.

Voting at and Resolutions of General Meeting

Resolutions of general meetings are classified into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than half of the voting rights represented by the Shareholders (including their proxies) present at the general meeting.

A special resolution shall be passed by two-thirds or more of the voting rights represented by the Shareholders (including their proxies) present at the general meeting.

The following matters shall be approved by ordinary resolution of the general meeting:

(i) The work report of the Board;

(ii) The profit distribution plan and plan for making up losses proposed by the Board;

(iii) The appointment and removal of members of the Board, their remuneration and the method of payment thereof;

(iv) Other matters except those which, pursuant to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, are required to be approved by special resolution.

The following matters shall be approved by special resolution of the general meeting:

(i) Any increase or reduction of the Company's registered capital;

(ii) Division, merger, dissolution and liquidation of the Company;

(iii) Amendments to the Articles of Association;

(iv) Purchases or disposals of material assets, or provision of guarantees, where the transaction amount within one year exceeds 30% of the Company's latest audited total assets;

(v) Equity incentive plans;

(vi) Other matters required to be approved by special resolution under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters determined by ordinary resolution of the general meeting to have a material impact on the Company. Where the share capital of the Company comprises shares of different classes, unless otherwise provided, any variation of the rights attached to any one class of shares shall be approved by a special resolution of the Shareholders holding voting rights present at the general meeting of that class of shares. For the purposes of this article, the A Shares and H Shares of the Company shall be deemed to be shares of the same class.

Board

General Provisions on Directors

Directors of the Company shall be natural persons, and include executive Directors, non-executive Directors and independent Directors. A non-executive Director refers to the Director who does not hold any operational management position in the Company. An independent Director refers to the person who complies with the requirements of Article 127 of the Articles of Association (within the meaning of the "Independent Non-executive Directors" set out in the Hong Kong Listing Rules). A person may not act as a Director of the Company under any of the following circumstances:

(i) having no capacity for civil conducts or limited capacity for civil conducts;

(ii) having been imposed a criminal penalty for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economy, or who have been deprived of political rights as a result of any criminal offenses, where less than 5 years have lapsed since the expiration of the execution period, or having been sentenced to probation, where less than 2 years have lapsed since the expiration date of the probation period;

(iii) where he/she is a Director, factory manager, or manager of a company or enterprise that were declared insolvent and liquidated and was personally liable for the insolvency of the company or enterprise, and less than 3 years have lapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(iv) where he/she is the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of the law and was personally liable for the company or enterprise, less than 3 years have lapsed since the date when the company or enterprise's business license was revoked or ordered to close down;

(v) having a substantial amount of personal debts that are due and unsettled and being listed as a dishonest person subject to enforcement by the People's Court;

(vi) having been prohibited from entering the securities market by the CSRC and the prohibition period has not yet expired;

(vii) having been publicly determined by the stock exchange of the place where the shares of the Company are listed as unfit to serve as a Director or senior management member of listed companies, with the term yet to be expired;

(viii) other circumstances stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, 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 is in any of the circumstances specified in this Article during his/her term of office, the Company shall remove him/her from his/her position and terminate his/her duties.

Directors (excluding employee representative Directors) shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term. The term of office for Directors is three years. At the expiry of a Director's term, the term is renewable upon re-election. If the securities regulatory rules of the place where the company's shares are listed have other provisions regarding the re-election of Directors, such provisions shall apply.

The employee representative Directors shall be democratically elected by the employees of the Company through the employees' representative congress, the employees' general meeting or other forms, and such election need not be submitted to the general meeting for consideration.

The term of office for Directors begins on the date of their appointment and ends when the current Board's term expires. If the term of office for Directors expires and a timely re-election has not taken place, the outgoing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the company's shares are listed and the Articles of Association until the newly elected Directors take office.

Directors may concurrently hold the position of senior management positions, but the total number of Directors who concurrently hold the position of senior management positions and employee representative Directors shall not exceed half of the total number of Directors of the company.

Directors may resign before the expiration of their term. Resignation of a Director shall be submitted to the Board in writing. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant circumstances within two trading days or within the period required by securities regulatory rules of the place where the company's shares are listed.

If the resignation of a Director causes the number of Directors on the Board to fall below the statutory minimum, the outgoing Director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the company's shares are listed and the Articles of Association until the newly elected Director takes office. Subject to the securities regulatory rules of the place where the company's shares are listed, if the Board appoints new Directors to fill a temporary vacancy or to increase the number of Directors, the term of the appointed Director shall only extend to the first annual general meeting following their appointment, at which time they shall be eligible for re-election.

Board

The Company has established a Board, which consists of eight Directors. There is one chairman of the Board and four independent Directors. The chairman shall be elected by a majority of all the Directors. The proportion of independent Directors among the members of the Board shall be no less than one-third.

In addition, where the Company has more than 300 employees, the Board shall include one employee representative Director. The employee representative on the Board shall be democratically elected by the employees of the Company through the employees' representative congress, the employees' general meeting or other forms, and such election need not be submitted to the general meeting for consideration.

The Board shall exercise the following functions and powers:

(i) convening the general meeting and reporting work to the general meeting;

(ii) implementing resolutions of the general meeting;

(iii) determining the Company's business plans and investment schemes;

(iv) formulating the Company's profit distribution plan and loss recovery plans;

(v) formulating the Company's plans for increase or reduction of registered capital and issuance of corporate bonds;

(vi) formulating proposals for the Company's merger, division, dissolution and change in corporate form of the Company;

(vii) deciding on the setup of the Company's internal management organization;

(viii) deciding on the appointment or dismissal of the Company's manager and their remuneration, and deciding on the appointment or dismissal of the Company's deputy manager, financial officer and their remuneration based on the nominations of the manager;

(ix) formulating the Company's basic management system;

(x) formulating the amendment plan for the Articles of Association;

(xi) managing the Company's information disclosure matters;

(xii) proposing to the general meeting the appointment or replacement of accounting firm which provides audit services to the Company;

(xiii) listening to the Company's general manager's work reports and inspecting the general manager's work;

(xiv) deciding on the establishment of the special committees of the Board and the appointment and removal of the heads of the special committees;

(xv) deciding on other major and administrative affairs of the Company, and signing other important agreements, except for the matters stipulated by the PRC Company Law, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association that are to be resolved by the general meeting;

(xvi) other functions and powers accorded by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters exceeding the scope of authority delegated by the general meeting shall be submitted to the general meeting for consideration. The Board shall convene at least four meetings each year, which shall be convened by the chairman, and written notice shall be given to all Directors at least 14 days before the date of the meeting.

Interim Board meetings may be proposed to be convened by Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors, the audit committee, a majority of the independent Directors, or the general manager (if any). The chairman shall convene and preside over such meeting within 10 days after receiving such proposal.

Meetings of the Board shall be held only if more than half of the Directors are present. Resolutions of the Board shall be passed by more than half of all Directors. However, resolutions in respect of external guarantees shall be passed by two-thirds or more of all the Directors, and Directors having a connected relationship with the guarantee matter shall abstain from voting.

Each Director shall have one vote for resolutions to be approved by the Board.

Independent Directors

Independent Directors shall earnestly perform their duties in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and play the role of participation in decision-making, supervision and balance, and professional consultation in the Board, so as to safeguard the overall interests of the Company and protect the legitimate rights of minority Shareholders. The number of independent Directors shall be not less than three, and shall represent not less than one-third of the Board. At least one of them shall be an accounting professional (including a person with appropriate professional qualifications as prescribed by the securities regulatory rules of the place where the Company's shares are listed, or appropriate accounting or related financial management expertise). At least one independent Director shall ordinarily reside in Hong Kong.

The following matters shall be approved by the majority of all the independent Directors of the Company before submitting to the Board for consideration:

(i) discloseable connected transactions;

(ii) proposed changes to or waivers of undertakings by the Company and connected parties;

(iii) decisions made and measures taken by the Board of an acquired company in relation to an acquisition;

(iv) other matters as provided for in the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Special Committees under the Board

The Board of the Company has an audit committee in place to exercise the functions and powers of the Board of Supervisors as stipulated in the PRC Company Law and the functions and powers as stipulated by the securities regulatory rules of the place where the Company's shares are listed.

The Audit Committee consists of at least three members, who are non-executive Directors who do not hold senior management positions in the Company. A majority of the members shall be independent Directors. The convenor shall be an independent Director who is an accounting professional (including a person with appropriate professional qualifications as prescribed by the securities regulatory rules of the place where the Company's shares are listed, or appropriate accounting or related financial management expertise).

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, and for supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board for consideration only after obtaining the approval of a majority of all members of the Audit Committee:

(i) The disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) the appointment or dismissal of the accounting firm responsible for auditing the listed company's accounts;

(iii) the appointment or dismissal of the listed company's chief financial officer;

(iv) changes to accounting policies or accounting estimates, or the correction of material accounting errors, for reasons other than changes in accounting standards;

(v) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the jurisdiction where the Company's shares are listed, and these Articles of Association.

The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convener deems it necessary. A meeting of the Audit Committee may only be held when two-thirds or more of its members are present.

Resolutions of the Audit Committee shall be passed by more than half of all its members.

The voting for resolutions of the Audit Committee shall be on a one-person-one-vote basis.

Minutes shall be kept for the resolutions of the Audit Committee in accordance with relevant regulations, and the members of the Audit Committee attending the meeting shall sign the minutes.

The Board shall be responsible for formulating the working procedures of the Audit Committee.

The Board of the Company establishes the strategy, nomination, remuneration and appraisal special committees. The special committees shall be accountable to the Board and shall perform their duties in accordance with these Articles of Association and the authorization of the Board; their proposals shall be submitted to the Board for consideration and decision. All members of each special committee shall be Directors, and the specific composition and qualification requirements shall refer to laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are listed. The Board is responsible for formulating the working rules of the special committees to regulate the operations of the special committees.

General Manager and Other Senior Management

General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The Company shall have several deputy managers, who shall be appointed or dismissed by the Board.

The general manager shall serve a term of three years, and may serve consecutive terms if reappointed.

The general manager shall be accountable to the Board and exercise the following functions and powers:

(i) to be in charge of the production, operation and management of the Company, organize the implementation of resolutions of the Board, and to report his/her works to the Board;

(ii) to organise the implementation of the Company's annual business plans and investment plans;

(iii) to prepare plans for the restructuring, division, reorganisation, and dissolution of the Company's wholly-owned subsidiaries and controlled subsidiaries;

(iv) to prepare plans for the establishment of the Company's internal management organisation;

(v) to prepare plans for the establishment of the Company's branches;

(vi) to set up the Company's basic management system;

(vii) to formulate the Company's specific regulations;

(viii) to propose the appointment or dismissal of the Company's deputy manager, chief financial officer;

(ix) to determine the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;

(x) to decide on the Company's investments, financing, contracts, transactions, and other matters within the scope authorized by the Board;

(xi) other powers and duties conferred by the Articles of Association or the Board.

The general manager shall attend meetings of the Board.

Secretary to the Board

The Company shall have a secretary to the Board. The secretary to the Board is responsible for the preparation and documentation of general meetings and board meetings of the Company, as well as the management of Shareholders' information of the Company, information disclosure matters and other matters.

The secretary to the Board of Directors shall abide by the relevant provisions of the laws, administrative regulations, department rules, the securities regulatory rules of the place where the Company's Shares are listed, and the Articles of Association.

Financial Accounting System, Profit Distribution and Auditing

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the requirements of the relevant state authorities.

Periodic Reporting for A Shares: The Company shall submit its annual financial accounting report to the China Securities Regulatory Commission and the stock exchange within four months from the end of each accounting year, its half-year financial accounting report to the dispatched offices of the China Securities Regulatory Commission and the stock exchange within two months from the end of the first six months of each accounting year, and its quarterly financial accounting reports to the dispatched offices of the China Securities Regulatory Commission and the stock exchange within one month from the end of the first three months and the first nine months of each accounting year.

Periodic Reporting for H Shares: The Company's periodic reports in respect of its H Shares comprise annual reports and interim reports. The Company shall publish an announcement of its annual results within three months from the end of each accounting year, and shall prepare and publish its annual report within four months from the end of each accounting year and at least 21 days before the convening of the annual general meeting. The Company shall publish an announcement of its interim results within two months from the end of the first six months of each accounting year, and shall prepare and publish its interim report within three months from the end of the first six months of each accounting year.

Internal Audit

The Company shall establish an internal audit system, specifying the management structure, duties and powers, staffing, funding arrangements, application of audit results and accountability mechanisms for internal audit.

The Company's internal audit system shall be implemented upon approval by the Board and disclosed to the public.

The Company's internal audit department shall conduct supervision and inspections of the Company's business activities, risk management, internal controls, financial information and other matters.

Appointment of Accounting Firm

The Company shall engage an accounting firm that complies with the requirements of the PRC Securities Law and the securities regulatory rules of the place where the Company's shares are listed to provide services including the audit of financial statements, verification of net assets and other related consulting services. The term of engagement shall be one year and may be renewed.

The engagement and dismissal of an accounting firm by the Company shall be decided by the general meeting of Shareholders. The Board shall not appoint an accounting firm before the general meeting of Shareholders has made such decision.

Merger, Division, Increase or Reduction of Registered Capital, Dissolution and Liquidation

Merger, Division, Increase or Reduction of Registered Capital

A merger of the Company may take the form of either a merger by absorption or a merger by the establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and publish an announcement within 30 days in a publicly issued newspaper or on the National Enterprise Credit Information Publicity System and websites designated by the securities regulatory authorities, including the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk).

A creditor may require the Company to repay its debts or provide corresponding security within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the creditor has not received the notice.

In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the division resolution and publish an announcement within 30 days in a newspaper or on the National Enterprise Credit Information Publicity System and websites designated by the securities regulatory authorities, including the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk).

In the event of a reduction of the registered capital of the Company, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days from the date of the resolution on the reduction of registered capital passed by the general meeting of Shareholders and publish an announcement within 30 days in a newspaper or on the National Enterprise Credit Information Publicity System and websites designated by the securities regulatory authorities, including the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk). A creditor shall have the right to require the Company to repay its debts or provide corresponding security within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the creditor has not received the notice.

In the event of a reduction of the registered capital of the Company, the capital contributions or shares shall be reduced proportionately according to the proportion of capital contributions made or shares held by the Shareholders, except as otherwise provided by law or the Articles of Association.

The registered capital of the Company following the reduction shall not be less than the statutory minimum amount.

In the event of a merger or division of the Company, where any registered particulars are changed, the Company shall complete the registration of such changes with the company registration authority in accordance with the law. In the event of dissolution of the Company, the Company shall complete the deregistration of the Company in accordance with the law. Where a new company is established, the Company shall complete the registration of the establishment of such new company in accordance with the law.

In the event of an increase or reduction of the registered capital of the Company, the Company shall complete the registration of such changes with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following circumstances:

(i) the expiration of the business term stipulated in the Articles of Association or the occurrence of any other dissolution event stipulated in the Articles of Association;

(ii) a resolution of the general meeting to dissolve the Company;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business licence of the Company is revoked, or the Company is ordered to cease its business or is revoked in accordance with the law;

(v) the Company encounters serious difficulties in its operation and management and its continued existence would cause substantial losses to the interests of its Shareholders, and such difficulties cannot be resolved through other means, in which case Shareholders holding 10% or more of the voting rights of all Shareholders of the Company may petition the People's Court for dissolution of the Company.

Where any of the dissolution events set out in the preceding paragraph occurs, the Company shall, within 10 days, disclose the relevant dissolution event through the National Enterprise Credit Information Publicity System and the website designated by the securities regulatory authority (including the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk)).

Where the Company is subject to the circumstances set out in sub-paragraphs (i) or (ii) above and has not yet distributed its assets to the Shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the general meeting.

Any amendment to the Articles of Association pursuant to the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the Shareholders present at the general meeting.

Where the Company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, the Company shall undergo liquidation. The Directors shall be the persons responsible for liquidation of the Company and shall, within 15 days from the date on which the dissolution event occurs, form a liquidation committee to conduct the liquidation. The liquidation committee shall comprise the Directors or such persons as determined by the general meeting. Where a liquidation committee is not formed within the prescribed period to conduct the liquidation, interested parties may apply to the People's Court for the appointment of relevant persons to form a liquidation committee to conduct the liquidation.

Where the person responsible for liquidation fails to duly perform the liquidation obligations and causes losses to the Company or its creditors, such person shall be liable for compensation.

During the liquidation period, the liquidation committee shall exercise the following powers:

(i) to examine and take possession of the Company's assets and prepare the balance sheet and a list of assets separately;

(ii) to notify creditors and make public announcements to creditors;

(iii) to deal with the outstanding business of the Company relating to the liquidation;

(iv) to pay all outstanding taxes and taxes incurred during the liquidation;

(v) to settle the claims and debts of the Company;

(vi) to distribute the remaining assets of the Company after payment of its debts;

(vii) to represent the Company in civil litigation.

Amendment of the Articles of Association

The Company shall amend the Articles of Association upon the occurrence of any of the following circumstances:

(i) following any amendment to the PRC Company Law or any relevant laws or administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed, any provision of the Articles of Association conflicts with the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed;

(ii) there is a change in the circumstances of the Company which is inconsistent with the matters recorded in the Articles of Association;

(iii) the general meeting resolves to amend the Articles of Association.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Establishment of Our Company

Our Company was established as a limited liability company under the laws of the PRC on March 1, 2002 under the name of Jinan Linuo Glasses Products Co., Ltd. (濟南力諾玻璃製品有限公司) which was subsequently changed to Shandong Linuo Pharmaceutical Packaging Co.,Ltd. (山東力諾醫藥包裝股份有限公司), and was converted into a joint stock company with limited liability on April 13, 2015. Our Company completed the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange (stock code: 301188) in November 2021.

Our Company has established a principal place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, 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 (Chapter 622 of the Laws of Hong Kong) on September 15, 2026. Ms. Leung Wai Yan (梁慧欣), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of the Articles of Association" in Appendix III. A summary of the relevant aspects of laws and regulations of the PRC is set out in "Regulatory Overview."

2. Changes in the Share Capital of Our Company

Save as disclosed below and in "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this document.

(i) A repurchase mandate for the repurchase of A Shares for the purpose of our Company's employee stock ownership plans and/or equity incentives plans was approved by the Board on January 16, 2024 ("**2024 Repurchase Mandate**"). The 2024 Repurchase Mandate was valid for twelve months from the date of approval of the 2024 Repurchase Mandate by the Board. Between January 16, 2024 and June 7, 2024, the repurchase of A Shares was conducted under the 2024 Repurchase Mandate with a total of 3,525,000 A Shares pursuant to centralized bidding trading transactions. Upon completion of the repurchase, the repurchased A Shares have been held under our Company's stock repurchase account and do not carry any shareholders' rights, including but not limited to voting rights at the Shareholders' meeting and dividend rights. Pursuant to our Articles of Association, the aggregate number of A Shares repurchased and held by our Company for the purposes of employee stock ownership plans and/or equity incentive plans shall not exceed 10% of the total issued Shares of our Company, and such repurchased A Shares shall be transferred or canceled within three years from the date of their respective repurchases.

(ii) Between February 29, 2024 and October 28, 2024, a total of 40,520 A Shares were issued pursuant to the conversion of the Convertible Bonds. As such, the total issued share capital of our Company increased from RMB232,410,000 to RMB232,450,520.

(iii) Between October 29, 2024 and September 18, 2025, a total of 6,596,175 A Shares were issued pursuant to the conversion of the Convertible Bonds. As such, the total issued share capital of our Company increased from RMB232,450,520 to RMB239,046,695.

(iv) On February 11, 2026, the Board resolved to exercise the early redemption right in respect of all outstanding Convertible Bonds. On March 12, 2026, the total issued share capital of our Company increased from RMB239,046,695 to RMB267,536,615.

(v) A repurchase mandate for the repurchase of A Shares for the purpose of our Company's employee stock ownership plans and/or equity incentives plans was approved by the Board on February 7, 2025 ("**2025 Repurchase Mandate**", together with 2024 Repurchase Mandate, the "**Repurchase Mandates**"). The 2025 Repurchase Mandate was valid for twelve months from the date of approval of the 2025 Repurchase Mandate by the Board. Between February 27, 2025 and December 12, 2025, the repurchase of A Shares was conducted under the 2025 Repurchase Mandate with a total of 4,557,700 A Shares pursuant to centralized bidding trading transactions at a range of RMB15.66 per A Share to RMB21.88 per A Share. As of June 30, 2026, a total of 8,082,700 A Shares had been repurchased under the Repurchase Mandates. Upon completion of the repurchase, the repurchased A Shares have been held under our Company's stock repurchase account and do not carry any shareholders' rights, including but not limited to voting rights at the Shareholders' meeting and dividend rights. Pursuant to our Articles of Association, the aggregate number of A Shares repurchased and held by our Company for the purposes of employee stock ownership plans and/or equity incentive plans shall not exceed 10% of the total issued Shares of our Company, and such repurchased A Shares shall be transferred or canceled within three years from the date of their respective repurchases. As of the Latest Practicable Date, our Company has not canceled any of such repurchased A Shares.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries as of the Latest Practicable Date are set out in Note 17 to the Accountants' Report as set out in Appendix I.

Save as disclosed below, there has been no alternation in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

(i) on December 27, 2024, Linuo International Pharma was incorporated in the United Arab Emirates as a limited liability company with an issued share capital of AED3,600,000;

(ii) on February 5, 2025, Linuo Glass E-Commerce was established in the PRC as a limited liability company with a registered capital of RMB5,000,000;

(iii) on March 4, 2025, Linuo Pharmaceutical Packaging was a limited liability company incorporated in Hong Kong with a paid up share capital of USD500,000;

(iv) on May 22, 2025, Linuo Pharmaceutical Packaging Brazil Administrativo Ltda. was established in Brazil as a limited liability company with an initial capital of 1,000 quotas, which was subsequently increased to BRL5,000,000, divided into 5,000,000 quotas, fully subscribed and paid up, on March 31, 2026;

(v) on September 23, 2025, Linuo Intelligent Robot was established in the PRC as a limited liability company with a registered capital of RMB10,000,000;

(vi) on January 14, 2026, Borohouse Pte. Ltd. was incorporated in Singapore as a private company limited by shares with an issued share capital of S$100,000;

(vii) on April 13, 2026, Linuo Pharmaceutical Packaging Brazil Ltda. was established in Brazil as a limited liability company with fully subscribed and partially paid up capital of BRL5,000,000; and

(viii) on June 24, 2026, Linuo Glass Products was established in the PRC as a limited liability company with a registered capital of RMB10,000,000.

Save as disclosed above and in the Accountants' Report set out in Appendix I, there had been no other alteration of the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders in Relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on September 16, 2026, the following resolutions, among other things, were duly passed:

(i) the [REDACTED] by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;

(ii) the number of H shares to be [REDACTED] shall be no more than [REDACTED]% of the total issued share capital of our Company upon completion of the [REDACTED] and before any exercise of the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares initially [REDACTED] pursuant to the [REDACTED];

(iii) the authorization of the Board or its authorized individual(s) to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] of the H Shares and the [REDACTED]; and

(iv) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED]; and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

5. Restrictions on Repurchase

For details of the restrictions on share repurchases by our Company, see "Summary of the Articles of Association" in Appendix III.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(i) the [REDACTED].

2. Intellectual Property

As of the Latest Practicable Date, the following intellectual property rights are material to our Group's business:

(a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks which we consider to be material to our business:

No.	Trademark	Registered Owner	Class	Place of Registration	Registration Number	Expiry date
1.	力諾	our Company	21	PRC	32150745	June 6, 2029
2.	LINUO力諾	our Company	21	PRC	32164047	July 6, 2029
3.	LINUO	our Company	21	PRC	32161331	August 13, 2029
4.	LINUO力諾華玻	our Company	21	PRC	48933995	July 6, 2031
5.	LINUO力諾華玻	our Company	21	PRC	48933993	July 13, 2031
6.	Linuo	our Company	19	PRC	1657026	October 27, 2031
7.	Linuo	our Company	21	PRC	1672613	November 27, 2031
8.	力诺	our Company	21	PRC	1672614	November 27, 2031
9.	力诺	our Company	19	PRC	1696529	January 13, 2032
10.		our Company	21	PRC	1761038	May 6, 2032

No.	Trademark	Registered Owner	Class	Place of Registration	Registration Number	Expiry date
11.	LINUO力诺药包	our Company	21	PRC	82534988	September 6, 2035
12.		our Company	21	PRC	3633882	October 27, 2035
13.	LINUO	our Company	21	PRC	88073629	April 13, 2036
14.	LINUO力诺	our Company	21	PRC	17548468	September 20, 2036
15.	BOROHAUS	Linuo Technical Glass	21	PRC	72113833	December 6, 2033
16.	乐玻乐玻	Linuo Technical Glass	21	PRC	83493824	September 13, 2035
17.	美朋	Linuo Technical Glass	21	PRC	83497266	September 13, 2035
18.	LeBoLeBo	Linuo Glass E-Commerce	21	PRC	83941874	August 27, 2035
19.	MeiPeng	Linuo Glass E-Commerce	21	PRC	83958663	September 6, 2035
20.		Linuo Glass E-Commerce	21	PRC	84810003	October 6, 2035
21.	borohouse	Linuo Glass E-Commerce	21	PRC	83950325	November 13, 2035

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents which we consider to be material to our business:

No.	Patent	Patent Owner	Patent Category	Patent No.	Place of registration	Expiry date
1	Fully automatic online inspection equipment for ampoules (安瓿瓶在線全自動檢測設備)	our Company	Invention	ZL201210423216.X	PRC	October 29, 2032
2	Automatic packaging production line for pharmaceutical glass tubes (藥用玻璃管自動包裝生產線)	our Company	Invention	ZL201310281245.1	PRC	July 4, 2033
3	Glass tube support device for glass furnaces (玻璃窯爐用玻管支撐裝置)	our Company	Invention	ZL201410187480.7	PRC	May 5, 2034
4	Glass tube palletizing machine (玻璃管碼垛機)	our Company	Invention	ZL201611176043.0	PRC	December 18, 2036
5	Oven body for heat-sealing heat-shrink tubing and glass tube heat-shrinking machine (熱縮管熱封用烘箱體及玻璃管熱縮機)	our Company	Invention	ZL201611175731.5	PRC	December 18, 2036
6	Fully automatic shuttle-type intelligent warehousing system for glass production (一種用於玻璃生產的全自動穿梭智能倉儲系統)	our Company	Invention	ZL202010056468.8	PRC	January 17, 2040
7	Secondary cutting mechanism for a horizontal ampoule machine and method for processing ampoule bottle mouths (臥式安瓿機復切機構及安瓿瓶瓶口加工方法)	our Company	Invention	ZL202210812436.5	PRC	July 11, 2042

No.	Patent	Patent Owner	Patent Category	Patent No.	Place of registration	Expiry date
8	Vial packaging machine and vial packaging method (西林瓶包裝機及西林瓶包裝方法)	our Company	Invention	ZL202210812555.0	PRC	July 11, 2042
9	Method for inspecting pre-filled syringe nest boxes (一種預灌封巢盒的檢測方法)	our Company	Invention	ZL202510341056.1	PRC	March 20, 2045
10	High-borosilicate glass for storing frozen biological products and preparation method thereof (用於儲存冷凍生物製品的高硼硅玻璃及其制備方法)	Linuo Technical Glass	Invention	ZL201010238950.X	PRC	July 27, 2030
11	Discharge structure for glass furnaces (玻璃窯爐放料結構)	Linuo Technical Glass	Invention	ZL201010514293.7	PRC	October 20, 2030
12	Arch crown support device for automatically fed electric melting furnaces (適用於自動加料電熔窯爐的拱碹支撐裝置)	our Company	Utility Model	ZL201621392566.4	PRC	December 18, 2026
13	Automatic packaging machine for glass ampoules (玻璃安瓿自動包裝機)	our Company	Utility Model	ZL201720991072.6	PRC	August 8, 2027
14	Large electrically heated muffle furnace (電加熱大馬弗爐)	our Company	Utility Model	ZL202021839714.9	PRC	August 27, 2030
15	Circulating feeding mechanism for a tubular-vial tube-loading machine (一種管制瓶上管機循環上料機構)	our Company	Utility Model	ZL202321020642.9	PRC	April 24, 2033
16	Dual-chamber pre-filled syringe (一種雙腔預灌封注射器)	our Company	Utility Model	ZL202520513717.X	PRC	March 23, 2035
17	LED lamp using a flat glass lens (一種使用平板玻璃透鏡的LED燈)	Linuo Technical Glass	Utility Model	ZL202520328946.4	PRC	February 26, 2035
18	Crystal casserole (round) (水晶煲(圓形))	our Company	Design	ZL201830091214.3	PRC	March 12, 2033
19	Milk cup (with lid) (奶杯(帶蓋))	our Company	Design	ZL202130727390.3	PRC	November 4, 2036
20	Food storage container (anti-slip) (保鮮盒(防滑式))	our Company	Design	ZL202130727545.3	PRC	November 4, 2036
21	Flat glass lens (high-borosilicate combined triple panel) (玻璃平板透鏡(高硼硅組合三連板))	our Company	Design	ZL202430694257.6	PRC	November 3, 2039

(c) Copyrights

As of the Latest Practicable Date, our Group had registered the following copyrights which we consider to be material to our business:

(i) Software copyrights

No.	Software copyright	Registered owner	Registration number	Place of registration	Registration date
1.	Linuo Technical Glass WMS Warehouse Management System (力諾特玻WMS倉儲管理系統)	our Company	2022SR1106067	PRC	August 12, 2022
2.	Packaging Caps Order Inbound/ Outbound Parameter Collection System (包裝帽訂單出入庫參數擷取系統)	our Company	2024SR1827795	PRC	November 19, 2024
3.	Automated Production Process Optimization System for Glass Products (玻璃製品自動化生產流程最佳化系統)	our Company	2024SR1816962	PRC	November 18, 2024
4.	Automatic Calculation and Control System for Glass Freight Costs (玻璃貨運費用自動計算管控系統)	our Company	2025SR0411007	PRC	March 7, 2025
5.	Linuo Industrial Data Acquisition Management System (力諾工業資料採集管理系統)	our Company	2025SR0639037	PRC	April 18, 2025
6.	Glass Cost Performance Management System (玻璃成本績效管理系統)	our Company	2025SR0410099	PRC	March 7, 2025
7.	Linuo Kiln Visualization System (力諾窯爐可視化系統)	our Company	2025SR0639082	PRC	April 18, 2025
8.	Linuo Pharmaceutical Packaging Digital Operation Platform (力諾藥包數位化營運平台)	our Company	2026SR0193059	PRC	January 29, 2026
9.	Linuo Pharmaceutical Packaging Lean Digital Twin System (力諾藥包精實數位孿生系統)	our Company	2026SR0192542	PRC	January 29, 2026

No.	Software copyright	Registered owner	Registration number	Place of registration	Registration date
10.	Linuo Pharmaceutical Packaging OEE Analysis and Process Optimization System (力諾藥包OEE分析與製程優化系統)	our Company	2025SR2189763	PRC	November 12, 2025
11.	Linuo Pharmaceutical Packaging AGV Intelligent Scheduling System (力諾藥包AGV智慧調度系統)	our Company	2025SR0433254	PRC	March 12, 2025
12.	Linuo Pharmaceutical Packaging Intelligent Manufacturing Management System (力諾藥包智慧製造管理系統)	our Company	2025SR0431906	PRC	March 12, 2025
13.	Pharmaceutical bottle manufacturing process auxiliary software (藥用瓶生產製程輔助軟體)	our Company	2025SR0404745	PRC	March 7, 2025
14.	Laboratory Reservation Information Management Big Data System (實驗室預約資訊管理大數據系統)	our Company	2025SR0404737	PRC	March 7, 2025
15.	Online Policy Management Tracking Closed-Loop System (線上方針管理跟蹤閉環系統)	Linuo Robot	2026SR0580096	PRC	April 24, 2026
16.	Online process optimal parameter model algorithm software (線上製程最優參數模型演算法軟體)	Linuo Robot	2026SR0702992	PRC	July 2, 2026

(ii) Literature copyrights

No.	Literature copyright	Registered owner	Registration number	Place of registration	Registration date
1.	LMI Educational and Training Materials (Part I) (LMI教育訓練教材(一))	our Company	國作登字-2022-L-10252226	PRC	December 5, 2022
2.	LMI Training Materials (Part II), First Edition — Linuo Pharmaceutical Packaging 5S Visualization Standards Manual (LMI教育訓練教材(二)第一版–力諾特玻5S目視化標準手冊)	our Company	國作登字-2023-L-00049552	PRC	March 22, 2023
3.	Antibacterial glass icon (抑菌玻璃圖標)	Linuo Technical Glass	國作登字-2026-F-00050964	PRC	March 2, 2026
4.	lebolebo brand identity logo (lebolebo品牌形象標識)	Linuo Glass E-Commerce	國作登字-2025-F-00205894	PRC	July 3, 2025
5.	Bo-zai — Forest Sprite Version (玻仔(玻崽)-森林精靈版)	Linuo Glass E-Commerce	國作登字-2025-F-00296690	PRC	October 9, 2025
6.	Bo-zai (Glass Sprite Version) (玻仔(玻崽)-玻璃精靈版)	Linuo Glass E-Commerce	國作登字-2025-F-00296688	PRC	October 9, 2025

(d) Domain Names

As of the Latest Practicable Date, our Group had registered the following domain names which we consider to be material to our business:

Domain Name	Registered Owner	Expiry date
linuoglass.com	our Company	August 5, 2029

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(a) Interests and short positions of the Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), so far as our Directors are aware, none of our Directors or chief executive has any interest or 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 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 our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Interest in our Company

Name	Position	Nature of Interest	Class and number of Shares directly or indirectly held after the [REDACTED][(1)]	Approximate % of shareholding in our A Shares immediately after the [REDACTED][(2)]	Approximate % of shareholding in the total share capital of our Company immediately after the [REDACTED][(2)]
Mr. Gao	Non-executive Director	Interest in controlled corporation[(3)(4)]	68,895,461 A Shares	25.75%	[REDACTED]%
Mr. Song Lai	Executive Director	Beneficial interest[(5)]	1,000,000 A Shares	0.37%	[REDACTED]%
Mr. Sun Pengfei	General Manager	Beneficial interest[(6)]	500,000 A Shares	0.19%	[REDACTED]%

Notes:

(1) All interests stated are long positions in the Shares.

(2) Assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]. The calculation of the percentages includes 8,082,700 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the share repurchase plans approved by our Board and held in our Company's stock repurchase account as Treasury Shares.

(3) As of the Latest Practicable Date, Linuo Investment Holding was held as to 78.87% by Linuo Group, which in turn was held as to 80.0% by Mr. Gao. By virtue of the SFO, Mr. Gao is deemed to be interested in the Shares held by Linuo Investment Holding.

(4) As of the Latest Practicable Date, 53,930,000 A Shares held by Linuo Investment Holding were pledged to certain PRC commercial banks as collateral.

(5) Mr. Song Lai is entitled to receive 1,000,000 A Shares upon vesting of the restricted Shares granted to him under the 2026 Restricted Share Incentive Scheme, subject to the vesting conditions thereof.

(6) Mr. Sun Pengfei is entitled to receive 500,000 A Shares upon vesting of the restricted Shares granted to him under the 2026 Restricted Share Incentive Scheme, subject to the vesting conditions thereof.

Interest in our associated corporation

Name of Director/ chief executive of our Company	Name of associated corporation	Nature of Interest	Registered share capital held in the associated corporation	Approximate % of shareholding in the associated corporation
Mr. Gao	Linuo Innovation Technology (Shanghe) Co., Ltd (力諾創新科技(商河)有限公司)	Interest in controlled corporation[(1)]	RMB47,250,000	51.0%

Notes:

(1) As of the Latest Practicable Date, Linuo Innovation Technology (Shanghe) Co., Ltd was held as to 49.0% by our Company and 51.0% by Linuo Group, which in turn was held as to 80.0% by Mr. Gao. By virtue of the SFO, Mr. Gao is deemed to be interested in the equity interest held by Linuo Group in Linuo Innovation Technology (Shanghe) Co., Ltd.

(b) Interests of the substantial shareholders

Save as disclosed in "Substantial Shareholders", immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and 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 position in the 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 or any member of our Group.

2. Particulars of the Directors' Service Contracts and Appointment Letters

We [have entered] into a service contract or a letter of appointment with each of our Directors in respect of, among other things (i) the term of service, (ii) termination in accordance with the respective terms thereof, (iii) observance of the Articles of Association, and (iv) provisions on dispute resolution.

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).

3. Remuneration of Directors

For details of the remuneration of Directors, see "Directors and Senior Management — Compensation of Directors and Senior Management" and Note 10 to the Accountants' Report set out in Appendix I.

4. Agency fees or commissions received

Save in connection with the [REDACTED], none of our Directors, promoters or any of the persons whose names are listed in "— 8. Qualifications and Consents of Experts" in this Appendix has received any commission, discount, agency fee, brokerage or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

5. Disclaimers

(i) save as disclosed in "Substantial Shareholders" and "— C. Further information about our Directors and Substantial Shareholders" in this Appendix, none of our Directors or our chief executive has any interest or short position in the 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 our Company 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 our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [REDACTED] on the Stock Exchange;

(ii) save as disclosed in "Substantial Shareholders" and "— C. Further information about our Directors and Substantial Shareholders" in this Appendix, 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] (assuming that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), have any 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;

(iii) save as disclosed in "Connected Transactions", none of our Directors or any of the experts referred to under "— E. Other Information — 8. Qualifications and Consents of Experts" in this Appendix, is (a) 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 (b) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(iv) save as disclosed in "Business — Suppliers and Procurement — Our Suppliers", so far as is known to the Directors, none of the Directors or their respective close associates or our Shareholders who are interested in 5% or more of the issued share capital of our Company has any interest in any of the five largest customers or five largest suppliers of our Group; and

(v) save as disclosed in this Appendix, none of our Directors has any existing or proposed service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

D. 2026 RESTRICTED SHARE INCENTIVE SCHEME

Our Company adopted the 2026 Restricted Share Incentive Scheme on March 16, 2026, which was outstanding as of the Latest Practicable Date. The terms of the 2026 Restricted Share Incentive Scheme 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 the [REDACTED]. The principal terms of the 2026 Restricted Share Incentive Scheme are summarized below.

1. Purpose of the 2026 Restricted Share Incentive Scheme

The purposes of the 2026 Restricted Share Incentive Scheme are to further establish and improve the long-term incentive mechanisms of our Company, attract and retain outstanding talents, fully motivate our Directors, senior management and core technical (business) personnel, effectively align the interests of the Shareholders, our Company and the core team, encourage all parties to focus on the long-term development of our Company, and ensure the achievement of our Company's development strategies and business objectives.

2. Participants of the 2026 Restricted Share Incentive Scheme

The participants of the 2026 Restricted Share Incentive Scheme include Directors (excluding independent non-executive Directors), senior management and core technical (business) personnel (including foreign employees) of the members of our Group. All such participants were employees of our Group.

The participants do not include any Shareholder individually or collectively holding 5% or more of the Shares, any actual controller of our Company, or their respective spouses, parents or children.

3. Source of the Shares for the 2026 Restricted Share Incentive Scheme

The restricted Shares granted under the 2026 Restricted Share Incentive Scheme are A Shares repurchased by our Company from the secondary market. The maximum number of restricted Shares (before any adjustment due to capital reserve capitalization and other share capital changes, if any) that can be granted under the 2026 Restricted Share Incentive Scheme is 8,082,700 A Shares, representing approximately 3.02% of the total issued share capital of our Company as of the date of announcement of the 2026 Restricted Share Incentive Scheme.

4. Term of the 2026 Restricted Share Incentive Scheme

The 2026 Restricted Share Incentive Scheme is valid from the date of grant of the restricted Shares until all restricted Shares granted thereunder have vested or lapsed, provided that the term of the 2026 Restricted Share Incentive Scheme shall not exceed 36 months.

5. Administration

The 2026 Restricted Share Incentive Scheme was approved by the Shareholders at the second extraordinary general meeting of 2026 held on March 16, 2026 and is administered by the Board pursuant to the authorization granted by the Shareholders. The Board is responsible for the implementation and administration of the 2026 Restricted Share Incentive Scheme within the scope authorized by the Shareholders' meeting. The Remuneration and Appraisal Committee is responsible for formulating and amending the 2026 Restricted Share Incentive Scheme, reviewing the eligibility of the participants and supervising the implementation of the 2026 Restricted Share Incentive Scheme in accordance with applicable laws and regulations.

6. Lock-up and Vesting of the Restricted Shares

The restricted Shares granted under the 2026 Restricted Share Incentive Scheme shall vest in two tranches, with the first vesting period commencing upon the expiry of 12 months from the grant date, subject to satisfaction of the applicable vesting conditions. The vesting periods are set out below:

Vesting tranche	Vesting period	Percentage of vested Shares to total granted Shares
The first vesting tranche	From the first trading day following the expiry of 12 months from the grant date until the last trading day within 24 months from the grant date	50%
The second vesting tranche	From the first trading day following the expiry of 24 months from the grant date until the last trading day within 36 months from the grant date	50%

Prior to vesting, the restricted Shares granted to the participants may not be transferred, pledged, used as security or applied towards repayment of debts. Any additional Shares attributable to restricted Shares which have not yet vested as a result of capitalization of capital reserves, bonus issues or similar events shall be subject to the same vesting conditions.

Restricted Shares which have not vested during the applicable vesting period or which fail to satisfy the applicable vesting conditions shall lapse and may not be carried forward to any subsequent vesting period.

The vesting of the restricted Shares under the 2026 Restricted Share Incentive Scheme is subject to, among other things, the attainment of performance targets at our Company level and the results of the annual performance assessment of each participant at the individual level.

7. Vesting Conditions

(a) Company-level performance conditions

The Company-level performance assessment under the 2026 Restricted Share Incentive Scheme covers the two financial years ending December 31, 2026 and 2027. For each assessment year, the relevant vesting condition will be satisfied if either the applicable revenue growth target or the applicable net profit growth target is achieved.

The Company-level performance targets are set out below:

Vesting tranche	Assessment year	Revenue growth target based on revenue for 2025	Net profit growth target based on net profit for 2025
The first vesting tranche	2026	30%	15%
The second vesting tranche	2027	50%	30%

For the purpose of the above performance targets, "revenue" shall be determined based on the audited consolidated financial statements of our Company. "Net profit" refers to the audited net profit attributable to the Shareholders, after excluding the effects of depreciation and amortization and share-based payment expenses arising from the 2026 Restricted Share Incentive Scheme and all other share incentive schemes and employee stock ownership plans which remain effective during the relevant period.

If our Company fails to satisfy the applicable Company-level performance target for a particular assessment year, all restricted Shares scheduled to vest for all participants in respect of that assessment year shall not vest or be carried forward to a subsequent vesting period and shall lapse.

(b) Individual-level performance conditions

The Remuneration and Appraisal Committee of the Board will assess the performance of each participant for each assessment year. The individual vesting percentage applicable to each participant shall be determined based on his or her individual performance rating as follows:

Performance rating	S	A	B	C	D
Individual vesting percentage	100%	100%	80%	60%	0%

Subject to satisfaction of the applicable Company-level performance target, the actual number of restricted Shares which may vest in respect of a participant for a particular year shall equal the number of restricted Shares scheduled to vest for such participant for that year multiplied by the applicable individual vesting percentage.

Any restricted Shares which fail to vest, or fail to vest in full, due to the individual performance assessment shall lapse and may not be carried forward to any subsequent year.

8. Grant Price

The grant price of the restricted Shares under the 2026 Restricted Share Incentive Scheme is RMB9.03 per A Share, being the price at which a participant may acquire the A Shares repurchased by our Company from the secondary market upon satisfaction of the applicable grant and vesting conditions.

The number of restricted Shares or the grant price are subject to adjustment in accordance with the terms of the 2026 Restricted Share Incentive Scheme upon the occurrence of certain events, including capitalization of capital reserves, bonus issues, share subdivisions, share consolidations, rights issues and/or payment of dividends, as applicable.

9. Details of the Outstanding Restricted Shares Granted

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the 2026 Restricted Share Incentive Scheme was 8,082,700, representing approximately [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised, no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], and taking into account 8,082,700 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the share repurchase plans). As of the Latest Practicable Date, our Company has repurchased an aggregate of 8,082,700 A Shares, which were held in the repurchase stock account established in the name of our Company and were expected to be used for employee stock ownership plans or equity incentives. Our Company has not issued or had any imminent plan to issue any new A Shares for such purpose.

The following table sets forth the number of outstanding restricted Shares granted to Directors, senior management or connected persons of our Company under the 2026 Restricted Share Incentive Scheme:

Name of Grantee	Position in our Group	Date of grant	Number of restricted Shares	Grant price	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Director					
Mr. Song Lai	Executive Director and chairman of the Board	March 17, 2026	1,000,000	RMB9.03	[REDACTED]%
Senior Management					
Mr. Sun Pengfei	General Manager	March 17, 2026	500,000	RMB9.03	[REDACTED]%
Mr. Xie Yan	Deputy General Manager and Board Secretary	March 17, 2026	1,000,000	RMB9.03	[REDACTED]%
Mr. Li Guo	Chief Financial Officer	March 17, 2026	200,000	RMB9.03	[REDACTED]%
Other Grantees					
24 other core technical (business) personnel[(2)]	Core technical (business) personnel	March 17, 2026	5,382,700	RMB9.03	[REDACTED]%
Total	**28 grantees**		**8,082,700**		**[REDACTED]%**

Notes:

1. Assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]. The calculation of the percentage includes 8,082,700 A Shares repurchased by our Company as of the Latest Practicable Date pursuant to the share repurchase plans approved by our Board and held in our Company's stock repurchase account as Treasury Shares.

2. The grantees are core technical (business) personnel of our Group, none of whom is a Director or connected person of our Company. None of the grantees has been individually granted an aggregate number of underlying Shares exceeding 1.0% of our Company's total issued share capital.

E. OTHER INFORMATION

1. 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.

2. Litigation

As of the Latest Practicable Date, our Company was 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 adverse effect on our Group's results of operations or financial conditions.

3. The Joint Sponsors' Independence

The Joint Sponsors have made an [REDACTED] on our behalf to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED]. All necessary arrangements have been made to enable our H Shares to be [REDACTED] into [REDACTED].

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate of US$700,000 for acting as the sponsors for the [REDACTED].

4. Compliance Advisor

Our Company has appointed Lego Corporate Finance Limited as our compliance advisor upon [REDACTED] in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of, the H Shares being sold or transferred.

7. Promoters

The promoters of our Company are Linuo Investment Holding and Hongdao New Energy. Save as disclosed in this document, 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 any of the promoters in connection with the [REDACTED] and the related transactions described in this document.

8. Qualifications and Consents of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) which have given opinions or advice contained in, or referred to in, this document are as follows:

Name	Qualification
China Merchants Securities (HK) Co., Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities as defined under the SFO
Lego Corporate Finance Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Confucius International CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditors
Zhong Lun Law Firm	Legal advisors to our Company as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
King & Wood	Legal advisors to our Company as to international sanctions laws

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.

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters and/or opinions, as the case may be, and/or references to its name and qualifications included herein in the form and context in which they respectively appear.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, 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.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and Document from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. No Material Adverse Change

Save as disclosed in "Summary" and "Financial Information", our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

12. Miscellaneous

Save as disclosed in this document:

(a) within the two years preceding the date of this document, no share or loan capital of our Company or any of our subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and no [REDACTED], discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or have been agreed to be issued;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) none of the experts listed under "— 8. Qualifications and Consents of Experts":

  (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or

  (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save in connection with the [REDACTED];

(f) there are no procedures for the exercise of any right of pre-emption or the transferability of subscription rights;

(g) there are no contracts for the 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;

(h) the English text of this document shall prevail over the Chinese text;

(i) there are no arrangements under which future dividends are waived or agreed to be waived;

(j) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(k) save for the A Shares that are listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 301188), and save for the H Shares to be [REDACTED] in connection with the [REDACTED], none of the equity or debt securities of our Company, if any, is listed or dealt with on any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(l) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from overseas.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Our Material Contracts" in Appendix IV; and

(b) the written consents referred to in "Statutory and General Information — E. Other Information — 8. Qualifications and Consents of Experts" in Appendix IV.

B. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of our Company at **www.linuoglass.com** and on the website of the Stock Exchange at **www.hkexnews.hk** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Confucius International CPA Limited, the text of which is set out in Appendix I;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025 and the unaudited interim condensed consolidated financial information for the six months ended June 30, 2026;

(d) the report prepared by Confucius International CPA Limited on the unaudited [REDACTED] financial information of our Group, the texts of which are set out in Appendix IIA;

(e) the industry report issued by Frost & Sullivan referred to in "Industry Overview";

(f) the PRC legal opinion issued by Zhong Lun Law Firm, our PRC Legal Advisor, in respect of certain matters and property interests of our Group under PRC Law;

(g) the memorandum issued by King & Wood, our legal advisor as to international sanction laws, in respect of, among other things, the risk of exposure under the International Sanctions laws and regulations;

(h) the material contracts referred to in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Our Material Contracts" in Appendix IV;

(i) the service contracts and appointment letters referred to in "Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Directors' Service Contracts and Appointment Letters" in Appendix IV;

(j) the written consents referred to in "Statutory and General Information — E. Other Information — 8. Qualifications and Consents of Experts" in Appendix IV; and

(k) a copy of the PRC Company Law, the PRC Securities Law, and the Trial Measures respectively, together with unofficial English translations thereof.