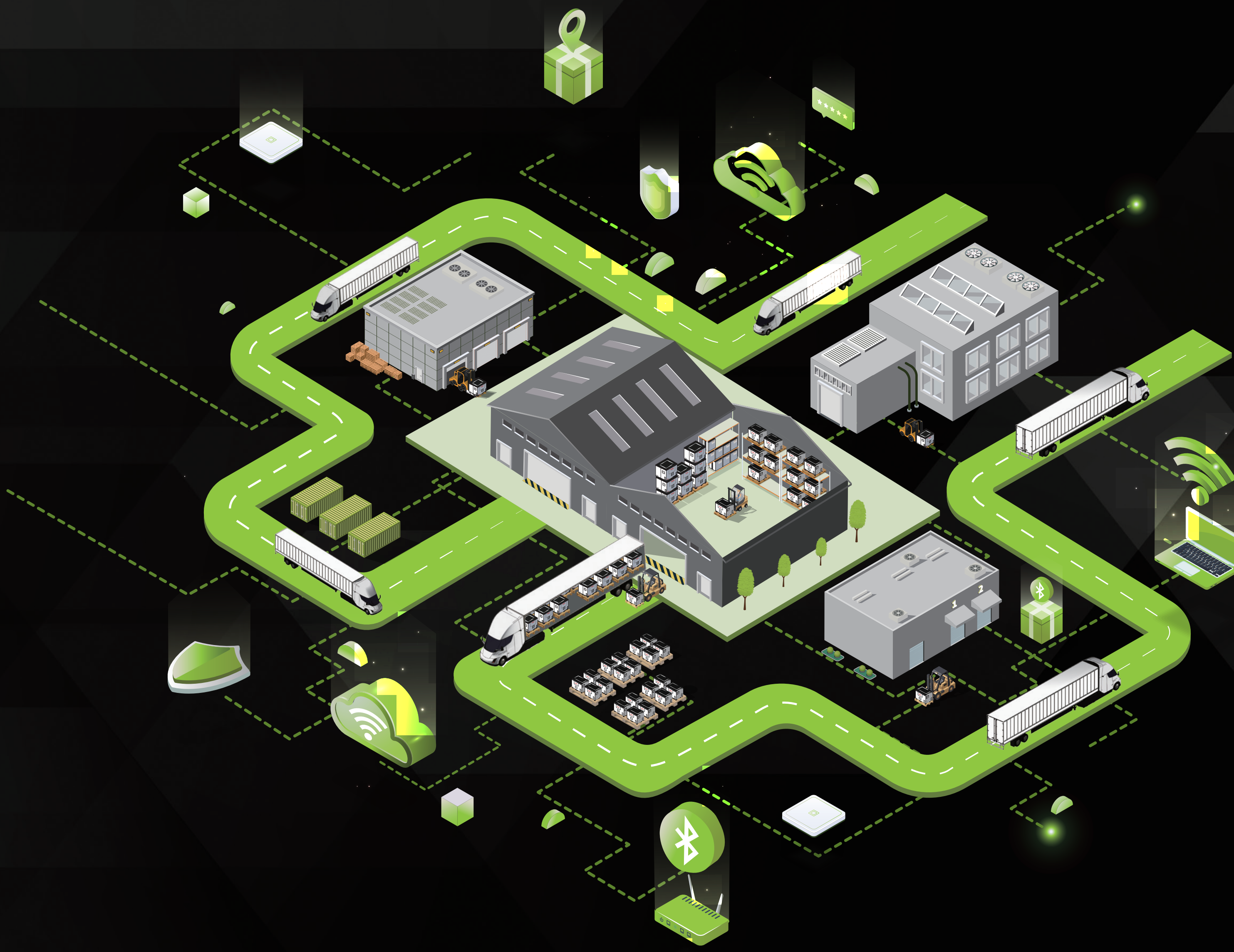
蘇州優樂賽共享服務股份有限公司
ALSCO Pooling Service Co., Ltd.

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

Stock Code : 2649

GLOBAL OFFERING



Sole Sponsor, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

中信建投國際
CHINA SECURITIES INTERNATIONAL

Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Financial Adviser

DBS

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

蘇州優樂賽共享服務股份有限公司
ALSCO Pooling Service Co., Ltd.

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

Global Offering

Number of Offer Shares under the Global Offering	**:**	**20,336,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**2,034,000 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**18,302,000 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price (subject to a Downward Offer Price Adjustment)	**:**	**HK$14.0 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application and subject to refund on final pricing) (If the Offer Price is set at 10% below the bottom end of the indicative Offer Price range after making a Downward Offer Price Adjustment, the Offer Price will be HK$9.9 per Offer Share)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**2649**

Sole Sponsor, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

中信建投國際
CHINA SECURITIES INTERNATIONAL

Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Financial Adviser

DBS

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

華升證券
CHINA SUNRISE SECURITIES

Joint Bookrunners and Joint Lead Managers
(in alphabetical order)

ABCI 農銀國際　CMBI 招銀国际　富途證券 FUTU Securities International　利弗莫尔证券 LIVERMORE HOLDINGS LIMITED
浦銀國際 SPDBI　天風國際 TF INTERNATIONAL　TradeGo Markets

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators, on behalf of the Underwriters, and our Company on or before Thursday, March 5, 2026 or such later time as may be agreed between the parties, but in any event, no later than 12:00 noon on Thursday, March 5, 2026. If, for any reason, the Overall Coordinators, on behalf of the Underwriters, and our Company are unable to reach an agreement on the Offer Price by 12:00 noon on Thursday, March 5, 2026, the Global Offering will not become unconditional and will lapse immediately.

The Offer Price will be not more than HK$14.0 per H Share and is expected to be not less than HK$11.0 per H Share (subject to a Downward Offer Price Adjustment) although the Overall Coordinators, on behalf of the Underwriters, and our Company may agree to a lower price. The Overall Coordinators, on behalf of the Underwriters, may, with the consent of our Company, reduce the indicative Offer Price range below that stated in this prospectus (being HK$11.0 per Share to HK$14.0 per H Share) at any time on or prior to the morning of the last date for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.anwood.com.cn** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, see "Structure and Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in "Risk Factors" in this prospectus.

Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Hong Kong Offer Shares, the Sole Sponsor and the Overall Coordinators, on behalf of the Hong Kong Underwriters, have the right in certain circumstances, in their absolute discretion, to terminate the obligation of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Offer Shares are being offered and sold only outside of the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.anwood.com.cn.

If you require a printed copy of this prospectus, you may download and print from the website addresses above.

February 27, 2026

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this document to the public in relation to the Hong Kong Public Offering.

This document is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.anwood.com.cn. If you require a printed copy of this document, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**;

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this document are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this document is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 500 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application
	HK$		*HK$*		*HK$*		*HK$*
500	7,070.60	7,000	98,988.34	50,000	707,059.50	400,000	5,656,476.00
1,000	14,141.19	8,000	113,129.52	60,000	848,471.40	450,000	6,363,535.50
1,500	21,211.79	9,000	127,270.71	70,000	989,883.30	500,000	7,070,595.00
2,000	28,282.38	10,000	141,411.90	80,000	1,131,295.20	600,000	8,484,714.00
2,500	35,352.98	15,000	212,117.86	90,000	1,272,707.10	700,000	9,898,833.00
3,000	42,423.56	20,000	282,823.80	100,000	1,414,119.00	800,000	11,312,952.00
3,500	49,494.16	25,000	353,529.76	150,000	2,121,178.50	900,000	12,727,071.00
4,000	56,564.75	30,000	424,235.70	200,000	2,828,238.00	1,017,000[1]	14,381,590.24
4,500	63,635.35	35,000	494,941.66	250,000	3,535,297.50		
5,000	70,705.96	40,000	565,647.60	300,000	4,242,357.00		
6,000	84,847.15	45,000	636,353.56	350,000	4,949,416.50		

Notes:

(1) Maximum number of Hong Kong Offer Share you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

If there is any change in the following expected timetable of the Global Offering, we will issue an announcement in Hong Kong to be published on the Stock Exchange's website at ***www.hkexnews.hk*** *and our Company's website at* ***www.anwood.com.cn****.*

	Date[1]
Hong Kong Public Offering commences	9:00 a.m. on Friday, February 27, 2026
Latest time to complete electronic applications under **White Form eIPO** service through The designated website at **www.eipo.com.hk**[2]	11:30 a.m. on Wednesday, March 4, 2026
Application lists open[3]	11:45 a.m. on Wednesday, March 4, 2026
Latest time to (a) lodge completing payment of **White Form eIPO** applications by effecting internet banking transfers(s) or PPS payment transfer(s) and (b) giving electronic application instructions to HKSCC[4]	12:00 noon on Wednesday, March 4, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** through HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close[3]	12:00 noon on Wednesday, March 4, 2026
Expected Price Determination Date[9]	by 12:00 noon on Thursday, March 5, 2026
Where applicable, announcement of the Offer Price being set below HK$11.0 (the bottom end of the indicative Offer Price range) after making a Downward Offer Price Adjustment (see "Structure of the Global Offering — Announcement of Offer Price Reduction" on the website of our Company at **www.anwood.com.cn**[5] and the website of the Stock Exchange at **www.hkexnews.hk**	no later than 11:00 p.m. on Friday, March 6, 2026
Announcement of the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering will be published on the website of our Company at **www.anwood.com.cn**[5] and the website of the Stock Exchange at **www.hkexnews.hk**	no later than 11:00 p.m. on Friday, March 6, 2026

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.anwood.com.cn** and **www.hkexnews.hk**, respectively . . . . no later than 11:00 p.m. on Friday, March 6, 2026

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from . . . . 11:00 p.m. on Friday, March 6, 2026 to 12:00 noon on Thursday, March 12, 2026

- from the allocation results telephone enquiry line by calling +852 28628555 between 9:00 a.m. and 6:00 p.m. on . . . . Monday, March 9, 2026, Tuesday, March 10, 2026, Wednesday, March 11, 2026 and Thursday, March 12, 2026

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before(6) . . . . Friday, March 6, 2026

White Form e-Refund payment instructions/refund checks in respect of wholly or partially unsuccessful applications to be dispatched on or before(7)(8) . . . . Monday, March 9, 2026

Dealings in the H Shares on the Stock Exchange expected to commence . . . . at 9:00 a.m. on Monday, March 9, 2026

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 4, 2026, the application lists will not open and will close on that day. For further details, please see "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by instructing your broker or custodian to give electronic application instructions to HKSCC through HKSCC's FINI system should refer to "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares."

(5) None of the websites or any of the information contained on the websites forms part of this prospectus.

(6) Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination" in this prospectus has not been exercised. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid evidence of title do so entirely at their own risk.

(7) **White Form** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection. Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus for details. Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk. Any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications. Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

(9) The Price Determination Date is expected to be on or before Thursday, March 5, 2026, and in any event, not later than 12:00 noon on Thursday, March 5, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us by 12:00 noon on Thursday, March 5, 2026, the Global Offering will not proceed and will lapse.

The above expected timetable is a summary only. You should refer to the sections headed "Structure and Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, our Company will make an announcement as soon as practicable thereafter.

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by our Company, the Joint Global Coordinators, the Sole Sponsor, any of the Underwriters, any of our or their respective directors, officers, representatives, or affiliates, or any other person or party involved in the Global Offering. Information contained in our website, located at ***www.anwood.com.cn****, does not form part of this prospectus.*

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This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and OEMs within the automotive industry. We primarily provide pooling services, a shared-use model under which we manage reusable packages such as pallets, crates, or containers for customers, handling the storage, as well as distribution and return, which are primarily carried out through subcontracted third-party logistics service providers, cleaning, and maintenance of the reusable packages on their behalf. In addition to pooling services, we offer rental services for customers who prefer to manage reusable packages themselves, provide certain value-added services such as warehouse management and customer-owned containers management, and also sell containers to customers who have the capability to handle container management independently. According to Frost & Sullivan, in terms of revenue for 2024, we ranked as the second-largest provider of reusable package services in China with a market share of 1.5% and the largest provider in the automotive pooling services market in China with a market share of 8.2%. In 2024, reusable package services, pooling services, and automotive pooling services accounted for 6.4%, 2.4%, and 1.0%, respectively, of China's overall logistics packaging solution market. The industries in which our Group operates, including reusable package services and pooling services markets in China, are highly fragmented and competitive.

Our pooling services, as a key part of our container services, form the core of our business. Through this pooling service model, we are committed to helping clients enhance their logistics efficiency, significantly reduce their packaging costs and achieve their green economic objectives as well as ESG goals.

Recognizing the key pain points in the logistics packaging industry, which include clients' limited capacity to manage containers effectively, insufficient digitalization and high costs of disposable packaging, Mr. Sun Yan'an (孫延安) founded our brand in 2016 to systematically address these challenges. As of August 31, 2025, we managed an asset pool comprising around 1.5 million reusable containers covering over 100 cities, supported by 78 warehouses. This infrastructure enables us to meet the evolving needs of our customers.

Our revenue increased from RMB647.6 million for the year ended December 31, 2022 to RMB794.0 million for the year ended December 31, 2023, and further increased to RMB837.6 million for the year ended December 31, 2024, representing a CAGR of 13.7%. Our revenue increased from RMB507.4 million for the eight months ended August 31, 2024 to RMB533.3 million for the eight months ended August 31, 2025, representing an increase of 5.1%.

OUR BUSINESS MODEL

We operate across two core business segments: container services and container sales, with the majority of our revenue driven by pooling services within the container services segment.

- **Container services:** container services form the core of our operations, comprising pooling services, rental services and other value-added services.

  o Pooling Services: Our pooling services provide customers with access to a managed pool of reusable containers. Beyond simply supplying containers, our pooling model, based on our digital capabilities and service network, delivers a fully managed solution, under which each use of our containers involves the operation and management before and after customers' use, including distribution, recovery, maintenance, scheduling and storage, enabling customers to focus on their core business. Framework agreements for pooling services are typically entered into for a term of one to three years, with each service trip generally lasting between 15 and 45 days depending on delivery distance, customer production schedule and turnover frequency. Additionally, we offer standardized containers with customizable inner linings, tailored to meet specific product requirements, ensuring optimal protection and adaptability during their use.

    Our pooling services are enhanced by our digital systems and platforms to improve our operational efficiency. These systems help ensure the safety of customers' assets, simplify container management and support informed decision-making, all while optimizing overall supply chain performance.

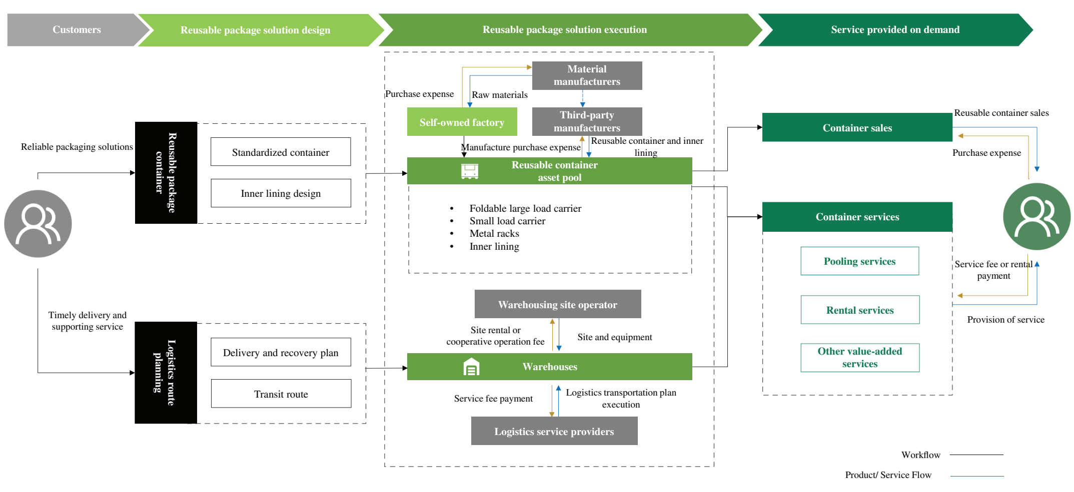
    Under our pooling services model, customers are charged based on the number of times containers that are circulated, utilizing a pay-per-use system that scales with their business needs. This flexible payment structure ensures cost-efficiency, allowing customers to only pay for what they use, without the long-term commitments associated with ownership or fixed rental agreements.

  o Rental Services: Our rental services follow a traditional fixed-term rental model, where customers pay based on the agreed rental period, e.g. 30 days. The rental period under our rental agreements typically ranges from six months to three years, depending on customer needs, contract scale and the specific application scenario. We, as the rental service provider, are only responsible for supplying the reusable containers, while the management of container logistics is handled by customers. Unlike our pooling services, rental services are limited to the provision of containers and do not cover solution design, off-site recovery, warehousing, cleaning or other related operational services. This model is suitable for customers who have the capacity or prefer to manage their container operations independently.

o Other Value-added Services: Our other value-added services include, but are not limited to, logistics transportation, warehousing management, customer-owned container management and a combination of these services, providing clients with comprehensive solutions. In addition to offering container services, we also provide transportation and warehousing management services, helping clients streamline operations and reduce logistical complexities. For customer-owned container management, we are responsible for the operation and management of clients' own containers, helping them improve asset utilization and reduce capital expenditures related to container management.

- **Container Sales:** Our container sales business targets customers with logistical capabilities and procurement needs, directly supplying them with our products, which primarily include reusable foldable large load carriers, small load carriers, custom-developed inner linings and customized metal racks. Primarily serving enterprises in the automotive industry, our diverse and widespread customer base enhances our risk resilience.

The chart below illustrates the typical workflow of our reusable package services:



The table below provides an overview of key operational data, including the number of containers under our management and the number of projects in operation for the years/periods specified:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Number of Containers Under Management					
Unit: '000 sets					
Foldable Large Load Carriers	**577.5**	**622.4**	**699.2**	**662.8**	**743.6**
Small Load Carriers	**278.7**	**402.3**	**616.3**	**506.7**	**770.9**
Metal Racks	**38.0**	**39.1**	**38.8**	**38.9**	**35.0**
Total	**894.1**	**1,063.8**	**1,354.2**	**1,208.5**	**1,549.5**
Number of Projects in Operation[1]					
Pooling Services	3,246	3,583	3,512	3,456	3,482
Rental Services	299	296	290	290	321
Total	**3,545**	**3,879**	**3,802**	**3,746**	**3,803**

Note:

(1) The "Number of Projects in Operation" is calculated based on projects that generated revenue during the year.

The table below presents a summary of key operational data related to our container services, including the number of warehouses in operation for the years/periods:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Number of Warehouses in Operation					
Self-operated	32	29	25	27	25
Third Party Cooperation	40	43	46	40	53
Total	**72**	**72**	**71**	**67**	**78**

In our operations, the number of customers and major customers significantly influences our revenue and growth. The customer retention rate reflects our ability to retain clients, with a higher rate indicating revenue stability and reduced churn. Major customers, who contribute substantially to our revenue, are especially crucial. Their retention rates and net cash retention rates highlight our success in maintaining these key relationships and driving increased revenue from them over time.

The table below provides an overview of the turnover trips and average operating price per container per trip under our pooling services model for the years/periods specified:

	Year ended December 31,			Eight months ended August 31,	
Pooling Services	**2022**	**2023**	**2024**	**2024**	**2025**
Turnover Trips(1) ('000 trips)	3,975	4,598	5,013	2,924	2,975
Average Operating Price (RMB)(2)	113	128	134	137	135
Average Turnover Trips Per Container (trips)(3)	6.9	7.0	6.7	4.1	3.6

Note 1: Turnover trips represent the total number of service cycles completed during the year/period by the containers used in our pooling services (including foldable large load carriers, small load carriers (counted as one set per six units in accordance with our standard usage and operational management practice), and metal racks). In general, a service cycle involves the delivery of empty containers to Tier 1 Suppliers, their use for loading products, and the subsequent return of empty containers after the products are delivered to the destination.

Note 2: Average operating price per container per trip under our pooling services is calculated by dividing the revenue generated from pooling services during the relevant period by the total number of turnover trips completed under pooling services during the same period.

Note 3: The average turnover trips per container is calculated by dividing the total trips during the year by the average number of containers used for pooling services (including containers reserved for contingency or backup use).

The table below provides an overview of the turnover trips and average rental price per container under our rental services model for the years/periods specified:

	Year ended December 31,			Eight months ended August 31,	
Rental Services	**2022**	**2023**	**2024**	**2024**	**2025**
Rental Months ('000)(1)(2)	461	426	420	350	283
Average Rental Price (RMB)(3)	62	66	50	43	66

Note 1: Rental months represent the total number of months during the year/period that our containers used in rental services (primarily foldable large load carriers) were rented out, considering the agreed rental period typically measured on a monthly basis.

Note 2: "Turnover Trips per Container" is not applicable to the rental services model. Unlike the pooling services model, where turnover reflects the number of cycles completed, the rental services model measures container usage based on the total number of months containers are rented under fixed-term agreements and billed on a monthly basis.

Note 3: Average rental price per container per month under our rental services model is calculated by dividing the revenue generated from rental services during the relevant period by the total number of rental months during the same period.

The table below provides an overview of the sales volume and average selling price under our container sales segment for the years/periods specified:

	Year ended December 31,			**Eight months ended August 31,**	
Container Sales	**2022**	**2023**	**2024**	**2024**	**2025**
Sales Volume ('000 units)	94	80	61	38	74
Average Selling Price (RMB)	1,152	1,281	1,169	1,195	895[1]

Note:

(1) For the eight months ended August 31, 2025, the average selling price dropped to RMB895, as compared to RMB1,195 for the same period in 2024. The decrease was mainly due to an increase in the sales proportion of smaller-sized container models, which generally carried lower unit prices and resulted in a lower overall average selling price.

The table below provides an overview of key operational data related to customer information:

	Year ended December 31,			**Eight months ended August 31,**
	2022	**2023**	**2024**	**2025**
Customer Information				
Number of Customers[1]	536	509	552	527
Customer Retention Rate[2]	75.8%	68.3%	69.5%	64.9%
Net Cash Retention Rate[3]	113.8%	117.5%	99.3%	96.3%
Number of Major Customers[4]	106	115	125	128
Percentage of Total Sales from Major Customers	86.6%	89.4%	90.0%	89.9%
Major Customer Retention Rate[5]	97.9%	94.3%	97.4%	89.7%
Major Customer Net Cash Retention Rate[6]	113.4%	117.0%	98.4%	117.9%

Notes:

(1) The "Number of Customers" refers to customers that generated revenue during the year.

(2) The "Customer Retention Rate" refers to the percentage of customers from the previous year who generated revenue in the current year.

(3) The "Net Cash Retention Rate" for year N is calculated as the revenue generated in year N from customers retained from year (N-1), divided by the revenue generated by the total number of customers in year (N-1). Here, N refers to a specific year, and (N-1) refers to the year preceding year N.

(4) The "Number of Major Customers" refers to customers who generated revenue of at least RMB1.0 million during the year (or at least RMB0.5 million for a half-year period).

(5) The "Major Customer Retention Rate" refers to the percentage of major customers from the previous year who generated revenue of at least RMB1.0 million during the year (or at least RMB0.5 million for a half-year period).

(6) The "Major Customer Net Cash Retention Rate" is calculated as the revenue generated in year N from Major Customers retained from year (N-1), divided by the revenue generated by the total number of Major Customers in year (N-1).

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths help differentiate us from our competitors:

Asset pool and service capabilities accumulated through long-term cultivation

We ranked as the second-largest provider by revenue in 2024 with a 1.5% market share and the largest in the automotive pooling services segment in China, according to Frost & Sullivan. As an early entrant, we have built significant barriers to competition through our large and loyal customer base, nationwide service network, and management of a substantial asset pool of approximately 1.5 million reusable containers as of August 31, 2025, creating advantages in scale, reach, asset ownership, and customer relationships that are difficult for peers to replicate. This positions us as a trusted market player, well-placed to capitalize on rising demand driven by enterprises' focus on cost reduction, operational efficiency, environmental sustainability, and supportive government policies.

Efficient and nationwide service network

We have established a well-developed network and infrastructure that differentiates us from competitors according to Frost & Sullivan. As of August 31, 2025, our service network spanned over 100 cities in China, as well as locations in Indonesia and South Korea. Additionally, we have set up overseas subsidiaries in Thailand and Hong Kong to support international clients and drive global expansion. This extensive network and infrastructure enable effective service delivery, high operational efficiency, and comprehensive customer support, strengthening the company's competitive position in the industry.

Comprehensive support from digital systems and platforms

We have developed digital systems and platforms to support our reusable package services, enhancing operational efficiency, supply chain transparency, and intelligent container management. According to Frost & Sullivan, these digital advancements improve visibility, automate processes, and enhance forecasting, particularly in the automotive supply chain sector, positioning us as a leader in intelligent container management and differentiating us from our peers by better meeting evolving customer needs and supporting sustainability.

Quality customer base

We have built enduring partnerships with a range of highly regarded and influential companies across multiple industries, including world-leading automotive manufacturers renowned for innovation in electric vehicles and advanced automotive technology, as well as their key suppliers instrumental to the global supply chain for automotive components and energy solutions. These renowned customers select us for our reliable and efficient reusable package services tailored to their specific needs, reflecting our reputation for quality delivery and long-term relationship building. This strong customer base enables us to leverage existing relationships to demonstrate capabilities, attract new clients, drive growth, and further solidify our position as a trusted and preferred provider in the reusable package services industry.

Sophisticated and stable management team with abundant industry experience

We benefit from a highly skilled and stable management team with extensive industry experience, which plays a pivotal role in driving strategic growth, operational success, and maintaining a competitive edge. Led by founder and chairman Mr. Sun Yan'an, who brings 26 years of logistics expertise and has received notable industry recognition, our core management team provides strong leadership for operational efficiency and long-term development, contributing to our growth, expansion, and advancement. This experienced and consistent leadership positions us to sustain our market leadership and competitive advantages in the reusable package services industry.

OUR CUSTOMERS

Our customers are mainly automotive parts manufacturers and OEMs in both the traditional vehicle sector, which includes fuel-powered vehicles, and the new energy vehicle sector. Over the years, we have established long-lasting relationships with our major customers, and have achieved rapid growth in key new energy vehicle components, such as power batteries. We have maintained strong business relationships with our five largest customers in each year/period during the Track Record Period, ensuring continuity and stability in our customer base. In the emerging new energy vehicle industry, we have also successfully acquired customers, including key automotive parts manufacturers, further expanding our market presence.

We serve a diverse customer base, mitigating any risk of individual customer concentration. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, our five largest customers in each year/period during the Track Record Period contributed approximately 22.5%, 28.4%, 29.8% and 26.5% of our total revenue, respectively. All of our five largest customers in each year/period during the Track Record Period were Independent Third Parties. We had not experienced any material disputes or termination of sales contracts with our five largest customers in each year/period during the Track Record Period.

OUR SUPPLIERS

In each year/period during the Track Record Period, suppliers to our Group primarily included reusable packaging manufacturers, logistics service providers and equipment suppliers. We have a diverse supplier base. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, our five largest suppliers in each year/period during the Track Record Period contributed approximately 11.7%, 19.1%, 17.5% and 16.0% of our total purchase, respectively.

Our Group has maintained business relationships ranging from two to six years with our five largest suppliers in each year/period during the Track Record Period. Our suppliers generally grant us credit terms ranging from 0 to 90 days. The availability of credit and the terms extended to us vary from supplier to supplier.

COMPETITION

According to Frost & Sullivan Report, to align with sustainability trends, the logistics packaging industry is increasingly shifting from single-use packaging to reusable packaging to meet rising sustainability demands and support ESG initiatives. In China, the overall logistics packaging solution market reached US$118.7 billion in 2024, of which logistics container sales accounted for 93.6%. The market is highly fragmented, with over 3,500 players, and the top five players accounted for only 4.7% of total revenue, with the largest player holding a 1.5% share. We held a market share of 0.1% in 2024, primarily focusing on reusable package services.

Pooling services, where reusable packaging is circulated and reused across multiple users, have emerged as a key segment of the logistics packaging market. Reusable package services, pooling services and automotive pooling services accounted for 6.4%, 2.4% and 1.0%, respectively, of China's overall logistics packaging solution market in 2024. In terms of revenue, the size of China's pooling services market reached RMB16.9 billion in 2023, with a low concentration — the top five players accounted for 9.8%. As one of the early entrants, we have gained first-mover advantages in providing reusable package services, supported by our nationwide warehouse network, digital systems and industry know-how. In 2023, we ranked first in both the overall pooling services market and the automotive pooling services segment in China.

Despite the strong growth outlook of downstream industries such as new energy vehicles, future demand remains subject to uncertainties. In 2024, new energy vehicles sales in China reached 11.1 million units, up 42.3% year-on-year, and are projected to reach 19.1 million units by 2030. However, future policy adjustments, such as the phasing out of purchase subsidies, and trade protection measures, such as high tariffs imposed on Chinese auto exports, may impact the growth of new energy vehicles-related logistics demand. Chinese OEMs are responding by optimizing supply chains, expanding into new markets, and localizing production to manage such risks.

KEY RISK FACTORS

Our business and the Global Offering involve certain risks, including risks relating to (i) our business, industry, general operations and financial position and prospects; (ii) regulatory compliance; and (iii) the Global Offering. Some of the major risks that we face include:

- The logistics packaging solution market in the PRC is highly competitive and we may not be able to compete successfully against existing and new competitors.

- Our business, growth and prospects are significantly affected by the demand and future growth of the downstream industries, particularly the automotive industry, which is influenced by factors such as consumer demand and government policies.

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

- We face risks associated with our overseas expansion strategy.

- We may not be able to maintain, expand or optimize our nationwide service network.

- There is no assurance that our existing contracts with customers could be renewed or successfully re-tendered upon expiry or that new contracts will be awarded to us.

- We are subject to laws and regulations regarding regulatory matters that may have increased or will increase both our costs and the risk of non-compliance.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholders

As of the Latest Practicable Date, Mr. Sun and Suzhou Anhua held 36,093,750 and 3,318,924 Shares, representing approximately 51.56% and 4.74% of our total issued Shares, respectively. As Mr. Sun directly owns 90% equity interests in Suzhou Anhua and can control the voting rights attached to the Shares held by Suzhou Anhua, Mr. Sun and Suzhou Anhua are considered to be a group of Controlling Shareholders, who collectively held approximately 56.30% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Sun and Suzhou Anhua will collectively hold approximately 43.63% of our total issued Shares. Accordingly, Mr. Sun and Suzhou Anhua will remain as our Controlling Shareholders immediately after Listing.

Pre-IPO Investments

We conducted the Pre-IPO Investments with the Pre-IPO Investors, namely, Suzhou Emerging Industry, Yuandian Zhengze, Suqian International Development, Suzhou Union, Changzhou Shuguang, Shanghai Qianjin, Hangzhou Jintou, Ms. Yu Yue, Dr. Fang Dianjun, Yancheng Fusion Base, Suzhou Industry Investment, Suzhou Shihu and Suzhou Science and Technology. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the Pre-IPO Investors will hold approximately 21.80% of the issued Shares. See "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus for further details of the identity and background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investments.

SUMMARY KEY FINANCIAL INFORMATION

The following table summarizes the financial information of our Group during the Track Record Period, which is extracted from the Accountants' Report set out in Appendix I to this prospectus.

Summary of Consolidated Statements of Profit or Loss

	Year ended 31 December			Eight months ended August 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
REVENUE	647,587	794,019	837,620	507,429	533,336
Cost of sales	(520,139)	(624,147)	(653,479)	(398,432)	(422,138)
GROSS PROFIT	127,448	169,872	184,141	108,997	111,198
Other income and gains	11,394	13,247	4,038	2,625	3,989
Selling and distribution expenses	(35,792)	(43,371)	(48,940)	(30,595)	(34,519)
Administrative expenses	(52,708)	(50,875)	(68,512)	(39,916)	(42,941)
(Impairment losses)/reversal on financial assets, net	(4,376)	(1,774)	(209)	576	329
Other expenses	(856)	(711)	(1,566)	(641)	(671)
Finance costs	(6,841)	(5,246)	(4,462)	(2,580)	(2,425)
Share of loss of an associate	–	–	(3)	–	(6)

	Year ended 31 December			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
PROFIT BEFORE TAX	38,269	81,142	64,487	38,466	34,954
Income tax expense	(7,068)	(16,993)	(13,746)	(7,737)	(8,062)
PROFIT FOR THE YEAR/PERIOD	31,201	64,149	50,741	30,729	26,892
Profit attributable to:					
Owners of the parent	23,703	50,823	40,114	23,896	22,025
Non-controlling interests	7,498	13,326	10,627	6,833	4,867
	31,201	64,149	50,741	30,729	26,892

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Pre-IPO Investments" below and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Non-IFRS Financial Measure

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

EBITDA (Non-IFRS Measure) and Adjusted EBITDA (Non-IFRS Measure)

We define EBITDA (non-IFRS measure) as profit for the year/period adjusted for depreciation and amortization, finance costs, and income tax paid and excluding interest income. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) adjusted by adding back equity-settled share option expense and listing expenses. Equity-settled share option expense is non-cash in nature. Listing expenses are expenses relating to the Global Offering. The following table sets out a reconciliation of profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Reconciliation of profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)					
Profit for the year/period	**31,201**	**64,149**	**50,741**	**30,729**	**26,892**
Add:					
Depreciation of property, plant and equipment	83,333	101,983	107,821	71,881	76,783
Depreciation of right-of-use assets	13,266	15,201	18,393	11,806	12,512
Amortisation of other intangible assets	724	824	806	522	925
Finance costs	6,841	5,246	4,462	2,580	2,425
Income tax expense	7,068	16,993	13,746	7,737	8,062
Less:					
Interest income	(355)	(497)	(863)	(500)	(332)
EBITDA (non-IFRS measure)	142,078	203,899	195,106	125,755	127,267
Add:					
Equity-settled share option expense	43	216	690	144	1,130
Listing expense	–	–	11,403	4,073	1,981
Adjusted EBITDA (non-IFRS measure)	142,476	204,612	208,062	129,972	130,378

Adjusted Net Profit (Non-IFRS measure)

We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted by adding back equity-settled share option expense and listing expense. Equity-settled share option expense is non-cash in nature. Listing expenses are expenses relating to the Global Offering. The following table sets out a reconciliation of profit for the year/period to adjusted net profit (non-IFRS measure) for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Reconciliation of profit for the year to adjusted net profit (non-IFRS measure)					
Profit for the year	31,201	64,149	50,741	30,729	26,892
Add:					
Equity-settled share option expense	43	216	690	144	1,130
Listing expense	–	–	11,403	4,073	1,981
Adjusted net profit (non-IFRS measure)	31,244	64,365	62,834	34,946	30,003

We experience a decrease in our adjusted net profit (non-IFRS measure) of 2.3% from RMB64.4 million for the year ended December 31, 2023 to RMB62.8 million for the year ended December 31, 2024. Such a decrease was primarily due to (i) a reduction in our other income and gains, stemming from the absence of gains on the disposal of property, plant, and equipment in 2024, compounded by the cessation of tax incentives for productive services on value-added tax as of December 31, 2023; (ii) an increase in our selling and distribution expenses, mainly driven by the expansion of our marketing workforce and rising rental expenses; and (iii) an increase in administrative expenses associated with payment of salaries and benefits to our administrative staff in the new Thailand offices, despite an increase in our overall gross profit.

Revenue

During the Track Record Period, our revenue primarily came from: (i) container services which consists of (a) pooling services; (b) traditional containers rental services; and (c) other value-added services; and (ii) container sales.

The table below sets forth a breakdown of our revenue by business segments for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000 (unaudited)*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*
Container services										
– Pooling services	447,413	69.1	587,692	74.0	673,549	80.4	401,088	79.0	402,969	75.5
– Rental services	28,444	4.4	28,055	3.5	20,937	2.5	15,020	3.0	18,760	3.5
– Other value-added services	63,453	9.8	76,096	9.6	72,127	8.6	45,743	9.0	45,115	8.5
Container sales[(1)]	108,277	16.7	102,176	12.9	71,007	8.5	45,578	9.0	66,492	12.5
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

Note:

(1) Our container sales primarily include foldable large load carriers, small load carriers, custom-developed inner linings and customized metal racks.

Cost Structure

Our cost of sales primarily consists of (i) trucking and transportation costs; (ii) warehousing costs; (iii) depreciation and amortization expenses; (iv) costs of containers sold; (v) costs of packaging; (vi) staff costs; (vii) operating costs; and (viii) others.

Costs of trucking and transportation is the most significant component of our cost of sales during the Track Record Period, accounting for approximately 38.9%, 37.5%, 38.8%, 37.8% and 35.9% of our total cost of sales for the years ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2024 and 2025, respectively.

The table below sets forth a breakdown of our cost of sales for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of cost of sales (%)*	*RMB'000*	*Percentage of cost of sales (%)*	*RMB'000*	*Percentage of cost of sales (%)*	*RMB'000 (unaudited)*	*Percentage of cost of sales (%)*	*RMB'000*	*Percentage of cost of sales (%)*
Trucking and transportation costs	202,525	38.9	234,254	37.5	253,824	38.8	150,514	37.8	151,511	35.9
Warehousing costs	103,243	19.8	152,475	24.4	180,994	27.7	116,034	29.1	116,390	27.6
Depreciation and amortization expenses	52,758	10.1	54,042	8.7	52,970	8.1	33,149	8.3	36,223	8.6
Costs of container sold	88,488	17.0	81,355	13.0	58,140	8.9	34,982	8.8	52,887	12.5
Costs of packaging	44,000	8.5	62,207	10.0	63,844	9.8	38,405	9.6	39,889	9.4
Staff costs	15,974	3.1	14,564	2.3	14,998	2.3	10,125	2.5	10,184	2.4
Operating costs	6,230	1.2	14,987	2.4	17,102	2.6	7,477	1.9	7,964	1.9
Others	6,921	1.4	10,263	1.7	11,607	1.8	7,746	1.9	7,090	1.7
Total	**520,139**	**100.0**	**624,147**	**100.0**	**653,479**	**100.0**	**398,432**	**100.0**	**422,138**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less cost of sales. In the years ended December 31, 2022, 2023 and 2024, our gross profit was RMB127.4 million, RMB169.9 million and RMB184.1 million, respectively. Our gross profit increased from RMB109.0 million for the eight months ended August 31, 2024 to RMB111.2 million for the eight months ended August 31, 2025. Gross profit margin represents our gross profit as a percentage of our revenue. In the years ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2024 and 2025, our gross profit margin was 19.7%, 21.4%, 22.0%, 21.5% and 20.8%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	Gross Profit	*Gross profit margin*	*Gross Profit*	*Gross profit margin*	*Gross Profit*	*Gross profit margin*	*Gross profit/(loss)*	*Gross profit margin*	*Gross profit/(loss)*	*Gross profit margin*
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Container services	109,046	20.2	150,283	21.7	172,789	22.5	99,614	21.6	98,955	21.2
Container sales	18,402	17.0	19,589	19.2	11,352	16.0	9,383	20.6	12,243	18.4
Total	**127,448**	**19.7**	**169,872**	**21.4**	**184,141**	**22.0**	**108,997**	**21.5**	**111,198**	**20.8**

Profit for the Year/Period

Our profit for the period decreased from RMB30.7 million for the eight months ended August 31, 2024 to RMB26.9 million for the eight months ended August 31, 2025, respectively. Such decrease was primarily due to (i) an increase in operating expenses driven by our global market expansion; and (ii) a greater proportion of lower-margin small load carriers in our sales mix; which was partially offset by (i) our growth in container sales; (ii) an increase in our other income and gains; and (iii) a reduction in finance costs.

Our profit for the year decreased by 20.9% from RMB64.1 million for the year ended December 31, 2023 to RMB50.7 million for the year ended December 31, 2024. Such decrease was primarily due to (i) a reduction in our other income and gains, stemming from the absence of gains on the disposal of property, plant, and equipment in 2024, compounded by the cessation of tax incentives for productive services on value-added tax as of December 31, 2023; (ii) an increase in our selling and distribution expenses, driven by the expansion of our marketing workforce and rising rental expenses; and (iii) an increase in administrative expenses associated with the incurrence of our listing expenses and payment of salaries and benefits to our administrative staff in the new Thailand offices, despite an increase in our overall gross profit.

Our profit for the year increased by 105.6% from RMB31.2 million for the year ended December 31, 2022 to RMB64.1 million for the year ended December 31, 2023, which was primarily due to the overall increase in our revenue of container services and our enhanced operation efficiency as the trade flows and supply chain began to return to normal post COVID-19, as partially offset by the decrease in revenue of our container sales and an increase in our selling and distribution expenses as a result of an increase in the number of our marking staff and the payment of discretionary bonuses.

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of August 31
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	309,171	316,247	334,219	340,133
Current assets	473,019	528,162	531,606	554,716
Current liabilities	437,032	433,338	411,023	434,931
Net current assets	35,987	94,824	120,583	119,785
Non-current liabilities	8,910	11,419	24,636	2,506
Total equity/Net assets	336,248	399,652	430,166	457,412

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Pre-IPO Investments" below and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Net Current Assets

Our net current assets decreased from RMB119.8 million as of August 31, 2025 to RMB111.5 million as of January 31, 2026, primarily due to (i) an increase in trade and bill payables of RMB32.9 million; (ii) a decrease in financial assets at fair value through profit or loss of RMB27.6 million; (iii) a decrease in financial assets at fair value through other comprehensive income of RMB18.1 million, as partially offset by (i) an increase in prepayments, other receivables and other assets of RMB32.7 million; and (ii) an increase in cash and cash equivalents of RMB32.3 million.

Our net current assets decreased from RMB120.6 million as of December 31, 2024 to RMB119.8 million as of August 31, 2025, primarily due to (i) a decrease in our trade and bills receivables of RMB57.9 million; and (ii) an increase in interest-bearing bank and other borrowings of RMB76.7 million, partially offset by (i) a decrease in our trade and bills payables of RMB46.8 million; (ii) an increase in cash and cash equivalents of RMB32.1 million; and (iii) an increase in financial assets at FVTPL at RMB40.4 million.

Our net current assets increased from RMB94.8 million as of December 31, 2023 to RMB120.6 million as of December 31, 2024, primarily due to (i) an increase in our cash and cash equivalents of RMB24.4 million; (ii) an increase in our trade and bills receivables of RMB21.6 million; and (iii) a decrease in our trade and bills payables of RMB11.5 million, partially offset by (i) a decrease in our financial assets at FVTOCI at RMB25.3 million; and (ii) a decrease in our pledged deposit of RMB12.4 million.

Our net current assets increased from approximately RMB36.0 million as of December 31, 2022 to RMB94.8 million as of December 31, 2023, primarily due to (i) an increase in our trade and bills receivables of RMB50.1 million; (ii) an increase in our financial assets at FVTOCI of RMB16.6 million; and (iii) a decrease in in our trade and bills payables of RMB13.8 million, as partially offset by a decrease in our inventories of RMB13.6 million.

Net Assets

Our net assets increased from RMB430.2 million as of December 31, 2024 to RMB457.4 million as of August 31, 2025, primarily due to (i) total comprehensive income for the period of RMB26.1 million; and (ii) our equity-settled share-based payments of RMB1.1 million.

Our net assets increased from RMB399.7 million as of December 31, 2023 to RMB430.2 million as of December 31, 2024, primarily due to (i) total comprehensive income for the year of RMB50.9 million; (ii) capital contribution from non-controlling shareholders of RMB1.7 million; (iii) equity-settled share-based payments of RMB0.7 million; and (iv) dividends declared to our Shareholders and non-controlling shareholders of RMB22.8 million.

Our net assets increased from approximately RMB336.2 million as of December 31, 2022 to RMB399.7 million as of December 31, 2023, primarily due to (i) the profit and total comprehensive income of RMB64.1 million recorded for the year ended December 31, 2023; and (ii) our equity-settled share-based payments of RMB0.2 million made in 2023; as partially offset by our dividends paid to our non-controlling shareholders of RMB1.0 million.

Summary of Consolidated Statements of Cash Flows

	Year ended December 31,			**Eight months ended August 31,**	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Net cash generated from operating activities	130,753	122,197	203,977	146,124	111,489
Net cash used in investing activities	(143,016)	(99,453)	(135,058)	(135,577)	(122,642)
Net cash (used in)/generated from financing activities	16,536	(23,602)	(44,486)	5,128	43,292
Net increase/(decrease) in cash and cash equivalents	4,273	(858)	24,433	15,675	32,139
Cash and cash equivalents at the beginning of the year/period	28,928	33,201	32,343	32,343	56,776
Cash and cash equivalents at the end of the year/period	**33,201**	**32,343**	**56,776**	**48,018**	**88,915**

Key Financial Ratios

The table below sets forth the key financial ratios as of the dates or for the years/periods indicated:

	As of/for the year ended December 31,			As of/for the eight months ended August 31,
	2022	2023	2024	2025
Profit Indicators				
Return on equity[(1)]	9.3%	16.1%	11.8%	N/A[(8)]
Return on total assets[(2)]	4.0%	7.6%	5.9%	N/A[(8)]
Gross profit margin[(3)]	19.7%	21.4%	22.0%	20.8%
Net profit margin[(4)]	4.8%	8.1%	6.1%	5.0%
Liquidity				
Current Ratio (*times*)[(5)]	1.1	1.2	1.3	1.3
Quick Ratio (*times*)[(6)]	1.0	1.2	1.3	1.2
Gearing Ratio[(7)]	41.5%	36.2%	32.1%	42.4%

Notes:

(1) Return on equity is calculated based on our net profit for each reporting year/period divided by the total equity as at the end of each reporting year/period and multiplied by 100%.

(2) Return on total assets is calculated based on our net profit for each reporting year/period divided by total assets as at the end of each reporting year/period and multiplied by 100%.

(3) Gross profit margin is calculated based on the gross profit for each reporting year/period divided by total revenue for each reporting year/period and multiplied by 100%.

(4) Net profit margin is calculated based on the net profit for each reporting year/period divided by the total revenue for each reporting year/period and multiplied by 100%.

(5) Current ratio is calculated based on total current assets divided by the total current liabilities as at the end of each reporting year/period.

(6) Quick ratio is calculated based on our total current assets excluding inventories divided by the total current liabilities as at the end of each reporting year/period.

(7) Gearing ratio is calculated based on our debt (total interest bearing loans and lease liabilities) divided by our total equity as at the end of each reporting year/period and multiplied by 100%.

(8) The eight-month figure is not applicable as it is not comparable to an annual figure.

PRE-IPO INVESTMENTS

Since the establishment of our Group, we have attracted certain Pre-IPO Investors and benefited from the additional funds provided by their investments in our Company, as well as from the knowledge and experience they bring. For details of background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see "History, Development and Corporate Structure" of this prospectus.

On September 6, 2024, our Company and the Pre-IPO Investors subsequently entered into a supplemental agreement, and on December 31, 2025, the parties entered into a further supplemental agreement ("**Supplemental Agreements**"). Pursuant to the Supplemental Agreements, the parties agreed that, among others, certain of the special rights granted by our Company to Pre-IPO Investors, including redemption rights, shall have never had any legal effect and shall not be exercisable under any circumstance. Please refer to the section headed "History, Development and Corporate Structure — Pre-IPO Investments — Special rights of the Pre-IPO Investors" in this prospectus for further details. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the Supplemental Agreements, our Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the redemption rights granted by our Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the Supplemental Agreement in September 2024, (i) the redemption financial liabilities, total non-current liabilities and net assets would have been:

	As of December 31,	
	2022	**2023**
Redemption financial liabilities	218,098	236,148
Total non-current liabilities	227,008	247,567
Net assets	118,150	163,504

and (ii), the finance costs associated with the redemption financial liabilities, and the net profit for the year/period, basic and diluted earning per share would have been:

	For the year ended December 31,			For the eight months ended
	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Finance costs associated with the redemption financial liabilities	12,975	18,049	13,234	12,908
Total net profit	18,226	46,100	37,507	13,984
Basic and diluted earning per share (expressed in RMB) .	0.16	0.47	0.38	0.13

For further details of the financial impacts, see note 28 to the Accountants' Report.

OFFERING STATISTICS

All statistics in the following table are based on the fact that (i) the Global Offering has been completed and 20,336,000 H Shares are issued pursuant to the Global Offering; and (ii) the Over-allotment Option is not exercised.

	Based on an Offer Price of HK$9.9 per Share, after a Downward Offer Price Adjustment of 10%	Based on an Offering Price of HK$11.0 per Offer Share	Based on an Offering Price of HK$14.0 per Offer Share
Market Capitalization of our Shares(1) .	HK$894.3 million	HK$993.7 million	HK$1,264.7 million
Unaudited pro forma adjusted consolidated net tangible asset attributable to owners of the Company per Share(2)	HK$6.94	HK$7.18	HK$7.83

Notes:

(1) The calculation of market capitalization is based on 90,336,000 Shares to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted consolidated net tangible asset attributable to owners of the Company per Share as of August 31, 2025 is calculated after making the adjustments referred to in "Unaudited Pro Forma Financial Information" in Appendix IIA to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$204.8 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming the Over-allotment Option being not exercised and an Offer Price of HK$12.5 per H Share, being the mid-point of the indicative Offer Price range stated in this prospectus. If the Offer Price is set at HK$14.0 per H Share, being the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$29.3 million. If the Offer Price is set at HK$11.0 per H Share, being the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$29.3 million.

Assuming an Offer Price at the mid-point of the Offer Price range, we intend to use the net proceeds from the Global Offering for the following purposes:

- approximately 25.0% (or HK$51.2 million) will be used for enhancement and upgrade of our digital systems and platforms.

- approximately 25.0% (or HK$51.2 million) will be used for advancing our overseas expansion strategy.

- approximately 20.0% (or HK$41.0 million) will be used for expanding our nationwide service network.

- approximately 20.0% (or HK$41.0 million) will be used for expanding the application scenarios of our services to other downstream industries by acquisition.

- approximately 10.0% (or HK$20.5 million) will be used for general corporate purposes and working capital.

See "Future Plans and Use of Proceeds" in this prospectus for further details.

DIVIDENDS

In 2024, our Group declared a distribution of RMB16.0 million to our Shareholders. As of the Latest Practicable Date, all of our dividend declared in 2024 had been paid. Save as the aforesaid, no dividend has been paid or declared by us during the Track Record Period. After completion of the Global Offering, our shareholders will be entitled to receive dividends declared by us. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends.

As at the Latest Practicable Date, we had not adopted any formal dividend policy, nor had we set any dividend payout ratio after the Listing. After the Listing, the determination of whether to pay a dividend and in which amount is based on our results of operations, cash flow, financial condition, capital requirements and other factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in the Shareholder's meeting and the compliance with our Articles of Association and relevant regulatory requirement. Our past dividend distribution record may not be used as a reference or basis to determine the level of dividends, or if any at all, that may be declared or paid by our Company in the future. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

LISTING EXPENSES

Our listing expenses mainly include sponsor's fee, underwriting commissions, professional fees paid to legal advisors, the reporting accountants and other professional advisors for their services rendered in relation to the Listing and the Global Offering. The estimated total listing expenses (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately RMB43.7 million (HK$49.4 million), representing 19.4% of the gross proceeds (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering. Our listing expenses are categorized into underwriting-related expenses of approximately RMB9.0 million (HK$10.2 million) and non-underwriting-related expenses of approximately RMB34.7 million (equivalent to HK$39.2 million), representing 4.0% and 15.4% of the gross proceeds (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering, respectively. The non-underwriting-related expenses can be further classified into fees and expenses of legal advisors and accountants of approximately RMB22.0 million (HK$24.8 million) and other fees and expenses of approximately RMB12.7 million (HK$14.4 million), representing 9.8% and 5.7% of the gross proceeds (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering, respectively. During the Track Record Period, we incurred listing expenses in aggregate of RMB17.8 million (equivalent to HK$20.1 million), of which RMB13.4 million (equivalent to HK$15.2 million) was charged to the consolidated statements of profit or loss and RMB4.4 million (equivalent to HK$5.0 million) is expected to be deducted from equity upon the completion of Listing. We expect to incur additional listing expenses of approximately RMB25.9 million (equivalent to HK$29.3 million), of which approximately RMB12.6 million (equivalent to HK$14.3 million) is expected to be charged to the consolidated statements of profit or loss and approximately RMB13.3 million (equivalent to HK$15.0 million) is expected to be recognized as a deduction in equity directly upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Key Operational Data Update

Set forth below are certain material developments on our business operations after August 31, 2025, which is the end of the Track Record Period:

- **Number of Projects in Operation:** We experienced an increase in the number of projects in operation for the period from August 31, 2025 to October 31, 2025. As of October 31, 2025, the total number of projects in operation was 4,140, compared to 3,964 as of August 31, 2025. Specifically, the number of pooling services projects increased from 3,482 as of August 31, 2025 to 3,629 as of October 31, 2025. Similarly, the number of rental services projects increased from 321 as of August 31, 2025 to 340 as of October 31, 2025.

- **Number of Containers Under Management:** We observed a steady increase in the number of containers under management for the period from August 31, 2025 to October 31, 2025. As of October 31, 2025, the total number of containers under our management reached 1,666.0 thousand sets, compared to 1,549.5 thousand sets as of August 31, 2025.

- **Number of Warehouses in Operation:** We experienced a slight increase in the total number of warehouses in operation, which rose to 79 as of October 31, 2025, from 78 as of August 31, 2025. Among these the number of self-operated warehouses remained relatively stable at 25 as of August 31, 2025 and October 31, 2025, while the number of warehouses managed through third-party cooperation increased from 53 to 54 during the same period.

No Material Adverse Change

Our Directors confirm that, subsequent to the Track Record Period and up to the date of the prospectus, there had been no material adverse change in our business operations, the business environment in which we operate, as well as our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

Our Directors estimate that, in the absence of unforeseeable circumstances and on the bases set out in "Appendix IIB — Profit Estimate" to this prospectus, the estimated consolidated profit attributable to owners of our Company is as follow:

Estimated consolidated profit attributable to owners of our Company for the year ended December 31, 2025	Not less than RMB40 million

THE IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic has materially and adversely affected the global economy since the first quarter of 2020. As a result of the restrictive and anti-pandemic measures implemented in places where our operation, production, and R&D activities are located, the mobility of some of our employees was affected, and some of our employees had to work remotely. The impact on our overall production and R&D processes was limited as we implemented various precautionary measures and flexibly adjusted the work arrangements of our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience temporary closure or shutdown of our offices or production facilities due to the COVID-19 pandemic. Due to our active communication with our logistics, warehousing, raw material, and packaging suppliers, as well as adjustments and expansion of our service network, during the Track Record Period and up to the Latest Practicable Date, our production and operational activities had not encountered any material disruption, nor had our product delivery been materially affected, despite the impact of COVID-19 on raw material and logistics suppliers.

Accordingly, our Directors believe that the outbreak of COVID-19 has not had, and will not have, any material adverse impact on the Group's business, financial condition, or results of operations. However, there is no assurance that our operation or production activities will not be affected in the future due to the COVID-19 pandemic or other similar pandemics and relevant restrictive measures. See "Business — The Impact of COVID-19."

In this prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Angu Lianyungang" or "Angu Factory"	Angu (Lianyungang) Technology Co., Ltd.* (安固(連雲港)科技有限公司), a company established in the PRC with limited liability on July 26, 2005 and a wholly-owned subsidiary of our Company
"Anhui Asike"	Anhui Asike Logistics Systems Management Co., Ltd.* (安徽阿思柯供應鏈管理有限公司), a company established in the PRC with limited liability on December 14, 2021 and a non-wholly owned subsidiary of our Company, which is owned as to 51% by our Company and 49% by Mr. Gong Caofei (龔曹飛), who is also a director of Anhui Asike
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in "Summary of the Articles of Association of the Company" in Appendix V to this prospectus
"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
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"CAC"	Cyberspace Administration of China (國家互聯網信息辦公室)

"Capital Market Intermediary(ies)"	has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, refers to the capital market intermediaries named in the section headed ''Directors, Supervisors and Parties Involved in the Global Offering'' in this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Changchun ALSCO"	Changchun ALSCO Logistics Systems Management Co., Ltd.* (長春優樂賽供應鏈管理有限公司), a company established in the PRC with limited liability on July 15, 2020 and a wholly-owned subsidiary of our Company
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this prospectus only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Chongqing Asike"	Chongqing Asike Logistics Systems Management Co., Ltd.* (重慶阿思柯供應鏈管理有限公司), a company established in the PRC with limited liability on May 23, 2016 and a non-wholly owned subsidiary of our Company, which is owned as to 65% by our Company and 35% by Mr. Zhu Chuanwei (祝傳偉), who is also a director of Chongqing Asike
"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" or "our Company"	ALSCO Pooling Service Co., Ltd. (蘇州優樂賽共享服務股份有限公司), (formerly known as ALSCO Logistics Systems (Suzhou) Co., Ltd.* (蘇州優樂賽供應鏈管理有限公司), a limited liability company established in the PRC on December 12, 2016 which was converted into a joint stock company with limited liability on November 1, 2024

"Company Law" or "PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》) as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Sun and Suzhou Anhua
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CCPC"	China Copyright Protection Center (中國版權保護中心)
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSDC (Hong Kong)"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Dalian Anhua"	Dalian Anhua Logistics System Co., Ltd.* (大連安華物流系統有限公司), a company established in the PRC with limited liability on April 7, 2016 and a non-wholly owned subsidiary of our Company, which is owned as to 60% by our Company and 40% by Mr. Miao Chunlin (苗春林), who is also a director of Dalian Anhua
"Director(s)"	the director(s) of our Company
"Downward Offer Price Adjustment"	an adjustment that has the effect of setting the final Offer Price up to 10% below HK$11.0 (the bottom end of the indicative Offer Price range)
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time

"Exchange Participant(s)"	a person: (i) who, in accordance with the Listing Rules, may trade on or through the Hong Kong Stock Exchange; and (ii) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new issues
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. (弗若斯特沙利文(北京)諮詢有限公司上海分公司), the industry consultant of our Company
"Frost & Sullivan Report"	the industry report commissioned by us and independently prepared by Frost & Sullivan, the summary of which is set forth in "Industry Overview" in this prospectus
"Fuzhou Asike"	Fuzhou Asike Logistics Systems Management Co., Ltd.* (福州阿思柯供應鏈管理有限公司), a company established in the PRC with limited liability on August 9, 2018 and a non wholly-owned subsidiary of our Company, which is owned as to 51% by our Company and 49% by Mr. Luo Yuqiang (羅育強), who is also a director of Fuzhou Asike
"GACC"	the General Administration of Customs of the PRC (中華人民共和國海關總署)
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Global Offering"	the Hong Kong Public Offering and the International Offering

"Group," "our Group," "we" or "us"	our Company and our subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange effective on January 1, 2024, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force

"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong Offer Shares"	the 2,034,000 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in "Structure and Conditions of the Global Offering" in this prospectus)
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in "Structure and Conditions of the Global Offering" in this prospectus) at the Offer Price (plus brokerage, SFC transaction levies, Hong Kong Stock Exchange trading fees and AFRC transaction levy), on and subject to the terms and conditions as further described in "Structure and Conditions of the Global Offering — The Hong Kong Public Offering" in this prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this prospectus

"Hong Kong Underwriting Agreement"	the underwriting agreement dated February 25, 2026 relating to the Hong Kong Public Offering and entered into by, among others, our Company, the Sole Sponsor, the Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses" in this prospectus
"IFRSs"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the Listing Rules
"International Offer Shares"	the 18,302,000 H Shares initially offered by our Company for subscription pursuant to the International Offering together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in "Structure and Conditions of the Global Offering" in this prospectus)
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price to persons outside the United States in offshore transactions in accordance with Regulation S, as further described in "Structure and Conditions of the Global Offering" in this prospectus
"International Underwriters"	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering

"International Underwriting Agreement"	the underwriting agreement expected to be entered into by, among others, our Company and the International Underwriters in respect of the International Offering, as further described in "Underwriting — The International Offering" in this prospectus
"Joint Bookrunners"	the joint bookrunners as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Latest Practicable Date"	February 17, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	listing of the Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Committee"	the Listing Committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on or around Monday, March 9, 2026, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
"Main Board"	the stock market (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
"MEE"	the Ministry of Ecology and Environment of the PRC (中華人民共和國生態環境部)
"MEM"	the Ministry of Emergency Management of the PRC (中華人民共和國應急管理部)

"MEP"	the Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部)
"MLR"	the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) (now known as MNR)
"MNR"	the Ministry of Natural Resources of the PRC (中華人民共和國自然資源部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOHURD"	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部)
"Mr. Sun"	Mr. Sun Yan'an (孫延安), our founder, the chairman of our Board, an executive Director, chief executive officer and a Controlling Shareholder
"Mr. Xiang"	Mr. Xiang Yang (相陽), an executive Director, secretary of our Board, head of strategic investment and one of the joint company secretaries of our Company
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of not less than HK$11.0 (subject to any Downward Offer Price Adjustment) and expected to be not more than HK$14.0, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in "Structure and Conditions of the Global Offering — Pricing of the Global Offering" in this prospectus

"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators"	the overall coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 3,500,000 additional H Shares at the Offer Price to, cover over-allocations in the International Offering, if any, further details of which are described in "Structure and Conditions of the Global Offering" in this prospectus
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC GAAP"	generally accepted accounting principles of the PRC
"PRC Government"	the central government of the PRC and all governmental subdivisions, including provincial, municipal and other regional or local government entities, and organizations of such government or, as the context requires, any of them
"PRC Legal Advisor"	Commerce & Finance Law Offices, our legal advisors as to PRC laws
"Pre-IPO Investment(s)"	the pre-IPO investments in our Company undertaken by the Pre-IPO Investors pursuant to the respective capital increase agreement(s) or equity transfer agreement(s), see "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus for details
"Pre-IPO Investor(s)"	the investors of the Pre-IPO Investments in our Company prior to the Global Offering as set forth in "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus

"Price Determination Date"	the date, expected to be on or before Thursday, March 5, 2026, (Hong Kong time) on which the Offer Price is determined, or such later time as the Sole Sponsor and the Overall Coordinators (on behalf of the Hong Kong Underwriters) and our Company may agree, but in any event no later than Thursday, March 5, 2026
"Qingdao Asike"	Qingdao Asike Logistics Systems Management Co., Ltd.* (青島阿思柯供應鏈管理有限公司), a company established in the PRC with limited liability on November 11, 2015 and a non-wholly owned subsidiary of our Company, which is owned as to 60% by our Company, 28% by Mr. Xie Yong (解勇), who is also a director of Qingdao Asike, and 12% by Mr. Wang Yanhui (王延輝), who is also a supervisor of Qingdao Asike
"Recognized Clearing House"	has the same meaning as in Part 1 of Schedule 1 of the Securities and Futures Ordinance
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration 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 of the PRC (中華人民共和國國家市場監督管理總局), the predecessors of which is the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"STA"	the State Taxation Administration of the PRC (中國國家稅務總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Securities Law" or "PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Unlisted Shares and H Shares
"Shareholders(s)"	holder(s) of the Share(s)
"Sole Sponsor"	China Securities (International) Corporate Finance Company Limited
"Stabilizing Manager"	China Securities (International) Corporate Finance Company Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	as the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	as the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of our Supervisory Committee
"Supervisory Committee"	the supervisory committee of our Company
"Suzhou Anhua"	Suzhou Anhua Investment Co., Ltd. (蘇州安華投資有限公司), a company established in the PRC with limited liability on December 12, 2016 and being owned as to 90% by Mr. Sun, 5% by Mr. Sun Wenhong and 5% by Mr. Zhu Zhizhou and is a Controlling Shareholder
"Suzhou Sprint"	Suzhou Sprint Logistics Systems Management Co., Ltd.* (蘇州思品特供應鏈管理有限公司), a company established in the PRC with limited liability on July 15, 2014 and a wholly-owned subsidiary of our Company
"Suzhou Youpule"	Suzhou Youpule Logistics Systems Management Co., Ltd.* (蘇州優普樂供應鏈管理有限公司), a company established in the PRC with limited liability on December 12, 2016 and a wholly-owned subsidiary of our Company

"SZSE"	Shenzhen Stock Exchange (深圳證券交易所)
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buybacks published by the SFC, as amended, supplemented or otherwise modified from time to time
"THB"	Thai baht, the lawful currency of the Kingdom of Thailand
"Track Record Period"	the financial years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025; and the phrase "during the Track Record Period" or "for the Track Record Period" followed by a series of figures or percentages, refers to information relating to the financial years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025
"Trademark Office"	the PRC Trademark Office of National Intellectual Property Administration (中華人民共和國國家知識產權局商標局)
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**

"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Yancheng Youlejia" or "Yancheng Factory"	Yancheng Youlejia New Materials Co., Ltd.* (鹽城優樂嘉新材料有限公司), a company established in the PRC with limited liability on January 11, 2022 and a wholly-owned subsidiary of our Company
"%"	percent

Certain amounts and percentage figures included in this prospectus 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. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this prospectus in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

* *For identification purposes only*

This glossary of technical terms contains certain definitions and technical terms used in this prospectus in connection with our business. As such, some terms and definitions may not correspond to standard industry definitions or usage of such terms.

"AI"	artificial intelligence, the science of researching and developing theories, methods, technologies and application system that simulate and extend human intelligence
"CAGR"	compound annual growth rate, calculated by (i) dividing the value of the relevant metric at the end of the period by its value at the beginning of that period; (ii) raising the result to an exponent of one divided by the number of years; (iii) subtracting one from the subsequent result; and (iv) multiplying by 100 to convert the answer into a percentage
"containers"	the types of containers the Company manages or sells, including foldable large load carriers, small load carriers, metal racks, and other specialized containers
"DiLink"	a digital supply chain finance platform launched by BYD, enabling it to issue digital receivable notes to suppliers as deferred payment
"e-commerce"	electronic commerce, a transaction of online buying or selling which draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems
"ESG"	environmental, social and governance
"EV"	electric vehicle
"inner lining"	material used inside containers to protect the items inside the container and prevent damage during transportation
"LiDAR"	a remote sensing technology that uses laser pulses to measure distances and create precise 3D maps, widely used in autonomous vehicles, mapping, and environmental monitoring

"IoT"	internet of things, the network of physical objects that are embedded with sensors, software, and other technologies for the purpose of connecting and exchanging data with other devices and systems over the internet
"IT"	information technology
"OEM"	original equipment manufacturer and, in the context of our business, primarily refers to automotive manufacturers which assemble and install automotive parts into complete vehicles during the construction of a new vehicle
"PLA"	polylactic acid, a biodegradable plastic made from renewable resources like corn starch or sugarcane, commonly used in sustainable packaging and 3D printing
"pooling services"	shared use of resources like containers or pallets across multiple companies to optimize logistics and reduce costs
"PP"	polypropylene, a thermoplastic resin made from the polymerization of propylene, characterized by a white, waxy appearance, translucent quality, low density, and being one of the lightest common plastics
"R&D"	research and development
"reusable package"	reusable containers, pallets, or packaging used multiple times for transporting and storing goods
"Tier 1 Suppliers"	companies in the automotive industry that supply major components or systems directly to OEMs
"Tracker"	a device or software that monitors and records the location, movement, or status of an object or individual over time
"VMI"	vendor managed inventory, a supply chain strategy where the supplier manages and replenishes inventory at the customer's location, ensuring optimal stock levels and uninterrupted supply without the need for customer orders

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

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

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

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- our dividend policy;

- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and
- certain statement in the sections headed "Risk Factors", "Industry Overview", "Regulatory Overview", "Business", "Financial Information", "Relationship with our Controlling Shareholders" and "Future Plans and Use of Proceeds" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

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

An investment in our H Shares involves significant risk. You should carefully consider the following information about risks, together with the other information contained in this prospectus, including our consolidated financial statements and related notes, before you decide to buy our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the market price of our H Shares could decline and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.

RISKS RELATING TO OUR BUSINESS, INDUSTRY, GENERAL OPERATIONS AND FINANCIAL POSITION AND PROSPECTS

The logistics packaging solution market in the PRC in which we operate is highly competitive and we may not be able to compete successfully against existing and new competitors.

The market in which we operate is highly competitive. According to Frost & Sullivan, the size of logistics packaging solution market in China reached US$118.7 billion in 2024, of which logistics container sales contributed 93.6%. The market is highly fragmented, with over 3,500 companies providing logistics packaging solutions. The market is mainly composed of two types of players: one consists of logistics companies that operate their own logistics packaging businesses, and the other comprises third-party logistics packaging solution providers. In terms of revenue in 2024, the top five players accounted for 4.7% of the market, with the largest player holding a market share of 1.5%. See "Industry Overview" in this prospectus for further details.

Competition may intensify as our competitors expand their service offerings, or as new competitors enter our existing or new markets. We believe that we compete with our competitors based on a number of factors, primarily including service quality, brand recognition, business scale, price and financial resources. Our competitors may have longer track records, greater financial, technical, sales, marketing and other resources, stronger brand recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion, sale and support of their services.

In addition, we may face competition from emerging companies that enter our existing or new markets. These emerging companies may have stronger capital resources, greater expertise in management and human resources, greater financial, technical resources, and better understanding and insight on industry trend and policies than we do. Competition pressures could adversely affect our revenues and operating results by, among other things, adversely affecting market demand for our services, depressing the prices that we can charge or increasing our costs to hire and retain employees. Furthermore, our competitors may emulate our business model, and we may lose competitive advantages that distinguish ourselves from our competitors. As a result, we may fail to compete successfully against existing and new competitors, which may have a material adverse impact on our business, results of operations, and financial condition.

Our business, growth and prospects are significantly affected by the demand and future growth of the downstream industries, particularly the automotive industry, which is influenced by factors such as consumer demand and government policies.

During the Track Record Period, our downstream customers are mainly automotive parts manufacturers and OEMs in both the traditional vehicle sector, which includes fuel-powered vehicles, and the new energy vehicle sector. Any material turbulences or downturn in the downstream industries may reduce their demands for our services, which in turn, may have a material impact on our business operations and financial conditions. For example, (i) if the consumers' demands for new energy vehicles produced by our vehicle manufacturer customers decrease, such customers' demands for our services, in turn, may decrease as well, as they handle or transport fewer products and materials in warehousing, transportation or production operations; (ii) the new energy vehicle sector has historically benefited from government subsidies, economic incentives and policies, such as the Notice on Improving the Policies of Government Subsidies for Promotion and Application of New Energy Vehicles (《關於完善新能源汽車推廣應用財政補貼政策的通知》) that was issued in 2020 to provide monetary rewards to eligible city clusters for the commercialization of key technologies used in the fuel cell vehicles, and any updates on the government policies towards the new energy vehicle sector may adversely affect its future development; (iii) geopolitical tensions such as the Russia-Ukraine conflict and the Red Sea crisis may impact the supply, demand, cost and operation of our downstream industries; (iv) changes in trade protection measures, such as anti-dumping duties, countervailing duties or safeguard measures, could lead to increased costs or restrictions on business growth of our downstream industries; and (v) any slow-down in the general economy, or market trend that is relevant to our downstream customers' businesses, may cause reduced business activities from their end, which in turn, may reduce their needs for our services.

Furthermore, the future growth of our business depends on several factors, including our ability to maintain our market position, to maintain our customers, and to expand our customer portfolio and service network. We cannot guarantee that our services can satisfy the customers' evolving needs, or predict with certainty the demand for our services or the future growth rate and size of the market we operate in. If there is a reduction in demand for our services caused by weakening economic conditions, decreases in corporate spending, technical challenges, data security or privacy concerns, relevant regulations and policies, competing solutions or services or otherwise, our revenue and gross profit margins would be adversely affected, which would in turn materially affect our business, growth and prospects.

Moreover, our reliance on customers in the automotive industry exposes us to additional financial risks. Customers may face financial distress due to price or demand fluctuations, operational challenges, or regulatory changes, leading to delayed payments or defaults. Any such financial instability could have a material adverse impact on our liquidity, cash flow, and financial condition.

Finally, regulatory changes in the industries in which our customers operate may materially affect their business operations and, in turn, reduce their demand for our services. For example, unfavorable changes to government policies or tax incentives supporting the automotive industry could adversely affect our customers' business activities, resulting in reduced revenue and profitability for us.

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

We recorded revenue of RMB647.6 million, RMB794.0 million, RMB837.6 million and RMB533.3 million for the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, respectively. We recorded gross profit of RMB127.4 million, RMB169.9 million, RMB184.1 million and RMB111.2 million for the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, respectively. We cannot assure you that we can always achieve such growth in the future. Our profitability depends partially on our ability to control costs and operating expenses, which may increase as our business expands, or get affected by factors beyond our control, such as supply shortages due to economic conditions or increases in raw material prices, and industry competition for equipment or qualified personnel.

In addition, we plan to continuously invest in enhancement and upgrade of our digital systems and platforms and expanding our overseas and nationwide service network. Such initiatives may negatively impact our short-term profitability. If our efforts in these initiatives prove ineffective, and we fail to increase revenue, or if our costs and operating expenses grow faster than our revenue growth, our business, results of operations, and financial condition may be negatively affected.

We face risks associated with our overseas expansion strategy.

We plan to expand our overseas automotive pooling services network. During the Track Record Period, our revenue generated from overseas operation was RMB7.4 million, RMB3.3 million, RMB3.1 million and RMB4.9 million, respectively, accounted for 1.1%, 0.4%, 0.4% and 0.9% of our total revenue for the respective years. See "Future Plan and Use of Proceeds" in this prospectus for further details. However, offering our services overseas may involve numerous risks and challenges, such as:

- difficulties in achieving market acceptance of our services in different geographic markets with different business dealing history;
- difficulties in achieving rapid marketing growth in certain other countries where we commit fewer sales and marketing resources;
- difficulties in managing operations due to language barriers, distance, staffing, user behavior and spending capability, cultural differences, business infrastructure constraints, and laws regulating corporations that operate globally;

- application of laws and regulations of other jurisdictions;
- potential adverse tax consequences associated with foreign operations and revenues;
- complex foreign exchange fluctuation and associated issues;
- credit risk and higher levels of payment fraud;
- political and economic instability in some countries;
- restrictions on monetary flows; and
- reduced or ineffective protection of our intellectual property rights in some countries.

As a result of these obstacles, we may find it impossible or too expensive to enter overseas markets, or our entry into overseas markets could be delayed, which could hinder our ability to grow our business.

We may not be able to maintain, expand or optimize our nationwide service network.

We have established a service network covering over 100 cities, including major cities such as Shanghai, Wuxi, Guangzhou, Wuhan, and Chongqing, as of August 31, 2025. Our service network enables us to quickly dispatch employees and containers to customers nearby to ensure timeliness of service. We plan to expand our nationwide service network. See "Future Plan and Use of Proceeds" in this prospectus for further details.

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

If we are unable to manage our expansion effectively, our business prospects and results of operations may be materially and adversely affected. There is no assurance that the expansion plan can be implemented in a timely and successful manner. The successful implementation of our expansion plans is (i) based on circumstances currently prevailing and bases and assumptions that certain circumstances will or will not occur; and (ii) dependent on a number of factors including the availability of funds, increasing demand for our services, our ability to expand our business and to retain and recruit competent management and employees.

Some of the factors are beyond our control and are subject to uncertainty by nature. There is no assurance that the expansion plan can be implemented in a timely and successful manner. Any failure or delay in the implementation of any or all of these strategies and plans may have a material adverse effect on our profitability and prospects.

Our business depends substantially on the market recognition of our brand and any damage to our brand and reputation, or failure on our part to maintain and enhance brand recognition, may have a materially adverse impact on our operations, earnings and financial condition.

We rely on our customers' confidence in our brand and reputation to attract and retain them, which are important to our continued growth. We believe that we have established a favorable reputation based on the quality of our services, our presence in multiple locations, and the enhancement of our business operations through deployment of technological system. Our brands and reputations may be impaired by a number of factors. For instance, any failure to provide timely and reliable services to our customers, whether due to causes beyond our control or failures caused by our workers, may result in customer dissatisfaction, thereby leading to a loss of customers or damage to our reputation or relationships with our current or potential business partners. In such instances, it may be challenging for us to regain those customers or restore our reputation going forward. Any difficulty or failure to maintain and enhance our brand and reputation could have an adverse effect on our business, results of operations and financial condition.

There is no assurance that our existing contracts with customers could be renewed or successfully re-tendered upon expiry or that new contracts will be awarded to us.

Our contracts with customers are typically for a duration of three years. Upon expiry of the contracts, we may either rely on the long-standing customers' customary business practice of renewing their contracts based on current contract terms or renegotiating and entering into new contracts, or be invited to quote or participate in a formal tendering process for the respective contracts. We may be required to participate in tendering or quotation processes for existing customers and potential new customers in order to renew and/or secure new contracts. Our existing customers or potential new customers may assess their suppliers' performance by a number of factors, including geographical locations, management capabilities, pricing, experience, reputation, security, product and service quality, financial capability, certifications, compatibility of the digital systems and service history. If we receive a poor performance review from our existing customers, we may not be invited or awarded future quotation or tender opportunities and this may affect our business, reputation, financial condition and results of operation. There is no assurance that we can secure new contracts from our customers after the expiry of the existing contracts in the future.

In each year/period during the Track Record Period, sales to our five largest customers in each year/period during the Track Record Period in 2022, 2023, 2024 and the eight months ended August 31, 2025 represented approximately 22.5%, 28.4%, 29.8% and 26.5% of our total revenue in each year/period, respectively, and sales to our largest customer in each year/period during the Track Record Period represented approximately 6.3%, 7.7%, 10.5% and 10.1% of our total revenue for the same year, respectively. There is no assurance that we may not become dependent upon a few major customers in the future such that we would generate a significant portion of our revenue from a relatively small number of customers.

If we (i) fail to maintain our relationships with our existing customers or major customers; (ii) fail to remain on the approved list of suppliers of our customers; or (iii) are unable to maintain our service and product quality, competitive pricing, location advantages, our ability to renew existing contracts or secure new contracts that could generate comparable or greater revenues on a continuous basis may be hampered and thus our business, financial conditions, results of operations and prospects may be materially and adversely affected.

We may be liable for loss or damage to customers' property stored in our premises.

Our business involves management and storage of property for our customers, such as empty containers and cargo. As such, we are responsible for the safety of their property. In the event that there is any loss of or damage to such property, we may be liable for the loss or damage. If the loss or damage is significant, our suppliers are not responsible for compensating the loss or damage, or our insurance does not or is inadequate to cover such loss or damage, we may have to compensate our customers for any such loss or damage, which may lead to our business, financial condition, results of operations and reputation to be materially and adversely affected. See "Risks Relating to Our Business, Industry, General Operations and Financial Position and Prospects — Our insurance coverage may not be sufficient in covering the risks or losses that may result from our operations'' in this section for further details.

Unsatisfactory performance of our suppliers may have a material adverse effect on our business.

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

We may experience failures in or disruptions to our comprehensive digital systems and platforms.

We have continuously devoted resources in developing and optimizing our digital systems and platforms, such as Find Me, Smartlinx and Return Box. See "Business — Overview — Our Business Model — Our service network — Our digital systems and platforms" in this prospectus for further details. If we are unable to detect or promptly remedy any system malfunction or misconfiguration, we may experience system interruptions or delays, which could adversely affect our operating results.

In addition, we may experience occasional system interruptions and delays or other technical problems that make platform unavailable or difficult to access, and prevent us from promptly responding or providing services to our customers, which may reduce our customers' willingness to use our platform and even incur losses to our customers who may bring legal proceedings against us. Moreover, failures of, or disruptions to, our information technology systems, loss or leakage of confidential information, or breach of network security could cause processing inefficiencies and the loss of customers and sales, and subject us to increased costs, litigation and other liabilities, which could materially and adversely affect our business, results of operations, financial condition, and our reputation.

We may not be able to successfully develop or adopt new information technology platforms, which may limit our future growth.

The market for our business operations may change rapidly because of changes in customer requirements, technological innovations, new service offerings, prices, industry standards and domestic and international economic factors. New service offerings and information technology platforms may render existing services or technology obsolete, excessively costly or otherwise unmarketable. If we are unable to introduce and integrate new information technology platforms into our business operations in a timely and cost-effective manner, our competitive position will suffer and our prospects for growth will be impaired, which could have a material adverse effect on our business, financial condition, and results of operations.

Any failure to comply with data privacy, protection and information security laws could damage our reputation and we may incur substantial additional costs and become subject to litigation and regulatory scrutiny.

We handle data during our daily business operations, including collecting essential contact information and geographical data related to our clients' intended projects with their consent. See "Business — Data Privacy and Protection" in this prospectus for further details. Accordingly, we face a number of challenges relating to data security and privacy, including but not limited to (i) protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage or fraudulent behavior or improper use by our employees or business partners; (ii) addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived sharing (including sharing among our own businesses, with business partners or regulators), safety, security and other factors that may arise from our existing businesses or new businesses or new technologies; and (iii) complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects and compliance requirements in accordance with applicable laws and regulations.

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

We are subject to laws and regulations relating to the collection, storage, use, processing, transmission, retention, security and transfer of personal information and other data. See "Regulatory Overview — Regulations on Cyber Security and Data Security" in this prospectus for details. The interpretation and application of laws, regulations and standards on data protection and privacy shall be in compliance with the then effective laws and regulations. We cannot assure you that our data privacy and protection measures are, and will be, always considered sufficient under applicable laws and regulations. We may be subject to investigations and inspections by government authorities regarding our compliance with laws and regulations on data privacy, and we cannot assure you that our practices will always fully comply with all applicable rules and regulatory requirements. In addition, laws, regulations and standards on data protection and privacy continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur substantial costs or require us to change our business practices. Additionally, the integrity of our data privacy and protection measures is also subject to risks of systemic failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, impact our ability to manage digital operations and could subject us to significant legal, financial and operational consequences.

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

Under our pooling services, we offer comprehensive solutions for the design, distribution, retrieval, and maintenance of standardized reusable containers through our transportation and warehousing network, and we also provide other value-added services, which include logistics transportation. Our business depends on reliable and adequate transportation capacity. Transportation may be disrupted by a number of factors, such as transportation capacity shortage of logistics service providers, traffic accidents, natural disasters and severe weather conditions. In particular, we cannot assure that we will be able to maintain our relationships with our logistics service providers in the future, and that our logistics service providers will continue to maintain their reliable and adequate transportation capacity. Any material adverse change to the operation, financial performance or financial condition of our logistics service providers may result in material adverse impact on their business with us. If the delivery of our services would be significantly affected, we may breach our service contracts and lose our potential customers in the future. Any difficulties experienced by our potential customers in transportation may reduce demand for our services and cause them to select suppliers closer to their operations and who are able to provide services with quality considerably similar to ours or to demand significant lower prices for our services. Any such adverse development could have a material adverse effect on our business, financial condition and results of operations.

Our success largely depends on the retention of our senior management and our ability to attract and retain qualified and experienced employees.

Our continued success depends on the efforts of our senior management and other key employees. As they possess key connections with potential business partners and industry expertise, losing their services may have a material adverse effect on our business. Should any or all members of our senior management join or form a competing business with their expertise, connections and knowledge of our business operations, we may not be able to estimate the extent of and mitigate such damage. If any of our key employees leaves and we are unable to promptly hire a qualified replacement, our business, results of operations, and financial condition may be materially and adversely affected. In addition, the future growth of our business will depend, in part, on our ability to attract and retain qualified personnel in all areas of our business. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, results of operations, and financial condition could be materially and adversely affected.

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

We are exposed to fraud or other misconduct committed by our employees, customers, suppliers or other third parties that could subject us to financial losses, investigation and penalty imposed by governmental authorities as well as seriously harm our reputation. For example, loss caused by misconduct of our employees when providing pooling services may cause us to make compensation if we were held to be negligent or reckless and will also cause us to suffer damage to our reputation in the market. In addition, misconduct by the operators of a customer of our pooling services may cause malfunctions or damages to the subscribed equipment.

Our internal control procedures may be unable to identify non-compliance and/or suspicious transactions in a timely manner, or at all. There will therefore continue to be the risk that fraud and other misconduct may occur, resulting in financial loss, negative publicity or other negative outcomes, which may have an adverse effect on our business, reputation, financial condition, and results of operations.

We are exposed to fair value changes on financial assets at FVTOCI and financial assets at FVTPL, which may be substantial and would affect our financial performance and position.

During the Track Record Period, our financial assets at FVTOCI primarily consisted of bills which were held by us for the practice of endorsing to suppliers before the bills due for payment. We had financial assets at FVTOCI of RMB56.2 million, RMB72.8 million, RMB47.5 million and RMB45.4 million as of December 31, 2022, 2023, 2024 and August 31, 2025, respectively. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Financial Assets at Fair Value Through

Other Comprehensive Income" in this prospectus. During the Track Record Period, our financial assets at FVTPL mainly represented unlisted investments at fair value. We had financial assets at FVTPL of RMB10.5 million, RMB12.1 million, RMB11.1 million and RMB51.5 million as of December 31, 2022, 2023, 2024 and August 31, 2025, respectively. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Financial Assets at Fair Value Through Profit or Loss" in this prospectus.

We are exposed to fair value changes on financial assets at FVTOCI and financial assets at FVTPL. In valuing these financial assets, we employ significant unobservable inputs and significant observable inputs. See Note 35 to the Accountants' Report in Appendix I to this prospectus for further details. Factors beyond our control may influence and cause adverse changes to the estimates we use and thereby affect the fair value of these financial assets. These factors include, but are not limited to, general economic condition, changes in market interest rates and stability of capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results and cause the fair value of our financial assets to fluctuate substantially and significantly affect our financial performance and position.

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

To grow our business and remain competitive, we may need to obtain financing to support our operations and expansion plans, the success of which depends on a number of factors, including but not limited to general economic and capital market conditions, credit availability from banks and other lenders, and investor confidence. In addition, our ability to generate sufficient cash from our operating activities depends on various factors beyond our control, including competition, general economic conditions in China and the business performance of our customers.

We cannot assure you that sufficient financing will be available to us. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, we incurred capital expenditure of RMB160.3 million, RMB121.7 million, RMB154.5 million and RMB98.8 million, respectively. The level of our indebtedness and the amount of our interest payments could limit our ability to obtain additional financing or obtain favorable terms for the financing for future capital expenditures and working capital. Without sufficient funds, we will be forced to curtail our operations and expansion plans. Disruption, uncertainty or volatility in the capital markets or credit markets may limit our access to capital funds for our operations and expansion of our business, decrease our profitability, and significantly reduce our financial flexibility.

Furthermore, our liquidity also depends on cash generated from operating activities and our cash and cash equivalents. As of December 31, 2022, 2023, 2024 and August 31, 2025, the balance of our cash and cash equivalents amounted to RMB33.2 million, RMB32.3 million, RMB56.8 million and RMB88.9 million, respectively. The higher level of our indebtedness may require us to allocate more cash to repay our debts, thereby reducing the amount of general working capital that we can use for daily operations, capital expenditure and other general corporate purposes. As a result, our business, results of operations, and financial condition may be materially and adversely affected.

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

During the Track Record Period, our trade and bills receivables primarily consist of (i) trade receivables, representing the amount of money owed by customers for services or products sold on credit terms; and (ii) bills receivable, representing bank acceptance bills that have been received from our customers. As of December 31, 2022, 2023, 2024 and August 31, 2025, our trade and bills receivables amounted to RMB310.7 million, RMB360.8 million, RMB382.4 million and RMB324.5 million, respectively, and our trade and bills receivables turnover day amounted to 168.3 days, 159.9 days, 167.9 days and 167.8 days, respectively. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Trade and bills receivable" in this prospectus for details.

We may not be able to collect all such trade and bills receivables due to a variety of factors that are out of our control. For example, if our relationship with any of our customers deteriorates or terminates, or if any of them experiences any difficulty in their operations or a decrease in their business or financial performance for any reasons, our customers may delay or default in their payment. As a result, we may not be able to fully recover the outstanding amounts due from them, or at all. Notwithstanding that we had recorded loss allowances on our trade and bills receivables, if we are not able to manage the credit risk associated with our trade and bills receivables, our cash flows and results of operations may be materially and adversely affected.

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

During the Track Record Period, the effective tax rate of our Group was 18.5%, 20.9%, 21.3% and 23.1%, respectively. The relatively low effective tax rate reflected the tax exemption we enjoyed during the Track Record Period. Our Company and another subsidiary of our Group are qualified as "high and new technology enterprises" and benefited from a preferential income tax rate of 15%. Certain other subsidiaries of our Group are qualified as "small and micro enterprises" and were subject to a preferential income tax rate of 20%. See Note 10 to the Accountants' Report in Appendix I to this prospectus for details.

Preferential tax treatments and other incentives granted to us by the PRC Government are subject to review and renewal and may be adjusted or revoked in the future. We cannot guarantee you that the preferential tax treatments and other incentives to which our PRC subsidiaries are currently entitled would be kept valid or successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income.

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

Incorrect forecasting of demand in the future could result in us experiencing an excess or a shortage of inventories. The failure to manage the increase in our inventories or accurately forecast the demand of our customers may result in the obsolescence of our inventories and adversely affect the result of our business operations.

During the Track Record Period, our inventories primarily consist of raw materials and finished goods. As of December 31, 2022, 2023, 2024 and August 31, 2025, our inventories were approximately RMB32.5 million, RMB18.8 million, RMB17.2 million and RMB24.0 million, respectively. Therefore, maintaining optimal inventory levels is critical to our financial condition and results of operations.

We are exposed to risks as a result of a variety of factors beyond our control, including changes in customers' demand for our products and preferences and product generation replacement. We cannot assure you that we can accurately predict these trends and events and maintain adequate levels of inventory at all times. If orders do not match actual demand, we could have higher or lower anticipated inventory levels and this could lead to higher interest charges or less interest income, price reductions, inventory obsolescence or write downs of slow moving or excessive stock resulting in lower profits.

We may make provision to write down our inventories to the net realizable value if they become obsolete, out-of-season or are damaged or their prices went down and their net realizable value is lower than the costs. However, we cannot assure you that we will not experience material write-offs in the future. If we cannot manage our inventory level efficiently in the future, it could increase our costs, and our liquidity and cash flow may be adversely affected.

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

Our trade secrets, trademarks, patents, software copyrights, and other intellectual property rights are critical to our success. We rely on, and expect to continue to rely on, unfair competition laws and contractual rights, such as confidentiality agreements with our employees and third parties with whom we have relationships to protect our intellectual properties. However, these agreements may be inadequate or may be breached, either of which could potentially result in unauthorized use or disclosure of our trade secrets and other proprietary information to third parties, including our competitors.

As a result, we may lose our crucial competitive advantages derived from such intellectual property. Significant impairments on our intellectual property rights may result in a material and adverse effect on our business. In addition, events beyond our control may pose threats to our intellectual property rights, as well as to our brand. Effective protection of our trademarks, patents, software copyrights, domain names, and other intellectual property rights is expensive and difficult to maintain, both in terms of application and costs, as well as the costs of defending and enforcing those rights. Therefore, we cannot assure you that our protection efforts are effective or sufficient to guard against any potential infringement and misappropriation, which could result in our intellectual property rights being narrowed in scope or declared invalid or unenforceable.

We may be involved in intellectual property disputes and claims.

We depend on our ability to effectively develop and maintain intellectual property rights relating to our business. However, we cannot assure you that our competitors and other third parties will not bring legal claims against us for infringing on their patents, copyrights, trademarks or other intellectual property rights, whether such claims are valid or otherwise. The intellectual property laws and relevant regulations, which cover the validity, enforceability and scope of protection of intellectual property rights, may be subject to amendments in the future, and litigation is becoming a more commonly pursued method for resolving commercial disputes. Given the foregoing and the increasing competition in the market, we may be exposed to a higher litigation risk. Any intellectual property lawsuits against us, whether successful or not, may harm our brand and reputation.

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

Our insurance coverage may not be sufficient in covering the risks or losses that may result from our operations.

As a provider of reusable package services, our business inherently carries several risks, including equipment damage, cargo loss or damage, property loss, and business interruptions due to natural disasters, political unrest, or other factors. To manage these risks, we maintain a range of insurance policies, which cover, among others, third-party liability, transportation risks, property loss and damage and workers' compensation for injury and death. See "Business — Insurance" in this prospectus for further details.

We may become subject to liabilities for events against which we are not adequately insured or which we cannot insure on terms that are acceptable to us, such as losses suffered that are not easily quantifiable and which may damage our reputation, including natural disasters, riots, general strikes, and acts of terrorism. Recovering losses from insurers could be challenging and time-consuming, and we may not be able to recover the full amount of losses incurred. Additionally, there may be some risks that are uninsurable or not economically insurable, such as acts of war and terrorism. If losses arise from damage to our assets and properties that are not adequately covered by our insurance policies, or if such damage exceeds the insured amount, our results of operations and financial condition may be materially and adversely affected.

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

The quality of the services that we provide is one of the factors critical to our success. In order to sustain such success, we need to continue to maintain an effective quality control system for our business, particularly for our pooling services. The effectiveness of our quality control system depends significantly on a number of factors, including a timely update of the quality control system to suit ever-changing business needs, training programs as well as our ability to ensure that our quality control policies and guidelines are adhered to. Any failure or deterioration of our quality control system could result in defects in our services, which in turn may jeopardize our reputation, reduce demand for our services or even subject us to contractual liabilities and other claims. Any such claims, regardless of whether they are ultimately successful or not, may cause us to incur significant costs, harm our reputation and/or result in significant disruption to our operations. Furthermore, if any of such claims were ultimately successful, we may be required to pay for the claims, which could have a material adverse impact on our business, financial condition, and results of operations.

Our risk management and internal control systems, as well as the risk management tools available to us, may not fully protect us against various risks inherent in our business.

We have established our internal control system, such as an organizational framework and, policies and procedures that are designed to monitor and control potential risk areas relevant to our business operations. See "Business — Risk Management and Internal Control" in this prospectus for further details. However, due to the inherent limitations in the design and implementation of our risk management system, our risk management system may not be sufficiently effective in identifying, managing and preventing all risks if external circumstances change substantially or extraordinary events take place.

Furthermore, our new business initiatives may give rise to additional risks that are currently unknown to us, despite our efforts to anticipate such issues. If our risk management system fails to detect potential risks in our new business as intended or is otherwise exposed to weaknesses and deficiencies, our business, financial condition and results of operations could be materially and adversely affected.

Our risk management also depends on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended or such implementation will not involve any human errors, mistakes or intentional misconduct. If we fail to implement our policies and procedures in a timely manner, or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition and results of operations could be materially and adversely affected, particularly with respect to the maintenance of our relevant approvals and licenses granted by governments.

Negative publicity about us, our Shareholders and affiliates, our brand and our management may have a material adverse effect on our business, reputation and the trading price of our Shares.

Negative publicity about us, our Shareholders and affiliates, the services we provided, including possible defects of the products, even without our fault, our service quality, our brand, our management and other aspects of our business operations may arise from time to time. They may appear in the form of comments on internet postings and other media sources. For example, in the event that we fail to meet our customers' expectations as to the quality of our services, our customers may disseminate negative comments on social media platforms. In addition, our customers or suppliers may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services.

Negative publicity about our customers or suppliers, their business, results of operations and financial condition could adversely affect our reputation, business and share price. In the long term, if such negative publicity about us, our Shareholders and affiliates, our brand, our management and other aspects of our business operations damage our reputation and result in a loss of customer confidence, it would affect our future ability to attract and retain new customers and employees. As a result, our business, results of operations, financial condition, and prospects would be materially and adversely affected.

Our performance is subject to seasonality.

Our business operations are closely tied to the logistics needs of our customers and are influenced by fluctuations in their production and sales plans, particularly those of Tier 1 suppliers and OEMs in the automotive industry. According to Frost & Sullivan, the fourth quarter is generally considered a traditional peak season for the automotive industry, primarily driven by active nationwide auto shows and increased vehicle purchasing activities near year-end. Consequently, our business has historically experienced, and we expect to continue to experience, relatively higher demand for our services in the fourth quarter of the calendar year. As a result of these seasonal fluctuations, comparisons of our operating results between different periods within a single financial year may not be necessarily meaningful and cannot be relied on as indicators of our performance. Our financial condition and results of operations for future periods may continue to fluctuate, from time to time, due to seasonality. See "Business — Customers — Seasonality" in this prospectus.

We may face risk regarding investment in associates, and the share of results of associates may adversely affect our financial performance.

We recorded investment in an associate of nil, RMB0.3 million, RMB0.6 million and RMB0.6 million as of December 31, 2022, 2023, 2024 and August 31, 2025, respectively. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Investment in an associate" in this prospectus and Note 16 to the Accountants' Report set out in Appendix I to this prospectus for further details. Our investment in associates may not guarantee a share of profits, and any loss incurred by such associates shall be apportioned among us and other shareholders of the associates. If the associates do not perform as expected or do not generate sufficient revenue in any financial year, our return of investment in associates, financial performance and financial position, could be materially and adversely affected.

There can be no assurance that our investment in associates will achieve the results intended and we may be subject to liquidity risk. Our investments in associates are not as liquid as other investment products as there is no cash flow until dividends are received even if such associates reported profits under the equity accounting. Furthermore, the possibility to promptly sell our interests in the associates in response to changing economic, financial and investment conditions is uncertain. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in such associates for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. Therefore, the illiquidity nature of our investment in associates may significantly limit our ability to respond to adverse changes in the performance of such associates. In addition, if there is no share of results or dividends from the associates, we will also be subjected to liquidity risk and our financial condition or result or operations could be materially affected.

Going forward, from time to time, we may evaluate various investment opportunities, including investment in other associates. Any future investment in associates may entail numerous risks, such as increased cash requirements and additional indebtedness or contingent or unforeseen liabilities.

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

If any force majeure event or any event beyond our control happens, our customers may terminate the contracts, and they may only be required to compensate us under certain circumstances, such as damage to or loss of our containers, and we may be forced to assume losses to the extent our insurance coverage is inadequate. Any uninsured loss could materially and adversely affect our business, results of operations, and financial condition.

In addition, our business operations are vulnerable to interruption and damage from unforeseen, hostile or catastrophic events. These events are often outside of our control and include acts of war, terrorist attacks, natural disasters and extreme weather events such as health pandemic, floods, heavy rains, winds and waves. Such events may materially and adversely affect the global financial markets and consumer confidence. Similarly, severe weather conditions may force us to temporarily suspend operations based on warnings from national meteorological departments or cause prolonged disruption of our business operations. There can be no assurance that acts of wars, terrorist attacks, natural disasters and extreme weather will not occur and result in major damage to our warehouses and containers. If we fail to effectively manage these risks, our business, financial condition, results of operations, cash flow and prospects may be materially and adversely affected.

Share-based payment may cause shareholding dilution to our existing Shareholders and have a material and adverse effect on our financial performance.

Share-based payment may cause shareholding dilution to our existing Shareholders and have a material and adverse effect on our financial performance. On November 5, 2024, an employee incentive scheme (the "**Employee Incentive Scheme**") was approved and adopted by our Company. We adopted the Employee Incentive Scheme to provide our Company with a flexible means of attracting, remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to our employees; align the interests of our employees with those of our Company and Shareholders by providing such employees with the opportunity to acquire proprietary interests in our Company and become Shareholders; and encourage our employees to contribute to the long-term growth, performance and profits of our Company and to enhance the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole. For details, see "Appendix VI — Statutory and General Information — Employee Incentive Scheme." To further incentivize our employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares in accordance with any share-based compensation may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a material and adverse effect on our financial conditions.

RISKS RELATING TO REGULATORY COMPLIANCE

Any loss of or failure to obtain or renew the certificates, licenses, approvals and permits may materially and adversely affect our business, results of operations, and financial condition.

We are subject to numerous PRC laws and regulations at the national and local level, which govern various aspects of our operations. We are required to obtain and maintain certain certificates, licenses, approvals and permits in order to provide our comprehensive service offerings to customers. These operating certificates, licenses, approvals and permits are granted, renewed and maintained upon our satisfactory compliance with, among others, the applicable criteria set by the relevant governmental departments or organizations. See

"Regulatory Overview" and "Business — Licenses, Permits and Approvals" in this prospectus for further details. The certificates, licenses, approvals and permits that we had obtained during the Track Record Period and as of the Latest Practicable Date may only be valid for a limited period of time and may be subject to periodic review and renewal by government authorities or relevant organizations.

In addition, the standards of compliance required in relation thereto may change in the future. The PRC laws and regulations may continue to evolve, which exposes us to the risk of non-compliance. If deemed non-compliant, we could be subjected to administrative or regulatory fines and penalties, including the suspension or revocation of our certificates, licenses, approvals and permits, and our operations may be hindered or halted, which could have a material and adverse effect on our business and results of operations. As the PRC legal system and the reusable package services industry may continue to evolve, we are also subject to laws, regulations and related compliance requirements, as amended in the future.

We are subject to laws and regulations regarding regulatory matters that may have increased or will increase both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a public company, the Stock Exchange and the SFC, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, as well as the various regulatory authorities in China, and to regulatory measures under applicable laws. Any failure, or perceived failure, by our Group to comply with applicable laws and regulations may result in regulatory liability, including governmental enforcement actions and investigations, fines, penalties, enforcement orders requiring us to cease operating in a certain way or cease to become listed, and may require us to expend significant resources in responding to and defending allegations and claims. During the Track Record Period, we have received certain administrative penalties in relation to fire safety with an aggregate amount of RMB33,700. As of the Latest Practicable Date, we have also implemented a series of internal control measures including establishing Fire Safety Management System (《消防安全管理制度》), conducting safety inspections on fire protection facilities on a monthly basis, and providing fire safety trainings for our employees. We cannot assure you that our internal control measures implemented will be completely effective in satisfying all the applicable laws, regulations and requirements. If we are unable to comply with existing or future fire protection and safety laws and regulations, we may be required to pay penalties or fines or take remedial actions and our operations may be suspended, any of which may adversely impact our business, financial position, results of operations and growth prospects.

In addition, our efforts to comply with new laws and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

In addition, compliance measures and practice is subject to guidance and interpretation on relevant laws and policies, which may change in the future. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalties and our business may be harmed.

We may be subject to litigation proceedings and regulatory actions, and may not always be successful in defending ourselves against such proceedings or actions.

Our business operations entail litigation and regulatory risks, including the risk of lawsuits and other legal and/or regulatory actions relating to, among others, product liability, delivery, sales and customer services, leases and labor disputes. We may be subject to claims and lawsuits in the ordinary course of our business. We may also be subject to inquiries, inspections, investigations and proceedings by relevant regulatory and other governmental agencies. Actions brought against us may result in settlements, injunctions, fines, penalties or other results adverse to us that could harm our business, financial condition, results of operations and reputation. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant to us. In such event, our business, financial position, results of operations, cash flow, and reputation may suffer considerably and negatively.

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

During the Track Record Period, we (i) did not make social insurance and housing provident fund contribution for certain employees; (ii) did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations; and (iii) engaged third-party human resource agency to pay social insurance and housing provident funds for a small number of employees. As of December 31, 2022, 2023, 2024 and August 31, 2025, our shortfall in social insurance and housing provident fund contribution during the Track Record Period amounted to approximately RMB3.1 million, RMB2.8 million, RMB2.2 million and RMB2.5 million, respectively, on cumulative basis. According to the relevant PRC laws and regulations, we may be requested by relevant PRC authorities to pay the outstanding social insurances contribution within a prescribed period and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay. If we fail to repay the outstanding social insurance contribution within the stipulated period, we may be liable to a fine of one to three times the outstanding contribution amount. Pursuant to relevant PRC laws and regulations, the relevant PRC authorities may demand us to pay the outstanding contributions of the housing provident fund within a stipulated deadline. If we fail to pay housing provident fund contributions within the prescribed deadline, we may be subject to an order by the relevant people's court to make such payments. We made full provisions for the potential liabilities arising from shortfalls in social insurance and housing provident fund contributions during the Track Record Period, which amounted to approximately RMB1.6 million, RMB1.2 million, RMB1.0 million and RMB1.1 million, respectively. Furthermore, according to the Interpretation (II) of the Supreme People's

Court on 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 "Interpretation"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the labor Contract law of the PRC, the people's court shall uphold such claim. See "Regulatory Overview — Regulations Relating to Employment, Social Insurance and Housing Fund" for details.

As of the Latest Practicable Date, no administrative action, fine or penalty had been taken or imposed by the relevant regulatory authorities against us with respect to our social security insurance contributions or housing provident fund, nor had we received any order or been informed to settle the under-contributions. However, we cannot assure you that we will not be subject to any order from the relevant government authorities in the future to rectify such non-compliance, nor can we assure you that there are no or will not be any employee complaints regarding payment of the social insurance funds and housing funds under the relevant laws and regulations implemented at the national, provincial or local level. And we also cannot assure you that we will not be liable for paying economic compensation to our employees. We may also incur additional expenses to comply with the relevant laws and regulations implemented by the national, provincial or local authorities. If any of these occurs, our financial condition and results of operations may be adversely affected.

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

As of the Latest Practicable Date, seven leased properties in the PRC with an aggregate gross floor area of approximately 8,145.4 sq.m. have title defects, which was mainly due to the failure of certain lessors to provide property ownership certificates or other sufficient ownership/lease assignment documents. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owners or the parties who have the right to lease the properties, and the terms of the new leases may be less favorable to us. See "Business — Properties — Leased properties — Non-compliance Incidents in Relation to Our Leased Properties" in this prospectus for details.

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

We may be subject to penalties for the non-registration of lease agreements in the PRC.

As of the Latest Practicable Date, we had not registered 28 of our lease agreements in the PRC. The relevant authorities may require us to complete the lease registrations within a specified time frame and may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements for any delay in complying with such requirement, and we may be subject to a maximum penalty of approximately RMB0.3 million for the failure to register the property lease agreements. See "Business — Properties — Leased properties — Non-compliance incidents in relation to our leased properties" in this prospectus for details. We cannot assure you that the relevant authorities will not impose penalties for failure to register these lease agreements. Any such penalties could have a material adverse effect on our business, financial position and results of operations.

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

We may be exposed to bribery, corruption, economic sanctions or other illegal acts and misconduct committed by our employees, customers, suppliers or any other third parties that could subject us to financial losses and sanctions imposed by governmental authorities, which may adversely affect our reputation. While we have adopted and implemented internal controls and procedures to monitor both internal and external compliance with anti-bribery and anti-corruption laws, regulations and policies, we cannot guarantee that such internal controls and procedures will always be effective in preventing non-compliance and exculpating us from penalties or liabilities that may be imposed by relevant government authorities due to violations committed by our employees. If our employees are found or alleged to have violated anti-bribery or anti-corruption laws and regulations, we may face or be involved in fines, lawsuits and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

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

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this Global Offering or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from the Global Offering into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

Changes in economic, political and social conditions could have a material adverse effect on our business and operations.

We are headquartered in Suzhou, Jiangsu, China and substantially all of our operations are conducted in China. Accordingly, our business, financial condition and results of operations may be influenced by the economic, political and social conditions in China. China's reusable package services industry in general is affected by macro-economic factors, including changes in international, national, regional and local economic conditions, employment levels, consumer demand and discretionary spending. The PRC Government has implemented various measures to encourage, and to guide, the economic growth and the allocation of resources, some of which may resulted in uncertainties to us.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors, Supervisors and management.

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

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

Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your investment.

During the Track Record Period, substantially all of our revenue and expenditures were denominated in Renminbi, while the net proceeds from the Global Offering will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the proceeds from the Global Offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

We are subject to the currency exchange control system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

Our operations are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition and results of operations, as well as our reputation.

Payment of dividends is subject to restrictions under PRC law.

Under the PRC laws, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under the PRC laws, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities. In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit a formal application, which will be verified and approved by authorized employees in accordance with our internal control procedures and rules.

In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations, and we may not be able to recover our loss due to such misuse or misappropriation if the third party relies on the apparent authority of such employees and acts in good faith.

Holders of our H Shares may be subject to PRC 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 IIT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and 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 enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

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

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and the liquidity and market price of our H Shares may be volatile.

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

The trading price of our H Shares may be volatile, which could result in substantial losses to you.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the PRC, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. 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 PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders could not dispose of any of the Shares held by them. Due to such lock-up requirement, the liquidity and trading volume of the H Shares in the short term following the Global Offering may be significantly affected. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

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

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

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares 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 which is lower than the net tangible asset value per Share at that time.

Possible setting of the Offer Price after making a Downward Offer Price Adjustment.

We have the flexibility to make a Downward Offer Price Adjustment to set the Offer Price at up to 10% below the bottom end of the indicative Offer Price range per Offer Share. It is therefore possible that the Offer Price will be set at HK$9.9 per H Share upon the making of a Downward Offer Price Adjustment. In such a situation, the Global Offering will proceed and the requirements under Rule 11.13 of the Listing Rules will not apply. If the Offer Price is set at HK$9.9 and assuming the Over-allotment Option is not exercised, the estimated net proceeds we will receive from the Global Offering will be reduced to approximately HK$154.0 million (after deducting the underwriting fees and expenses related to the Global Offering), and such reduced proceeds will be used as described in "Future Plans and Use of Proceeds — Use of Proceeds" in this prospectus.

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

Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised) our Controlling Shareholders will control approximately 43.63% of the voting power at our general meetings. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management.

Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

Our historical distributions may not be indicative of our future dividend policy, and we may not be able to pay any dividends on our H Shares.

In 2021, our Group made a distribution of RMB10.0 million to our Shareholders, which had been fully settled as of the Latest Practicable Date. See "Financial Information — Dividends" in this prospectus for details. We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be determined by our Board subject to our Articles of Association, the applicable laws and regulations, and Shareholders' approval, and will depend on a number of factors, including our operating results, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain facts, forecasts and statistics contained in this prospectus are derived from various official government sources and may not be accurate, reliable, complete or up to date.

We have derived certain information and statistics in this prospectus, particularly the section headed "Industry Overview" in this prospectus from the report prepared by Frost & Sullivan, which was commissioned by us, and from, among others, various official government publications and other publicly available publications provided by the PRC Government. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. 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. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Overall Coordinators, the Underwriters, any of their respective directors and advisors, or any other persons or parties involved in the Global Offering and no representation is given as to its accuracy, and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics contained in such government sources may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

There had been, prior to the publication of this prospectus, and there may be, after the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any information concerning the Global Offering in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or in conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Mr. Wang Yue (汪玥), our executive Director, and Mr. Xiang Yang (相陽), our executive Director, secretary of our Board, head of strategic investment and one of our joint company secretaries as our authorized representatives pursuant to Rules 3.05 of the Listing Rules. We have appointed Mr. Ng Tung Ching Raphael (吳東澄) ("**Mr. Ng**"), our another joint company secretaries as our alternate authorized representative. The authorized representatives and alternate authorized representative will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. Mr. Ng resides in Hong Kong and each of Mr. Wang and Mr. Xiang will be readily contactable by phone and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives and alternate authorized representative will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number (if any) and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

(d) we have appointed Maxa Capital Limited as our compliance advisor upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date 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 Listing Date. Our compliance advisor will have reasonable access at all times to our authorized representatives, our Directors and our senior management and will act as the additional channel of communication with the Hong Kong Stock Exchange when the authorized representatives are not available; and

(e) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame.

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

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined by the Guide) nor Relevant Experience (as defined by the Guide) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to the Guide, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) 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

(b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Xiang Yang (相陽), our executive Director, the secretary of our Board and head of strategic investment, as one of our joint company secretaries. He has experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Ng Tung Ching Raphael (吳東澄), a member of the Hong Kong Chartered Governance Institute, 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 and to provide assistance to Mr. Xiang for an initial period of three years from the Listing Date to enable Mr. Xiang 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.

Given Mr. Ng's professional qualification and experience, he will be able to explain to both Mr. Xiang and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Mr. Ng will also assist Mr. Xiang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Ng is expected to work closely with Mr. Xiang and will maintain regular contact with Mr. Xiang. In addition, Mr. Ng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the Listing Date. He will also be assisted by our Compliance Advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Xiang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Xiang as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Mr. Xiang must be assisted by Mr. Ng who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; and (b) the waiver will be revoked immediately if and when Mr. Ng ceases to provide assistance to Mr. Xiang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Xiang 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 and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. Xiang, having benefited from the assistance of Mr. Ng for the preceding three years, will have acquired the skills necessary to carry out the duties of a 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 RELATION TO RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in this prospectus must include the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

According to Paragraph 18 of Chapter 1.1A of the Guide, where an applicant issues its listing document shortly after the financial year end, a waiver from strict compliance with Rule 4.04(1) of the Listing Rules (the "**Rule 4.04(1) Waiver**") might be granted by the Stock Exchange if (i) certain conditions as set out in paragraph 19 of Chapter 1.1A of the Guide are met; and (ii) the applicant's proposed listing date is not later than one month before the due date on which its first audited report after listing must be despatched.

According to Paragraph 19 of Chapter 1.1A of the Guide, where an applicant issues its listing document in the third month after the latest financial year end, the Rule 4.04(1) Waiver might be granted subject to the following conditions: (i) the applicant must list on the Stock Exchange within three months after the latest financial year end; (ii) the applicant must obtain a certificate of exemption from the SFC on compliance with the requirements under sections 38(1) or 342(1) of and paragraphs 27 and 31 of the Third Schedule; and (iii) a profit estimate for the latest financial year (which must comply with Rules 11.17 to 11.19 of the Listing Rules) must be included in the prospectus or the applicant must provide justification why a profit estimate cannot be included in the prospectus; and (iv) there must be a directors' statement in the prospectus that there is no material adverse change to the applicant's financial and trading position or prospects with specific reference to the trading results from the end of the stub period to the latest financial year end.

According to Paragraph 20 of Chapter 1.1A of the Guide for New Listing Applicants, the Rule 4.04(1) Waiver will not be ordinarily granted (i) if there is a material adverse change in performance since the date to which the latest audited accounts have been made up to the latest practicable date (or up to the end of the forecast period where a profit/loss forecast has been prepared); and/or (ii) a downward trend in recent business performance to the extent that it may not meet the financial eligibility requirement if a Rule 4.04(1) Waiver is not granted.

According to Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this prospectus shall include an accountants' report which contains the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Group during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a report by our auditor with respect to profits and losses and assets and liabilities of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

The Accountants' Report for each of the three years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 has been prepared and is set out in Appendix I to this prospectus. Pursuant to the relevant requirements set out above, our Company is required to produce three full years of audited accounts for the years ended December 31, 2023, 2024 and 2025. As such, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

(a) this prospectus will be issued on or before February 27, 2026 and our Shares will be listed on the Stock Exchange on or before 31 March 2026 (i.e. within three months after the latest financial year end of our Company);

(b) our Company will obtain a certificate of exemption from the SFC from strict compliance with the requirements under Section 342(1) in relation to Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements;

(c) this prospectus will include a profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.7 to 11.9 of the Listing Rules); and

(d) this prospectus will include a directors' statement that there is no material adverse change to our financial and trading positions or prospect with specific reference from September 1, 2025 to December 31, 2025.

An application has also been made to the SFC for a certificate of exemption from strict compliance with Section 342(1)(b) in relation to Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under Section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) the particulars of the exemption are set out in this prospectus;

(b) this prospectus will be issued on or before February 27, 2026; and

(c) our H Shares will be listed on the Stock Exchange on or before 31 March 2026 (i.e. within three months after the latest financial year end of our Company).

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance were made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interest of the investing public as:

(a) there would not be sufficient time for our Company and our reporting accountants to finalise the audited financial information for the year ended December 31, 2025 for inclusion in this prospectus. If the financial information is required to be audited up to December 31, 2025, our Company and our reporting accountants would have to undertake a substantial amount of work to prepare, update and finalise the Accountants' Report and this prospectus and the relevant sections of this prospectus will need to be updated to cover such additional period. This would involve additional time and costs since a substantial amount of work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2025 to be finalised within a short period of time. Our Directors consider that the benefits of such work to the potential investors of our Company may not justify the additional work and expenses involved and the delay of the timetable for Listing;

(b) our Company has included in this prospectus (i) the Accountants' Report covering the three years ended December 31, 2024 and the eight months ended August 31, 2025, (ii) a profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) as set out in Appendix IIB to this prospectus, and (iii) the information regarding the recent development of our Group subsequent to the Track Record Period and up to the Latest Practicable Date. As such, our Company is of the view that all material information that is necessary for the Shareholders and potential investors to make an informed assessment of the activities, assets and liabilities, financial position, trading position, management and prospects of our Group has been disclosed in this prospectus;

(c) our Directors and the Sole Sponsor, after conducting sufficient due diligence, confirmed that there had not been any material adverse change to our financial and trading positions or prospect since August 31, 2025 and up to the date of this prospectus, and there is no event since August 31, 2025 and up to the date of this prospectus which will materially affect the information shown in the Accountant's Report, the profit estimate for the year ended December 31, 2025 as set out in Appendix IIB to this prospectus, "Financial Information" and other parts of this prospectus; and

(d) our Company will comply with the requirements under Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of our annual results and annual report. Our Company currently expects to issue our annual results and annual report for the year ended December 31, 2025 on or before March 31, 2026 and April 30, 2026, respectively. In this regard, our Directors consider that our Shareholders, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the year ended December 31, 2025.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

CSRC FILING

We have submitted a filing to the CSRC to apply for Listing of the H Shares (including H Shares to be converted from Unlisted Shares) on the Stock Exchange and the Global Offering on November 20, 2024. The CSRC confirmed our completion of filing on November 27, 2025. No other approvals from the CSRC are required to be obtained for the listing of the H shares on the Stock Exchange.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 2,034,000 H Shares and the International Offering of initially 18,302,000 H Shares (subject to, in each case, reallocation on the basis referred to under the section headed "Structure and Conditions of the Global Offering" in this prospectus and, in the case of the International Offering, to any exercise of the Over-allotment Option).

The Listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is managed by the Overall Coordinators and is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or about the Price Determination Date. Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed "Underwriting" in this prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and Joint Lead Managers, the CMIs, the Underwriters, any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization, are set out in the sections headed "Structure and Conditions of the Global Offering" and "Underwriting" in this prospectus.

DOWNWARD OFFER PRICE ADJUSTMENT

We have reserved the right to make a Downward Offer Price Adjustment to provide flexibility in pricing the Offer Shares. The ability to make a Downward Offer Price Adjustment does not affect our obligation to cancel the offer and relaunch it with a supplemental prospectus or a new prospectus if there is a material change in circumstances not disclosed in the prospectus and we decide to proceed with the offer.

If it is intended to set the final Offer Price at more than 10% below HK$11.0 (the bottom end of the indicative Offer Price range), we will first cancel the offer and then relaunch it at the revised offer price and the requirements under Rule 11.13 of the Listing Rules will apply if the Global Offering is to proceed.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares. Our Unlisted Shares may be converted to H Shares after obtaining the approval of the CSRC or the authorized approval authorities of the State Council, details of which are set out in the section headed "Share Capital" in this prospectus.

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Monday, March 9, 2026. No part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed our H Share Registrar, and our H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless the holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(1) agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and our Articles of Association;

(2) agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and we, acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each Shareholder, to refer all differences, disputes and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and regulations concerning our affairs to arbitration in accordance with our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;

(3) agrees with us and each of our Shareholders that our H Shares are freely transferable by the holders thereof; and

(4) authorizes us to enter into a contract on his or her behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as defined under the Listing Rules) of any of the Directors, Supervisors or any existing Shareholders of our Company or a nominee of any of the foregoing.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares" in this prospectus.

H SHARE REGISTER AND STAMP DUTY

All of the Offer Shares will be registered on our H Share register of members to be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarter in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and Joint Lead Managers, the CMIs, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisors or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.90990 to US$1.00, being the PBOC rate prevailing on January 20, 2026; (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.88437 to HK$1.00, being the PBOC rate prevailing on January 20, 2026; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.81336 to US$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages. In the event of any inconsistency, the Chinese version shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Sun Yan'an (孫延安)	Room 702, Building 91 Xi'an Garden Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese
Mr. Wang Yue (汪玥)	Room 302, Building 69 Linglongwan Garden Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese
Mr. Xiang Yang (相陽)	Room 802, Building 3 Hong Kong Time Flower Garden No. 105 Fenhu Road Huqiu District Suzhou, Jiangsu PRC	Chinese
Non-executive Directors		
Dr. Fang Dianjun (房殿軍)	No. 419, Lane 1688 Yeqian Road Shanghai PRC	Chinese
Mr. Ren Qingxiang (任慶祥)	Room 1606, Building 15 Wanghuyuan, Taihu Lake Pearl City Songling Town, Wujiang District Suzhou, Jiangsu PRC	Chinese
Dr. Dai Yuanyu (戴元煜)	Floor 2, Building 16 No. 183 Suhong East Road Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese

Independent non-executive Directors

Dr. Wang Rui (王鋭)	Room 706, Building 6 No. 1 Hanlin Road Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese
Dr. Liu Dacheng (劉大成)	Room 1102, Unit 1, Building 6 Xueqingyuan, Xueqing Road Haidian District Beijing PRC	Chinese
Ms. Hong Ting (項婷)	Flat 52F, Tower 5B, Cullinan West No. 28 Sham Mong Road Kowloon Hong Kong	Chinese

Supervisors

Mr. Hong Lijun (洪禮軍)	No. 5-21, Renmin East Road Xin'an Town Guannan County Jiangsu PRC	Chinese
Ms. Yan Shuai (嚴帥)	Room 2202, Building 19 Sunstar Garden III Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese
Ms. Zhang Xin (張欣)	No. 128 Zhongxin Avenue West Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese

For the biographies and other relevant information of the Directors and Supervisors, see "Directors, Supervisors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong
Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Capital Market Intermediary	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong
Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Capital Market Intermediary	**DBS Asia Capital Limited** 73/F, The Center 99 Queen’s Road Central Hong Kong
Financial Adviser to our Company	**DBS Asia Capital Limited** 73/F, The Center 99 Queen’s Road Central Hong Kong
Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Capital Market Intermediary	**China Sunrise Securities (International) Limited** Room 1501 & 1503 YF Life Centre 38 Gloucester Road Wan Chai, Hong Kong
Joint Bookrunner and Capital Market Intermediary	**ABCI Capital Limited** 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Joint Lead Manager and Capital Market Intermediary	**ABCI Securities Company Limited** 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong

Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries
(in alphabetical order)

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

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

TFI Securities and Futures Limited
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

TradeGo Markets Limited
Room 3405, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Legal Advisors to our Company	*as to Hong Kong laws:* **Eric Chow & Co. in Association with Commerce & Finance Law Offices** 3401, Alexandra House 18 Chater Road Central Hong Kong *as to PRC law:* **Commerce & Finance Law Offices** 12–14th Floor China World Office 2 No. 1 Jianguomenwai Avenue Chaoyang District Beijing PRC
Legal Advisors to the Sole Sponsor and the Underwriters	*as to Hong Kong law:* **Jingtian & Gongcheng LLP** Suites 3203-3209 32/F, Edinburgh Tower The Landmark 15 Queen's Road Central Central Hong Kong *as to PRC law:* **Allbright Law Offices** 9, 11, 12/F Shanghai Tower No. 501 Yincheng Middle Road Pudong New Area Shanghai PRC
Auditor and Reporting Accountant	**Ernst & Young** 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong

Independent Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 Nanjing West Road Shanghai PRC
Receiving Bank	**DBS Bank (Hong Kong) Limited** 16/F, The Centre 99 Queen's Road Central Hong Kong
Sub-receiving Bank	**CMB Wing Lung Bank Limited** 14/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong

Registered Office in the PRC	Room 3A, Jiacheng Building No. 128 Zhongxin Avenue West Suzhou Industrial Park Suzhou, Jiangsu PRC
Corporate headquarters and Principal Place of Business in the PRC	Room 3A, Jiacheng Building No. 128 Zhongxin Avenue West Suzhou Industrial Park Suzhou, Jiangsu PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Company Website	**www.anwood.com.cn** *(Information contained on this website does not form part of this prospectus)*
Joint Company Secretaries	**Mr. Xiang Yang (相陽)** Room 802, Building 3 Hong Kong Time Flower Garden No. 105 Fenhu Road Huqiu District Suzhou, Jiangsu PRC **Mr. Ng Tung Ching Raphael (吳東澄)** *(Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

Authorized Representatives	**Mr. Wang Yue (汪玥)** Room 302, Building 69 Linglongwan Garden Suzhou Industrial Park Suzhou, Jiangsu PRC **Mr. Xiang Yang (相陽)** Room 802, Building 3 Hong Kong Time Flower Garden No. 105 Fenhu Road Huqiu District Suzhou, Jiangsu PRC *Alternate authorized representative* **Mr. Ng Tung Ching Raphael (吳東澄)** 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Nomination Committee	Mr. Sun Yan'an *(Chairman)* Dr. Liu Dacheng Dr. Wang Rui
Audit Committee	Ms. Hong Ting *(Chairwoman)* Dr. Fang Dianjun Dr. Wang Rui
Remuneration Committee	Dr. Wang Rui *(Chairman)* Mr. Sun Yan'an Dr. Liu Dacheng
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

Compliance Advisor	**Maxa Capital Limited** Unit 2602, 26/F Golden Centre 188 Des Voeux Road Central Sheung Wan Hong Kong
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OVERVIEW OF GLOBAL AND CHINA LOGISTICS PACKAGING SOLUTION MARKET

Introduction to Logistics Industry Development

The logistics industry plays a crucial role in the global economy, experiencing substantial growth due to the continuous expansion of international trade. According to Frost & Sullivan, in 2024, total global logistics spending was around US$11.6 trillion and is expected to reach US$14.7 trillion in 2030. In 2024, China holds a 25.0% share of the global logistics industry. According to Frost & Sullivan, in 2024, China's logistics spending was around US$2.9 trillion and is expected to reach US$3.7 trillion in 2030. Logistics packaging is the foundation of the logistics industry, essential for facilitating the secure and productive movement of goods along the entire supply chain, from production to destination. Given the current landscape, there is a continuous escalation in customer expectations for logistics services. This necessitates that logistics packaging solution ensure the safety and punctuality of goods and offer supplementary value-added services, such as real-time tracking. This allows for comprehensive visibility, management, and traceability of every cargo item, vehicle, and asset. Meanwhile, logistics packaging solution providers face challenges and opportunities, where maximizing operational efficiency and minimizing costs are the key concerns for the logistics packaging solution.

Definition of the Logistics Packaging Solution Industry

Logistics Packaging Solution refers to container sales and reusable package services, which provide an all-encompassing supply chain management solution, offering clients related logistics services, which include product sales and product design. Container sales include disposable packaging and reusable packaging. Reusable package services revolve around asset management and network construction as primary skills. It manages all stages of logistics transportation, including packing, transportation, and cargo unloading. Throughout the service continuum, precise management protocols ensure smooth operations, improved traceability, and adherence to quality standards. Furthermore, the service includes recycling professionally and thoroughly cleaning logistics containers after use to facilitate their circular reuse and recycling, aligning with sustainable development criteria and ESG standards.

Entry Barriers of the Logistics Packaging Solution Industry

Packaging Solution Capability Barrier

Due to the differences in packaging products and customer requirements, market competition shows significant diversity. Different industries, such as electronics, food, and pharmaceuticals, have specific regulations and standards for packaging, with stricter requirements in areas such as product design, material selection, production processes, safety, and quality inspection. In addition, customers in these industries expect suppliers to provide flexible and efficient support in production, transportation, and after-sales services. Therefore, new entrants may face challenges such as insufficient technical accumulation and weak market adaptability, especially in meeting complex demands and providing customized solutions.

Capital and Equipment Barriers

The logistics packaging solution industry requires a substantial initial investment for network layout, warehousing construction, and the procurement of loading and transportation facilities. The establishment of these infrastructures is fundamental to providing logistics services and necessitates significant upfront capital. Furthermore, with the advancement of economic globalization and the digitalization of information, the logistics technology system is in need of further upgrading and transformation. Automation, informatization, intelligent revolution, and the integration of technology and software and hardware platforms have become the new normal in the development of logistics transportation.

Evolution and Current Status of Logistics Packaging Solution Market

The evolution of logistics packaging is an ongoing process that involves adapting to technological advancements, addressing market demands, and meeting environmental requirements. This evolution has shifted from traditional pallets to more diverse and standardized containers. In terms of materials, containers have transitioned from singular wooden materials to more durable and lightweight plastics, metals, and composite materials, enhancing durability, reducing weight, and improving adaptability to various environmental conditions.

From the services provided within the industry, the industry moved towards service-oriented models, offering comprehensive solutions that provide containers and pallets, along with container management, maintenance, and lifecycle optimization. While providing packaging services, environmental policies have gradually become a key consideration within the industry, promoting its development towards environmental protection and sustainability through a series of policy measures. In 2017, the Chinese government implemented significant measures in the field of environmental protection targeting the papermaking industry, particularly in restricting the import of waste paper and promoting the production of recycled pulp. Furthermore, in 2021, the Chinese government introduced policies to encourage the use of reusable packaging materials, aiming to reduce usage costs and promote the green transformation of packaging. The implementation of these policies aims to steer the industry towards a more eco-friendly and sustainable direction. Guided by policies and driven by ESG principles, downstream customers are gradually shifting towards the use of reusable packaging solution.

Global and China Logistics Packaging Solution Market Size

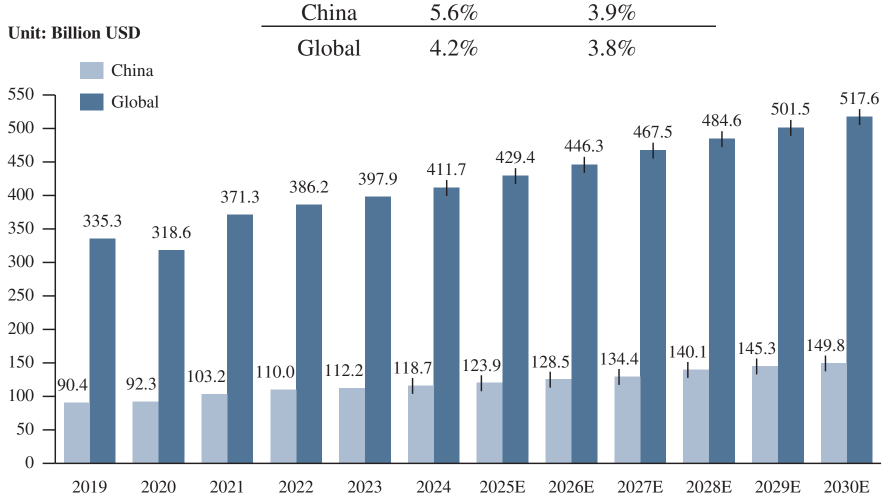
Global logistics packaging solution are experiencing steady growth, driven by technological innovations, supportive policies, and the expansion of global trade. In 2024 China holds a significant position in the global logistics packaging market, with a market share as high as 28.8%. Especially due to the rise of e-commerce and the Chinese government's prioritization of environmental conservation. Asia (excluding China), Europe and North America also hold a certain market share, which is 21.7%, 16.6% and 15.5%, respectively. In Asia, the demand for logistics packaging is influenced by the relocation of the manufacturing industry, ongoing enhancements in infrastructure, and the dynamism of international trade. In terms of Europe and North America, the logistics packaging solution industry is pretty well-established, but it's still evolving to meet the changing market demands through technology and improved services. In the future, the trend towards sustainability will shift from disposable to reusable packaging. The continuous expansion of the logistics industry drives an increase in demand for the logistics packaging solution.

According to Frost & Sullivan, in terms of revenue, global logistics packaging solution increased from US$335.3 billion in 2019 to US$411.7 billion in 2024, with a CAGR of 4.2%, and is expected to reach US$517.6 billion in 2030, representing a CAGR of 3.8% from 2025 to 2030. Within the global logistics packaging solution market, the size of container sales market grew from US$295.3 billion in 2019 to US$355.2 billion in 2024, representing a CAGR of 3.8%, and expected to reach US$425.9 billion in 2030, representing a CAGR of 3.0% from 2025 to 2030.

Driven by the various factors in China, the market size of logistics packaging solution maintains growth. According to Frost & Sullivan, in terms of revenue, the logistics packaging solution in China increased from US$90.4 billion in 2019 to US$118.7 billion in 2024, with a CAGR of 5.6%, and is expected to reach US$149.8 billion in 2030, representing a CAGR of 3.9% from 2025 to 2030. The size of container sales market grew from US$85.5 billion in 2019 to US$111.0 billion in 2024, representing a CAGR of 5.4%, and is expected to reach US$136.5 billion in 2030, representing a CAGR of 3.4% from 2025 to 2030.

Global and China Logistics Packaging Solution, 2019-2030E

CAGR	2019-2024	2025E-2030E
China	5.6%	3.9%
Global	4.2%	3.8%



Source: World Bank, IMF, Frost & Sullivan Report

Competitive Landscape of China Logistics Packaging Solution Market

According to Frost & Sullivan, the size of logistics packaging solution market in China reached US$118.7 billion in 2024, of which logistics container sales contributed 93.6%. The market is highly fragmented, with over 3,500 companies providing logistics packaging solutions. The market is mainly composed of two types of players: one consists of logistics companies that operate their own logistics packaging businesses, and the other comprises third-party logistics packaging solution providers. In terms of revenue in 2024, the top five players accounted for 4.7% of the market, with the largest player holding a market share of 1.5%.

In 2024, we held a 0.1% share of the logistics packaging solution market in China, primarily focusing on providing reusable package services, supported by an efficient and well-established service network and a robust digital system.

Threats and Challenges of the Logistics Packaging Solution Industry

High Costs

High costs represent a significant challenge in the logistics packaging solution industry, especially reusable-package materials compared to single-use packaging, as they need to be designed for durability and reusability, often requiring higher-quality materials to remain intact through multiple uses. However, in the long term, reusable-package can reduce variable costs per shipment and save expenses over a longer usage cycle.

Significant Resource Waste

Some industries continue to rely on traditional and inefficient packaging materials and processes, resulting in substantial waste, such as cardboard box and foam box. This causes exacerbate environmental impact and escalates disposal costs. Such inefficiency depletes resources and undermines sustainability objectives, underscoring the urgent need for more efficient and eco-friendly packaging solutions.

Insufficient Digitalization

The logistics packaging industry is often hindered by insufficient digitalization, which slows the adoption of advanced technologies like automation, real-time tracking, and data analytics. Without digital tools, companies struggle with inefficiencies in inventory management, packaging optimization, and supply chain tracking. This lack of digital integration impedes the ability to streamline operations, reduce costs, and improve customer service, leaving businesses less competitive in an increasingly tech-driven market.

Drivers and Trends of the Logistics Packaging Solution Market

Growth of Global Trade

With the rapid growth of globalization of trade, cross-border logistics demand has surged, prompting companies to continuously optimize packaging solutions to meet the needs of global logistics and transportation. Especially in long-distance transport and last-mile delivery, logistics packaging solutions should offer higher safety, cost-effectiveness, and sustainability.

Demand for Environmental Sustainability

As environmental awareness increases, there is a growing demand for eco-friendly packaging from both consumers and businesses. Governments and regulatory bodies are also introducing stringent environmental regulations, leading companies to use recyclable, biodegradable, and environmentally friendly packaging materials. To meet these demands, logistics packaging solutions continuously innovate by adopting materials and processes that comply with sustainability standards.

Customer Demand for Customization and Personalization

As customer preferences become more diverse, especially in specific industries (such as electronics, automotive parts, and pharmaceuticals), there is an increasing demand for customized and personalized packaging. Suppliers need to offer more differentiated and tailored packaging solutions and services to enhance the value and competitiveness of their products in the market.

Integrated Transportation and Packaging Solution

The logistics industry moves from a single product sale to offering integrated transportation and packaging solution, aimed at enhancing competitiveness and meeting market demands. While container sales remain key, transportation and operational management services are emerging as a new commercial concept. Currently, poor coordination between packaging and transportation causes time and cost inefficiencies and weakens supply chain connectivity. However, integrated solutions combine packaging and transportation, reducing communication costs and enhancing supply chain efficiency. By optimizing asset management and network layouts, the industry aims to deliver cost-effective, sustainable, and high-performance packaging services.

OVERVIEW OF GLOBAL AND CHINA REUSABLE PACKAGE SERVICES MARKET

The Introduction of Reusable Package Services

Based on logistic network and asset management capability, reusable package services share reusable-package products and provide related services. These services can be categorized into four types: pooling services, rental services, integrated transportation and packaging solution and customer-owned container management:

- **Pooling Services**: Under the pooling model, the renter pays based on the number of times the reusable packages are circulated. In addition to renting out reusable packages, pooling service providers also offer a range of operational services, including storage, distribution, returns, maintenance, operations scheduling, and data platform services for logistics packages.

- **Rental Services**: The rental services model provides a fixed-term rental with customers paying based on the number of days the logistics packages are used. Rental service providers are only responsible for the provision of reusable packages, while renters need to manage the operation of logistics packages and bear associated operational risks.

- **Integrated Transportation and Packaging Solution**: Integrated transportation and packaging solutions combine package rental and operational services with other value-added services including logistics transportation, warehouse management and other logistical support.

- **Customer-owned Container Management**: Customer-owned container management offers operational and related services of logistics packages to customers who use their own logistics packages.

The following diagram illustrates the major differences between four reusable package services. Customers primarily select an appropriate mode based on their ability to manage and transport logistics packages, the operational costs involved, and the stability of their demand for logistics packages.

The Comparison Between Different Reusable Package Services

	Service Content				Charging Basis	The Bearer of Package Operation Losses
	Rental Services of Reusable Packages	Operational Services of Reusable Packages	Logistics Transportation	Warehouse Management		
Rental Services	✓	✕	✕	✕	Based on the number of days the reusable packages are used	Customers
Pooling Services	✓	✓	✕	✕	Based on the number of times the reusable packages are circulated	Services Provider
Integrated Transportation and Packaging Solution	✓	✓	✓	✓	Charge additional value-added service fees tailored to customers needs	Services Provider
Customer-owned Container Management	✕	✓	○	○	Charge additional value-added service fees tailored to customers needs	Services Provider

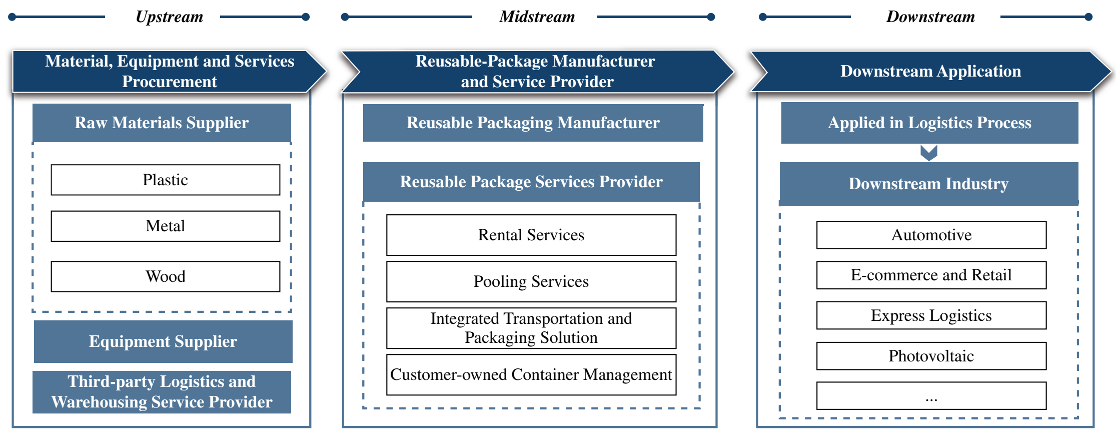
✓ Required ✕ Not Available ○ Optional

Source: Frost & Sullivan Report

In the face of industry demand uncertainty and the inability to predict market fluctuations, reusable package services offer a more cost-effective and lower-risk option for customers. Compared to directly purchasing packaging products, downstream customers can alleviate the heavy capital investment in logistics packages, reduce storage and management costs, and achieve cost savings through reusable package services. Meanwhile, reusable package services provide more professional and standardized packaging products. The reuse and uniform specifications of packaging products helps reduce waste generation, promoting environmental protection and sustainable development.

The Industry Chain of Reusable Package Services Market

The following chart illustrates the industry chain of reusable package services market.



Source: Frost & Sullivan Report

Upstream segment primarily includes the supply of raw materials and equipment needed for reusable packaging, which forms the foundation for manufacturing logistics packaging products and directly influences both the quality and production costs of the final products. Additionally, reusable package services providers may also procure logistics or warehousing services from the upstream to offer integrated transportation and packaging solution.

Midstream participants include reusable packaging manufacturers and services providers. Reusable package services providers may either purchase products from manufacturers or design and produce packaging products in-house, subsequently offering various services to downstream customers.

In the downstream segment of reusable package services market, the reusable packages are ultimately applied to the logistics processes of various industries, including automotive, e-commerce and retail, express logistics and photovoltaic industry, among others.

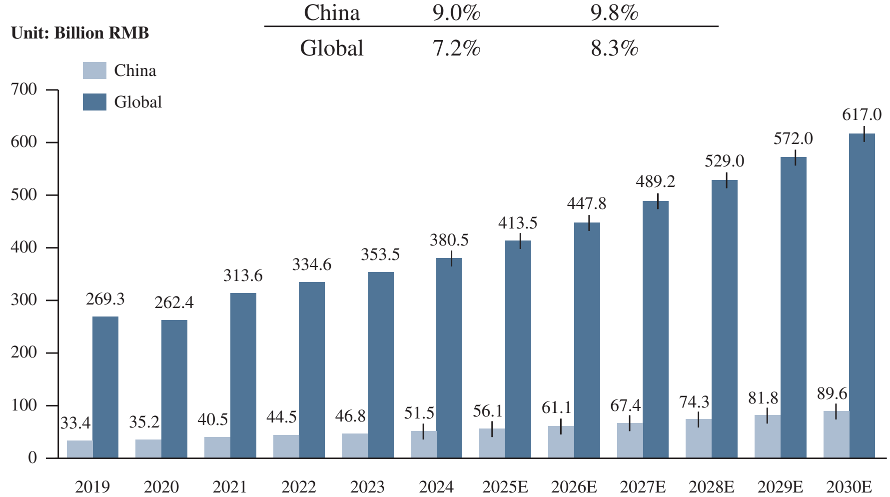
Market Size of Global and China Reusable Package Services Market

The global reusable package services market maintains steady growth, with Europe and North America leading the way. They hold significant advantages in policy support, technological innovation, and market maturity, having developed a comprehensive service system. According to Frost & Sullivan, in terms of revenue, the size of global reusable package services market grew from RMB269.3 billion in 2019 to RMB380.5 billion in 2024, representing a CAGR of 7.2%, and is expected to reach RMB617.0 billion in 2030, representing a CAGR of 8.3% from 2025 to 2030.

Driven by Chinese favorable policy support, in terms of revenue, the size of reusable package services market in China grew from RMB33.4 billion in 2019 to RMB51.5 billion in 2024, representing a CAGR of 9.0%, and is expected to reach RMB89.6 billion in 2030, representing a CAGR of 9.8% from 2025 to 2030.

Global and China Reusable Package Services Market Size

CAGR	2019-2024	2025E-2030E
China	9.0%	9.8%
Global	7.2%	8.3%



Competitive Landscape of China Reusable Package Services Market

According to Frost & Sullivan, the size of reusable package services market in China reached RMB51.5 billion in 2024, accounting for 6.4% of the total logistics packaging solution market. The market is highly fragmented, with over 400 companies providing reusable package services and the top five players accounting for 6.3% of the market. In terms of revenue in 2024, we ranked as the second-largest provider of reusable package services in China, with a market share of 1.5%.

The following table presents the ranking of China reusable package services market, as measured by revenue in 2024:

Ranking	Company	Company Background	Market Share
1	Company B	A leading reusable package services provider in Asia Pacific, primarily serving consumer good, fresh and automotive sectors. It was founded in 1942.	2.0%
2	The Company	A reusable package services provider which specializes in delivering integrated solutions and intelligent logistics systems management services. It was founded in 2016.	1.5%

Ranking	Company	Company Background	Market Share
3	Company A	A comprehensive solution provider for reusable logistics packaging, focusing on providing the R&D and manufacturing of reusable logistics packages, pooling services and integrated transportation and packaging solution. It was founded in 2019 and owned by a company listed on SZSE and HKEx.	1.3%
4	Company D	A global reusable package services provider, specializing in rubber, chemicals, automotive and food products sector. It was founded in 1980.	0.9%
5	Company F	A reusable package services provider, focusing on providing intelligent packaging cycle and pooling solutions. It was founded in 2013.	0.6%

Note: The ranking is based on revenue from reusable package services in 2024.

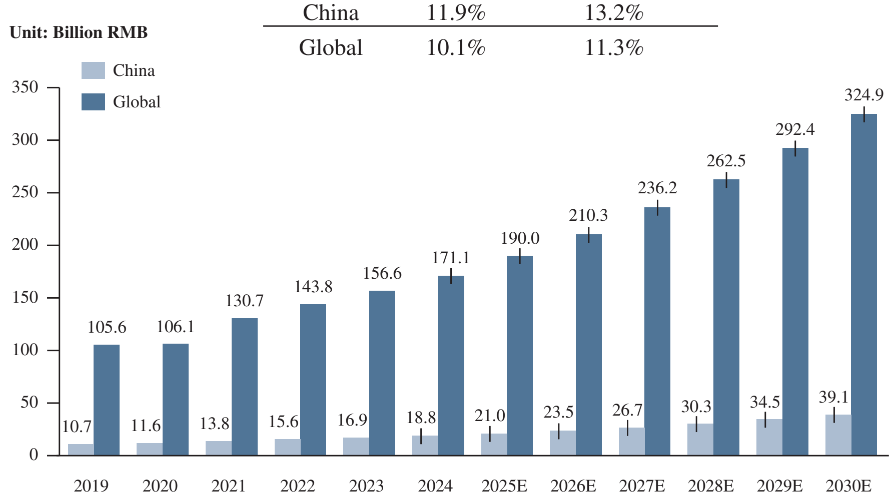
Market Size of Global and China Pooling Services Market

Driven by the demand for sustainability and trends in supply chain optimization, the global pooling services market maintains steady growth. According to Frost & Sullivan, in terms of revenue, the size of global pooling services market grew from RMB105.6 billion in 2019 to RMB171.1 billion in 2024, representing a CAGR of 10.1%, and is expected to reach RMB324.9 billion in 2030, representing a CAGR of 11.3% from 2025 to 2030.

In China, the large existing market for logistics packaging holds significant potential for the future development of the pooling services market. Driven by Chinese favorable policy support and market demand for cost reduction and environmental protection in logistics packaging, the market size of pooling services in China increased rapidly and is expected to continue to grow in the future. According to Frost & Sullivan, the size of pooling services market in China grew from RMB10.7 billion in 2019 to RMB18.8 billion in 2024, representing a CAGR of 11.9%, and is expected to reach RMB39.1 billion in 2030, representing a CAGR of 13.2% from 2025 to 2030.

Global and China Pooling Services Market Size

CAGR	2019-2024	2025E-2030E
China	11.9%	13.2%
Global	10.1%	11.3%



Source: Frost & Sullivan Report

Competitive Landscape of China Pooling Services Market

According to Frost & Sullivan, in terms of revenue, the size of pooling services market in China reached RMB18.8 billion in 2024, representing 2.4% of the total logistics packaging solution market. The top five players together accounted for 10.4% of the market. In terms of revenue in 2024, we ranked as the largest pooling services provider in China, with a market share of 3.6%.

The following table presents the ranking of China pooling services market, as measured by revenue in 2024:

Ranking	Company	Company Background	Market Share
1	The Company	A reusable package services provider which specializes in delivering integrated solutions and intelligent logistics systems management services. It was founded in 2016.	3.6%
2	Company A	A comprehensive solution provider for reusable logistics packaging, focusing on providing the R&D and manufacturing of reusable logistics packages, pooling services and integrated transportation and packaging solution. It was founded in 2019 and owned by a company listed on SZSE and HKEx.	2.5%

Ranking	Company	Company Background	Market Share
3	Company B	A leading reusable package services provider in Asia Pacific, primarily serving consumer good, fresh and automotive sectors. It was founded in 1942.	1.7%
4	Company D	A global reusable package services provider, specializing in rubber, chemicals, automotive and food products sector. It was founded in 1980.	1.5%
5	Company F	A reusable package services provider, focusing on providing intelligent packaging cycle and pooling solutions. It was founded in 2013.	1.1%

Source: Company website, Frost & Sullivan Report

Note: The ranking is based on revenue from pooling services in 2024.

Entry Barriers of Pooling Services Market

Capital Barrier

Customers typically demand that pooling service providers respond quickly to logistics needs, which necessitates a stable asset reserve, a nationwide warehousing and transportation network, and refined operational capabilities to ensure efficient product turnover. This requires substantial initial capital investment, including the production of a sufficient quantity of reusable package products and the establishment of an operational network.

Economies of Scale Barrier

Leading pooling service companies can significantly reduce the maintenance and operating costs of individual product through bulk purchasing, production, and standardized operations. This enables large companies to offer more competitive pricing, while smaller new entrants may struggle with higher per-unit costs and lower operational efficiency.

Technical Barrier

The pooling service industry increasingly relies on digital technologies, such as the Internet of Things (IoT), big data analytics, and automation systems, to achieve real-time tracking, inventory management, and operational efficiency. However, the development and deployment of these systems require technical expertise and continuous funding, creating significant barriers for new entrants lacking technical resources.

Threats and Challenges of Pooling Services Market

Lack of Market Awareness

Although pooling services offer significant environmental and cost advantages, many potential customers, especially small and medium-sized enterprises, lack sufficient awareness of this model. They tend to favor traditional disposable packaging sales model, perceiving pooling services as uncertain due to concerns such as fluctuating service fees, packaging quality, and timely response to demand. Effectively increasing market acceptance of pooling services has become one of the primary challenges for industry development.

High Initial Capital Investment

Pooling services require substantial initial investment, including the purchase of packaging assets, the establishment of logistics networks, the development of digital management systems, and maintaining inventory reserves. For new entrants or smaller companies, these capital requirements can be overwhelming.

Diverse Customer Demands

Different industries often have unique packaging needs based on their operational characteristics or product attributes. For example, the automotive industry may require durable and reusable containers for large and heavy parts, while the food and beverage sector prioritizes hygiene and temperature control. Meeting these diverse demands requires companies to offer highly customized solutions, which can increase design and production complexity as well as inventory management costs.

Drivers and Trends of Pooling Services Market

Favorable Policy Support

In recent years, countries have continuously issued relevant environmental policies, which further promote the use of reusable logistics packages. In 2021, China issued the Notice on Promoting the Application of Standardized Logistics Turnover Boxes (《關於做好標準化物流周轉箱推廣應用有關工作的通知》), which called for establishing and improving a standardized regulatory framework for reusable logistics containers, and accelerating the development of a circular and shared-used system. In addition, in 2024, relevant Chinese authorities issued the Action Plan for Reducing Costs, Improving Quality and Efficiency in Transportation and Logistics (《交通物流降本提質增效行動計劃》), which further proposed accelerating the promotion and shared use of standardized unitized logistics packages such as pallets and reusable containers.

Enhanced Standardization of Logistics Packaging Products

In 2021, the relevant Chinese authorities issued the Notice on Promoting the Application of Standardized Logistics Turnover Boxes (《關於做好標準化物流周轉箱推廣應用有關工作的通知》), proposing the nationwide adoption of standardized logistics turnover boxes to accelerate the green transformation of logistics packages. Standardization not only helps improve logistics efficiency but also reduces transportation and storage costs. Furthermore, a more standardized logistics packaging design also facilitates easier management and circulation, thereby better enabling the pooling services. With the increasing complexity of globalization and supply chains, logistics packaging standardization is becoming increasingly important.

More Intelligent and Automated

The application of advanced technologies such as the Internet of Things (IoT) and artificial intelligence (AI) is becoming increasingly widespread in the pooling services market. IoT technology enables real-time tracking and monitoring of logistics packages. By applying technologies such as radio-frequency identification (RFID), near-field communication (NFC), and low-energy Bluetooth (BLE) to logistics packages, pooling services companies can obtain real-time location information, status data, and usage conditions. And the application of AI technology helps analyze large volumes of data to predict packaging demand and usage trends, thereby optimizing inventory management and scheduling. In the future, as the application of IoT and AI in the pooling services market becomes more extensive, the industry will move towards greater intelligence and automation.

Further Expansion of Downstream Applications

With national policies strongly advocating "green logistics packages", the requirements for environmental protection and cost control in various industries are increasing, leading to the further expansion of the pooling services market. Compared to the use of disposable packages, pooling services provide more professional and standardized packaging solutions, helping to enhance the safety and efficiency of transportation and storage. Furthermore, pooling services have established a nationwide service network, management and monitoring system, enabling expansion from one industry to multiple industries. Currently, the downstream applications of this market are mainly concentrated in the automotive industry. In the future, its application would further increase in the e-commerce and retail, express logistics and photovoltaic industries.

OVERVIEW OF GLOBAL AND CHINA AUTOMOTIVE POOLING SERVICES MARKET

The Current Status of Pooling Services in the Automotive Market

Competitive Volatility

The automotive market is influenced by economic cycles, policy changes, market demand, and technological advancements, making it a volatile market. These factors create intense competition within the industry, resulting in unpredictable production and sales volumes for original equipment manufacturers. Consequently, downstream logistics packaging often experience periods of inactivity, highlighting the importance of pooling services in the automotive market to provide a flexible and cost-effective logistics solution.

The Growth of Automobile Market

According to Frost & Sullivan, in 2024, the global volume of automobile sales reached 95.3 million, marking a year-on-year increase of 2.8%. Additionally, China's automobile sales reached 31.4 million, with a 4.5% year-on-year increase, according to Frost & Sullivan. Based on data issued, the automotive market has shown its enormous market potential with impressive sales figures. With the rapid expansion of the new energy vehicle, the market is currently experiencing a new growth phase. This momentum drives the automotive industry's prosperity and stimulates the widespread use of pooling services in the automotive parts supply chain, leading to positive improvement in logistics efficiency and sustainability.

Rising Value in Automotive Components

In the future, the automotive industry is undergoing a significant transformation. Introducing new energy vehicle has simplified automotive structures and reduced the number of parts while increasing the value of individual components. This change necessitates higher standards for transporting automotive parts in logistics containers. The complex parts require more specialized logistics services to ensure their safe transit and integrity. Additionally, the logistics containers must be adaptable to the varying shapes and sizes of parts, offering more flexible and efficient transportation solutions to meet the evolving needs of the industry.

Diverse Application Scenarios

Pooling services provide various logistics and supply chain management approaches for the automotive industry, particularly in inbound logistics, these services enhance the efficiency and environmental sustainability of transporting raw materials and components. In the after-sales market, standardized container systems ensure the integrity and safety of replacement parts, leading to improved service response time and quality. In export logistics, especially international transportation of KD (Knock Down) parts, reused and recycled containers increase loading and unloading efficiency. The application of digital operation services reduces risks and costs associated with transportation. With increasing global awareness of environmental responsibility and resource conservation, the use of pooling services is expected to grow. It will become a key component of the automotive industry's logistics optimization and sustainable development strategy.

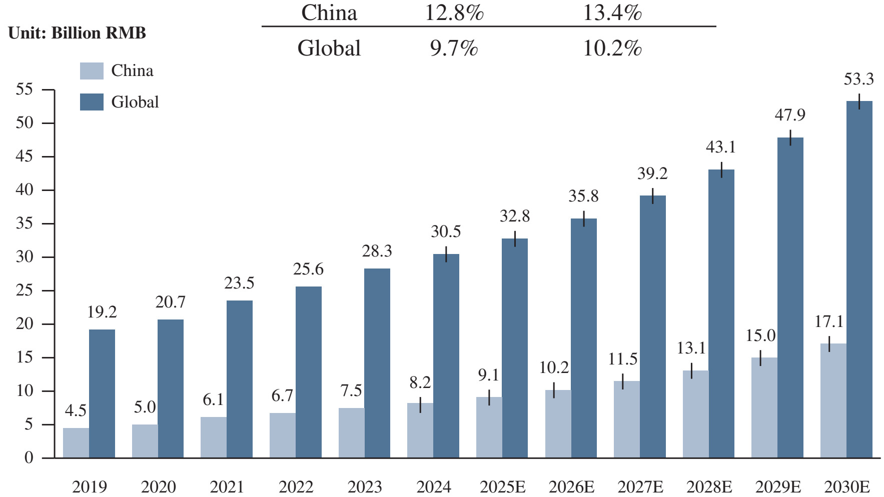
Market Size of Global and China Automotive Pooling Services Market

The automotive industry is becoming increasingly competitive, driving a greater need for cost reduction. By adopting pooling services, OEMs (Original Equipment Manufacturers) can reduce their investment in logistics packaging assets and lower costs. Additionally, sales forecast for each automotive brand are difficult, leading to significant fluctuations in demand. Pooling services can flexibly adjust the quantity of logistics packages based on changes in production and logistics needs, avoiding excess idle logistics packages and helping OEMs mitigate risk. Therefore, pooling services are widely used in the automotive industry.

According to the Frost & Sullivan, in terms of revenue, global automotive pooling services market has grown from RMB19.2 billion in 2019 to RMB30.5 billion in 2024, with a CAGR of 9.7% from 2019 to 2024. China's vast automotive market has provided a broad space for the development of the automotive pooling services market in China. According to Frost & Sullivan, in terms of revenue, the size of automotive pooling services market in China grew from RMB4.5 billion in 2019 to RMB8.2 billion in 2024, representing a CAGR of 12.8%, and is expected to reach RMB17.1 billion in 2030, representing a CAGR of 13.4% from 2025 to 2030.

Global and China Automotive Pooling Services Market Size

CAGR	2019-2024	2025E-2030E
China	12.8%	13.4%
Global	9.7%	10.2%



Source: Frost & Sullivan Report

Competitive Landscape of China Automotive Pooling Services Market

According to the Frost & Sullivan, in terms of revenue, the size of automotive pooling services market in China reached RMB8.2 billion in 2024, representing 1.0% of the total logistics packaging solution market. The top five players together accounted for 13.7% of the market. We ranked first in China automotive pooling services market in terms of revenue in 2024, holding 8.2% of the market share.

The following table presents the ranking of China automotive pooling services market, as measured by revenue in 2024:

Ranking	Company	Company Background	Market Share
1	The Company	A reusable package services provider which specializes in delivering integrated solutions and intelligent logistics systems management services. It was founded in 2016.	8.2%
2	Company C	A reusable package services provider, primarily serving automotive sectors, including major OEMs and auto parts manufacturers. It was founded in 2011.	2.0%
3	Company A	A comprehensive solution provider for reusable logistics packaging, focusing on providing the R&D and manufacturing of reusable logistics packages, pooling services and integrated transportation and packaging solution. It was founded in 2019 and owned by a company listed on SZSE and HKEx.	1.4%
4	Company F	A reusable package services provider, focusing on providing intelligent packaging cycle and pooling solutions. It was founded in 2013.	1.1%
5	Company E	A comprehensive solution provider for reusable logistics packaging, focusing on providing the R&D, manufacturing and sales of reusable packaging products and reusable package services. It was founded in 2005 and listed on SZSE.	1.0%

Source: Company website, Frost & Sullivan Report

Note: The ranking is based on revenue from pooling services in the automotive industry in 2024.

Entry Barriers of Automotive Pooling Services Market

Design Capability Barrier

The automotive industry imposes stringent requirements on packaging solutions, prioritizing the safety, precision, and efficiency of component transportation. Automotive parts, such as body structures, powertrain systems, and batteries, are often complex in shape, diverse in size, and high in value, requiring packaging that ensures protection and maximizes load efficiency. Companies must possess the ability to design customized packaging products for specific components while meeting lean production needs.

Customer Resource Barrier

Collaboration is typically based on long-term agreements and trust in the automotive industry. OEMs and suppliers tend to prioritize companies with prior partnership experience or those with extensive project experience in the field. Therefore, new entrants may face difficulties in building relationships quickly, which creates a strong entry barrier.

Industry Experience Barrier

The automotive industry requires seamless integration between pooling services and its sophisticated supply chain systems. Pooling service providers must align their operations with the production schedules, logistics planning, and inventory management systems of OEMs and suppliers. This level of integration demands a deep understanding of automotive supply chain processes and the ability to tailor services accordingly. Established players, who have long-standing collaborations and relevant experience, have a significant advantage.

Threats and Challenges of Automotive Pooling Services Market

Complex Packaging Logistics Management

The production and sales in the automotive industry involve multiple regions, making packaging logistics management a challenging issue. After use, packaging needs to be efficiently recovered and sent to designated locations for cleaning, maintenance, and reuse. However, the involvement of multiple parties in the packaging logistics process may lead to delays or losses, increasing operational difficulty. Companies need to establish efficient recycling systems and implement digital management methods to address this challenge.

Increasingly Intense Market Competition

As the concept of reusable packaging gains popularity, more companies are entering the field, intensifying market competition. Maintaining profit margins during price wars while offering differentiated services, such as comprehensive logistics solutions or advanced digital management systems, is crucial for pooling services providers to gain customer trust and stand out in the market.

Drivers and Trends of Automotive Pooling Services Market

Rapid Expansion of the New Energy Vehicle Market

As the concept of new energy is promoted and the global demand for low-carbon and eco-friendly vehicles continues to rise, the related industry chains, including the production of crucial automotive components such as batteries, electric motors, and electronic controls, will undergo robust growth. Therefore, supply chains must be optimized to ensure the timely delivery of these components, while also leveraging advanced technologies to enhance the efficiency of logistics operations. Due to the increase in the value of individual vehicle components and stringent transportation conditions, the logistics industry is required to develop safer and more environmentally friendly transportation solutions. Furthermore, the growth of the new energy vehicle has emphasized the importance of global supply chain configuration, digital application, and innovation in service models. Close collaboration among automobile manufacturers, component suppliers, and logistics service providers has become essential to ensure the smooth operation of the entire supply chain and a quick response to market demands.

Automotive Components Elevate Design Standards

Due to the fast-paced technological advancements in the automotive industry, container design and development are now facing higher industry standards. The diversity and precision of automotive parts necessitate container solutions that can provide customized services to ensure the safety of the components during transportation. Additionally, the industry demands reusable packaging solutions that not only reduce weight to enhance energy efficiency, but also integrate new composite materials instead of traditional ones. These advanced materials improve antimicrobial properties, oxidation resistance, and wear durability to ensure automotive component safety, integrity, and performance throughout the supply chain.

Striding into Global Competition

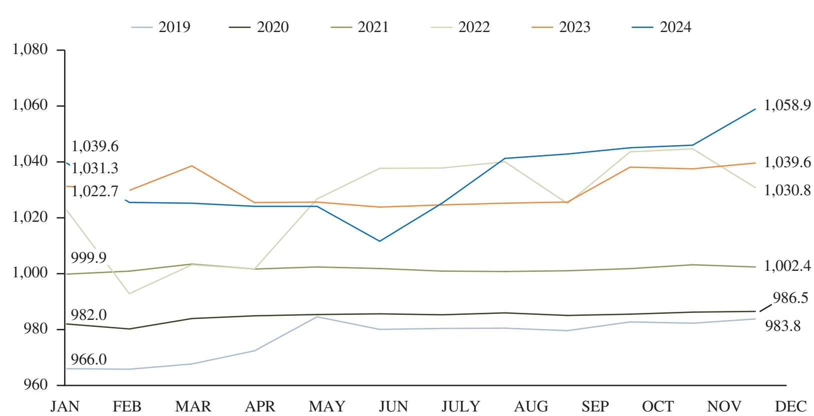
In the face of early global market deployments in the field of pooling services, the remarkable growth in China's automotive industry exports has propelled pooling services providers to leverage the internationalization of China's supply chain. Looking forward, pooling services is set to have broader application in support of dual goals of sustainability and cost-effectiveness.

Historical and Future Trends of Major Costs in Logistics Packaging Solution

Due to factors such as rising fuel price volatility, increased vehicle and compliance-related operating costs, and the rapid growth in demand driven by the development of the e-commerce industry, China's road logistics freight price index has shown an upward trend each year since 2019. By December 2024, the index had reached 1,058.9 points.

With the continued recovery of China's economy and steady growth in logistics demand, the road logistics freight rate index is expected to experience mild fluctuations while maintaining an overall upward trend. Upward pressure on the index may persist due to factors such as rising labor costs, volatility in oil prices, and the implementation of stricter environmental regulations. However, in the long term, technological advancements — particularly the adoption of autonomous driving technologies, intelligent dispatching systems, and new energy trucks — are anticipated to improve operational efficiency and reduce overall costs, which may help offset the upward pressure on freight price index.

China Road Logistics Freight Price Index



Source: China Federation of Logistics & Purchasing, Frost & Sullivan

REPORT COMMISSIONED BY FROST & SULLIVAN

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the worldwide and China markets. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. The contract sum to Frost & Sullivan is RMB660,000 for the preparation of the Frost & Sullivan Report. The payment of such an amount was not contingent upon our successful Listing or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the Global Offering. We have included certain information from the Frost & Sullivan Report in this prospectus because we believe such information facilitates an understanding of the logistics packaging solution market and pooling services market for potential investors. Frost & Sullivan prepared its report based on its inhouse database, independent third-party reports, and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices, and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research's reliability may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

This section sets out a summary of the major relevant laws, regulations, rules and policies which may have material impact on our business and operations and are subject to change in the future, but it does not include a detailed analysis of PRC Laws related to our business activities and operations in the PRC, or serve as all PRC Laws applicable to our operations in the PRC.

PRC REGULATIONS ON REUSABLE PACKAGE INDUSTRY

Pursuant to the Circular Economy Promotion Law of the PRC (《中華人民共和國循環經濟促進法》) promulgated and implemented by the SCNPC on August 29, 2008 and amended on October 26, 2018, as well as the Jiangsu Province Circular Economy Promotion Regulations (《江蘇省循環經濟促進條例》) promulgated and implemented by the Standing Committee of Jiangsu Provincial People's Congress on May 25, 2015 and amended on September 29, 2021, entities engaged in the design of processes, equipment, products and packaging shall give priority to the selection of materials and design solutions that are easily recyclable, disassemblable, degradable, non-toxic, harmless or low-toxic and low-hazard, in compliance with the requirements of reducing resource consumption and waste generation. For any violations of the provisions stipulated in these regulations, penalties shall be imposed in accordance with the relevant laws and regulations where punishment provisions exist; if the act constitutes a crime, criminal liability shall be investigated according to law.

The General Office of the State Council issued the Guiding Opinions on Vigorously Promoting the Innovation and Application of Supply Chain (《關於積極推進供應鏈創新與應用的指導意見》), which became effective from October 5, 2017, proposing to promote the service levels of supply chain, actively advocate the green supply chain, and create a good policy environment for supply chain innovation and application.

On September 8, 2021, the National Development and Reform Commission (NDRC) and the Ministry of Ecology and Environment (MOE) issued and implemented the "14th Five-Year Plan of Action for the Control of Plastic Pollution"《"十四五"塑料污染治理行動方案》, which proposes to continue to push forward the reduction of the use of disposable plastic products, and to promote the recycling and sharing of standardized logistics crates across the country.

On March 11, 2020, NDRC and the Ministry of Justice (MOJ) issued the Opinions on Accelerating the Establishment of a System of Regulations and Policies on Green Production and Consumption (《關於加快建立綠色生產和消費法規政策體系的意見》), stating that it is necessary to promote the green development of the service industry, improve the support policies for the construction of green logistics, accelerate the establishment and improvement of the legal, standard and policy system of green packaging in the fields of express delivery, e-commerce, takeaway, etc., reduce the use of over-packaging and single-use items, encourage the use of degradable and recyclable packaging materials and logistics equipment.

REGULATIONS ON ROAD TRANSPORT

Pursuant to the Regulations on the Road Transport of the PRC (《中華人民共和國道路運輸條例》), which was promulgated on April 30, 2004 and last amended on July 20, 2023, any individual and institution that engage in the operation of road transportation shall apply for the road transportation operation licenses at the local road transportation administrations and shall also obtain the vehicle operation licenses for the vehicles that are used for the road transportation. Any individual and institution that engage in the operation without the road transportation operating licenses may result in the order to stop their operations, the confiscation of their illegal gains and the imposition of fines. Criminal liability may be incurred in serious cases.

The Regulations on the Road Transport of the PRC, and the Provisions on Administration of Road Transportation and Stations (Sites) (《道路貨物運輸及站場管理規定》) issued by the Ministry of Transport (MOT), on June 16, 2005 and last amended on November 10, 2023, require that any individual or institution applying for the operation of freight transportation, except international freight transportation and transportation of dangerous goods, shall have: (i) qualified vehicles for operations; (ii) competent drivers under 60 with relevant driving licenses who (except for drivers who use general freight vehicles with a total mass of 4.5 metric tons or less) have passed requisite knowledge tests and obtained qualification certificates, and (iii) sound and proper administrative systems for safe operation. The transportation administrations at the county level (districted city level for transportation of dangerous goods) are responsible for the issuance of the operating permits for the freight transport operating enterprises and the operating licenses for the freight transport operating vehicles. An enterprise shall conduct freight transportation operation in accordance with the scope specified under its road transportation permit and shall not transfer or rent such permit to others.

REGULATIONS ON FOREIGN INVESTMENT

The Sino-foreign Equity Joint Venture Law (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》) were enacted on July 8, 1979, on April 13, 1988 and on April 12, 1986, respectively, and amended from time to time. On September 3, 2016, the SCNPC published the Decision of the SCNPC on Revising Four Laws Including the "Wholly Foreign-owned Enterprise Law" (全國人大常務委員會關於修改等四部法律的決定) (the "2016 Foreign Investment Decision"), amending the trio of existing foreign investment laws with effect from October 1, 2016.

Prior to the 2016 Foreign Investment Decision, the establishment of a foreign-invested enterprise is subject to the examination and approval by MOFCOM or its local branches with no exception. The 2016 Foreign Investment Decision made significant changes to this regulatory approach. According to the 2016 Foreign Investment Decision, only foreign investment in the areas subject to special administrative measures for foreign investment access needs to get the approval from the MOFCOM or its local branches. Foreign investment in other areas is only required to be filed with the MOFCOM or its local branches for record.

The MOFCOM promulgated the Provisional Administrative Measures for the Record-filing of the Establishment and Modification of Foreign-investment Enterprise (《外商投資企業設立及變更備案管理暫行辦法》) on October 8, 2016, and amended it on July 30, 2017 and June 30, 2018, respectively, which detailed the record-filing requirements and procedures for foreign investment in areas not subject to special administrative measures for foreign investment access. On March 15, 2019, the SCNPC approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020 and replaced three previous major laws on foreign investments in China, namely the Sino-foreign Equity Joint Venture Law (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》), together with their respective implementing rules. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules. Along with the implementation of Foreign Investment Law and the Implementing Rules, on December 30, 2019, MOFCOM and SAMR promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which came into effect on January 1, 2020, repealing the Provisional Administrative Measures for the Record-filing of the Establishment and Modification of Foreign-investment Enterprise (《外商投資企業設立及變更備案管理暫行辦法》). Under the Foreign Investment Reporting Measures, the requirement of record-filing with or approval from the MOFCOM or its local branches is replaced with a reporting requirement, regardless of whether such foreign investment is subject to special administrative measures for foreign investment access.

REGULATIONS ON OVERSEAS INVESTMENT

The Administrative Measures for Outbound Investment Management (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014. As defined by the Measures for Overseas Investment Management, overseas investment means that the enterprises legally incorporated in the PRC own the non-financial enterprises or obtain the ownership, control and operation management rights of the existing non-financial enterprises in foreign countries through incorporation, merger and acquisition and other means. If the overseas investments involve sensitive countries and regions or sensitive industries, they shall be subject to the approval of competent authorities. For other overseas investments, they shall be subject to filing administration. Local enterprises shall file with the provincial commercial administration authorities where they are located. The qualified enterprises will be put into record and granted with Overseas Investment Certificate for Enterprise by the relevant provincial commercial administration authorities.

The Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018. As defined therein, overseas investment means any investment activities in which a domestic enterprise of the PRC obtains ownership, control, operation and management rights and other relevant interests directly or through its controlled overseas enterprise by way of contributing asset and/or interest or providing financing and/or guarantee. To conduct overseas investment, certain procedures shall be compiled with, including approval and record-filing of overseas investment project, reporting relevant information and cooperating with the supervision and inspection. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018版)》), which was promulgated by the NDRC on January 31, 2018 and came into effect on March 1, 2018, to list the current sensitive industries in detail.

REGULATIONS ON FOREIGN EXCHANGE CONTROL

According to the "Administrative Regulations of the People's Republic of China on Foreign Exchange" (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008, as well as various regulations promulgated by SAFE and other PRC regulatory authorities, foreign currencies can be converted or paid into or out of two different kinds of accounts, namely, the current account and the capital account. For payment of current account items (including foreign exchange transactions relating to goods, trade and services and other current payments), RMB can be converted into foreign currency without the approval of the SAFE, subject to certain procedural requirements, including the production of relevant supporting documents for the transactions. The conversion of RMB into foreign currencies and the remittance of foreign currencies out of the PRC for capital account items (such as direct equity investments, loans and recovered investments) must be approved by or registered with the SAFE or its local authorities in advance. According to the Circular of SAFE on Further Improving and Revising the Foreign Exchange Control Policy on Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) issued by the SAFE on November 19, 2012 and last amended on December 30, 2019, the opening of multiple special purpose foreign exchange accounts does not require the approval of SAFE. In addition, the same entity may open multiple capital accounts in different provinces. Reinvestment of legitimate income of foreign investors in the PRC is no longer required to be approved or verified by the SAFE, and foreign exchange purchases and remittances resulting from capital reduction, liquidation, prior recovery of investment or transfer of shares of a foreign-invested enterprise are no longer required to be approved by the SAFE. According to the Circular of SAFE on Further Improving and Revising the Foreign Exchange Control Policy on 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》) issued by the SAFE on February 13, 2015 and last revised on

December 30, 2019, the foreign exchange registration of inward direct investment and outward direct investment will be reviewed and processed by the banks directly, and the SAFE and its branches should indirectly supervise the foreign exchange registration through the banks.

REGULATIONS ON IMPORT AND EXPORTS OF GOODS

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and amended on July 8, 2000, June 29, 2013, December 28, 2013, November 7, 2016, November 4, 2017 and April 29, 2021, unless otherwise stipulated, the declaration of imported goods may be made by the consignors and consignees themselves, and such formalities may also be completed by their entrusted customs brokers. The consignees for import of goods and the customs brokers engaged in customs declaration shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws. Where Customs declaration business is engaged in without being filed with the Customs, the Customs shall impose a fine against the party concerned.

Pursuant to the Administrative Provisions for Registration of Customs Declaration Agents of the PRC (《中華人民共和國海關報關單位註冊登記管理規定》), which were issued by the GACC on March 13, 2014, last revised on May 29, 2018 and became effective on July 1, 2018, after registration with customs, recipients and senders of imported and exported goods may complete customs declaration formalities at customs territory ports or at the centralized customs surveillance place within the territory of the PRC. On November 19, 2021, the Administrative Provisions of the Customs of the PRC on the Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) was promulgated and became effective on January 1, 2022, which repealed the Administrative Provisions for Registration of Customs Declaration Agents of the PRC (《中華人民共和國海關報關單位註冊登記管理規定》).

Pursuant to the Administrative Provisions of the Customs of the PRC on the Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the GACC on November 19, 2021 and became effective from January 1, 2022, customs declaration entities refer to the consignors and consignees of imported goods and customs declaration enterprises recorded with the customs. If the consignors and consignees of imported goods and customs declaration enterprises apply for record-filing, they shall obtain the qualification of market entities; among them, if the consignors and consignees of imported goods apply for record-filing, they shall also obtain the record-filing of the foreign trade operators. The record-filing of the customs declaration entities is valid for a long period of time, while the temporary record-filing is valid for one year, after which re-application of record-filing can be made. Where there is a change to the basic information of the customs declaration entity, and the customs declaration entity fails to go through the formalities for change with the Customs in accordance with the relevant provisions, the Customs shall order it to make corrections, and if it refuses to do so, the Customs may impose a fine of not more than RMB10,000 on it.

According to the Law on Import and Export Commodity Inspection of the PRC (《中華人民共和國進出口商品檢驗法》) promulgated by the SCNPC on February 21, 1989 and amended on April 28, 2002, June 29, 2013, April 27, 2018, December 29, 2018 and April 29, 2021 and its implementation ordinance, consignors and consignees of imported goods may complete the application formalities of customs inspection by themselves or authorize an agent to complete this procedure. The government maintains a documentary record and registration system for application formalities of customs inspection completed by the recipient of imported goods by themselves. The recipient and sender of imported and exported goods completing quarantine formalities must submit documentary records to the relevant entry and exit quarantine inspection body in accordance with the laws.

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) issued by the SCNPC on December 30, 2022 deleted the requirements on the foreign trade dealers engaged in the import and export of goods or technologies to be registered with the competent administrative departments of foreign trade of the State Council or any institutions authorized thereby, namely the filing of foreign trade dealers.

REGULATIONS ON TAXATION

Enterprise Income Tax ("EIT")

Pursuant to the "EIT Law" (《中華人民共和國企業所得稅法》) promulgated by the SCNPC on March 16, 2007, which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018 respectively, and the "Implementing Rules of the Enterprise Income Law of the PRC" (《中華人民共和國企業所得稅法實施條例》), formulated by the State Council on December 6, 2007, which came into effect on January 1, 2008 and was amended on April 23, 2019, resident enterprises shall be subject to EIT at a rate of 25% on their income derived from sources within or outside the territory of the PRC. Foreign-invested enterprises in the PRC that are classified as resident enterprises shall be subject to an EIT rate of 25% on their income derived from sources within or outside the PRC. High-tech enterprises supported by the State shall be subject to a reduced EIT rate of 15%. A non-resident enterprise which has not set up any organization or establishment in the PRC, or which has set up any organization or establishment but the income derived from it has no actual connection with the organization or establishment, shall pay enterprise income tax at a rate of 10% on its income derived from within the PRC.

Value-Added Tax ("VAT")

According to the "Provisional Regulations on Value-added Tax of the PRC" (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993 and amended on November 10, 2008, February 6, 2016 and November 19, 2017, and the "Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax" (《中華人民共和國增值稅暫行條例實施細則》) promulgated by MOF on December 25, 1993 and last amended on October 28, 2011, unless otherwise specified, all enterprises and individuals selling products, providing processing, repair and assembly labor, selling services, intangible assets, immovable assets and importing goods within the territory of the PRC are subject to a value-added tax at a rate of 17%.

Pursuant to the "Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner" (《關於全面推開營業稅改徵增值稅試點的通知》), which was issued on March 23, 2016 and came into effect on May 1, 2016, with the approval of the State Council, the trial point for the conversion of business tax into VAT has been comprehensively launched on a nationwide basis with effect from May 1, 2016 onwards.

The "Circular of on Adjusting Value-added Tax Rates" (《關於調整增值稅稅率的通知》) issued by the MOF and SAT on April 4, 2018 and effective from May 1, 2018, adjusted the applicable tax rate for VAT, with the original 17% and 11% tax rates being adjusted to 16% and 10% respectively for taxpayers engaging in VAT-taxable sales activities or importing goods. According to the "Announcement on Relevant Policies for Deepening Value-Added Tax Reform" (《關於深化增值稅改革有關政策的公告》), which was issued on March 20, 2019 and became effective on April 1, 2019, when a general VAT taxpayer engages in VAT taxable sales or imports goods, the VAT rate previously applicable to 16% is adjusted to 13%; and the VAT rate previously applicable to 10% is adjusted to 9%.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright

The PRC has enacted various laws and regulations relating to the protection of copyright. China is a signatory to some major international conventions on protection of copyright and became a member of the Berne Convention for the Protection of Literary and Artistic Works in October 1992, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

Pursuant to the PRC Copyright Law (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons, or other organizations shall, whether published or not, be entitled to copyrights in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. In addition, Internet activities, products disseminated over the Internet and software products are also entitled to copyrights. There is a voluntary registration system administered by the CCPC. In order to further implement the Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, last amended on January 30, 2013 and came into effect on March 1, 2013, the National Copyrights Administration issued Measures for Registration of Computer Software Copyrights (《計算機

軟件著作權登記辦法》) on February 20, 2002 with immediate effect, which apply to software copyrights registration, licensing registration and transfer registration. The National Copyrights Administration shall be the competent authority for the nationwide administration of software copyrights registration and CCPC, is designated as the software registration authority. The CCPC shall grant registration certificates to computer software copyrights applicants pursuant to relevant regulations.

Patent

According to the PRC Patent Law (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020, and came into effect on June 1, 2021, and its Implementation Rules (《中華人民共和國專利法實施細則》) promulgated by the State Council on January 9, 2010, last amended on December 11, 2023 and came into effect on January 20, 2024, the State Intellectual Property Office is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The PRC Patent Law and its Implementation Rules provide three types of patents, "invention," "utility model" and "design." Invention patents are valid for 20 years, while design patents are valid for 15 years and utility model patents are valid for 10 years, from the date of filling application. The PRC patent system follows "first come, first file" principle, which means that where more than one person file patent applications for the same invention, the patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, obviousness and utility. A third party must procure consent or proper licensing from the patent owner to use the patent. Otherwise, the use constitutes infringement of the patent.

Trademark

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) (the "Trademark Law"), which was promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and came into effect on November 1, 2019, as well as the PRC Implementation Regulation of Trademark Law (《中華人民共和國商標法實施條例》), which was adopted by the State Council on August 3, 2002, last amended on April 29, 2014 and came into effect on May 1, 2014. In China, registered trademarks include commodity trademarks, service trademarks, collective trademarks and certification trademarks.

Trademark Office is responsible for the registration and administration of trademarks throughout the PRC and grants a term of 10 years to registered trademarks. Trademarks are renewable every 10 years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within 12 months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark licensing agreement. Trademark licensing agreements must be filed with the Trademark Office. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. The Trademark Law follows a "first come, first file" principle with respect to trademark registration. Where a trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Domain Name

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology (MIIT) on August 24, 2017 and came into effect on November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration. Domain name registration follows a "first come, first file" principle as well.

REGULATIONS ON 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 amended on August 27, 2009 and December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012 and the Implementing Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council and became effective on September 18, 2008, labor relationship establishes between the employers and the employees from the date of employment. The employers shall enter into written labor contracts with full-time employees. The employers shall pay the employees the labor remuneration on time and in full amount in accordance with the labor contracts and relevant laws and regulations. Violations of the Labor Law of the PRC and the Labor Contract Law of the PRC may result in the imposition of fines and other administrative and criminal liability in the case of serious violations. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010, became effective on July 1, 2011 and was amended on December 29, 2018, the Regulations on Work-Related Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), the Trial Measures for Maternity Insurance for Enterprise Employees (《企業職工生育保險試行辦法》), the Interim Regulations on Collection of Social Insurance Premiums (《社會保險費徵繳暫行條例》), employers in the PRC shall conduct registration of social insurance with the competent authorities, and make contributions to the basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for their employees. If employers fail to pay the social insurance premiums, other than for legitimate reasons such as force majeure, the competent authority shall order the employers to pay the overdue payment or the deficit and the overdue fine within a specific term. In the event of failure to make the aforesaid payment within such specific term, an additional fine may be imposed.

According to the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, the employers must register with the competent housing provident fund management center and, upon the examination by such management center, complete procedures for opening an account at the relevant banks for the deposit of their employees' housing provident fund. Employers are required to pay, on behalf of their employees, for housing provident funds. In the event of any failure of the employers to register or to pay the housing provident fund, the competent housing provident fund management center shall order for completing the formalities or paying the overdue amount or the deficit within a specific term, and failure to complete the registration formalities may result in an overdue fine.

According to the Interpretation (II) of the Supreme People's Court on 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 "**Interpretation**"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the labor Contract law of the PRC, the people's court shall uphold such claim.

REGULATIONS ON PRODUCTION SAFETY AND PRODUCT LIABILITY

Production Safety

According to the Safety Production Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and effect from November 1, 2022 and amended on August 31, 2014 and June 10, 2021, respectively, a producers and business operators shall abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve the all-staff work safety responsibility system and work safety rules and regulations, increase investment in funds, materials, technologies and personnel for work safety, improve the conditions for work safety, strengthen the standardized and information technology development of work safety, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism, and improve the level of work safety so as to ensure work safety. Enterprises that do not have the conditions for safe production shall not engage in production and business activities.

According to the Measures for the Supervision and Administration of "Three Simultaneities" Requirements for the Safety Facilities of Construction Projects (建設項目安全設施"三同時"監督管理辦法), which were promulgated by the former State Administration of Work Safety (now MEM) on April 2, 2015 and became effective on May 1, 2015, the safety facilities of a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project.

Product Liability

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

Special Equipment

In accordance with the Special Equipment Safety Law of the PRC (《中華人民共和國特種設備安全法》) which took effect on January 1, 2014 and the Regulations on Security Supervision of Special Equipment (《特種設備安全監察條例》) which came into effect on June 1, 2003, subsequently amended on January 24, 2009 and came into effect on May 1, 2009, "special equipment" refers to boilers, pressure vehicles (including gas cylinders), pressure pipeline, elevators, lifting appliances, yard (factory) special motor vehicles, passenger ropeways, and large amusements devices, which relate to safety of human lives or having high risks. As required by the Regulations on Safety Supervision of Special Equipment, prior to the putting-into-service of any special equipment or within 30 days after such putting-into-service, units using special equipment shall register with competent departments for safety supervision and administration of special equipment. The registration mark shall be placed or attached to a prominent position on the special equipment. Furthermore, operators and the relevant managerial staff of boilers, pressure vessels, elevators and other devices shall not engage in corresponding operation or management until they have passed the examination organized by the departments for safety supervision and administration of special equipment as required by the State and acquired certificates for operators of special equipment.

REGULATIONS ON FIRE PROTECTION AND ENVIRONMENTAL PROTECTION

Fire Protection

Pursuant to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and last amended on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated on

April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

Environmental Protection

The PRC laws and regulations relating to environmental protection mainly include: Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) (promulgated on April 24, 2014 and implemented on January 1, 2015), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》) (promulgated on June 27, 2017 and implemented on January 1, 2018), Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》) (promulgated and implemented on October 26, 2018), Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) (promulgated on April 29, 2020 and implemented on September 1, 2020).

Pursuant to the aforesaid laws and regulations, enterprises that discharge and dispose of toxic and dangerous substances such as waste water, waste gas and solid waste must comply with the national and local standards of use, and shall declare to and register with the relevant environmental protection administration authorities and pay pollution discharge fees as required depending on the circumstances.

Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) was promulgated by the SCNPC on October 28, 2002 and latest revised on December 29, 2018. The State implements a classification-based management on environmental impact assessment of construction projects according to the impact of the construction projects on the environment. Construction entity shall prepare the environmental impact report or environmental impact statement or fill out the environmental impact registration form.

Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) was promulgated by the State Council on November 29, 1998 and latest revised on July 16, 2017. State standards and local standards for the discharge of pollutants must be complied with in building construction projects that generate pollution; requirements for aggregate control of discharge of major pollutants must be met in areas under aggregate control of discharge of major pollutants.

The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) was promulgated by the SCNPC on October 30, 1995, and was latest revised on April 29, 2020 and implemented on September 1, 2020. The construction of projects that produce, store, use, and treat solid wastes shall be performed with environmental impact assessment conducted as legally required and in compliance with the relevant provisions issued by the state concerning the management of environmental protection in respect of construction projects.

The facilities for the prevention and control of environmental pollution by solid wastes required to be built as ancillaries determined in the environmental impact assessment document of a construction project shall be designed, built and put into operation at the same time as the main part of the project.

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by MEE on April 1, 2024 and became effective on July 1, 2024 and Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, the MEE shall formulate and release a category-based administration catalog of pollutant discharge licensing for stationary pollution sources, specifying the scope subject to the administration of pollutant discharge licensing and the time limit to apply for a pollutant discharge permit. Enterprises, public institutions and other producers and business operators that are included in the category-based administration catalog are required to apply for and obtain a pollutant discharge permit within the prescribed time limit. According to the Guidelines for Registration of Stationary Pollution Sources (for Trial Implementation) (《固定污染源排污登記工作指南(試行)》) promulgated by the General Office of the MEE and implemented on January 6, 2020, where the amount of pollutants produced, discharged and the impact on the environment is slight, such enterprises do not need to apply for the pollutant discharge permit, but are required to register for the discharge of pollution of stationary sources.

The Law of the People's Republic of China on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) was promulgated by the SCNPC on December 24, 2021 and will take effect on June 5, 2022. New construction, reconstruction or expansion projects that may cause noise pollution shall be subject to the environmental impact assessment in accordance with the law.

According to the Interim Measures for the Acceptance Inspections of Environment Protection Facilities of Construction Project (《建設項目竣工環境保護驗收暫行辦法》) promulgated by MEP on November 20, 2017, unless otherwise stipulated by laws and regulations, entities which are required to provide assessment reports and statements shall undertake the responsibility of acceptance inspections of the environmental protection facilities by itself upon the completion of the construction project. A construction project may be formally put into production or use only if the corresponding environmental protection facilities have passed the acceptance examination.

REGULATIONS ON LAND AND PROPERTY

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), which was promulgated by SCNPC on May 28, 2020 and came into effect on January 1, 2021, the creation, change, transfer or elimination of the real right of a real property shall become effective after it is registered according to law; it shall have no effect if it is not registered according to law, unless it is otherwise prescribed by any law. According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), an owner of real property is entitled to possession, use, earnings, and disposal of such property in accordance with the law; a lease agreement is a contract where the lessor delivers the leased property to the lessee for use and benefit, in exchange for which the lessee pays rent. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was promulgated by the SCNPC on June 25, 1986 and last amended on August 26, 2019 and effective since January 1, 2020, state-owned land and land collectively owned by peasants may be determined in accordance with law to be used by units or individuals. Any entity and individual that is in need of land for construction shall apply for use of state-owned land according to the law. The right to use state-owned land may be granted by the government or be obtained by paying land use right transfer fund, and the government departments shall enter into registration in a register and issue certificates in confirmation of the use right. Pursuant to Interim Regulations of the People's Republic of China Concerning the Assignment and Transfer of the Right to the Use of the State-owned Land in the Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) which were issued on May 19, 1990 became effective on the same day, and was amended on November 29, 2020, the maximum term of use of state-owned land is 40 years for commercial usage, 50 years for industrial usage and 70 years for residential usage.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, and amended on March 24, 2019 and March 10, 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》) promulgated by MLR (now known as MNR) on May 9, 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.

REGULATIONS ON HOUSE LEASING FILING

Pursuant to the Administrative Measures for Commodity Housing Tenancy (《商品房屋租賃管理辦法》), which was promulgated by the MOHURD on December 1, 2010 and became effective on February 1, 2011, the parties concerned to a housing tenancy shall go through the housing tenancy registration formalities with the local construction (real estate) administrative department. For such violation and failing to make corrections within the specified time limit urged by the local construction (real estate) administrative department, a fine ranging from RMB1,000 to RMB10,000 for each unfiled leasing agreement may be imposed.

According to the Civil Code of the PRC, if the parties to a lease contract fail to go through the formalities of registration of such contract in accordance with the provisions of laws and administrative regulations, the effectiveness of the contract shall not be affected.

REGULATIONS ON ANTI-BRIBERY

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended and effective as of April 23, 2019, and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the State Administration for Industry and Commerce (now known as SAMR) on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

REGULATIONS ON OVERSEAS LISTINGS

According to the "Trial Measures for Administration of Overseas Issuance of Securities and Listing of Domestic Enterprises" (《境內企業境外發行證券和上市管理試行辦法》) (hereinafter referred to as the "Trial Measures") promulgated by CSRC on February 17, 2023, which came into effect on March 31, 2023, and the guidelines for the application of the five regulatory rules, direct overseas issuance and listing of a domestic enterprise refers to the overseas issuance and listing of a company limited by shares and registered and established in the PRC. Domestic enterprises conducting overseas issuance and listings should file with the CSRC in accordance with the Trial Measures, and submit filing reports, legal opinions and other relevant materials, as well as truthful, accurate and complete information of shareholders. Overseas issuance and listing activities of domestic enterprises shall comply with the laws, administrative regulations and relevant state regulations on foreign investment, state-owned assets management, industry supervision and outbound investment, and shall not disrupt the order of the domestic market, nor jeopardize the interests of the state, the public interest of the society and the legitimate rights and interests of the domestic investors. In the case of an overseas initial public issuance or listing of a domestic enterprise, a record shall be filed with the CSRC within three working days after the submission of the overseas application for listing. The Trial Measures stipulate the circumstances under which overseas issuance and listing shall not be permitted, including (1) where the listing and financing are expressly prohibited by laws, administrative regulations or relevant state regulations; (2) where the relevant competent department of the State Council has determined, in accordance with the law, that the overseas issuance and listing may jeopardize national security; (3) where a domestic enterprise, or its controlling shareholders, or the de facto controller of an enterprise, has been involved in corruption, bribery, embezzlement of property or misappropriation of property, or criminal offences against the socialist market economic order; (4) the domestic enterprise is being investigated by the law for suspected crimes or major violations of laws and regulations, and there is no clear conclusion yet; (5) there are major ownership disputes in the shareholdings held by controlling shareholders or shareholders dominated by controlling shareholders or de facto controllers.

REGULATIONS ON FULL CIRCULATION

The Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (amended in 2023)《H股公司境內未上市股份申請“全流通”業務指引》(2023年修訂) (the “Guidelines for the Full Circulation”) was promulgated by the CSRC on November 14, 2019 and revised on August 10, 2023. According to the Guidelines for the Full Circulation, “Full Circulation” means listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. Shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements in the relevant laws and regulations and policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation.

The Measures for Implementation of H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) (“Measures for Implementation”) was jointly promulgated by CSDC and SZSE on December 31, 2019. The businesses of cross-border conversion registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share Full Circulation business, are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC and CSDC (Hong Kong) and SZSE. In order to fully promote the reform of H-shares Full Circulation and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, CSDC promulgated the Circular on Issuing the Guide to the Program for Full Circulation of H-shares (《關於發佈<H股“全流通”業務指南>的通知》) in February 2020, which specifies the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

According to the Trial Measures, the Full Circulation shall comply with relevant regulations of the CSRC and the shareholders of domestic unlisted shares shall entrust the domestic company to report the Full Circulation with CSRC by filing materials on key compliance issues, including whether the Full Circulation has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the Full Circulation involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

REGULATIONS ON CYBER SECURITY AND DATA SECURITY

On July 1, 2015, SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), (the "National Security Law") which came into effect on the same day. The National Security Law provides that the PRC shall build a network and information security guarantee system and improve network and information security protection capability to realize the controllable security of the network information key technologies and critical infrastructure and the information systems and data in important fields.

On June 10, 2021, SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "Data Security Law"), which took effect on September 1, 2021. The Data Security Law provides for data security requirements on entities and individuals carrying out data processing activities. The Data Security Law also introduces a data classification and layered protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. Violation of the Data Security Law may be subject to an order to cease illegal activities, warnings, fines, suspension of business and revocation of business licenses or operating permits, and the personnel directly in charge or other directly responsible personnel may be imposed with fines.

On December 28, 2021, the CAC, together with certain other PRC governmental authorities, promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) that replaced the previous version and took effect from February 15, 2022. Pursuant to these measures, the purchase of network products and services by a critical information infrastructure operator or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

OVERVIEW

We are a reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and OEMs within the automotive industry.

Our history can be traced back to December 2016 when our Company was established in the PRC after our founders, Mr. Sun (the chairman of our Board, an executive Director and a Controlling Shareholder), Mr. Wang Yue (汪玥) (our executive Director and the nephew of Mr. Sun), Mr. Sun Wenhong (孫文宏) (a former director of Angu Lianyungang, our wholly-owned subsidiary, and the brother of Mr. Sun), and Mr. Zhu Zhizhou (朱智洲) (a former director of Angu Lianyungang), seeing the development potential of reusable package services industry. Since our establishment, our Group has been led by Mr. Sun, who has owned majority stake in our Company since its establishment. Mr. Sun had accumulated years of experience and substantial industry know-how in logistics operations and management through his previous working experience, as well as his founding of Suzhou Industrial Park Anhua Trading Co., Ltd.* (蘇州工業園區安華貿易有限公司) (formerly known as Suzhou Industrial Park Anhua Logistics System Co., Ltd.* (蘇州工業園區安華物流系統有限公司)) ("**Anhua Logistics**"), a logistics company primarily engaged in sales of logistics equipment and provision of logistics related services, in 1998. See "Directors, Supervisors and Senior Management" in this prospectus for the biographical details of Mr. Sun.

Throughout the years, we have developed robust asset management capabilities, and managed a reusable packages asset pool comprising over 1.5 million containers as of August 31, 2025. We have established a service network covering over 100 cities, including major cities such as Shanghai, Wuxi, Guangzhou, Wuhan, and Chongqing, as well as locations in Indonesia and South Korea, as of August 31, 2025. According to Frost & Sullivan, in terms of revenue for 2024, we ranked as the second-largest provider of reusable package services in China with a market share of 1.5% and the largest provider in the automotive pooling services market in China with a market share of 8.2%. In 2024, reusable package services, pooling services, and automotive pooling services accounted for 6.4%, 2.4%, and 1.0%, respectively, of China's overall logistics packaging solution market. The industries in which our Group operates, including reusable package services and pooling services markets in China, are highly fragmented and competitive. To cope with our expansion and strategic needs, we have undergone a series of equity transfers and capital increases since the establishment of our Company, including the introduction of certain influential institutional or corporate investors to invest in our Company. See "Corporate Developments" and "Pre-IPO Investments" in this section for the details of our Company's historical shareholding changes.

KEY MILESTONES

The following table illustrates the key milestones of our business development:

Year	Key milestones
2016	Our Company was established.
2018	We completed the Series A Financing.
	We were recognized as the High-tech Enterprise (高新技術企業) by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance and Jiangsu Provincial Taxation Bureau.
2019	We established ALSCO International Co., Limited, our wholly-owned subsidiary.
	We expanded our reusable package services internationally.
2020	We were recognized as the Leading Enterprise in the Production Service Industry in Suzhou (蘇州市生產性服務業領軍企業) by Suzhou Municipal People's Government.
	We established Changchun ALSCO, our wholly-owned subsidiary.
2021	We were recognized as the Suzhou Unicorn Cultivation Enterprise (蘇州市獨角獸培育企業) by Suzhou Municipal People's Government.
2022	We completed the Series B Financing.
2023	We obtained the ISO 9001:2015 Quality Management Certification and the ISO 14001:2015 Environmental Management Certification.
2024	Our Company was converted from a limited liability company to a joint stock company with limited liability.

CORPORATE DEVELOPMENTS

The following sets forth the corporate history and shareholding changes of our Company.

(i) Formation and acquisition of certain assets and subsidiaries

Before the establishment of our Company, Mr. Sun, together with Mr. Sun Wenhong and Mr. Zhu Zhizhou, founded and primarily engaged in sales of logistics equipment and provision of logistics related services through Anhua Logistics, which was then owned as to 90% by Mr. Sun, 5% by Mr. Sun Wenhong and 5% by Mr. Zhu Zhizhou. Seeing the development potential of the reusable package services industry, in order to capture such business opportunity and separate such business from that of Anhua Logistics, Mr. Sun, Mr. Wang Yue, Mr. Sun Wenhong and Mr. Zhu Zhizhou decided to set up our Company with the integration of relevant business, personnel and assets from Anhua Logistics so as to focus on the business operation of providing reusable package services.

As such, our Company was established in the PRC as a limited liability company on December 12, 2016 with an initial registered capital of RMB10 million, which was owned as to 80% by Mr. Sun, 10% by Mr. Wang Yue, 5% by Mr. Sun Wenhong, and 5% by Mr. Zhu Zhizhou, respectively. Acquisition of certain assets and equity interests in subsidiaries from Anhua Logistics was undertaken at the initial stage of our Company's formation up until early 2018.

In December 2016, our Company first entered into an asset transfer agreement with Anhua Logistics (as supplemented by a supplemental agreement dated November 30, 2017), pursuant to which our Company agreed to acquire certain recyclable packaging equipment from Anhua Logistics at the aggregate consideration of approximately RMB70.8 million. The consideration was determined on an arm's length basis with reference to the appraised value and original value of procurement of the recyclable packaging equipment, and was fully settled in December 2017.

Following that, during 2017 to early 2018, our Company acquired the below equity interests in certain companies established in the PRC from Anhua Logistics (or its then subsidiaries, as the case may be). Such companies subsequently became our subsidiaries and, except for Nanjing Sprint Logistics Systems Management Co., Ltd.* (南京思品特供應鏈管理有限公司) ("**Nanjing Sprint**"), have remained so up to the Latest Practicable Date. Subsequently, Anhua Logistics ceased its business operation and was deregistered on April 7, 2020.

Name of the acquired subsidiary	Principal business	Transferor	Transferee	Date of transfer	Interest being acquired	Consideration	Consideration basis
Suzhou Youpule	Leasing and sales of reusable containers	Anhua Logistics	Our Company	March 3, 2017	100%	Nil	With reference to fair value of total shareholders' equity of Suzhou Youpule

Name of the acquired subsidiary	Principal business	Transferor	Transferee	Date of transfer	Interest being acquired	Consideration	Consideration basis
Suzhou Sprint	Operation and management of pooling services	Anhua Logistics	Our Company	April 27, 2017	100%	Nil	With reference to fair value of total shareholders' equity of Suzhou Sprint
Angu Lianyungang . . .	Manufacture of containers	Sichuan Anhua Logistics Machinery Co., Ltd.* (四川安華物流機械有限公司), a then subsidiary of Anhua Logistics	Our Company	August 23, 2017	100%	RMB7.7 million	With reference to fair value of total shareholders' equity of Angu Lianyugang
Chongqing Asike	Leasing and sales of reusable containers and transportation and integrated warehousing management	Anhua Logistics	Our Company	August 24, 2017	65%	RMB0.4 million	With reference to fair value of total shareholders' equity of Chongqing Asike
Dalian Anhua	Leasing and sales of reusable containers and transportation and integrated warehousing management	Anhua Logistics	Our Company	September 4, 2017	60%	RMB0.2 million	With reference to fair value of total shareholders' equity of Dalian Anhua
Nanjing Sprint(1)	Operation and management of pooling services	Anhua Logistics	Our Company	January 15, 2018	100%	RMB0.3 million	With reference to fair value of total shareholders' equity of Nanjing Sprint

Note:

(1) Nanjing Sprint was deregistered on August 30, 2024 due to cessation of business operation.

We have obtained all necessary approvals from competent authorities or made all necessary registration or filings with the PRC Government in respect of all of the above acquisitions as of the Latest Practicable Date.

(ii) Series A Financing

In September 2017, our Company entered into a capital increase agreement with Suzhou Anhua, Suzhou International Development Emerging Industry Venture Investment Enterprise (Limited Partnership)* (蘇州國發新興產業創業投資企業(有限合夥)) ("**Suzhou Emerging Industry**"), Suzhou Industrial Park Yuandian Zhengze No. 2 Venture Capital Partnership (Limited Partnership)* (蘇州工業園區原點正則貳號創業投資企業(有限合夥)) ("**Yuandian Zhengze**"), Suqian International Development Venture Capital Enterprise (Limited Partnership)* (宿遷國發創業投資企業(有限合夥)) ("**Suqian International Development**"), Suzhou International Development Union Equity Investment Enterprise (Limited Partnership)* (蘇州國發聯合股權投資企業(有限合夥)) ("**Suzhou Union**") and Changzhou Shuguang Enterprise Management Consulting Partnership (Limited Partnership)* (常州曙光企業管理諮詢合夥企業(有限合夥)) ("**Changzhou Shuguang**") (Suzhou Anhua, Suzhou Emerging Industry, Yuandian Zhengze, Suqian International Development, Suzhou Union, Changzhou Shuguang collectively, the "**Series A Investors**"), pursuant to which Suzhou Anhua, Suzhou Emerging Industry, Yuandian Zhengze, Suqian International Development, Suzhou Union and Changzhou Shuguang agreed to subscribe for the increased registered capital of RMB987,654.32, RMB740,740.74, RMB740,740.74, RMB370,370.37, RMB370,370.37 and RMB123,456.79, representing approximately 7.41%, 5.56%, 5.56%, 2.78%, 2.78% and 0.93% of the then equity interest in our Company upon completion of the capital increase, respectively, at the consideration of RMB40 million, RMB30 million, RMB30 million, RMB15 million, RMB15 million and RMB5 million, respectively (the "**Series A Financing**"). The consideration was determined on an arm's length basis with reference to our then business development and future prospects of the market, and was fully settled in March 2018. Suzhou Anhua, an investment vehicle owned as to 90% by Mr. Sun, 5% by Mr. Sun Wenhong and 5% by Mr. Zhu Zhizhou as of the Latest Practicable Date, was established for the purpose of internal restructuring contemplated under the Series A Financing. See "Pre-IPO Investments" in this section for details of the Series A Financing and other Series A Investors.

The shareholding structure of our Company immediately following the completion of Series A Financing was as follows:

Shareholders	Registered capital	Equity interest
	(RMB)	*(%)*
Mr. Sun	8,000,000.00	60.00
Mr. Wang Yue	1,000,000.00	7.50
Suzhou Anhua	987,654.32	7.41
Suzhou Emerging Industry	740,740.74	5.56
Yuandian Zhengze	740,740.74	5.56
Mr. Sun Wenhong	500,000.00	3.75
Mr. Zhu Zhizhou	500,000.00	3.75
Suqian International Development	370,370.37	2.78
Suzhou Union	370,370.37	2.78
Changzhou Shuguang	123,456.79	0.93
Total	**13,333,333.33**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

(iii) 2021 Share Transfer

On July 8 and July 9, 2021, Mr. Sun entered into the equity transfer agreements with each of Shanghai Qianjin Industrial Co., Ltd.* (上海前進實業有限公司) ("**Shanghai Qianjin**"), Hangzhou Jintou Zhihe Venture Capital Partnership (Limited Partnership)* (杭州金投智和創業投資合夥企業(有限合夥)) ("**Hangzhou Jintou**") and Ms. Yu Yue (于越) (Shanghai Qianjin, Hangzhou Jintou, and Ms. Yu Yue collectively, the "**2021 Investors**"), respectively, pursuant to which Mr. Sun transferred registered capital of RMB333,333.33, RMB266,666.67 and RMB66,666.67, representing approximately 2.50%, 2.00% and 0.50% of the then equity interest in our Company, respectively, to Shanghai Qianjin, Hangzhou Jintou and Ms. Yu Yue at the consideration of RMB15 million, RMB12 million and RMB3 million, respectively (the "**2021 Share Transfer**"). The consideration was determined on an arm's length basis with reference to our then business development and future prospects of the market, and was fully settled in July 2021. See "Pre-IPO Investments" in this section for details of the 2021 Share Transfer and the 2021 Investors.

The shareholding structure of our Company immediately following the completion of 2021 Share Transfer was as follows:

Shareholders	**Registered capital**	**Equity interest**
	(RMB)	*(%)*
Mr. Sun Yan'an	7,333,333.33	55.00
Mr. Wang Yue	1,000,000.00	7.50
Suzhou Anhua	987,654.32	7.41
Suzhou Emerging Industry	740,740.74	5.56
Yuandian Zhengze	740,740.74	5.56
Mr. Sun Wenhong	500,000.00	3.75
Mr. Zhu Zhizhou	500,000.00	3.75
Suqian International Development	370,370.37	2.78
Suzhou Union	370,370.37	2.78
Shanghai Qianjin	333,333.33	2.50
Hangzhou Jintou	266,666.67	2.00
Changzhou Shuguang	123,456.79	0.93
Ms. Yu Yue	66,666.67	0.50
Total	**13,333,333.33**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

(iv) 2022 Share Transfer I

On June 8, 2022, Suzhou Anhua entered into an equity transfer agreement with Dr. Fang Dianjun (房殿軍), our non-executive Director, pursuant to which Suzhou Anhua transferred registered capital of RMB100,000, representing approximately 0.75% of the then equity interest in our Company, to Dr. Fang Dianjun at the consideration of RMB4.5 million (the "**2022 Share Transfer I**"). The consideration was determined on an arm's length basis with reference to our then business development and future prospects of the market, and was fully settled in July 2022. See "Pre-IPO Investments" in this section for details of the 2022 Share Transfer I and Dr. Fang Dianjun.

The shareholding structure of our Company immediately following the completion of 2022 Share Transfer I was as follows:

Shareholders	**Registered capital**	**Equity interest**
	(RMB)	*(%)*
Mr. Sun Yan'an	7,333,333.33	55.00
Mr. Wang Yue	1,000,000.00	7.50
Suzhou Anhua	887,654.32	6.66
Suzhou Emerging Industry	740,740.74	5.56
Yuandian Zhengze	740,740.74	5.56
Mr. Sun Wenhong	500,000.00	3.75
Mr. Zhu Zhizhou	500,000.00	3.75
Suqian International Development	370,370.37	2.78
Suzhou Union	370,370.37	2.78
Shanghai Qianjin	333,333.33	2.50
Hangzhou Jintou	266,666.67	2.00
Changzhou Shuguang	123,456.79	0.93
Dr. Fang Dianjun	100,000.00	0.75
Ms. Yu Yue	66,666.67	0.50
Total	**13,333,333.33**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

(v) Series B Financing

In July 2022, our Company and its then shareholders entered into a capital increase agreement with Yancheng Fusion Base Emerging Industry Fund (Limited Partnership)* (鹽城融合基地新興產業基金(有限合夥)) ("**Yancheng Fusion Base**"), Suzhou Industrial Park Industry Investment Fund (Limited Partnership)* (蘇州工業園區產業投資基金(有限合夥)) ("**Suzhou Industry Investment**"), Suzhou Shihu Minsheng Equity Investment Partnership (Limited Partnership)* (蘇州石湖民生股權投資合夥企業(有限合夥)) ("**Suzhou Shihu**") and Suzhou Industrial Park Science and Technology Innovation Investment Partnership (Limited Partnership)* (蘇州工業園區科技創新投資合夥企業(有限合夥)) ("**Suzhou Science and**

Technology") (Yancheng Fusion Base, Suzhou Industry Investment, Suzhou Shihu and Suzhou Science and Technology collectively, the "**Series B Investors**"), pursuant to which Yancheng Fusion Base, Suzhou Industry Investment, Suzhou Shihu and Suzhou Science and Technology agreed to subscribe for the increased registered capital of RMB355,555.56, RMB266,666.67, RMB177,777.78 and RMB88,888.89, representing approximately 2.50%, 1.88%, 1.25% and 0.63% of the then equity interest in our Company upon completion of the capital increase, respectively, at the consideration of RMB20 million, RMB15 million, RMB10 million and RMB5 million, respectively (the "**Series B Financing**"). The consideration was determined on an arm's length basis with reference to our then business development and future prospects of the market, and was fully settled in September 2022. See "Pre-IPO Investments" in this section for details of the Series B Financing and the Series B Investors.

The shareholding structure of our Company immediately following the completion of Series B Financing was as follows:

Shareholders	**Registered capital**	**Equity interest**
	(RMB)	*(%)*
Mr. Sun Yan'an	7,333,333.33	51.56
Mr. Wang Yue	1,000,000.00	7.03
Suzhou Anhua	887,654.32	6.24
Suzhou Emerging Industry	740,740.74	5.21
Yuandian Zhengze	740,740.74	5.21
Mr. Sun Wenhong	500,000.00	3.52
Mr. Zhu Zhizhou	500,000.00	3.52
Suqian International Development	370,370.37	2.60
Suzhou Union	370,370.37	2.60
Yancheng Fusion Base	355,555.56	2.50
Shanghai Qianjin	333,333.33	2.34
Hangzhou Jintou	266,666.67	1.88
Suzhou Industry Investment	266,666.67	1.88
Suzhou Shihu	177,777.78	1.25
Changzhou Shuguang	123,456.79	0.87
Dr. Fang Dianjun	100,000.00	0.70
Suzhou Science and Technology	88,888.89	0.63
Ms. Yu Yue	66,666.67	0.47
Total	**14,222,222.23**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

(vi) 2022 Share Transfer II

In September 2022, Yuandian Zhengze entered into an equity transfer agreement with Shanghai Qianjin, pursuant to which Yuandian Zhengze agreed to transfer registered capital of RMB211,640.89, representing approximately 1.49% of the then equity interest in our Company, to Shanghai Qianjin at the consideration of RMB10 million (the "**2022 Share Transfer II**"). The consideration was determined on an arm's length basis with reference to our then business development and future prospects of the market and having taken into account the consideration paid by Yuandian Zhengze under the Series A Financing, and was fully settled in November 2022. See "Pre-IPO Investments" in this section for details of the 2022 Share Transfer II and Shanghai Qianjin.

The shareholding structure of our Company immediately following the completion of 2022 Share Transfer II was as follows:

Shareholders	**Registered capital**	**Equity interest**
	(RMB)	*(%)*
Mr. Sun Yan'an	7,333,333.33	51.56
Mr. Wang Yue	1,000,000.00	7.03
Suzhou Anhua	887,654.32	6.24
Suzhou Emerging Industry	740,740.74	5.21
Shanghai Qianjin	544,974.22	3.83
Yuandian Zhengze	529,099.85	3.72
Mr. Sun Wenhong	500,000.00	3.52
Mr. Zhu Zhizhou	500,000.00	3.52
Suqian International Development	370,370.37	2.60
Suzhou Union	370,370.37	2.60
Yancheng Fusion Base	355,555.56	2.50
Hangzhou Jintou	266,666.67	1.88
Suzhou Industry Investment	266,666.67	1.88
Suzhou Shihu	177,777.78	1.25
Changzhou Shuguang	123,456.79	0.87
Dr. Fang Dianjun	100,000.00	0.70
Suzhou Science and Technology	88,888.89	0.63
Ms. Yu Yue	66,666.67	0.47
Total	**14,222,222.23**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

(vii) 2022 Share Transfer III

In October 2022, Suzhou Anhua entered into an equity transfer agreement with Suzhou Sailing, our Employee Incentive Platform, pursuant to which Suzhou Anhua agreed to transfer registered capital of RMB213,333.33, representing approximately 1.50% of the then equity interest in our Company, to Suzhou Sailing at the consideration of RMB9 million (the "**2022 Share Transfer III**"). The consideration was determined on an arm's length basis with reference to our then business development and future prospects of the market and having taken into account the contributions of our employees who were then partners of Suzhou Sailing, and was fully settled in November 2024. See "Employee Incentive Platform" in this section for details of Suzhou Sailing.

The shareholding structure of our Company immediately following the completion of 2022 Share Transfer III was as follows:

Shareholders	**Registered capital**	**Equity interest**
	(RMB)	*(%)*
Mr. Sun Yan'an	7,333,333.33	51.56
Mr. Wang Yue	1,000,000.00	7.03
Suzhou Emerging Industry	740,740.74	5.21
Suzhou Anhua	674,320.99	4.74
Shanghai Qianjin	544,974.22	3.83
Yuandian Zhengze	529,099.85	3.72
Mr. Sun Wenhong	500,000.00	3.52
Mr. Zhu Zhizhou	500,000.00	3.52
Suqian International Development	370,370.37	2.60
Suzhou Union	370,370.37	2.60
Yancheng Fusion Base	355,555.56	2.50
Hangzhou Jintou	266,666.67	1.88
Suzhou Industry Investment	266,666.67	1.88
Suzhou Sailing	213,333.33	1.50
Suzhou Shihu	177,777.78	1.25
Changzhou Shuguang	123,456.79	0.87
Dr. Fang Dianjun	100,000.00	0.70
Suzhou Science and Technology	88,888.89	0.63
Ms. Yu Yue	66,666.67	0.47
Total	**14,222,222.23**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

(viii) Conversion into a joint stock company with limited liability

In view of the Listing, pursuant to the Shareholders' resolutions and the promoters' agreement both dated October 25, 2024 (the "**Promoters' Agreement**"), the then Shareholders of our Company agreed to convert our Company into a joint stock limited liability company with a registered capital of RMB70,000,000. Pursuant to the Promoters' Agreement, the net asset value of our Company as of April 30, 2024 amounted to approximately RMB330.4 million, of which (i) RMB70.0 million was converted into 70,000,000 Shares of RMB1.00 par value each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of approximately RMB260.4 million was converted to capital reserve of our Company. Upon the completion of registration with Suzhou Municipal Data Bureau* (蘇州市數據局) on November 1, 2024, our Company was converted into a joint stock company with limited liability and renamed as ALSCO Pooling Service Co., Ltd.* (蘇州優樂賽共享服務股份有限公司).

The shareholding structure of our Company immediately following the completion of the joint-stock reform was as follows:

Shareholders	**Number of Shares**	**Shareholding**
		(%)
Mr. Sun Yan'an	36,093,750	51.56
Mr. Wang Yue	4,921,875	7.03
Suzhou Emerging Industry	3,645,833	5.21
Suzhou Anhua	3,318,924	4.74
Shanghai Qianjin	2,682,295	3.83
Yuandian Zhengze	2,604,163	3.72
Mr. Sun Wenhong	2,460,937	3.52
Mr. Zhu Zhizhou	2,460,937	3.52
Suqian International Development	1,822,917	2.60
Suzhou Union	1,822,917	2.60
Yancheng Fusion Base	1,750,000	2.50
Hangzhou Jintou	1,312,500	1.88
Suzhou Industry Investment	1,312,500	1.88
Suzhou Sailing	1,050,000	1.50
Suzhou Shihu	875,000	1.25
Changzhou Shuguang	607,639	0.87
Dr. Fang Dianjun	492,188	0.70
Suzhou Science and Technology	437,500	0.63
Ms. Yu Yue	328,125	0.47
Total	**70,000,000**	**100.00**

Note:

(1) The percentage figures in the above table may not add up to 100 due to rounding.

EMPLOYEE INCENTIVE PLATFORM

In recognition of the contributions of our employees and to incentivize them to further promote our development, Suzhou Sailing Enterprise Management Partnership (Limited Partnership)* (蘇州賽靈企業管理合夥企業(有限合夥)) ("**Suzhou Sailing**" or the "**Employee Incentive Platform**") was established in the PRC as a limited partnership on August 18, 2022 and served as our Employee Incentive Platform. On November 5, 2024, an employee incentive scheme (the "**Employee Incentive Scheme**") was approved and adopted by our Company. As of the Latest Practicable Date, (i) Mr. Wang Yue was the sole general partner of Suzhou Sailing, and (ii) Suzhou Sailing held 1.50% of the total share capital of our Company. All partnership interests in Suzhou Sailing have been subscribed by and fully paid up by the grantees of the Employee Incentive Scheme. Suzhou Sailing is in the process of applying for the change in the business registration information as a result of several withdrawal and subscription of partnership interests thereof, primarily due to resignation of employees. After the completion of the expected change in the business registration information, Mr. Wang Yue, the sole general partner, would hold approximately 11.67% partnership interests in Suzhou Sailing, and the remaining partnership interests would be held by 23 limited partners, all being our current employees and none of whom would individually own more than one third of the partnership interests in Suzhou Sailing. For details of the Employee Incentive Scheme and the partnership interests in Suzhou Sailing after the completion of the change in the business registration information, see "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus.

MAJOR SUBSIDIARIES

Our major subsidiaries which had made material contribution to our results of operations during the Track Record Period and up to the Latest Practicable Date are set out below.

Chongqing Asike

Chongqing Asike was established as a limited liability company in the PRC on May 23, 2016 with an initial registered capital of RMB5 million, and was then owned as to 65% by Anhua Logistics and 35% by Mr. Zhu Chuanwei (祝傳偉), who is also a director of Chongqing Asike. On August 24, 2017, our Company acquired 65% equity interest in Chongqing Asike from Anhua Logistics, and Chongqing Asike has been a non-wholly owned subsidiary of our Company since then. See "Corporate Development — (i) Formation and acquisition of certain assets and subsidiaries" in this section for details. Chongqing Asike is primarily engaged in leasing and sales of reusable containers and transportation and integrated warehousing management.

Dalian Anhua

Dalian Anhua was established as a limited liability company in the PRC on April 7, 2016 with an initial registered capital of RMB10.1 million, and was then owned as to 60% by Anhua Logistics and 40% by Mr. Miao Chunlin (苗春林), who is also a director of Dalian Anhua. On September 4, 2017, our Company acquired 60% equity interest in Dalian Anhua from Anhua Logistics, and Dalian Anhua has been a non-wholly owned subsidiary of our Company since then. See "Corporate Development — (i) Formation and acquisition of certain assets and subsidiaries" in this section for details. Dalian Anhua is primarily engaged in leasing and sales of reusable containers and transportation and integrated warehousing management.

Suzhou Sprint

Suzhou Sprint was established as a limited liability company in the PRC on July 15, 2014 with an initial registered capital of RMB5 million. On April 27, 2017, our Company acquired 100% equity interest in Suzhou Sprint from Anhua Logistics, and Suzhou Sprint has been a wholly-owned subsidiary of our Company since then. See "Corporate Development — (i) Formation and acquisition of certain assets and subsidiaries" in this section for details. On August 25, 2021, the registered capital of Suzhou Sprint was increased from RMB5 million to RMB10 million as a result of a capital contribution of RMB5 million by our Company. Suzhou Sprint is primarily engaged in operation and management of pooling services.

Angu Lianyungang

Angu Lianyungang was established as a foreign-invested enterprise in the PRC on July 26, 2005 with an initial registered capital of USD0.5 million. On August 23, 2017, our Company acquired 100% equity interest in Angu Lianyungang from Sichuan Anhua Logistics Machinery Co., Ltd.* (四川安華物流機械有限公司), a then subsidiary of Anhua Logistics, and Angu Lianyungang has been a wholly-owned subsidiary of our Company since then. See "Corporate Development — (i) Formation and acquisition of certain assets and subsidiaries" in this section for details. On September 3, 2020, the registered capital of Angu Lianyungang was increased from RMB3,977,074 to RMB20 million as a result of a capital contribution of RMB16,022,926 by our Company. On December 20, 2025, the registered capital of Angu Lianyungang was increased from RMB20 million to RMB50 million as a result of capital contribution of RMB30 million by our Company. Angu Lianyungang is primarily engaged in manufacture of containers.

Changchun ALSCO

Changchun ALSCO was established as a limited liability company in the PRC on July 15, 2020 with an initial registered capital of RMB5 million, and was owned as to 51% by our Company and 49% by three then shareholders, all being Independent Third Party. On January 25, 2021, our Company acquired 49% equity interest in Changchun ALSCO from the three then shareholders at nil consideration, which was determined on an arm's length basis considering that the three then shareholders of Changchun ALSCO did not pay the registered capital of

Changchun ALSCO. Changchun ALSCO has been a wholly-owned subsidiary of our Company since then. On July 29, 2021, the registered capital of Changchun ALSCO was increased from RMB5 million to RMB10 million as a result of a capital contribution of RMB5 million by our Company. Changchun ALSCO is primarily engaged in leasing and sales of reusable containers and transportation and integrated warehousing management.

PRE-IPO INVESTMENTS

Principal terms of the Pre-IPO Investments

The following table sets forth a summary of the details of the Pre-IPO Investments:

	Series A Financing	2021 Share Transfer	2022 Share Transfer I	Series B Financing	2022 Share Transfer II
Name of the Investor(s)	Suzhou Anhua(1), Suzhou Emerging Industry, Yuandian Zhengze, Suqian International Development, Suzhou Union and Changzhou Shuguang	Shanghai Qianjin, Hangzhou Jintou and Ms. Yu Yue	Dr. Fang Dianjun	Yancheng Fusion Base, Suzhou Industry Investment, Suzhou Shihu and Suzhou Science and Technology	Shanghai Qianjin
Date of investment agreement(s)	September 2017	July 8 and July 9, 2021	June 8, 2022	July 2022	September 2022
Amount of registered capital subscribed or acquired	RMB3,333,333.33	RMB666,666.67	RMB100,000.00	RMB888,888.90	RMB211,640.89
Amount of consideration paid	RMB135.00 million	RMB30.00 million	RMB4.50 million	RMB50.00 million	RMB10.00 million
Payment Date of full consideration	March 30, 2018	July 22, 2021	April 6, 2022(5)	September 8, 2022	November 11, 2022
Post-money valuation of our Company *(approximation)*(2)	RMB540.00 million	RMB600.00 million	RMB600.00 million	RMB800.00 million	RMB672.00 million
Cost per Share paid under the Pre-IPO Investments *(approximation)*(3)	RMB8.23	RMB9.14	RMB9.14	RMB11.43	RMB9.60
Discount to the Offer Price *(approximation)*(4)	34.16%	26.88%	26.88%	8.56%	23.20%
Lock-up period	Subject to a lock-up period of 12 months following the Listing Date pursuant to the PRC Company Law.				
Use of proceeds from the Pre-IPO Investments	We utilized the proceeds from the Pre-IPO Investments (other than the transfers of Shares between our Shareholders where our Group did not receive any proceed) for the operations and general working capital purpose of our Group. As of the Latest Practicable Date, the funds raised from the Pre-IPO Investments have been fully utilized.				

	Series A Financing	2021 Share Transfer	2022 Share Transfer I	Series B Financing	2022 Share Transfer II
Strategic benefits to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the additional funds provided by the Pre-IPO Investors' investments in our Company and the knowledge and experience of the Pre-IPO Investors. The Pre-IPO Investments also demonstrated the Pre-IPO Investors' confidence in the operation and development of our Group.				

Notes:

(1) Suzhou Anhua is not considered as a Pre-IPO Investor as it is an investment vehicle controlled by Mr. Sun and established for the purpose of internal restructuring contemplated under the Series A Financing.

(2) The post-money valuation figures equal the total consideration paid by the Pre-IPO Investors in each round divided by the shareholding percentage held by them immediately following their respective round of investment. The increase in post-money valuation of our Company from Series A Financing to Series B Financing was mainly due to our continuous business development and increase in our market share. The post-money valuation of our Company decreased from Series B Financing to 2022 Share Transfer II mainly because the consideration of the equity transfer was determined by Yuandian Zhengze and Shanghai Qianjin through mutual negotiation, taking into account that Yuandian Zhengze, as one of the Series A Investors, could realize investment gains through 2022 Share Transfer II at such consideration.

(3) The cost per Share figures equal the total consideration paid by each of the Pre-IPO Investors in each round divided by the Shares it shall hold after the conversion of our Company into a joint stock company with limited liability.

(4) Calculated on the basis of the Offer Price of HK$12.5 per Share, being the mid-point of the indicative Offer Price range.

(5) During the year of 2022, with the spread of COVID-19, the process of circulating and signing of the shareholders' resolution was significantly slowed down by the epidemic prevention policy. On the basis of no written or verbal objections to the proposed share transfer received from the shareholders of our Company, the transferee decided to make an advance payment of the full consideration for the shares to be transferred to expedite the share transfer process.

Special rights of the Pre-IPO Investors

Pursuant to the respective capital increase agreements and equity transfer agreements of the Pre-IPO Investments, the Pre-IPO Investors had been granted certain customary special rights. In anticipation of the Listing, all of our existing shareholders (including the Pre-IPO Investors) entered into a supplemental agreement with our Company on September 6, 2024 (the "**2024 Supplemental Agreement**") and a further supplemental agreement on December 31, 2025 (the "**2025 Supplemental Agreement**") (collectively, the "**Supplemental Agreements**"), pursuant to which, among others, each of the Pre-IPO Investors agreed that (i) the right of compulsory liquidation, redemption right, liquidation preference right, mandatory dividend right and anti-dilution right granted to relevant Pre-IPO Investors by our Company, under which our Company shall undertake obligation or bear joint and several liability, as well as other identical or substantially similar special rights (collectively, the "**Terminated Special Rights**") (優先終止特殊權利), shall have never had any legal effect and shall not be exercisable under any circumstance; and (ii) (a) special rights including information right, right of co-sale, director and supervisor nomination right and preemptive right, (b) the right of compulsory liquidation, redemption right, liquidation preference right and anti-dilution right granted to relevant Pre-IPO Investors by Mr. Sun, under which Mr. Sun shall undertake obligation, and (c) special rights that may adversely affect or cause legal obstacles to the Listing (collectively, the "**Suspended Special Rights**") (後續中止特殊權利) shall be suspended upon our Company's application for the Listing and shall only be exercisable if the Listing does not take place by June 30, 2026 (the "**Listing Long Stop Date**"), or if prior to the Listing Long Stop Date, the listing application of our Company has been rejected by the Stock Exchange or our Company withdraws its listing application.

The 2024 Supplemental Agreement originally provided that the Suspended Special Rights would automatically revive with full retroactive effect if the Listing was not completed by December 31, 2025 (the then long stop date). The 2025 Supplemental Agreement was entered into to extend this long stop date to June 30, 2026, in order to provide additional time for the Listing process without triggering the automatic revival of the Suspended Special Rights. It also confirmed that the original December 31, 2025 long stop date had not been triggered and that the Suspended Special Rights had remained continuously suspended since the day before the Listing application was submitted. The 2025 Supplemental Agreement supplements and partially amends the 2024 Supplemental Agreement solely with respect to the extension of the long stop date; all other provisions of the 2024 Supplemental Agreement remain unchanged and continue in full force and effect. Together, the two agreements constitute the complete contractual arrangement among the shareholders and the Company for the termination and suspension of the Pre-IPO special rights in connection with the Listing.

Redemption Rights Granted by our Company

Article 143 of the Civil Code of the People's Republic of China (中華人民共和國民法典) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. In accordance with the Civil Code and relevant laws and regulations of the People's Republic of China, our PRC Legal Advisor is of the view that the Supplemental Agreements represent the genuine intention of all parties, do not contravene any mandatory provisions of PRC laws or administrative regulations, and is legally binding and effective on all parties. In particular, Article 1 of the 2024 Supplemental Agreement stipulates that the Terminated Special Rights shall have never had any legal effect and shall under no circumstances be reinstated. This stipulation constitutes a new consensus between the Pre-IPO Investors and our Company, which replaces the relevant provisions under the previous investment agreements and confirms that the Pre-IPO Investors shall not be entitled to request our Company to assume any liability under the Terminated Special Rights, whether such liability accrued in the past, exists at present or may accrue in the future. Accordingly, the Terminated Special Rights under the previous investment agreements have no actual legal effect on any party in the past, present or future. Therefore, such Terminated Special Rights are *void ab initio* and deemed to have never had any legal effect.

In addition, the Pre-IPO Investors confirmed in the Supplemental Agreements that, as of the date of its execution, there were no circumstances under which they had asserted any claim against our Company in exercising redemption rights or any other Terminated Special Rights. Our Company also confirms that no Pre-IPO Investor has asserted or exercised any such rights during the Track Record Period. Taking into account the above, and the legal opinion of our PRC Legal Advisor, our Directors consider that it was appropriate not to record any redemption or similar financial liabilities throughout the Track Record Period. For clarity, certain Suspended Special Rights, such as director nomination right and information right were exercised by relevant Pre-IPO Investors during the Track Record Period. However, the PRC Legal Advisors are of the view that as these rights were not void ab initio pursuant to the Supplemental Agreements, the exercise of these special rights by the Pre-IPO Investors have no implication on the conclusion drawn by the PRC Legal Advisors above.

The presentation of the Pre-IPO Investments as equity is based on the view that, as those rights have no actual legal effect on any party in the past, present or future, the relevant instruments do not contain any contractual obligation to deliver cash or other financial assets and therefore meet the definition of equity under IAS 32. To enable investors to understand the potential accounting implications of such rights, we have included a table showing the hypothetical impact on our Group's profit and loss and financial position assuming such rights had been accounted for as financial liabilities prior to the Supplemental Agreement. Please refer to the section headed "Financial Information — Pre-IPO Investments" in this prospectus for further details, and see also "Special Rights granted by our Company" in note 28 to the Accountant's report in Appendix I to this prospectus.

Redemption Rights Granted by the Controlling Shareholder

The redemption rights granted by our Controlling Shareholder, Mr. Sun, to the Pre-IPO Investors under the relevant Pre-IPO investment agreements are referred to as the "Controlling Shareholder Redemption Rights", which are part of the Suspended Special Rights as outlined in "History, Development and Corporate Structure — Pre-IPO Investments — Special Rights of the Pre-IPO Investors". Pursuant to the Supplemental Agreements, such Controlling Shareholder Redemption Rights shall be suspended upon our Company's application for the Listing and shall only be exercisable if the Listing does not take place by June 30, 2026 (the "Listing Long Stop Date"), or if prior to the Listing Long Stop Date, the listing application of our Company has been rejected by the Stock Exchange or our Company withdraws its listing application.

Pursuant to the Supplemental Agreements, the guarantee obligations assumed by our Company in respect of the Controlling Shareholder Redemption Rights in the event of a default by Mr. Sun, and any warranty provided by our Company regarding the enforceability of such rights, which are part of the Terminated Special Rights as outlined in "History, Development and Corporate Structure — Pre-IPO Investments — Special Rights of the Pre-IPO Investors", have been terminated and shall be void ab initio and deemed to have never had any legal effect. Furthermore, our Company confirms that: (i) it bears no such guarantee obligations and has provided no such assurance; and (ii) there are no side arrangements between our Company and the Pre-IPO Investors or between our Company and Mr. Sun in relation to the Controlling Shareholder Redemption Rights. Based on the foregoing, our PRC Legal Advisor is of the view that the Company has not provided any warranty regarding the enforceability of the Controlling Shareholder Redemption Rights.

Mr. Sun has also confirmed that there are no other side arrangements between him and the Pre-IPO Investors in relation to the Controlling Shareholder Redemption Rights. No liability in respect of such rights was recorded during the Track Record Period, as our Company was not a party to the arrangements and had no obligation thereunder. For details, please see "Redemption rights of the Pre-IPO Investors granted by the controlling shareholder" in note 34 to the Accountant's report in Appendix I to this prospectus.

Information about the Pre-IPO Investors

The background information of our Pre-IPO Investors is set out below.

Suzhou Emerging Industry

Suzhou Emerging Industry is a limited liability partnership established in the PRC on August 26, 2016, and is primarily engaged in venture capital. As of the Latest Practicable Date, Suzhou Emerging Industry was owned as to approximately 0.5% by its general partner, Suzhou International Development Equity Investment Fund Management Co., Ltd.* (蘇州國發股權投資基金管理有限公司), which was ultimately controlled by Suzhou Municipal Finance Bureau (蘇州市財政局). The remaining partnership interests in Suzhou Emerging Industry were owned by 14 limited partners, none of which individually owned more than one third of the partnership interests in Suzhou Emerging Industry.

Suqian International Development

Suqian International Development is a limited liability partnership established in the PRC on July 22, 2011, and is primarily engaged in venture capital. As of the Latest Practicable Date, Suqian International Development was owned as to (i) 1% by its general partner, Suzhou International Development Rongfu Venture Capital Management Enterprise (Limited Partnership)* (蘇州國發融富創業投資管理企業(有限合夥)), which was ultimately controlled by Suzhou Municipal Finance Bureau, and (ii) 59% by one of its limited partner, Suzhou International Development Dingfu Venture Capital Enterprise (Limited Partnership)* (蘇州國發鼎富創業投資企業(有限合夥)), which was ultimately controlled by Suzhou Municipal Finance Bureau, and 40% by its another limited partner, Suqian Industry Development Group Co., Ltd.* (宿遷產業發展集團有限公司), which was ultimately controlled by Suqian Municipal People's Government (宿遷市人民政府).

Suzhou Union

Suzhou Union is a limited liability partnership established in the PRC on August 4, 2017, and is primarily engaged in venture capital. As of the Latest Practicable Date, Suzhou Union was owned as to approximately 0.1% by its general partner, Suzhou International Development Equity Investment Fund Management Co., Ltd.* (蘇州國發聯合股權投資管理有限公司), which was ultimately controlled by Suzhou Municipal Finance Bureau. The remaining partnership interests in Suzhou Union were owned by 11 limited partners, none of which individually owned more than one third of the partnership interests in Suzhou Union.

Yuandian Zhengze

Yuandian Zhengze is a limited liability partnership established in the PRC on January 19, 2017, and is primarily engaged in venture capital and investment consulting. As of the Latest Practicable Date, Yuandian Zhengze was owned as to 1% by its general partner, Suzhou Industrial Park Yuandianlize Venture Capital Management Center (Limited Partnership)* (蘇州工業園區原點理則創業投資管理中心(有限合夥)), which was ultimately controlled by Mr. Fei Jianjiang (費建江), an Individual Third Party, and Suzhou Industrial Park Administrative Committee (蘇州工業園區管理委員會). The remaining partnership interests in Yuandian Zhengze were owned by its 15 limited partners, none of which individually owned more than one third of the partnership interests in Yuandian Zhengze.

Suzhou Industry Investment

Suzhou Industry Investment is a limited liability partnership established in the PRC on November 7, 2017, and is primarily engaged in venture capital and asset management. As of the Latest Practicable Date, Suzhou Industry Investment was owned as to (i) approximately 0.1% by Suzhou Yuanfeng Capital Management Co., Ltd.* (蘇州園豐資本管理有限公司), its general partner, and (ii) approximately 59.9% by Suzhou Industrial Park Economic Development Co., Ltd.* (蘇州工業園區經濟發展有限公司) and 40.0% by Suzhou Industrial Park State-owned Capital Investment and Operation Holdings Co., Ltd.* (蘇州工業園區國有資本投資運營控股有限公司) as limited partners, all of which were ultimately controlled by Suzhou Industrial Park Administrative Committee.

Changzhou Shuguang

Changzhou Shuguang is a limited liability partnership established in the PRC on August 4, 2017, and is primarily engaged in venture capital and financial consulting. As of the Latest Practicable Date, Changzhou Shuguang was owned as to (i) 20% by Mr. Yang Yingyi (楊瑩漪), (ii) 66% by Mr. Liu Shu (劉曙), both being its general partners, and 14% by Mr. Ding Xueming (丁雪鳴), its limited partner.

Shanghai Qianjin

Shanghai Qianjin is a limited liability company established in the PRC on April 24, 2020, and is primarily engaged in provision of supply chain management and cargo warehousing services. As of the Latest Practicable Date, Shanghai Qianjin was owned as to 90% and 10% by Mr. Jin Dajian (金大健) and Ms. Hu Xiaoyi (胡曉琦), respectively.

Hangzhou Jintou

Hangzhou Jintou is a limited liability partnership established in the PRC on October 14, 2020, and is primarily engaged in venture capital. As of the Latest Practicable Date, Hangzhou Jintou was owned as to approximately 3.9% by its general partner, Hangzhou Taiheng Investment Management Co., Ltd.* (杭州泰恒投資管理有限公司), which was ultimately controlled by Hangzhou Finance Bureau (杭州市財政局). The remaining partnership interests in Hangzhou Jintou were owned by 15 limited partners, none of which individually owned more than one third of the partnership interests in Hangzhou Jintou.

Ms. Yu Yue

Ms. Yu Yue has substantial experience in corporate management and investment. Ms. Yu Yue is a shareholder and director of Muxing Trading (Suzhou) Co., Ltd.* (沐琴貿易(蘇州)有限公司), a company primarily engaged in sales building materials. Ms. Yu Yue is also a shareholder and director of Suzhou Yuye Technology Co., Ltd.* (蘇州遇耶科技有限責任公司), a company primarily engaged in technology development, consultation and promotion.

Dr. Fang Dianjun

Dr. Fang Dianjun is a non-executive Director. See "Directors, Supervisors and Senior Management" in this prospectus for the biographical details of Dr. Fang Dianjun.

Yancheng Fusion Base

Yancheng Fusion Base is a limited liability partnership established in the PRC on January 12, 2022, and is primarily engaged in venture capital and investment management. As of the Latest Practicable Date, Yancheng Fusion Base was owned as to 8% by its general partner, Donghai Investment Co., Ltd.* (東海投資有限責任公司), which was ultimately controlled by Donghai Securities Co., Ltd. (東海證券股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 832970). To the best knowledge of our Directors based on the public information available, Donghai Securities Co., Ltd. was owned by 48 shareholders, none of which individually owned more than one third of the equity interests in Donghai Securities Co., Ltd. The remaining partnership interests in Yancheng Fusion Base were owned by eight limited partners, none of which individually owned more than one third of the partnership interests in Yancheng Fusion Base.

Suzhou Shihu

Suzhou Shihu is a limited liability partnership established in the PRC on June 4, 2019, and is primarily engaged in investment management and investment consulting. As of the Latest Practicable Date, Suzhou Shihu was owned as to (i) 20% by its general partner, Minsheng Equity Investment Fund Management Co., Ltd.* (民生股權投資基金管理有限公司), which was ultimately controlled by Minsheng Securities Co., Ltd.* (民生證券股份有限公司). To the best knowledge of our Directors based on the public information available, Minsheng Securities Co., Ltd.* was owned by ten shareholders, none of which individually owned more than one third of the equity interests in Minsheng Securities Co., Ltd.*. The remaining partnership interests in Suzhou Shihu were owned as to 60% by its limited partner, Hebei Zhuozhi Equity Investment Fund Management Co., Ltd. (河北卓知股權投資基金管理有限公司), which was ultimately controlled by Ms. Yang Liying (楊麗英), and 20% by the remaining two partners.

Suzhou Science and Technology

Suzhou Science and Technology is a limited liability partnership established in the PRC on June 11, 2021, and is primarily engaged in venture capital. As of the Latest Practicable Date, Suzhou Science and Technology was owned as to (i) approximately 0.1% by its general partner, Suzhou Industrial Park Leading Venture Capital Co., Ltd.* (蘇州工業園區領軍創業投資有限公司), which was ultimately controlled by Suzhou Industrial Park Administrative Committee (蘇州工業園區管理委員會), and (ii) approximately 99.9% by its limited partner, Suzhou Industrial Park Finance and Audit Bureau (蘇州工業園區財政審計局).

Independence of the Pre-IPO Investors

To the best knowledge of our Directors, save for Dr. Fang Dianjun, our non-executive Director, each of the Pre-IPO Investors and their ultimate beneficial owners is an Independent Third Party.

Sole Sponsor's Confirmation

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the date of first submission of the Listing application to the Stock Exchange; and (ii) the cessation of special rights granted to the Pre-IPO Investors as disclosed in "Special rights of the Pre-IPO Investors" above, the Sole Sponsor confirms that the Pre-IPO Investments are in compliance with the Pre-IPO Investment Guidance (as defined in Chapter 4.2 under the Guide).

In particular, in confirming that the redemption right granted by the Company to the Pre-IPO Investors had been irrecoverably terminated and shall have never had any legal effect, the Sole Sponsor has conducted due diligence work including, among others: (i) reviewing the respective capital increase agreements and equity transfer agreements of the Pre-IPO Investments, as well as the executed supplemental agreement dated September 6, 2024, (ii) reviewing the legal opinion issued by the PRC Legal Advisors, and (iii) discussing with the PRC Legal Advisor and the Sole Sponsor's PRC legal advisor to understand the treatment of the redemption right granted by the Company in the supplemental agreement under PRC laws. Based on the due diligence work conducted, nothing has come to the Sole Sponsor's attention that would cause them to cast doubt on the Company's and the PRC Legal Advisor's views above.

PUBLIC FLOAT AND FREE FLOAT

Upon completion of the Global Offering, assuming (i) the existing 67,317,705 Unlisted Shares are converted into H Shares under the "full circulation" application, and (ii) the Over-allotment Option is not exercised, a total of 45,876,737 H Shares to be held by Mr. Sun (an executive Director and a Controlling Shareholder), Mr. Wang Yue (an executive Director), Suzhou Anhua (an entity controlled by Mr. Sun), Suzhou Sailing (an entity controlled by Mr. Wang Yue) and Mr. Fang Dianjun (a non-executive Director), will not be counted towards the public float upon Listing. In addition, a total of 14,270,830 H Shares to be held by Suzhou

Emerging Industry, Yuandian Zhengze, Suqian International Development, Suzhou Union, Yancheng Fusion Base, Suzhou Industry Investment, Suzhou Shihu and Suzhou Science and Technology, each being a Pre-IPO Investor, would be aggregated and will not be counted towards the public float of our Company for the purpose of Rule 19A.13A(1) of the Listing Rules upon Listing. Based on the Offer Price of HK$12.5 per H Share (being the mid-point of the indicative Offer Price range) and assuming the Over-allotment Option is not exercised, the expected market capitalization of our Company upon Listing is approximately HK$1.1 billion. Immediately upon completion of the Global Offering and assuming the Over-allotment Option is not exercised, 27,506,138 H Shares (representing approximately 30.45% of our total issued Shares) will be held by the public Shareholders and counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules, as the expected market value of the class of shares to which the H Shares belong does not exceed HK$6 billion, the minimum prescribed percentage of H Shares held by the public is 25% in accordance with Rule 19A.13A(1). Accordingly, our Company will maintain a public float that exceeds this requirement upon Listing.

Further, these H Shares are not subject to any contractual, legal or regulatory disposal restrictions and are expected to be freely tradable upon Listing. As such, our Company is expected to satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules, which requires that at least 10% of the class of shares to be listed, having an expected market value of not less than HK$50 million, be held by the public and available for trading.

Minimum Prescribed Public Float Thresholds under Various Scenarios

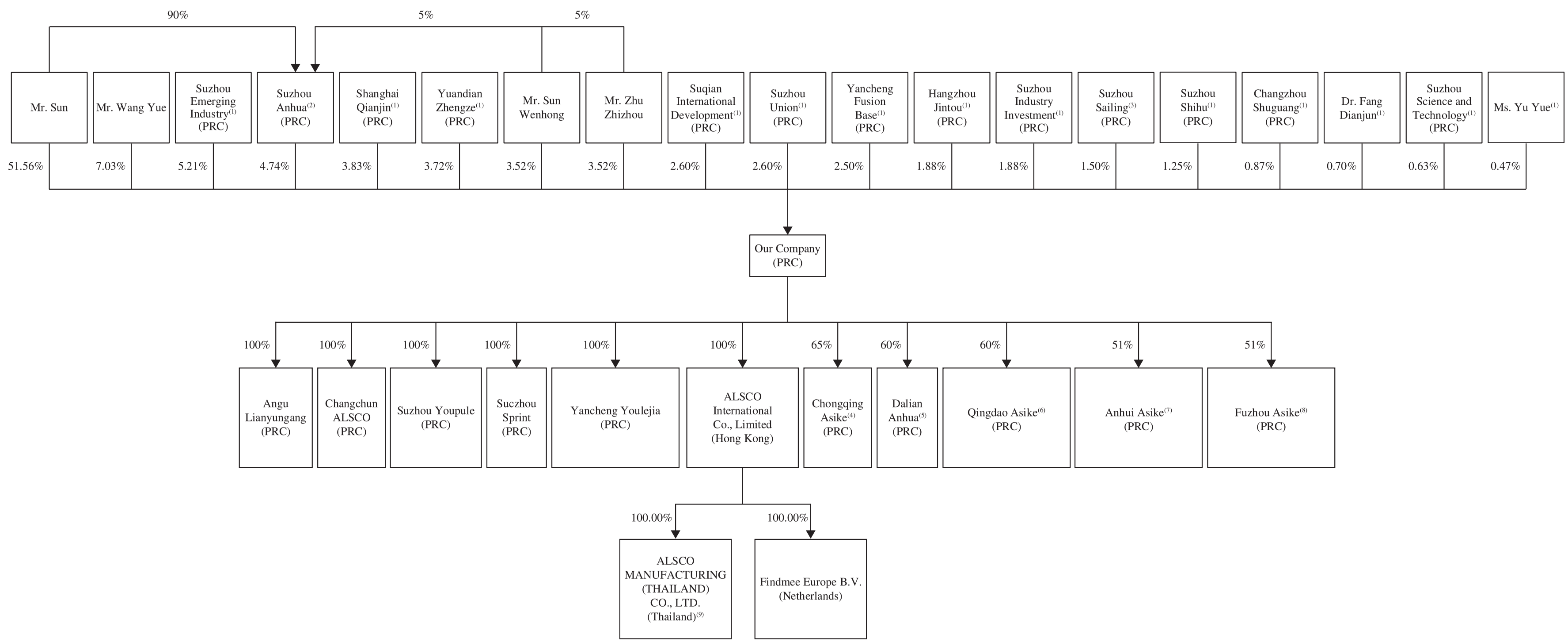
Scenario	Indicative Offer Price (HK$ per H Share)	Expected Market Capitalization (HK$ million)	Minimum Prescribed Public Float under Rule 19A.13A
Low-end of Offer Price range	11.0	994	25% (market value ≤ HK$6 billion)
Mid-point of Offer Price range	12.5	1,129	25% (market value ≤ HK$6 billion)
High-end of Offer Price range	14.0	1,265	25% (market value ≤ HK$6 billion)

Accordingly, under all of the above scenarios, the Company will maintain a public float of approximately 25.0% of its total issued share capital upon Listing, which exceeds the minimum prescribed requirement under Rule 19A.13A(1) of the Listing Rules. The expected market value of the freely tradable H Shares will also substantially exceed HK$50 million, thereby satisfying the free-float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

CORPORATE STRUCTURE

Corporate Structure Immediately Before Completion of the Global Offering

The following chart sets forth a simplified corporate structure of our Group immediately prior to completion of the Global Offering:



Notes:

(1) See "Pre-IPO Investments — Information about the Pre-IPO Investors" in this section for further details of the Pre-IPO Investors and their respective shareholdings.

(2) As of the Latest Practicable Date, Suzhou Anhua was owned as to 90% by Mr. Sun, 5% by Mr. Sun Wenhong and 5% by Mr. Zhu Zhizhou.

(3) As of the Latest Practicable Date, Mr. Wang Yue was the sole general partner of Suzhou Sailing. See "Employee Incentive Platform" in this section for further details of Suzhou Sailing.

(4) As of the Latest Practicable Date, the remaining 35% equity interest in Chongqing Asike was held by Mr. Zhu Chuanwei (祝傳偉), who is also a director of Chongqing Asike.

(5) As of the Latest Practicable Date, the remaining 40% equity interest in Dalian Anhua was held by Mr. Miao Chunlin (苗春林), who is also a director of Dalian Anhua.

(6) As of the Latest Practicable Date, the remaining 40% equity interest in Qingdao Asike was held as to 28% by Mr. Xie Yong (解勇), who is also a director of Qingdao Asike, and 12% by Mr. Wang Yanhui (王延輝), who is also a supervisor of Qingdao Asike.

(7) As of the Latest Practicable Date, the remaining 49% equity interest in Anhui Asike was held by Mr. Gong Caofei (龔曹飛), who is also a director of Anhui Asike.

(8) As of the Latest Practicable Date, the remaining 49% equity interest in Fuzhou Asike was held by Mr. Luo Yuqiang (羅育強), who is also a director of Fuzhou Asike.

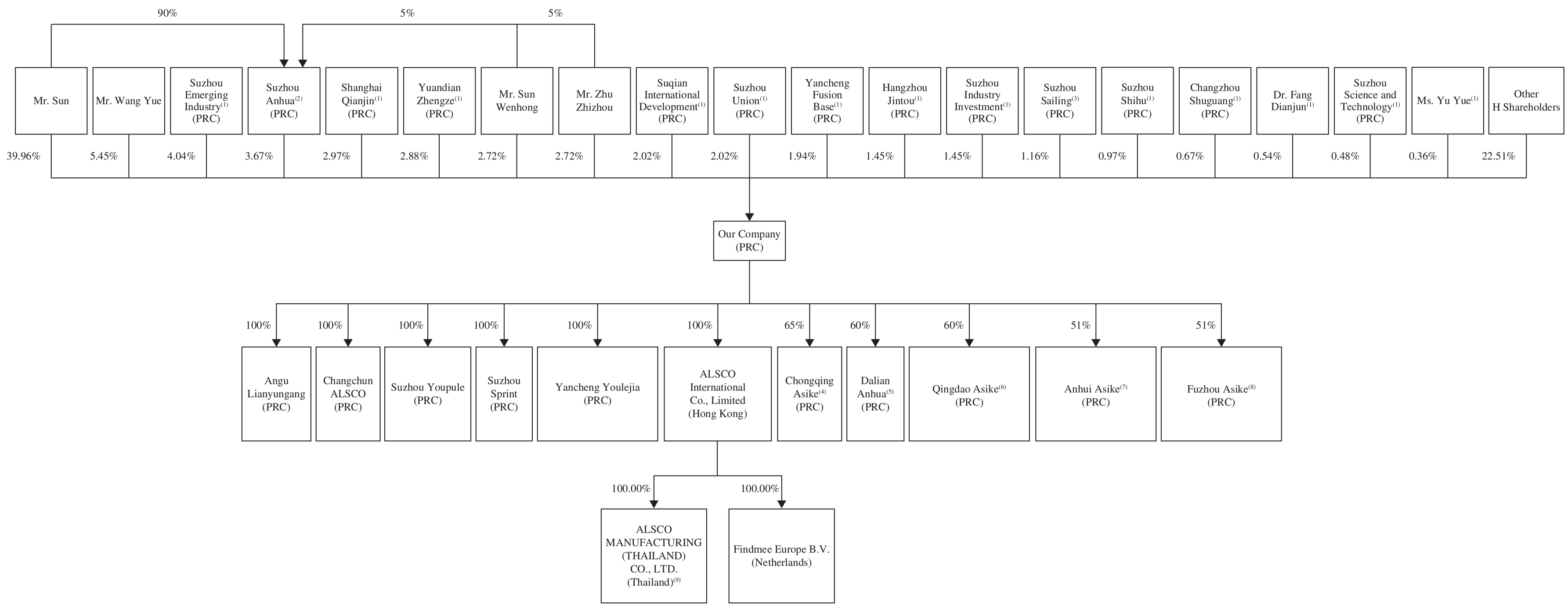
(9) As of the Latest Practicable Date, ALSCO International Co., Limited and Piyakon Teerawattanakul, an Independent Third Party, held 999,999 shares and 1 share of ALSCO MANUFACTURING (THAILAND) CO., LTD., respectively.

Remark:

Save for the Unlisted Shares held by Shanghai Qianjin, all the 67,317,705 Unlisted Shares held by the rest of the existing Shareholders will be converted into H Shares under the "full circulation" application upon completion of the Global Offering.

Corporate Structure Immediately Completion of the Global Offering

The following chart sets forth a simplified corporate structure of our Group immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Note:

See notes (1) to (9) to the corporate structure contained in the preceding pages.

Remark:

Save for the Unlisted Shares held by Shanghai Qianjin, all the 67,317,705 Unlisted Shares held by the rest of the existing Shareholders will be converted into H Shares under the "full circulation" application upon completion of the Global Offering.

OVERVIEW

We are a reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and OEMs within the automotive industry. We primarily provide pooling services, a shared-use model under which we manage reusable packages such as pallets, crates, or containers for customers, handling the storage, as well as distribution and return, which are primarily carried out through subcontracted third-party logistics service providers, cleaning, and maintenance of the reusable packages on their behalf. In addition to pooling services, we offer rental services for customers who prefer to manage reusable packages themselves, provide certain value-added services such as warehouse management and customer-owned containers management, and also sell containers to customers who have the capability to handle container management independently. According to Frost & Sullivan, in terms of revenue for 2024, we ranked as the second-largest provider of reusable package services in China with a market share of 1.5%; and the largest provider in the automotive pooling services market in China with a market share of 8.2%. In 2024, reusable package services, pooling services, and automotive pooling services accounted for 6.4%, 2.4%, and 1.0%, respectively, of China's overall logistics packaging solution market. The industries in which our Group operates, including reusable package services and pooling services markets in China, are highly fragmented and competitive.

Our pooling services, as a key part of our container services, form the core of our business. Through this pooling service model, we are committed to helping clients enhance their logistics efficiency, significantly reduce their packaging costs and achieve their green economic objectives as well as ESG goals.

Recognizing the key pain points in the logistics packaging industry, which include clients' limited capacity to manage containers effectively, insufficient digitalization and high costs of disposable packaging, Mr. Sun Yan'an (孫延安) founded our brand in 2016 to systematically address these challenges. As of August 31, 2025, we managed an asset pool comprising around 1.5 million reusable containers covering over 100 cities, supported by 78 warehouses. Together, this infrastructure enables us to meet the evolving needs of our customers.

Our revenue increased from RMB647.6 million for the year ended December 31, 2022 to RMB794.0 million for the year ended December 31, 2023, and further increased to RMB837.6 million for the year ended December 31, 2024, representing a CAGR of 13.7%. Our revenue increased from RMB507.4 million for the eight months ended August 31, 2024 to RMB533.3 million for the eight months ended August 31, 2025, representing an increase of 5.1%.

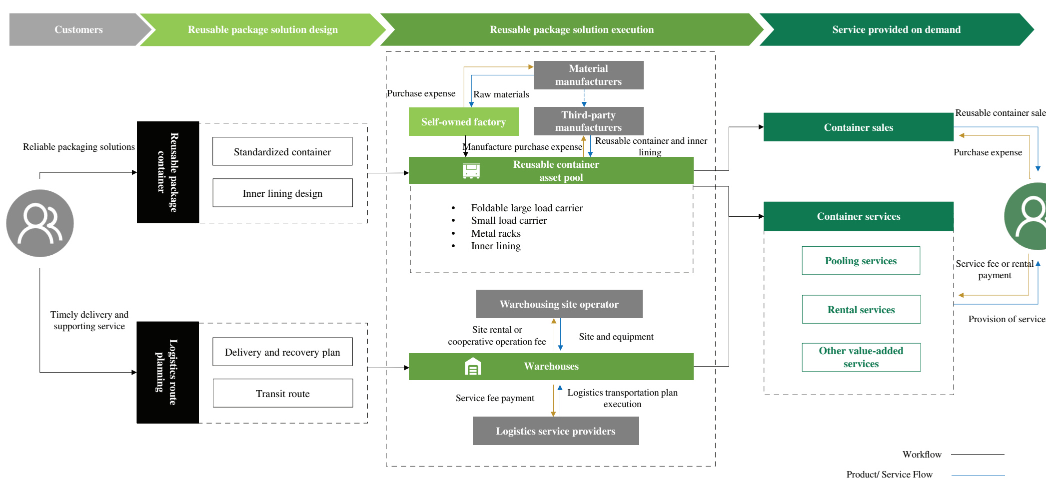
Our Business Model

We operate across two core business segments: container services and container sales, with the majority of our revenue driven by pooling services within the container services segment.

Container services form the core of our operations, comprising pooling services, rental services and other value-added services. Pooling services offer comprehensive solutions for the design, distribution, recovery and maintenance of standardized reusable containers. Customers can borrow and return containers on demand, with the flexibility to use different locations for pick-up and drop-off, while we manage all container operations through our warehouses. Rental services, on the other hand, offer fixed-term rentals, where we supply containers and customers independently manage their logistical operations. We also offer other value-added services such as logistics transportation, warehouse management, and customer-owned container management to meet the diverse needs of our clients.

Our container sales segment focuses on offering reusable container products, such as foldable large load carriers and small load carriers. These products primarily serve small and medium-sized enterprises in the automotive industry, contributing to the diversification of our revenue streams.

The chart below illustrates the typical workflow of our reusable package services:



See "Overview — Our Business Model" in this section for further details.

Our Value Propositions

We distinguish ourselves from our competitors by offering a unique set of benefits that cater to the dynamic needs of reusable package services, ensuring cost-effectiveness, efficiency and sustainability. These benefits include:

- **Cost Reduction:** By transitioning from traditional single-use packaging to reusable containers, we help clients achieve substantial reductions in material costs. Additionally, our pooling services streamline container operations, lowering labor and management expenses. With no need to invest in container management, clients also experience a significant reduction in capital expenditures. Through our digital systems, we can further help clients cut costs by minimizing container loss, reducing excess inventory, leading to overall lower operational expenses.

- **Efficiency Improvement:** We streamline every aspect of container management, including distribution, recovery, maintenance, scheduling and storage, resulting in faster container cycles and better resource allocation. Our well-coordinated container management processes minimize clients' downtime, enhancing their productivity and operational performance. For example, our digital systems, like Smartlinx, provide data analytics for our order and warehouse information, while Find Me enables real-time tracking of container locations. Together, these systems significantly enhance clients' operational efficiency by improving their visibility, decision-making and response time across their supply chain, ensuring faster and more efficient operations for our clients.

- **Timely Service with Established Network:** As of August 31, 2025, we had established a network of 78 warehouses across over 100 cities to serve our clients effectively. Our wide-reaching network of warehouses allows us to provide timely services across multiple locations allowing clients to pick up and return containers from different locations as needed. This well-established network improves service accessibility for our clients, minimizing our response time to meet client needs.

- **Circular Economy Practices Aligned with ESG Goals:** Our business model is guided by the core principles of the circular economy — reduce, reuse and recycle, which help minimize waste and align with the ESG goals of our clients, the industry and society. By adopting reusable containers in place of disposable packaging, we reduce resource consumption and waste, extend the lifecycle of materials, and recycle waste into new resources, thereby decreasing the demand for virgin materials. Integrating these practices into our operations not only promotes long-term environmental sustainability but also enhances economic value.

These benefits collectively allow us to offer cost-effective, efficient and sustainable reusable package services that set us apart in the competitive landscape.

The chart below highlights the key differences between our reusable package services and those offered by traditional logistics packaging suppliers:

Item	Service model			
	Solution design	Operating model	Packaging design	Transportation and warehousing
Our reusable package services	✓	✓	✓	✓
Examples	Provide timely and customized services through designing service solutions aligning with clients' production plan and logistic network coverage	Provide reusable package services with pooling services, rental services, or container sales to address clients' needs	Match clients' various demand through designing containers which are more durable, protective and recycled. Folding and combination designs on the containers also improve loading efficiency	Participate in transportation and warehousing with capabilities on container asset management and logistic network coverage
Traditional logistics packaging services	✗	✗	✗	✗
Examples	Mainly provide packages with fewer packaging operation solutions	Focusing on package sales and rental services without container operation and management	Provide disposable packages made of wood and paper which are less protective and recycled	Not involved in package management and operation with fewer logistic capacities and resources

Reusable package services offer distinct advantages over traditional logistics packaging services across several dimensions. The operating model of reusable package services is service-focused, offering flexible options such as rental, pooling and container sales tailored to customer requirements, whereas traditional services prioritize the sale of disposable packaging. In packaging design, reusable package services emphasize durability, reusability and protection, incorporating efficient folding and combination features, while traditional packaging relies largely on single-use materials such as wood or paper. Finally, in transportation and warehousing, reusable package services actively engage in container management and container logistics optimization, in contrast to the limited operational involvement of traditional packaging services in these areas.

Market Trends and Opportunities

According to Frost & Sullivan, to align with sustainability trends, the logistics packaging industry is increasingly shifting from single-use packaging to reusable packaging to meet rising sustainability demands and support ESG initiatives. This transition is being driven by stricter environmental regulations across industries, creating a need for more eco-friendly packaging solutions. In response, pooling services, where reusable packaging is circulated and reused across multiple users, have become a crucial part of the logistics packaging industry. Additionally, according to Frost & Sullivan, the demand for digitalization from downstream industries is driving the digital transformation of upstream suppliers, specially in the automotive industry. As a result, the global pooling services market continues to expand.

According to Frost & Sullivan, in terms of revenue, the size of global pooling services market grew from RMB105.6 billion in 2019 to RMB171.1 billion in 2024, representing a CAGR of 10.1%, and is expected to reach RMB324.9 billion in 2030, representing a CAGR of 11.3% from 2025 to 2030.

In light of these evolving trends, our reusable package services offer significant material opportunities. The transition from single-use packaging to reusable packaging, combined with the shift from a traditional rental service model to our pooling service model, leads to a substantial overall reduction in our costs. Additionally, our digital systems and platforms enhance operational efficiency by providing real-time tracking, digitalized inventory management, and data-driven insights, which further optimize resource utilization and minimize losses. This positions us to drive significant value for our customers, which also build a solid foundation for our future development and make us a favorable position to capture the market opportunities.

Capitalizing on International and Domestic Market Opportunities

According to Frost & Sullivan, the automotive industry, our primary focus, offers significant existing scale and promising development prospects. The automotive industry is currently undergoing a transformative shift, driven by advancements in electric vehicles (EVs), battery technology and renewable energy integration. These changes are reshaping consumer preferences and regulatory landscapes globally, creating substantial demand. According to Frost & Sullivan, in China, the automotive export volume reached 5.9 million units in 2024, with a CAGR of 41.9% from 2019 to 2024. International markets generally provide higher gross profit margins compared to the domestic Chinese market, particularly in the automotive and cross-border e-commerce sectors according to Frost & Sullivan. This disparity in profit margins highlights the significant opportunities available in international markets.

According to Frost & Sullivan, China's substantial logistics packaging market presents significant potential for the future growth of pooling services. With strong policy support and increasing demand for cost efficiency and environmental sustainability, the pooling services market in China has grown rapidly and is expected to continue to grow. Pooling services are crucial in logistics, reducing costs, minimizing packaging investment, and offering flexibility to adapt to demand fluctuations, making them widely adopted in the automotive industry. Our expertise and robust capabilities position us well to capture emerging opportunities both internationally and domestically.

By leveraging our expertise and robust capabilities in the industry where we operate, we are well-positioned to capture emerging opportunities both internationally and domestically. Our strategic focus on these high-growth areas enables us to maximize profitability and drive sustainable growth. This dual-market approach, focusing on both international and domestic markets, not only strengthens our competitive edge but also ensures that we remain adaptable and resilient in an ever-changing global business landscape. By diversifying revenue streams, we aim to reduce dependency on a single market and mitigate risks. International markets offer higher profit margins and expand our customer base, while exposure to diverse markets fosters innovation and the adoption of best practices.

Enhancing Supply Chain Transparency and Operational Efficiency

Our tracking and reporting technologies provide real-time visibility into supply chain operations, enabling businesses to monitor their products from origin to destination. This enhanced transparency not only fosters trust and accountability but also allows for more informed decision-making and proactive issue resolution. Additionally, our emphasis on mechanized operations and standardized processes significantly boosts operational efficiency, reducing delays and operational costs. This positions us to effectively cater to the growing needs of industries seeking to optimize their supply chains and improve logistics performance.

According to Frost & Sullivan, the Chinese logistics services industry faces several challenges: inconsistent packaging sizes and varying material quality complicate logistics processes and cause component damage; reliance on manual operations results in low operational efficiency; and inadequate product tracking hinders transparency and adaptability to changes in the automotive industry's production planning and supply chain management.

As a provider of reusable package services, we are dedicated to overcoming the abovementioned challenges through innovative and sustainable approaches. By introducing reusable packaging to replace disposable materials, we reduce costs and support sustainable development of our clients, elevating industry standardization levels to streamline logistics processes and implementing mechanized operations to enhance operational efficiency. Furthermore, we offer comprehensive tracking services to improve transport transparency, addressing the overall supply chain management needs of businesses and enabling them to adapt effectively to the evolving automotive industry.

ESG Initiatives and Commitment

We are capable to help customers and industries to better comply with ESG policies and regulations. Through our reusable package services, we enable our clients to replace traditional packaging methods like cardboard and wooden boxes with reusable packages, helping them to meet stringent environmental, social, and governance standards, which are increasingly critical in today's business landscape. This capability not only helps our customers enhance their sustainability practices but also brings new business opportunities to us.

As companies seek partners who can support their ESG goals, our expertise in reuseable-package services and container management positions us as a preferred choice, which, in turn, strengthens our market position in an evolving business environment characterized by higher ESG requirements. By aligning our services with these demands, we ensure that we remain competitive, driving growth and fostering long-term success for both our clients and ourselves.

OUR COMPETITIVE STRENGTHS

We believe the following strengths position us to capitalize on opportunities in the fast growing reusable package services market and are differentiating factors from our peers:

Asset pool and service capabilities accumulated through long-term cultivation

According to Frost & Sullivan, in terms of revenue for 2024, we ranked as the second-largest provider of reusable package services in China with a market share of 1.5% and the largest provider in the automotive pooling services market in China. In 2024, reusable package services, pooling services, and automotive pooling services accounted for 6.4%, 2.4%, and 1.0%, respectively, of China's overall logistics packaging solution market.

Reusable packages have a broad range of applications in the logistics market, which aligns with the needs of the manufacturing sector. Reusable package services providers continue to benefit from favorable government policies, rapid technological advancements and the increasing demand from enterprises for cost reduction and efficiency improvements. As businesses strive to optimize their operations and reduce environmental impact, the adoption of reusable packages is expected to grow significantly, driving further innovation and growth in the logistics and manufacturing sectors.

We provide nationwide services to our customers, ensuring broad coverage to meet their operational needs. According to Frost & Sullivan, as one of the earliest entrants in the industry, we have developed competitive advantage by leveraging significant industry barriers. Our large and loyal customer base, combined with our nationwide service network, strengthens our market presence. Furthermore, we managed a reusable packages asset pool comprising around 1.5 million containers as of August 31, 2025, serving more than 1,000 customers across over 6,100 projects during the Track Record Period. These resources and expertise are not easily replicated, further reinforcing our position as a trusted partner in the industry.

Efficient and nationwide service network

We have successfully established a well-developed network and infrastructure, which serves as the foundation for implementing our reusable package services. Key highlights of our service network and infrastructure include:

- Our services covered a network spanning over 100 cities, including major cities such as Shanghai, Wuxi, Guangzhou, Wuhan and Chongqing, as well as locations in Indonesia and South Korea, as of August 31, 2025;

- As of August, 2025, we operated a network of 78 warehouses to manage our containers and deliver services to our clients; and

- We have also established overseas subsidiaries in Thailand and Hong Kong to support our potential international clients and accelerate our global expansion. Our presence in Thailand strategically positions us to serve the global businesses of OEMs and major EV manufacturers, aligning with the growing demand in the EV sector.

This network and infrastructure enable us to deliver our services effectively, maintain high operational efficiency and provide comprehensive support to our customers. According to Frost & Sullivan, our efficient and nationwide service network and infrastructure have laid a solid foundation for our development and differentiate us from our competitors in the industry.

Comprehensive support from digital systems and platforms

We initially developed the Smartlinx platform to enable comprehensive monitoring and management of our reusable packages. To further strengthen our operations capabilities, we introduced digital systems such as Find Me and the Return Box, specifically designed to meet evolving business demands and now supporting our container management and logistics services. These systems enable us to enhance supply transparency and improve operational efficiency.

The Smartlinx platform, our comprehensive cloud-based management system, integrates multiple systems, including the Order Management System (OMS), Transportation Management System (TMS), Warehouse Management System (WMS) and Settlement Management System (SMS). This unified platform enables standardized container scheduling, data analytics, real-time container management, visualization capabilities, and intelligent settlement. Our Find Me tracking platform facilitates real-time location tracking, inventory alerts, abnormal vibration recording and temperature sensing for around 145,432 containers, as of August 31, 2025, providing comprehensive tracking services that enable informed decision-making. Return Box, our container recovery management system, oversees container recovery with features like inspection management, inventory management and recovery monitoring.

These innovative platforms position us as one of the industry leaders in intelligent container management, meeting the evolving needs of our customers and enhancing sustainability. According to Frost & Sullivan, our advancements in digital technology improve visibility, automate processes and enhance forecasting, particularly in the automotive supply chain sector.

Quality customer base

Our logistics system and service network have enabled us to build enduring partnerships with a range of highly regarded and influential companies across multiple industries. These include several world-leading automotive manufacturers known for their innovation in electric vehicles and cutting-edge automotive technology, as well as their key suppliers, who are instrumental in the global supply chain of automotive components and energy solutions. These partners are recognized for setting high standards in quality and sustainability, playing pivotal roles in shaping the future of mobility.

We have maintained stable, long-term relationships with our five largest customers in each year/period during the Track Record Period, spanning three to nine years. These customers include some of the most prominent players in the global automotive industry, widely respected for their technological advancements.

These renowned customers have chosen to partner with us due to our ability to provide reliable and efficient reusable package services tailored to their specific needs. Our strong customer base is a testament to our reputation for delivering quality services and fostering long-term relationships with industry leaders. By continuously satisfying and exceeding the expectations of our customers, we have established ourselves as a trusted and preferred reusable package services provider within the industry. Furthermore, we are able to leverage these relationships to showcase our capabilities and expand our clientele, driving further growth and strengthening our market position.

Sophisticated and stable management team with abundant industry experience

We have a highly skilled management team with substantial industry experience. Their collective expertise and leadership are pivotal to our strategic growth and operational success.

Our founder and chairman, Mr. Sun Yan'an (孫延安), brings 26 years of expertise in the logistics industry. He has received numerous accolades and has a high standing in the logistics industry, including being named a "Contributing Entrepreneurs in the Automobile Logistics Industry of the Decade" (汽車物流行業貢獻企業家) in 2021 and recognized as "Person of the Year 2011 for China's Tray Industry" (2011中國托盤年度人物). Mr. Sun was also a standing director of the fourth Council of the Automotive Logistics Branch of China Federation of Logistics & Purchasing (中國物流與採購聯合會汽車物流分會) and "Professor of Industry in Jiangsu Province" (江蘇省產業教授) at Suzhou University of Science and Technology (蘇州科技大學). His leadership is instrumental in driving our strategic growth and maintaining our operational efficiency.

Additionally, all of our core management team, namely, Mr. Sun, Mr. Wang Yue (汪玥), Mr. Xiang Yang (相陽) and Ms. Zhu Meiling (朱美玲), joined the Group during its early development, have held key managerial roles during Track Record Period. This stable leadership team has been integral to our growth, expansion and advancement. Under the continuing leadership of our experienced and professional management team, we are poised to maintain our competitive edge and occupy a leading market position.

For further details, see "Directors, Supervisors and Senior Management" in this prospectus.

OUR STRATEGIES

We plan to implement the following strategies:

Continuous Investment in System Development and Digital Innovation

Taking into account the rapidly evolving technological landscape and the increasing importance of data-driven decision-making, we will implement a strategy to increase our investment in enhancement and upgrade of our digital systems and platforms, developing new solutions, and leveraging digitalization to enhance transparency and optimize decision-making across our operations.

- *Updating Our Current Systems and Developing New Solutions*: We are dedicated to continuously updating our existing platforms, such as Smartlinx and Find Me, by integrating enhanced data analytics, AI and machine learning capabilities. These updates will further streamline order management, warehouse operations and real-time tracking, allowing us to improve operational efficiency, reduce costs and optimize resource allocation.

  In parallel, we will consider to develop new digital systems that leverage cutting-edge technologies to address emerging challenges in logistics and supply chain management, helping us meet the evolving needs of various industries. Additionally, we will continue to innovate our product offerings, such as developing smart boxes and crates for sectors beyond automotive, like retail, to broaden our market reach and diversify our solutions.

- *Leveraging Digitalization to Enhance Transparency and Decision-Making*: Our digitalization strategy focuses on using technologies to improve transparency and optimize decision-making throughout our operations. By incorporating AI and machine learning into our processes, we can automate key functions, such as scheduling, container management and logistics coordination. These digital tools enable us to analyze real-time data more effectively, providing deep insights that lead to more informed and precise decision-making. This enhanced level of digitalization not only improves our internal operations but also offers clients greater visibility into their supply chains. By providing more comprehensive, data-driven services, we help our clients to make better decisions, improving their overall logistics performance. Ultimately, these initiatives drive operational efficiency, increase profitability and strengthen our position in the market.

We intend to use approximately 25.0% of the net proceeds from the Global Offering (or HK$51.2 million) for enhancement and upgrade of our digital systems and platforms. See "Future Plans and Use of Proceeds" in this prospectus for further details.

Expanding Business Scope and Advancing Overseas Strategy

Global logistics packaging solution are experiencing steady growth, driven by technological innovations, supportive policies and the expansion of global trade. According to Frost & Sullivan, the market size of global logistics packaging solution increased from US$335.3 billion in 2019 to US$411.7 billion in 2024, with a CAGR of 4.2%, and is expected to reach US$517.6 billion in 2030, representing a CAGR of 3.8% from 2025 to 2030.

In line with the trend of China's advanced manufacturing industries expanding overseas, we are also extending our reach internationally. We will implement a comprehensive expansion strategy to enhance our market position both globally and domestically. Our initial focus will be on Southeast Asia, replicating our successful business model in the PRC by simultaneously building production and operational capabilities before expanding into other regions. Southeast Asia is our strategic starting point due to its market potential and alignment with our growth objectives. We have established an office in Thailand to serve as liaison and coordinate our regional activities. As of the Latest Practicable Date, we were developing an operational division and a production facility in Thailand.

We are committed to continuously expanding our service network and increasing container deployment, covering more customers while further reducing operational costs and leveraging economies of scale. This approach ensures that we can serve a broader customer base efficiently and cost-effectively, further enhancing our competitive edge and market reach.

We are committed to evolving from traditional container management to offering innovative digital services, leveraging technology and data to provide efficient solutions on a global scale. Our goal is to transition from being a primarily Chinese-focused company to establishing a significant worldwide presence, serving customers globally and building strong international partnerships.

With respect to domestic market promotion, we plan to expand beyond the automotive industry into other assembly-related sectors such as home appliances and two-wheel vehicles. Additionally, we will enhance our digital services to guide customers toward higher-end developments and expand our related logistics services. We aim to increase our market share and diversify our revenue streams within the domestic market.

We intend to use approximately 45.0% of the net proceeds from the Global Offering (or HK$92.2 million) for our business expansion, among which, (i) approximately 25.0% of the net proceeds from the Global Offering (or HK$51.2 million) for advancing our overseas expansion strategy; and (ii) approximately 20.0% of the net proceeds from the Global Offering (or HK$41.0 million) for expanding our nationwide service network in the PRC. See "Future Plans and Use of Proceeds" in this prospectus for further details.

Optimizing Service Network to Support Business Growth

We plan to optimize our service network by increasing its density, which will lead to better asset utilization, improved timeliness and enhanced service quality. By refining our logistics and operational processes, we aim to maximize the efficiency of our resources and reduce per-unit operating costs.

To further support business expansion, we will enhance our service capabilities by expanding our network and increasing container deployment to reach a broader customer base. As the new energy vehicle industry grows, we will strategically establish operational centers in key regions aligned with industry clusters, enabling us to better serve this sector's logistical needs. Additionally, we plan to integrate third party assets, such as leased warehouses and transportation fleets, into our operations, optimizing economies of scale and improving service delivery.

Expanding the application scenarios of our services

According to Frost & Sullivan, optimizing supply chain efficiency helps reduce operational costs, improve production efficiency and enhance customer satisfaction, making it a key strategy for modern businesses. Therefore, we will implement a strategy committed to continuously expanding the application scenarios of our existing infrastructure and integrating the logistics supply chain.

In the automotive industry, we plan to expand our container solutions by incorporating pallets into our offerings, providing a more comprehensive logistics service tailored to the sector's specific needs. For other downstream industries, we aim to target companies that complement our existing resources, possess regional operational strengths, or operate across multiple sectors. We intend to use approximately 20.0% of the net proceeds from the Global Offering (or HK$41.0 million) for expanding the application scenarios of our services to other downstream industries by acquisition. See "Future Plans and Use of Proceeds" in this prospectus for further details.

Additionally, to further optimize assets and operations, we are exploring partnerships with AI and IT companies to enhance scheduling and container management through algorithmic solutions. By utilizing AI and big data, we can optimize container allocation, cut idle time, reduce costs, boost efficiency, and support our sustainability goals.

Our Directors are of the view, and Frost & Sullivan concurs, that expanding the application scenarios of our infrastructure and integrating the logistics supply chain will significantly improve our service offerings. By creating a more interconnected and optimized service network, we will be able to meet the diverse needs of our customers, driving sustainable growth and reinforcing our competitive position in the market.

OUR BUSINESS MODEL

Overview

We are a reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and OEMs within the automotive industry. We provide pooling services, rental services, and other value-added services for reusable containers to customers who require efficient and sustainable solutions for managing their supply chain logistics. In addition, we sell containers to customers who use them within their own facilities or have the capability to manage container operations independently. By leveraging our operational expertise and our nationwide service network, along with our digital systems and platforms, we are able to provide end-to-end solutions, including tailored reusable containers and customized implementation plans. This approach enables us to offer flexible, efficient reusable package services that enhance supply chain performance and minimize logistical complexities for our customers.

The following table sets forth a breakdown of our revenue by business segments during the Track Record Period:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000 (unaudited)*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*
Container services										
– Pooling Services	447,413	69.1	587,692	74.0	673,549	80.4	401,088	79.0	402,969	75.5
– Rental Services	28,444	4.4	28,055	3.5	20,937	2.5	15,020	3.0	18,760	3.5
– Other value-added services	63,453	9.8	76,096	9.6	72,127	8.6	45,743	9.0	45,115	8.5
Container sales(1)	**108,277**	**16.7**	**102,176**	**12.9**	**71,007**	**8.5**	**45,578**	**9.0**	**66,492**	**12.5**
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

Note:

(1) Our container sales primarily include foldable large load carriers, small load carriers, custom-developed inner linings and customized metal racks.

Revenue by Geographical Locations

During the Track Record Period, we primarily derived revenue from sales to customers in the PRC, which contributed the majority of our total revenue. A smaller portion of our revenue was generated from overseas markets including, among others, Germany, Indonesia, Japan and South Korea. The following table sets forth a breakdown of our revenue by geographical locations for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*(RMB'000) (unaudited)*	*Percentage of total revenue (%)*	*(RMB'000)*	*Percentage of total revenue (%)*
Container services										
– PRC	537,134	83.0	691,041	87.0	764,785	91.3	460,918	90.8	465,177	87.2
– Overseas[(1)]	2,176	0.3	802	0.1	1,828	0.2	933	0.2	1,667	0.3
Sub-total	539,310	83.3	691,843	87.1	766,613	91.5	461,851	91.0	466,844	87.5
Container Sales										
– PRC	103,051	15.9	99,635	12.5	69,745	8.3	44,501	8.8	63,265	11.9
– Overseas[(2)]	5,226	0.8	2,541	0.3	1,262	0.2	1,077	0.2	3,227	0.6
Sub-total	108,277	16.7	102,176	12.9	71,007	8.5	45,578	9.0	66,492	12.5
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

Notes:

(1) Our overseas container services business primarily consisted of two key projects located in Indonesia and South Korea during the Track Record Period.

(2) Our overseas Container Sales business primarily served customers from Japan, South Korea, Germany, and other overseas regions during the Track Record Period.

Overseas Container Services

In addition to its operations in the PRC, the Group undertook limited overseas projects in Indonesia and South Korea during the Track Record Period to support PRC-based customers exporting automotive parts and KD kits to their overseas OEM plants. Under these projects, the Group provided and managed reusable containers, overseeing container design, dispatch planning and international circulation.

For these overseas projects, the Group's warehouses in the PRC delivered empty reusable containers to customers' manufacturing plants for loading and export. After unpacking at the overseas OEMs, the Group coordinated the collection and storage of empty containers through local warehousing service providers and third-party logistics service providers engaged under framework agreements. These partners were primarily responsible for providing storage and cross-border container recovery services in accordance with the Group's instructions and were not involved in other value-added services. Transactions with customers and partners were settled in RMB and followed the same per-use pricing model as the Group's domestic pooling services.

The Indonesia project, which served Customer C under a five-year agreement from June 2020 to July 2025, recorded a gradual decline in scale during the Track Record Period. The number of containers deployed decreased from approximately 32,577 units as of December 31, 2022 to 23,565 units as of December 31, 2023, and further to 19,142 units as of December 31, 2024, before reaching nil in the first half of 2025, following the customer's reduction in export activities. The decline in scale and negative gross profit were primarily attributable to lower shipment frequency and higher international freight costs, which increased unit depreciation and transportation expenses. The project was terminated upon the expiry of its contract on July 31, 2025.

The South Korea project, which commenced in April 2024 under a two-year agreement with Customer B, involved pooling and circulation services for exports to OEMs in South Korea. Local warehousing and logistics partners were engaged under framework agreements to provide storage and cross-border container recovery services. Approximately 5,256 containers were deployed as of December 31, 2024, increasing to 6,726 containers as of August 31, 2025, reflecting steady growth in service volume. The project remained in operation during the Track Record Period.

The Group's overseas projects remain limited in scale and primarily serve the export needs of its PRC customers. These projects are managed with appropriate cost control and flexibility as part of the Group's long-term international development strategy.

Revenue by Industries of Downstream Customers

During the Track Record Period, our major downstream customers were primarily from the automotive industry, with a smaller portion from non-automotive industries, such as logistics services, food, and pharmaceuticals. The following table sets forth a breakdown of our revenue by the automotive industry and non-automotive industries of our downstream customers for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*(RMB'000) (unaudited)*	*Percentage of total revenue (%)*	*(RMB'000)*	*Percentage of total revenue (%)*
Container services										
– Automotive Industries	538,694	83.2	689,534	86.8	765,078	91.7	461,206	90.9	466,844	87.5
– Non-automotive industries	616	0.1	2,309	0.3	1,535	0.2	645	0.1	–	–
Sub-Total	539,310	83.3	691,843	87.1	766,613	91.5	461,851	91.0	466,844	87.5
Container Sales										
– Automotive Industries	108,230	16.7	102,176	12.9	70,790	8.5	45,375	8.9	66,451	12.5
– Non-automotive industries	47	0.0	–	–	217	0.0	203	0.1	41	0.0
Sub-Total	108,277	16.7	102,176	12.9	71,007	8.5	45,578	9.0	66,492	12.5
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

During the Track Record Period, we primarily generated revenue from business segments as follows:

- **Container services:** container services form the core of our operations, comprising pooling services, rental services and other value-added services.

  o Pooling Services: Our pooling services provide customers with access to a managed packaging pool of reusable containers. Beyond simply supplying containers, our pooling model, based on our digital capabilities and nationwide service network, delivers a fully managed solution, under which each use of our containers involves the operation and management before and after customers' use, including distribution, recovery, maintenance, scheduling and storage, enabling customers to focus on their core business. Additionally, we offer standardized containers with customizable inner linings, tailored to meet specific product requirements, ensuring optimal protection and adaptability during their use.

Our pooling services are enhanced by our digital systems and platforms to improve our operational efficiency. These systems help ensure the safety of customers' assets, simplify container management and support informed decision-making, all while optimizing overall supply chain performance.

Under our pooling services model, customers are charged based on the number of times containers that are circulated, utilizing a pay-per-use system that scales with their business needs. This flexible payment structure ensures cost-efficiency, allowing customers to only pay for what they use, without the long-term commitments associated with ownership or fixed rental agreements.

- o Rental Services: Our rental services follow a traditional fixed-term rental model, where customers pay based on the number of days the containers are in use. We, as the rental service provider, are only responsible for supplying the reusable containers, while the management of container logistics is handled by customers. This model is ideal for customers who have the capacity or prefer to manage their container operations independently.

- o Other Value-added Services: Our other value-added services include, but are not limited to, logistics transportation, warehousing management, customer-owned container management and a combination of these services, providing clients with comprehensive solutions. In addition to offering container services, we also provide transportation and warehousing management services, helping clients streamline operations and reduce logistical complexities. For customer-owned container management, we are responsible for the operation and management of clients' own containers, including maintenance, cleaning, storage, and repair services helping them improve asset utilization and reduce capital expenditures related to container management.

- **Container Sales:** Our container sales business targets customers with logistical capabilities and procurement needs, directly supplying them with our products, which primarily include reusable foldable large load carriers, small load carriers, custom-developed inner linings and customized metal racks. Primarily serving enterprises in the automotive industry, our diverse and widespread customer base enhances our risk resilience.

The table below provides an overview of key operational data, including the number of containers under our management and the number of projects in operation for the years/periods specified:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Number of Containers Under Management					
Unit: '000 sets					
Foldable Large Load Carriers	**577.5**	**622.4**	**699.2**	**662.8**	**743.6**
Small Load Carriers	**278.7**	**402.3**	**616.3**	**506.7**	**770.9**
Metal Racks	**38.0**	**39.1**	**38.8**	**38.9**	**35.0**
Total	**894.1**	**1,063.8**	**1,354.2**	**1,208.5**	**1,549.5**
Number of Projects in Operation(1)					
Pooling Services	3,246	3,583	3,512	3,456	3,482
Rental Services	299	296	290	290	321
Total	**3,545**	**3,879**	**3,802**	**3,746**	**3,803**

Note:

(1) The "Number of Projects in Operation" is calculated based on projects that generated revenue during the year.

The table below presents a summary of key operational data, including the number of warehouses in operation related to our container services for the years/periods specified:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Number of Warehouses in Operation					
Self-operated	32	29	25	27	25
Third Party Cooperation	40	43	46	40	53
Total	**72**	**72**	**71**	**67**	**78**

In our operations, the number of customers and major customers significantly influences our revenue and growth. The customer retention rate reflects our ability to retain clients, with a higher rate indicating revenue stability and reduced churn. Major customers, who contribute substantially to our revenue, are especially crucial. Their retention rates and net cash retention rates highlight our success in maintaining these key relationships and driving increased revenue from them over time.

The table below provides an overview of the turnover trips and average operating price per container per trip under our pooling services model for the years/periods specified:

	Year ended December 31,			Eight months ended August 31,	
Pooling Services	**2022**	**2023**	**2024**	**2024**	**2025**
Turnover Trips(1) ('000 trips)	3,975	4,598	5,013	2,924	2,975
Average Operating Price (RMB)(2)	113	128	134	137	135
Average Turnover Trips Per Container (trips)(3)	6.9	7.0	6.7	4.1	3.6

Note 1: Turnover trips represent the total number of service cycles completed during the year/period by the containers used in our pooling services (including foldable large load carriers, small load carriers (counted as one set per six units in accordance with our standard usage and operational management practice), and metal racks). In general, a service cycle involves the delivery of empty containers to Tier 1 Suppliers, their use for loading products, and the subsequent return of empty containers after the products are delivered to the destination.

Note 2: Average operating price per container per trip under our pooling services is calculated by dividing the revenue generated from pooling services during the relevant period by the total number of turnover trips completed under pooling services during the same period.

Note 3: The average turnover trips per container is calculated by dividing the total trips during the year by the average number of containers used for pooling services (including containers reserved for contingency or backup use).

During the Track Record Period, the average operating price per container per trip under our pooling services model increased steadily, from RMB113 per container per trip for the year ended December 31, 2022, to RMB128 per container per trip for the year ended December 31, 2023, and further increased to RMB134 per container per trip for the year ended December 31, 2024. This steady increase was primarily attributable to our continued expansion into high-value automotive parts sectors, particularly in the field of EV vehicles. At the same time, the average turnover trips per container recorded a slight decline in 2024 and the eight months ended August 31, 2025, primarily due to demand fluctuations and extended delivery cycles of certain downstream customers, especially new projects in the high-value automotive parts and new energy vehicle sectors. In response, we increased our container reserves and investments. The overall decline in the average turnover trips per container was partially offset by the increase in the average operating price per container per trip.

The table below provides an overview of the turnover trips and average rental price per container under our rental services model for the years/periods specified:

Rental Services	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Rental Months ('000)[(1)(2)]	461	426	420	350	283
Average Rental Price (RMB)[(3)] . . .	62	66	50	43	66

Note 1: Rental months represent the total number of months during the year/period that our containers used in rental services (primarily foldable large load carriers) were rented out, considering the agreed rental period typically measured on a monthly basis.

Note 2: "Turnover Trips per Container" is not applicable to the rental services model. Unlike the pooling services model, where turnover reflects the number of cycles completed, the rental services model measures container usage based on the total number of months containers are rented under fixed-term agreements and billed on a monthly basis.

Note 3: Average rental price per container per month under our rental services model is calculated by dividing the revenue generated from rental services during the relevant period by the total number of rental months during the same period.

During the Track Record Period, the average rental price per container under our rental services model remained relatively stable, increasing slightly from RMB62 per container for the year ended December 31, 2022, to RMB66 per container per month for the year ended December 31, 2023, and further to RMB52 per container for the year ended December 31, 2024. The decrease was primarily due to lower raw material costs for containers, achieved through the use of recyclable materials and plastic molding technology, which significantly reduced manufacturing expenses. Additionally, our strategic adjustment, which shifted the business focus toward pooling services, also contributed to the decrease. For the eight months ended August 31, 2025, the average rental price rose to RMB66, as compared to RMB43 for the same period in 2024. The increase was mainly driven by newly secured rental projects, particularly in the new energy sector, which featured higher-value and higher-priced container rental arrangements.

The table below provides an overview of the sales volume and average selling price under our container sales segment for the years/periods specified:

Container Sales	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Sales Volume ('000 units)	94	80	61	38	74
Average Selling Price (RMB)	1,152	1,281	1,169	1,195	895

During the Track Record Period, the selling price under our container sales segment, increased from RMB1,152 per container for the year ended December 31, 2022, to RMB1,281 per container for the year ended December 31, 2023, before decreasing to RMB1,169 per container for the year ended December 31, 2024. The fluctuation was primarily due to variations in order volumes driven by customers' production cycles and our strategic adjustment, which shifted the business focus toward pooling services. For the eight months ended August 31, 2025, the average selling price dropped to RMB895, as compared to RMB1,195 for the same period in 2024. The decrease was mainly due to an increase in the sales proportion of smaller-sized container models, which generally carried lower unit prices and resulted in a lower overall average selling price.

The table below provides an overview of key operational data related to customer information:

	Year ended December 31,			Eight months ended August 31,
	2022	2023	2024	2025
Customer Information				
Number of Customers(1)	536	509	552	527
Customer Retention Rate(2)	75.8%	68.3%	69.5%	64.9%
Net Cash Retention Rate(3)	113.8%	117.5%	99.3%	96.3%
Number of Major Customers(4)	106	115	125	128
Percentage of Total Sales from Major Customers	86.6%	89.4%	90.0%	89.9%
Major Customer Retention Rate(5)	97.9%	94.3%	97.4%	89.7%
Major Customer Net Cash Retention Rate(6)	113.4%	117.0%	98.4%	117.9%

Notes:

(1) The "Number of Customers" refers to customers that generated revenue during the year.

(2) The "Customer Retention Rate" refers to the percentage of customers from the previous year who generated revenue in the current year.

(3) The "Net Cash Retention Rate" for year N is calculated as the revenue generated in year N from customers retained from year (N-1), divided by the revenue generated by the total number of customers in year (N-1). Here, N refers to a specific year, and (N-1) refers to the year preceding year N.

(4) The "Number of Major Customers" refers to customers who generated revenue of at least RMB1 million during the year (or at least RMB0.5 million for a half-year period).

(5) The "Major Customer Retention Rate" refers to the percentage of major customers from the previous year who generated revenue of at least RMB1 million during the year (or at least RMB0.5 million for a half-year period).

(6) The "Major Customer Net Cash Rention Rate" is calculated as the revenue generated in year N from Major Customers retained from year (N-1), divided by the revenue generated by the total number of Major Customers in year (N-1).

During the Track Record Period, our customer retention rate experienced a slight downward trend, decreasing from 75.8% for the year ended December 31, 2022, to 69.5% for the year ended December 31, 2024. This decline was primarily attributable to the rapid growth of key customers in the new energy sector, whose revenues stabilized in 2024, as well as our strategic business shift towards pooling services, which constitute the majority of our revenue generation.

Our business segments: (i) container services, comprising pooling services, rental services and other value-added services; and (ii) and container sales, which are designed to complement each other, creating a holistic and efficient solution for our clients' logistics and supply chain needs.

Pooling services provide customers with flexible and scalable options to manage reusable containers without needing to invest in or manage the operational complexities themselves. This model integrates with our rental services, where clients who prefer more control over their logistics operations can rent containers for a fixed period while managing the operations independently. Both services benefit from our logistics infrastructure, which includes strategically located warehouses, transportation management and data platform services.

Our other value-added services, such as logistics transportation, warehouse management, and customer-owned container management, further enhance the flexibility of our offerings. By managing the entire logistics process, from container distribution and recovery to storage and maintenance, we relieve customers of the burdens associated with container management, allowing them to focus on their core operations. These services also ensure that whether customers choose pooling or rental options, they can rely on a reliable logistics solution that optimizes efficiency and minimizes operational risks.

The container sales segment complements our container services offerings by catering to clients with specific procurement needs or those with in-house logistical capabilities. By selling containers directly, particularly to small and medium-sized enterprises in the automotive industry, we allow these customers to integrate our high-quality containers into their own supply chains. This creates a natural synergy, as clients who initially purchase containers may later turn to our pooling or rental services to further enhance their logistics operations as their business grows or their needs evolve.

Together, these business segments work in harmony to provide comprehensive and flexible solutions that meet the diverse needs of our clients. By offering a range of services across the logistics spectrum, from container sales to full-service pooling and logistics management, we are able to address the varying requirements of businesses, regardless of their size or logistical complexity. This approach not only enhances customer satisfaction but also strengthens our competitive position in the market by enabling us to serve a broad and diverse customer base.

Case Studies

Customer B

Customer B is a manufacturer of automotive lighting components and a provider of design solutions, listed on the Shanghai Stock Exchange. The company primarily focuses on the R&D, design, manufacturing and sales of automotive lighting products. Customer B has maintained a stable business relationship with us since 2017.

Customer B's clients include numerous European, Japanese, American and Chinese independent automotive brands, all of which require efficient, stable, safe and cost-controlled logistics services. Before partnering with us, Customer B primarily used disposable cardboard boxes as packaging containers for transporting automotive lights. However, the cardboard packaging had limited strength, poor moisture resistance and was typically discarded after transportation, leading to high logistical costs. Moreover, the damage rate of automotive lights during transport was relatively high, failing to meet customer expectations.

Understanding these pain points, we offered Customer B our pooling services featuring reusable containers. Our standardized reusable containers, available in various sizes and equipped with specially designed inner linings, facilitated loading and unloading, and met the transportation needs of different models of automotive lights. These containers, made from high-strength polypropylene materials, provided more effective structural support and protection for the products, significantly reducing damage during transportation. Through our service network and transportation routes, we were able to promptly supply reusable containers to Customer B's factories located in East China, Northeast China and South China. After delivery to customers across the country, we ensured quick container recovery. Additionally, our service network and digital management capabilities allowed for efficient container turnover, reducing per-trip logistics costs compared to traditional cardboard packaging solutions and meeting the client's supply chain needs for cost reduction and efficiency improvement.

The contribution to our revenue from these operations was 6.3%, 6.3%, 7.1% and 7.1% for the Track Record Period. Our services have been highly recognized by Customer B throughout the collaboration.

Customer A

Customer A is an automotive manufacturer listed on both the Hong Kong Stock Exchange and the SZSE, with production bases located in various regions across China. The company places a strong emphasis on cost control within its supply chain and is committed to ongoing efforts in ESG performance throughout its production processes.

We established a business relationship with Customer A from the second half of 2021, primarily providing pooling services. Our tailored solutions support the production of power batteries and complete vehicles at Customer A's subsidiaries across China, covering a wide range of core components for new energy vehicles, including onboard chargers, high-voltage wiring harnesses and power batteries.

Given the highly competitive nature of the new energy vehicle market, Customer A must frequently adjust its procurement plans for various components across numerous suppliers nationwide in response to fluctuations in consumer order volume, market share and its own cost control objectives. Thanks to the reusable container asset pool we have accumulated over years of operation, we maintain a robust supply of reusable containers suitable for the logistics and transportation of key automotive components. Our network allows us to dynamically allocate containers in real time to meet Customer A's rapidly changing procurement needs. We entered into service contracts with Customer A's subsidiary, delivering the required reusable logistics containers to designated suppliers and retrieving them after transportation to Customer A's production bases. Due to our operational capabilities, we are typically able to meet Customer A's same-day delivery requests.

Moreover, our pooling services enable Customer A to flexibly adjust its packaging container investment within the supply chain, avoiding the idle inventory that can result from fluctuations in procurement volumes when purchasing or leasing disposable packaging containers. Our pooling services form a key part of the supply chain, covering both front-end supplier loading and transportation, as well as back-end operations such as receipt of goods, warehouse management and container distribution and recovery at Customer A's production bases. This integration further reduces Customer A's labor investment in these processes. Additionally, our reusable containers replace traditional disposable packaging, aligning with Customer A's ongoing ESG commitments.

For the years ended December 31, 2022, 2023, 2024, and the eight months ended August 31, 2025, Customer A contributed approximately 3.3%, 7.7%, 10.5% and 10.1% of our total revenue for the same periods, respectively. With the continued expansion of the number of Customer A subsidiaries we work with, and the increasing range of components covered by our services, we expect the scale of our business with Customer A to grow further in the future.

Customer I

Customer I is an international automotive parts supplier listed on both Frankfurt Stock Exchange (Prime Standard) and Luxembourg Stock Exchange, primarily engaged in the manufacturing and sales of high-performance lighting technologies and automotive electronics. Since 2017, we have established a stable partnership with its subsidiaries in China, providing pooling and rental services to them.

As of October 2023, in line with the customer's cooperation agreement with downstream vehicle manufacturers, the customer sought a logistics solution with real-time tracking capabilities for one of its headlight products. The goal was to maximize supply security and minimize damage during transportation. To meet this need, we provided them with pooling services for reusable containers equipped with our proprietary tracking platform, Find Me. By deploying trackers and tags on over 3,000 standardized reusable containers, we enabled comprehensive tracking and real-time updates on cargo status for this project. This allowed the customer to stay informed and actively participate in managing the entire logistics process, achieving supply chain transparency and earning high customer recognition. Through our pooling services, we have also helped the customer achieve digital order management, enhancing operational efficiency and improving supply chain transparency.

As of the Latest Practicable Date, we continue to provide stable services to this customer on other projects, including pooling and rental services. The customer has maintained a strong relationship with us.

Container services

Container services form the core of our operations, comprising pooling services, rental services and other value-added services. Pooling services offer comprehensive solutions for the design, distribution, recovery and maintenance of standardized reusable containers. Customers can borrow and return containers on demand, with the flexibility to use different locations for pick-up and drop-off, while we coordinate and oversee all logistical operations through our warehouses. Rental services, on the other hand, offer fixed-term rentals, where we supply containers and customers independently manage their logistical operations. We also offer other value-added services such as logistics transportation, warehouse management and customer-owned container management to meet the diverse needs of our clients.

Pooling services

Pooling services in the reusable package services market refer to a system where a service provider manages a packaging pool to provide services related to reusable packaging, including the management of assets such as pallets, crates, or containers, for customers. Instead of owning and maintaining their own packaging, customers can access these assets at different times and locations based on their needs and pay based on their usage. The packaging is not shared among multiple customers at the same time; rather, it circulates through a common asset pool managed by the service provider. The service provider handles all aspects of the packaging lifecycle, including storage, as well as distribution and return, which are primarily carried out through subcontracted third-party logistics service providers, cleaning, maintenance, and tracking through a data platform. This system optimizes asset utilization, reduces costs, and eliminates the operational burden for individual customers, promoting efficiency and sustainability in the supply chain.

Our pooling services provide customers with access to a managed pool of reusable containers, offering a fully managed solution that extends far beyond simply supplying containers. Supported by our digital systems and platforms, we take care of every aspect of container logistics, including distribution (which is primarily carried out through subcontracted third-party logistics service providers), recovery, maintenance, scheduling, and storage, enabling customers to focus on their core business without the burden of managing these operations themselves.

For our standard pooling services, the Group delivers empty containers to customers at their request. Once delivered, the Tier 1 Suppliers are responsible for loading their products into the containers and arranging transportation of the loaded containers to their respective OEMs. In addition, for Tier 1 Suppliers who opt for our other value-added services, the Group also provides logistics transportation, which is primarily performed by subcontracted third-party logistics companies engaged and supervised by the Group, managing the movement of loaded containers on behalf of the Tier 1 Suppliers.

Under our pooling model, the customer is liable for damage or loss of containers only during the period from the time when the customer completes the receipt of empty containers until the containers, after being used by the OEM in the relevant production cycle, are collected by the Group from the OEM or designated third-party warehouse. The Group is responsible for any damage or loss outside of this customer-responsibility window. Specifically, during outbound delivery and return collection, liability for any loss or damage is contractually borne by our third-party logistics service providers. When containers are stored at our warehouses, whether self-operated or third-party-operated, the Group assumes full liability for any loss or damage. To mitigate such risks, the Group has procured property insurance for reusable containers stored at all of our 78 warehouses as of August 31, 2025, covering both self-operated and outsourced facilities. This insurance provides coverage against damage or loss while the containers are under our Group's custody.

A standout feature of our pooling model is the use of standardized containers with customizable inner linings, tailored to meet specific product requirements. This customization ensures optimal protection and adaptability during transportation and storage, making our solution ideal for industries such as automotive, where precision and reliability are critical.

Our pooling services are further enhanced by our digital systems and platforms, which offer real-time tracking and generate valuable data insights. These technologies not only improve operational efficiency but also ensure the safety of customers' assets and simplify container management. By leveraging these insights, customers can make informed decisions that optimize their supply chain performance, reduce waste, and improve resource utilization.

Our flexible pay-per-use pricing structure allows customers to pay based on the number of times containers are circulated, creating a cost-efficient model that scales with their business needs. Unlike traditional ownership or fixed rental agreements, this approach eliminates long-term commitments and ensures that customers only pay for what they actually use.

The chart below illustrates the working dynamics of our pooling services:

During the Track Record Period, container turnover under our pooling services experienced consistent growth, driven by increasing demand for our cost-effective and sustainable solutions. Container turnover refers to the number of times containers are circulated or reused within our service network. The table below shows our container turnover in pooling services during the periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
Unit: '000 times	Container Turnover in Pooling Services				
Foldable Large Load Carriers	3,654.1	4,279.6	4,499.2	2,661.9	2,687.1
Small Load Carriers	1,176.7	867.2	1,732.9	984.0	1,264.4
Metal Racks	124.9	173.5	225.1	97.9	77.1
Total	4,955.7	5,320.3	6,458.3	3,743.8	4,029.0

In summary, our pooling services provide a highly flexible, cost-effective solution that adapts to the evolving needs of our clients. By combining operational efficiency with technology, we offer a reliable and efficient container management system that delivers significant value, helping our customers streamline their logistics while maintaining focus on their core business.

For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, revenue from pooling services was approximately RMB447.4 million, RMB587.7 million, RMB673.5 million, RMB401.1 million and RMB403.0 million, respectively, accounting for approximately 69.1%, 74.0%, 80.4%, 79.0% and 75.5% of our total revenue for the same periods. This revenue primarily comes from fees charged to customers in the automotive industry. The increase in revenue from pooling services from approximately RMB447.4 million in 2022 to approximately RMB673.5 million in 2024 represents a CAGR of 22.7%, and increased from approximately RMB401.1 million for the eight months ended August 31, 2024 to approximately RMB403.0 million for the eight months ended August 31, 2025, representing an increase of approximately 0.5% compared to the corresponding period in 2024. Such growth was mainly attributable to our efforts to promote pooling services as a core business model, particularly to manufacturers of high-value auto components for new energy vehicles. Customers, recognizing its cost-saving benefits, have transitioned from single-use containers and rental containers to our pooling services.

Rental Services

Our rental services follow a traditional fixed-term rental model, where customers pay based on the agreed rental period, typically measured on a monthly basis. In this arrangement, we supply the reusable containers, but the responsibility for managing container logistics, such as distribution, recovery, and maintenance, rests entirely with customers. Unlike our pooling services, rental services are limited to the provision of containers and do not cover solution design, off-site recovery, warehousing, cleaning or other related operational services. This model is suitable for clients who have the internal capacity and prefer to handle their own container operations independently. While meeting the needs of our customers, renting out idle containers also helps improve our asset utilization rate.

Pricing for our rental services primarily factors in the duration of the rental period and container depreciation, offering customers a straightforward and predictable cost structure. This model is particularly appealing to clients who need flexible, short-to medium-term access to logistics assets without the long-term financial commitment of ownership.

For rental services, customers are responsible for maintaining the leased reusable containers during the rental period. Damage caused by misuse, negligence, or improper handling is the customer's liability. Upon return, if containers are found to be damaged or missing due to the customer's actions, the Group reserves the right to recover the cost of repair or replacement. The Group may inspect the containers at intervals during the rental term to ensure compliance. For transportation, liability allocation depends on the delivery method. When customers arrange pick-up, liability transfers to the customers or their designated logistics provider upon loading. When the Group arranges delivery, liability during transit rests with the third-party logistics provider until the customer confirms receipt. For rental services, the pick-up and drop-off locations are agreed in advance under the rental contracts and, in general. The Group engages third-party logistics service providers for pick-up and drop-off when needed, which are overseen by the Group.

While rental services do not represent the largest portion of our business, they provide a valuable option for customers, especially in the automotive industry, who require reliable container solutions but wish to maintain control over their logistics operations.

The chart below illustrates the working dynamics of our rental services:

Container usage in our rental services is measured by the total number of months container units are rented out. Container usage in our rental services saw a slight decrease, from 460.5 thousand total rental months for the year ended December 31, 2022, to 425.5 thousand total rental months for the year ended December 31, 2023, and further declined to 420.2 thousand total rental months for the year ended December 31, 2024. For the eight months ended August 31, 2025, container usage amounted to 283.2 thousand total rental months, representing a 19.1% decrease as compared to 350.0 thousand total rental months for the eight months ended August 31, 2024. The overall decline in rental services is primarily driven by our strategic focus on expanding pooling services, in line with the development trend of the reusable package services industry.

For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, revenue attributed to rental services was approximately RMB28.4 million, RMB28.1 million, RMB20.9 million, RMB15.0 million and RMB18.8 million, respectively, accounting for approximately 4.4%, 3.5%, 2.5%, 3.0% and 3.5%, respectively, of our total revenue for the same periods. The decrease was primarily due to the ongoing shift in customer demand from rental services to pooling services, as customers increasingly recognized the cost-saving and operational efficiency advantages of pooling services over traditional rental models.

Other Value-added Services

Our other value-added services primarily include logistics transportation, warehouse management and customer-owned container management, providing comprehensive solutions that meet our customers' further needs. These services are designed to streamline operations, enhance supply chain efficiency and reduce the logistical burdens on our clients, allowing them to focus on core business activities.

Logistics Transportation

In our standard pooling services, we deliver empty containers to our direct customers, who are often Tier 1 Suppliers in the automotive industry. After we deliver the empty containers at their request, these customers are responsible for loading their products into the containers and arranging transportation to the OEM themselves. However, to offer a more comprehensive solution, we provide value-added logistics transportation tailored to customer needs.

This service covers the entire transportation segment, from the Tier 1 Supplier to the OEM, enabling a comprehensive logistics solution. The transportation and distribution of containers under this service are primarily carried out through subcontracted third-party logistics service providers engaged and overseen by the Group. By coordinating and overseeing the entire process, from container delivery to the final shipment, we help clients streamline their operations, improve supply chain efficiency and reduce logistical complexities.

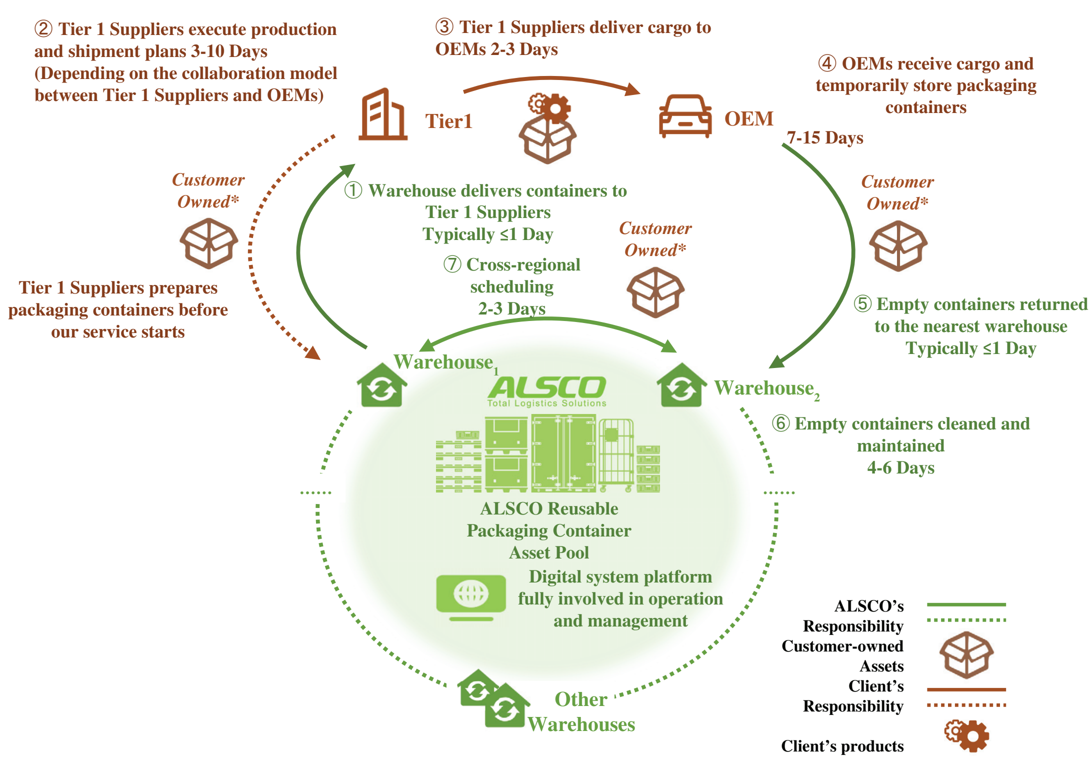
Warehouse Management

We leverage idle space and resources at our warehouses and other third-party warehouses to provide warehouse management services, maximizing efficiency and reducing costs for our clients.

In the automotive industry, we strategically operate warehouses near OEMs, similar to third-party logistics providers. These warehouses store empty containers only, coordinate pickups, and arrange container transportation based on customer needs. Additionally, through our VMI services, primarily for Tier 1 Suppliers, we take full responsibility for managing container inventory. By monitoring production schedules and real-time inventory levels, we automatically replenish containers to prevent stockouts, optimize utilization, and minimize operational costs, allowing clients to focus on their core business activities.

Customer-owned Container Management

In our customer-owned container management, we provide operational support for our customers' self-owned containers, whereas in our standard pooling and rental services, the containers are owned by us. We coordinate and oversee the entire operational process for our customers, including maintenance, cleaning, storage and related services, allowing them to offload the responsibility of managing their logistics assets. In substance, the operational model and service process are the same as our pooling services, except that the ownership of the container assets remains with our customers. When customer-owned containers are incorporated into our container lifecycle management system, they are labelled as "customer-owned assets" under the relevant project. By leveraging our industry expertise, clients can reduce their capital expenditures on container management, improve their asset utilization rate and focus on their core operations, all while benefiting from our efficient and scalable pooling solutions. Customers engaging us for customer-owned container management services are primarily automotive parts manufacturers, particularly those with customized and non-standard container requirements. As such containers are usually non-standard, they are typically purchased directly by customers and subsequently managed by the Group through its nationwide warehouse network and operational capabilities.



* The packaging containers provided by Tier 1 Suppliers will be returned by us upon the expiration of the contract term.

Under this model, the Group operates and manages container assets owned by the customer. Similar to pooling services, the customer is responsible for loss or damage during the period from container delivery to the designated site until the Group retrieves the container from the third-party warehouse. Outside this window, the Group assumes responsibility for container security. Damage or loss during delivery or collection is contractually assigned to the third-party logistics providers engaged by the Group. When containers are stored at our warehouses, the Group is responsible for their safekeeping. To ensure adequate protection, the Group's property insurance policy covers customer-owned containers housed at our 78 warehouses nationwide as of August 31, 2025.

For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, our revenue attributed to other value-added services was approximately RMB63.5 million, RMB76.1 million, RMB72.1 million, RMB45.7 million and RMB45.1 million, respectively, which accounted for approximately 9.8%, 9.6%, 8.6%, 9.0% and 8.5%, respectively, of our total revenue for the same periods. Our revenue from other value-added services decreased by approximately 5.3%, from RMB76.1 million in 2023 to RMB72.1 million in 2024. This decrease was primarily attributable to fluctuations in market demand for warehousing and transportation services, which are not part of our core business and are subject to market demand volatility within a reasonable range, and our shift of business focus to pooling services.

The table below outlines the key differences in service nature among pooling services, rental services, and customer-owned container management services:

Key Aspects	Pooling Services	Rental Services	Customer-owned Container Management Services
Nature of Service	Provision of reusable containers, along with collection, maintenance and related services after each use	Provision of reusable containers for the agreed rental period	Management of customer-owned containers, including collection, maintenance and related services after each use
Ownership of the Containers	Company-owned	Company-owned	Customer-owned
Pricing Basis	Service fee charged on a per container per service cycle basis, determined based on container usage, delivery and return logistics, and maintenance services	Rental fee charged on a per container per month basis, determined based on monthly container usage	Service fee charged on a per container per service cycle basis, determined based on delivery, return, and maintenance services

Key Aspects	Pooling Services	Rental Services	Customer-owned Container Management Services
Contractual Arrangement	Enter into a project-based framework agreement with the customer specifying cooperation term, unit price, average and maximum service cycle duration; orders are placed by the customer as needed during the cooperation period. Under the framework agreements, customers are required to provide the Company with monthly updates of the number of containers required based on their supply plans, including the relevant drop-off and pick-up locations, which assists the Company in estimating container demand and scheduling	Enter into a rental agreement with the customer specifying rental term, unit price, the number of containers to be rented, and other terms; containers are rented out in accordance with the agreement. Upon expiry of the rental term, unless the agreement is renewed, the customer is required to return all such containers	Enter into a project-based framework agreement with the customer specifying cooperation term, unit price, and other terms; customer provides the containers and places service orders as needed during the cooperation period
Service Duration	The term of the framework agreement is typically one to three years, during which customers place orders based on actual needs. Each service trip generally lasts 15 to 45 days, depending on delivery distance and the customer's project delivery schedule	The rental period (i.e. the term of the rental agreement) typically ranges from six months to three years	The term of the framework agreement is typically one to three years, during which customers place orders based on actual needs. Each service trip generally lasts 15 to 45 days, depending on delivery distance and the customer's project delivery schedule
Typical Scenario	High-frequency container turnover with flexible order volumes, typically for automotive parts. Suitable for customers who prefer not to allocate resources (e.g., manpower, cost) to manage packaging containers	Stable, fixed-volume projects. Suitable for customers who have the capability and internal resources to manage packaging containers themselves	Customers with self-owned containers who lack operational capacity or seek to outsource container handling for cost or efficiency reasons

Container Sales

Our container sales business is primarily designed for customers who use containers within their own facilities or have the capability to manage container operations independently. These products primarily include reusable foldable large load carriers, small load carriers, custom-developed inner linings, and customized metal racks. We focus on serving enterprises in the automotive industry, providing them with solutions tailored to their specific product purchase needs. This diverse and widespread customer base not only allows us to cater to a broad market but also enhances our resilience against market fluctuations.

These customizable containers can be effectively utilized in complex scenarios. While most of our containers are produced externally, we produce our key products in-house at our Angu Factory. Our containers used for sales and operations are generally the same. See "Our Production" in this section for more details.

During the Track Record Period, we offered these container sales services primarily to enterprises in the automotive parts industry. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, our revenue attributed to container sales was approximately RMB108.3 million, RMB102.2 million, RMB71.0 million, RMB45.6 million and RMB66.5 million, respectively, which accounted for approximately 16.7%, 12.9%, 8.5%, 9.0% and 12.5%, respectively, of our total revenue for the same periods. Revenue generated from container sales decreased from RMB108.3 million in 2022 to RMB102.2 million in 2023, and further to RMB71.0 million in 2024, representing a decline of 34.5% over the two years. This decrease was primarily due to our efforts to promote pooling services as a core business model, particularly to manufacturers of high-value auto components for new energy vehicles. Customers, recognizing its cost-saving benefits, have transitioned from single-use containers containers to our pooling services.

Backlog

After the Track Record Period and up to the Latest Practicable Date, we did not have any backlog. For our pooling services and rental services, our assets are deployed based on customers' actual needs, with usage fees charged monthly based on the frequency of asset usage. Upon contract signing, assets are allocated according to the customer's estimated monthly requirements. Additionally, assets under pooling services are versatile and interchangeable, allowing for flexible deployment and avoiding any backlog or inventory accumulation.

For container sales, inventory is prepared based on customer demand, and all sales orders during the Track Record Period were fulfilled in accordance with the delivery schedules specified in customer contracts. As such, there is no backlog.

The table below shows our products sales details by product types during the Track Record Period:

Unit: '000 sets	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	Container Sales				
Foldable Large Load Carriers					
– Covers	55.3	41.7	42.2	29.0	44.1
– Side Panels	78.3	42.8	65.7	50.9	58.0
– Bases	54.7	44.2	85.4	30.2	55.0
Small Load Carriers	23.4	51.3	18.4	8.5	77.0
Metal Racks	27.4	28.4	15.4	7.7	17.4

Our Service Network

Overview

Our service network serves as the foundation for implementing our reusable package services. We expand our service network through the establishment of warehouses, which are responsible for scheduling and coordinating containers and play a key role in providing timely container services to our customers. As of August 31, 2025, we operated 78 warehouses across China, strategically positioned to optimize logistics and ensure efficient service delivery. The Group's service network connects key nodes, including warehouses, Tier 1 Suppliers, OEMs, and third-party logistics providers' warehouses. It may span across cities or different areas within the same city; for example, they may connect an OEM in one city to our warehouse in another city or within the same city. Our service network is designed to be flexible and can serve multiple customers simultaneously, improving overall operational efficiency and reducing costs.

To support these operations, our digital systems enable comprehensive monitoring and management of our reusable packages, enhancing supply chain transparency and improving operational efficiency. This integration of physical and digital infrastructure ensures the effective execution of our strategy, driving greater operational scalability and responsiveness to customer needs.

Our Warehouses

Our warehouses focus on four primary functions: the distribution, recovery, storage and maintenance of containers. Unlike conventional warehouses that primarily serve as storage facilities, our warehouses serve as operational hubs handling logistics, customer service, and project management. In addition to standard logistical functions, our warehouses are staffed with personnel responsible for customer planning, addressing project-specific feedback, resolving irregularities, and managing financial reconciliation with customers. Warehouse staff also oversee container preparation, including the assembly of components such as inner linings tailored to specific project needs, ensuring containers meet customer requirements. This structure allows our warehouses to support real-time operational adjustments and direct customer engagement.

Our warehouses are responsible for delivering empty containers to our customers, who are typically Tier 1 suppliers in the automotive industry. Once the containers have been used, we manage their recovery, collecting empty containers from OEMs or nearby third-party logistics providers. Recovered containers are then stored at our warehouses for our future use and allocation. Additionally, our warehouse staff oversee the maintenance of the containers, including cleaning and inspection, to ensure they remain in optimal condition for repeated use.

To optimize cost and efficiency, we have strategically positioned warehouses near key customers and operational hubs, establishing dedicated routes between them to ensure smooth and effective logistics operations. Supported by our digital systems, each of our warehouses has the capability to manage and allocate containers both regionally and across regions.

As of August 31, 2025, we operated 78 warehouses across major cities in China, such as Shanghai, Wuxi, Guangzhou and Wuhan, managing over one million units of containers. The following map sets forth the geographical distribution of our warehouses as of August 31, 2025:

Strategically, our warehouses are designed to comprehensively serve the Chinese automotive industry. As the industry expands into Southwest and South China, we are establishing new warehouses to support these emerging hubs, particularly in regions where new automotive manufacturing facilities are being developed. Our warehouses are primarily operated through a combination of self-operated premises and third-party cooperation. Self-operated warehouses are leased directly by us, and we staff them with the necessary personnel and equipment to manage day-to-day operations. In contrast, third-party cooperation involves outsourcing daily management to external warehouses, while we typically assign a small team of our staff to oversee operations and ensure smooth management. In this model, we do not lease the premises ourselves but pay for services based on actual usage. This third-party model is particularly cost-effective in regions with lower business volumes, where leasing a dedicated warehouse would not be economically viable. Both types of warehouses are incorporated into our digital systems and platforms, ensuring comprehensive and standardized management across all locations.

Internal Controls and Safety Measures

We have adopted the following internal control measures to ensure the security and proper handling of containers stored in our warehouses:

- Standard operating procedures for key stages including dispatch, receipt, cleaning and storage;
- Tracking of routing information and delivery movements through our Smartlinx platform and Find Me tracking platform;
- Monthly physical inventory counts conducted under a standardized stocktaking policy;
- Reallocation of containers between warehouses based on project needs and stocktaking results to improve utilization and turnover efficiency;
- Monitoring of container status and exceptions at customer sites and third-party logistics provider return points, with relevant data uploaded to our "Return Box" platform for centralized oversight; and
- Property insurance coverage for containers stored in our warehouses to mitigate risks of loss or damage.

According to the assessment of our internal control consultant, there is no material deficiency in our internal control measures.

Warehouses through third-party cooperation

We engaged third-party operators during the Track Record Period to provide container management services. These operators are primarily logistics companies with local warehouses and operational capabilities. Leveraging our system support, we delegate the daily operations of warehouses to these third-party operators, while the Group assigns on-site personnel to oversee management and handle commercial coordination. For the years ended December 31, 2022, 2023 and 2024, we engaged 40, 43 and 46 third-party operators, respectively, and 53 third-party operators for the eight months ended August 31, 2025.

Our Directors confirm that neither the third-party operators nor their ultimate beneficial owners or directors have any past or present relationships (family, business, employment, trust, financing, or otherwise) with the Company or its subsidiaries, their shareholders, directors, or senior management, or any of their respective associates.

The agreements entered into between the Group and the third-party operators include the following terms:

Scope of Services:

- Delivery, recovery, cleaning, maintenance, storage, and transportation of containers, including inner linings.
- On-site support at client facilities for asset recovery and temporary storage.

Respective Roles and Responsibilities:

- The Group: Provides operational plans, standard operating procedures, delivery schedules, and monitors the performance of third-party operators to ensure compliance.
- Third-Party Operators: Handle all operational tasks, including equipment management, delivery, reporting, and safeguarding assets. They are also responsible for resolving any delays, complaints, or disruptions caused by their actions and bearing any related penalties or costs.

Pricing and Credit Terms:

- Charges are based on a price per set of containers delivered.
- Billing is conducted monthly, based on the actual number of sets delivered during the billing period.
- Payments are made within a credit term of 60 days from the date of invoice.

These terms are consistently applied across all third-party operators to ensure transparency and accountability.

The fees paid to third-party operators increased from RMB17.6 million in 2022 to RMB19.8 million in 2023, and further to RMB25.3 million in 2024, representing an increase of approximately 44.0% over the two years. For the eight months ended August 31, 2025, the fees paid to third-party operators amounted to RMB16.3 million, representing a 7.2% increase as compared to RMB15.2 million for the eight months ended August 31, 2024. This increase was primarily driven by improvements in our operational capabilities, particularly our digitalization capabilities, which enabled us to convert self-operated warehouses to third-party-operated warehouses. This approach enhanced the flexibility of our service network and helped reduce costs, particularly for more remote or smaller-scale warehouses, while the total number of warehouses remained relatively stable during the period.

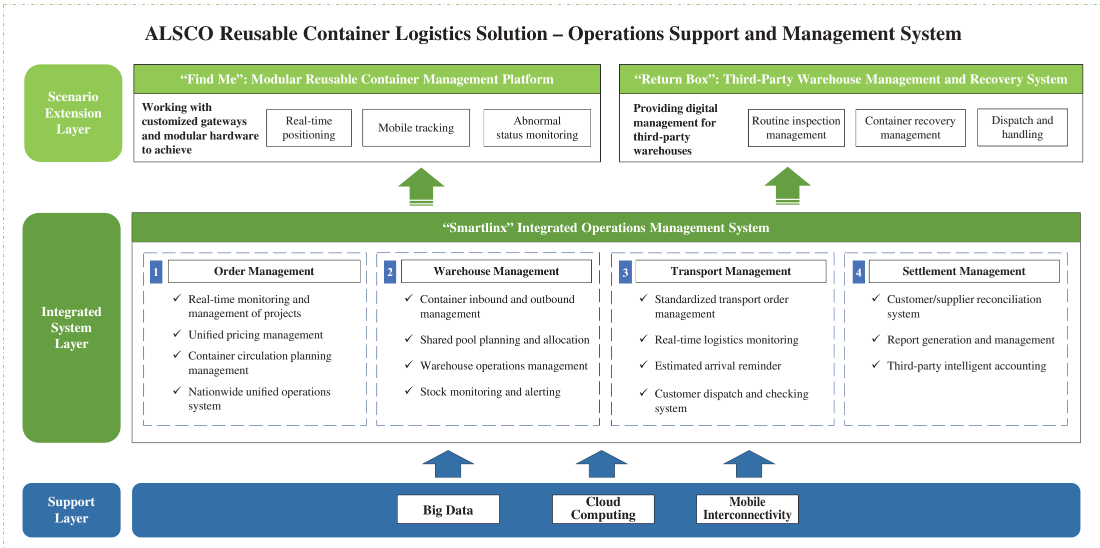
We will continue to enhance our asset dispatch capabilities through the service network, improving service efficiency and response times to support the sustained growth of the Chinese automotive industry.

Leveraging our digital systems and the flexibility provided by our high container asset turnover, we can rapidly adjust, relocate or redeploy warehouses as needed. With our broad service network, we can better serve our clients by enhancing asset dispatch capabilities, improving service efficiency, and providing faster response to support the expanding Chinese automotive industry.

Our Digital Systems and Platforms

We have independently developed three robust platforms, i.e., Smartlinx, Find Me and Return Box, which support our container management and logistics services. Smartlinx serves as an integrated operation management system for our digital ecosystem, covering Order Management System (OMS), Transportation Management System (TMS), Warehouse Management System (WMS) and Settlement Management System (SMS). Find Me provides real-time visibility into container locations and conditions, enhancing inventory and container management. Return Box focuses on the timely recovery and reallocation of containers at third-party logistics providers, featuring inspection management and inventory tracking. Structured into three essential layers, i.e., the Scenario Extension Layer, the Integrated System Layer and the Support Layer, our digital infrastructure enables us to deliver scalable, efficient and tailored solutions that streamline logistics and optimize container management for our clients.

The chart below highlights the various layers of our digital systems and platforms, showcasing their key features and functions:



Smartlinx 箱管管

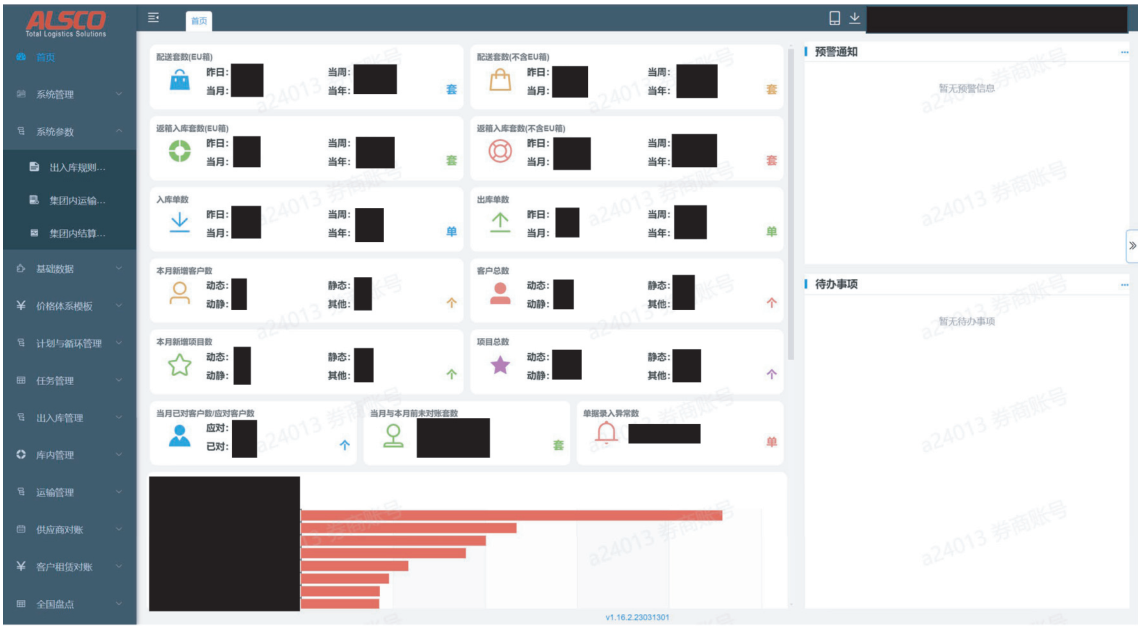
Through independent R&D, we have successfully built a robust cloud-based management platform known as the Smartlinx platform. This platform serves as a centralized solution for our reusable package asset pool, allowing us to efficiently manage our operations and offer a range of valuable services.

With the Smartlinx platform, we provide our customers with standardized container scheduling, big data analysis, visualization capabilities, container management and intelligent settlement. These services enable full-process visibility and real-time container management, ensuring efficient pooling of reusable packages and promoting the refinement and intelligent management of the entire supply chain.

The Smartlinx platform integrates multiple systems, including the Order Management System (OMS), Transportation Management System (TMS), Warehouse Management System (WMS) and Settlement Management System (SMS). This integration creates a connection of supply chain process data.

By leveraging the capabilities of the Smartlinx platform, we enhance our technological capabilities to provide comprehensive and intelligent logistics services. This platform enables us to meet the evolving needs of our customers, enhance sustainability and seize opportunities in the market.

Set forth below are some examples of the interface of our Smartlinx platform:



Find Me

Through the implementation of our self-developed container tracking technology, we have successfully created tracking platform called Find Me. This platform plays a crucial role in facilitating goods positioning and inventory management, ultimately enhancing supply chain transparency and improving operational efficiency.

Currently, the deployment of trackers within containers is based on specific project and customer requirements. Containers equipped with trackers are provided for customers who require real-time visibility into the status and location of their assets as well as insights into specific supply chain stages. For containers without trackers, operational data is primarily input manually by warehouse staff into our management platform. We plan to expand the installation of trackers across all assets in the future to achieve full asset tracking within the Group, enabling real-time monitoring and improving overall operational efficiency. This dynamic operational service represents an updated version of our asset management system, offering enhanced data support for decision-making.

Find Me is equipped with functionalities such as inventory alerts, real-time location tracking, abnormal vibration recording and temperature sensing. The system supports containers equipped with trackers, which are deployed selectively for specific projects or customers. We deploy trackers and tags within our containers to ensure comprehensive tracking capabilities. Our trackers and tags are equipped with sensors which provide real-time updates on the status of goods, including temperature monitoring, alerts for abnormal vibrations, notifications for abnormal parking or delays during transportation and electronic fence alerts for exceeding designated areas.

By leveraging the power of Find Me, we help our customers with real-time visibility into their shipments. This enables them to make informed decisions, optimize their supply chain operations and ensure the smooth flow of goods throughout the logistics process. Additionally, through the Find Me interface, we can track the real-time location of containers, warehouse inventory, asset quantities, project order information, and any abnormal data, thus improving data transparency and enhancing operational efficiency.

Set forth below are some examples of the interface of our Find Me tracking platform:

Note: The above screenshots are from the main page of our Find Me tracking platform, captured on May 12, 2024. The data shown may change over time.

Return Box 回箱寶

We have developed a container recovery management system called Return Box, designed to monitor the recovery of containers at third-party logistics providers in a timely manner. Return Box offers a streamlined, user-friendly interface, allowing for easier and more direct container monitoring. This system consists of several key features:

- *Inspection Management*: This feature tracks and manages the inspection process for recycled containers with detailed information, including order number, outlet name, inspector, irregularity type and inspection time.

- *Inventory Management*: This feature helps us keep track of the inventory status at each outlet, including details such as outlet name, container type, number of customers and number of ready-to-use containers. It ensures the availability of an adequate number of containers for reuse.

- *Container Recovery Management*: Our warehouses monitor container data and alert headquarters to reallocate containers as needed to ensure efficient supply.

By leveraging the capabilities of the Return Box system, we enhance the efficiency of our container recovery process, ensuring timely monitoring and optimal allocation of containers across our network. This system supports our commitment to sustainable practices and operational efficiency in container management.

Supporting Systems

Our supporting systems underpin the functionality of Smartlinx, Find Me and Return Box, leveraging technologies such as AI, big data and cloud computing. This infrastructure ensures real-time data processing, secure scalability and continuous connectivity, enabling these platforms to operate efficiently and deliver optimal logistics and container management solutions.

Development and Ownership of Our Digital Systems and Platforms

- Our digital systems and platforms, along with the underlying technologies and algorithms adopted, have been developed through a combination of external procurement and collaboration with third-party service providers. Specifically:

    - Smartlinx, Find Me, and Return Box were co-developed by the Group and third-party companies. The Group provided the functional requirements and specifications for these platforms, and the third-party partners built the systems based on our needs. The intellectual property rights for these co-developed platforms are fully owned by the Group.

- The ERP system, which supports our broader operational framework, was procured from an external provider. The intellectual property rights for the ERP system remain fully owned by the external provider.

This development and ownership structure allows us to benefit from the technical expertise of our partners while ensuring that the platforms are tailored to meet the operational and logistical demands of our business.

OUR CONTAINERS

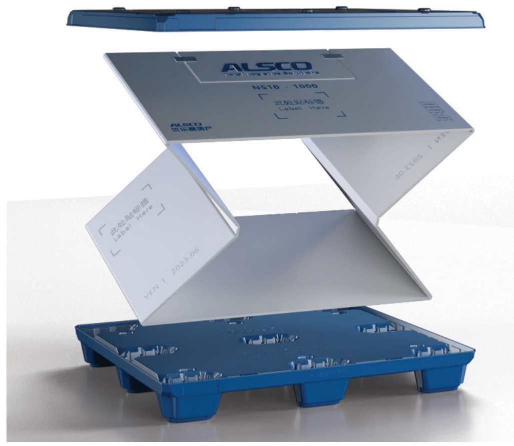
We are dedicated to providing high-quality, innovative reusable package services to meet the diverse needs of our clients across various industries. Although most of our containers are produced externally, we research, develop and produce our most important products in-house. Our manufacturing facilities, equipped with machinery and technology, enable us to produce these containers efficiently. By leveraging our robust production capacity and a skilled R&D team, we can design and customize containers and inner linings to meet specific customer needs, ensuring optimal performance and customer satisfaction.

We integrate technology and sustainable practices to enhance the reliability and efficiency of our products in the container solutions market. As part of our ESG efforts, we prioritize sustainability by incorporating processes that recycle and repurpose materials, minimizing waste and enhancing resource efficiency across our operations.

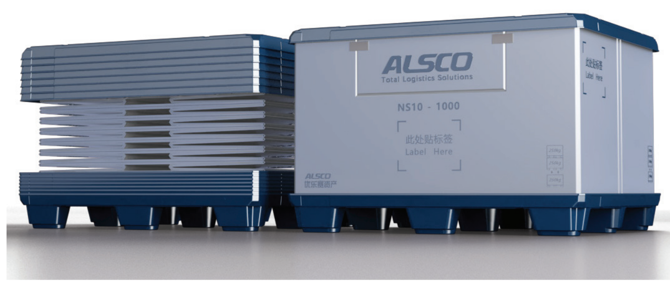
Our Container Types

As of August 31, 2025, we managed an asset pool comprising around 1.5 million reusable containers. These containers mainly include foldable large load carriers, small load carriers, metal racks. We design and produce standard-sized containers and develop specialized inner lining materials to meet the specific product protection needs of our clients, showcasing our technical expertise. These inner linings are placed inside the containers, complementing our pooling and rental services by ensuring product safety during transportation while maximizing the container's capacity.

- ***Foldable Large Load Carriers:*** This product consists of a base, cover, and foldable side panels, typically made from high-strength polypropylene (PP) to ensure durability and resistance to extreme temperatures. The foldable large load carriers are available in four standardized dimensions: (i) 1,200 mm in length and 1,000 mm in width, with selectable heights of 780 mm, 1,120 mm, or 1,180 mm; (ii) 1,470 mm in length and 1,140 mm in width, with selectable heights of 1,120 mm, 1,150 mm, or 1,180 mm; (iii) 1,600 mm in length and 1,140 mm in width, with selectable heights of 780 mm, 1,000 mm, or 1,120 mm; and (iv) 1,210 mm in length and 1,010 mm in width, with selectable heights of 740 mm or 1,050 mm. The standardized dimensions allow for integration with forklifts and Automated Guided Vehicles (AGVs) for operations both inside and outside of facilities. These containers are widely used in the automotive industry for the storage, transportation and turnover of goods. When not in use, the base and cover can be nested and the side panels folded flat, allowing all of them to be stored separately, which maximizes convenience and further reduces storage space and transportation costs during idle periods or when transporting empty containers.



Exploded View of Foldable Large Load Carriers



Stacking View of Foldable Large Load Carriers

- ***Small load carriers:*** This product is designed for the storage and transportation of smaller precision parts and electronic components, such as cameras, LiDAR sensors, domain controllers, and small motors. Compact and lightweight, it is ideal for use on final assembly lines and offers versatile application scenarios. Additionally, small load carriers are typically stacked in groups for efficient storage or transportation of goods and can be paired with the covers and pallets of large load carriers as needed. Made from durable plastic materials, the small load carriers each measure 600 mm in length and 400 mm in width, with a selectable height of 230 mm, 280 mm, 120 mm, 125 mm, or 148 mm. They are designed for repeated use, ensuring long-term reliability and cost-effectiveness. These carriers are widely used in industries requiring precise assembly and protection of medium and small-sized components.

Single Unit View of a Small Load Carrier

Stacking View of Small Load Carriers

- ***Metal Racks:*** Metal racks are robust structures made from high-quality metals, designed for secure storage and transportation of heavy and large-sized items like automotive parts and machinery. Metal racks are essential for industries that handle substantial weights and require sturdy, reliable containers to ensure the safety and integrity of their goods during transport and storage. The design of metal racks includes reinforced frames and supports to handle heavy loads and prevent deformation under stress. The size of metal racks varies according to their intended use, with lengths ranging from 1,000 mm to 2,100 mm, widths from 1,000 mm to 1,500 mm, and heights from 700 mm to 1,100 mm. Below is one example of a metal rack primarily used for carrying battery packs of new energy vehicles, with dimensions of 1,250 mm in length, 1,140 mm in width, and 450 mm in height.

Unfolded View of a Metal Rack

Stacking View of Metal Racks

Our Inner Linings

Our inner linings are a crucial element of our pooling services, designed to provide enhanced protection for goods as they move through our network. Tailored to fit within our reusable containers, these linings offer an added layer of defense against potential damage caused by impacts, moisture, or contamination during transportation and storage.

Over 90% of our inner linings are externally procured, with a small proportion of thermoformed linings produced at our Angu Factory. During the solution design phase, we procure a small quantity of inner linings for trial runs and testing to ensure their suitability. The majority of the inner linings required for specific projects are procured during the execution phase. To ensure reliable supply, we have established robust processes and mechanisms to meet the specific requirements of each project in a timely and efficient manner.

Our inner linings include both disposable and reusable options, catering to the diverse needs of our customers. Our inner linings are fully customized for our customers, and there are no absolute standard sizes. Reusable inner linings are designed with a typical lifespan of up to three years, which is generally aligned with the contract terms for most projects. As most of our project agreements have a duration of three years, reusable inner linings are typically retired and disposed of upon project completion, as they usually reach the end of their lifecycle by that time. For single-use applications, disposable inner linings provide an efficient and cost-effective solution.

The reusability of inner linings across projects depends on the specific type and size of the components they are designed for. If the components' specifications and dimensions are identical, inner linings can often be reused across different projects, providing additional flexibility and cost efficiency. Our inner lining design solutions are primarily focused on ensuring the safe transportation of customer components while maximizing container load rates. By achieving these objectives, our designs help customers reduce the need for additional transport packaging, which is often a key consideration for accepting our proposed solutions.

The integration of inner linings into our pooling services enhances the overall safety and reliability of our container management process. Given that our containers are reused across multiple clients and scenarios, the inner linings ensure consistent product protection, regardless of the frequency of use or the nature of the items being transported. This adaptability is particularly beneficial for industries with varied and complex logistical demands.

Our Production

We design our containers in-house, tailoring them to the specific requirements of our customers. Depending on the project needs, we either produce the containers internally or procure them from external manufacturers. When our container inventory is not abundant, Angu Factory helps us adjust to meet customer demand. External factory orders may have long production times, making it hard to provide timely service to our clients. In contrast, production at Angu Factory allows us to provide timely service to our customers, as we could better control production schedule and prioritize certain orders. This flexibility helps us maintain high service standards.

The table below provides a detailed breakdown of our production and procurement volumes for various container products during the Track Record Period:

	Year ended December 31,						Eight months ended August 31,	
	2022		2023		2024		2025	
Unit: '000 sets	**Production**	**Procurement**	**Production**	**Procurement**	**Production**	**Procurement**	**Production**	**Procurement**
Foldable Large Load Carriers								
– Covers	54.6	136.0	51.1	71.6	102.3	104.2	53.9	46.8
– Side Panels	137.8	84.0	134.6	16.2	162.1	128.1	99.3	43.6
– Bases	54.6	138.5	51.1	83.5	102.3	158.1	53.9	60.4
Small Load Carriers	–	160.8	–	174.4	–	366.4	–	261.1
Metal Racks	29.8	11.1	9.0	25.8	9.0	9.3	21.9	12.8
Total	276.9	530.3	245.8	371.6	375.6	766.2	229.1	424.8

The decrease in the proportion of container products produced internally in 2024 was mainly due to some of the warehouses we serviced for certain major customers were located at a considerable distance from Angu Factory, we procured container products from suppliers located closer to the relevant warehouses for such customers, instead of producing our container products, to reduce logistics costs and improve cost efficiency. These factors contributed to the decrease in the proportion of container products produced internally in both 2024 and the eight months ended August 31, 2025.

Complementing Angu Factory's role in production and R&D, our Yancheng Factory is integral to our sustainability efforts. Yancheng Factory is responsible for recycling unusable containers plastic products, turning them into high-quality raw materials that can be reused in the manufacturing process at Angu Factory. This closed-loop system not only supports our production needs but also aligns with our commitment to circular economy.

The table below sets forth our total production capacity, actual production volume and the utilization rates of our production lines for production of containers by Angu Factory during the Track Record Period:

	Year ended December 31,									Eight months ended August 31,		
	2022			2023			2024			2025		
	Total Production Capacity[(1)]	Actual Production Volume	Utilization Rate[(2)]	Total Production Capacity[(1)]	Actual Production Volume	Utilization Rate[(2)]	Total Production Capacity[(1)]	Actual Production Volume	Utilization Rate[(2)]	Total Production Capacity[(1)]	Actual Production Volume	Utilization Rate[(2)]
	(Unit)		%	*(Unit)*		%	*(Unit)*		%	*(Unit)*		%
Blow-molded Side Panels .	145,200	137,783	94.9	145,200	134,624	92.7	181,500	162,062	89.3	121,000	99,345	82.1
Blow-molded Covers and Bases.	105,600	54,636	51.7	105,600	51,083	48.4	105,600	102,250	96.8	70,400	53,943	76.6
Metal Racks[(3)] .	–	29,849	70.0	–	52,286	54.0	–	14,356	41.5	–	21,885	30.3
Vacuum-formed Products . . .	–	–	–	38,400	16,345	42.6	47,424	26,576	56.0	68,160	48,898	71.7

Notes:

(1) The total production capacity is calculated based on single-line capacity (units per hour), multiplied by average daily working hours, annual operating days, and the number of production lines. The average daily working hours for blow-molded covers and bases and blow-molded side panels are 20 hours, while for iron products, the average is 11 hours.

(2) Utilization rate at Angu Factory is calculated as dividing actual production volume by the total production capacity for the same period. At Yancheng Factory, which focuses solely on plastic particle recycling and reprocessing, utilization rates are not applicable.

(3) Metal racks vary significantly in size, weight, and design, making it impractical to measure total production capacity in units. As such, this data is disclosed as "not applicable," with the capacity utilization rate for each year or period estimated based on the actual operating rate.

The decrease in utilization rate for iron products for the year ended December 31, 2023, despite an increase in actual production volume, was primarily due to the large-scale production of lower-priced components such as channel steel, galvanized sheets, and steel pipes, which had different capacity requirements and lower production efficiency. Additionally, fluctuations in utilization rates across other product categories were mainly driven by variations in project and order demand for specific container types and quantities, as well as the Group's flexible approach in adjusting between in-house production and external procurement based on customers' time-sensitive and geographically specific needs.

Angu Factory

Located in Lianyungang, our primary production base, Angu Lianyungang, established in July 2005 and commencing production in 2006, plays a vital role in our container manufacturing operations. Covering a total area of 14,003 square meters, Angu Factory is equipped with technology and machinery, Angu Factory produces a wide range of high-quality containers, including extruded foldable side panels (可折疊擠塑圍板), blow-molded bases and covers (吹塑蓋底), iron products (鐵件), and vacuum-formed products (吸塑件), which form the key parts of our container products, such as foldable large load carriers and metal racks.

The factory's output primarily supports our container services, providing high-quality containers for internal operations. A portion of the production is also customized for external customers, optimizing overall production capacity and maximizing the return on our manufacturing investments. This operational flexibility and commitment to quality allow Angu Factory to effectively respond to market demand fluctuations and supply chain disruptions.

Yancheng Factory

In addition to our Angu Factory, we operate another facility, Yancheng Youlejia, which commenced operations in 2022 with a total area of 4,395 square meters. Our Yancheng Factory is integral to our ESG strategy, driving circularity through the recycling of unusable containers and plastic products.

The process begins with the collection of unusable containers from various warehouses, which are then sent to Yancheng Factory for recycling. There, unusable containers and other plastic products are combined with additives, melted, extruded, and pelletized into new plastic particles. These particles undergo a quality inspection , and if they meet our standards, they are stored and sent to Angu Factory as raw materials for container production. This closed-loop recycling process not only reduces waste but also ensures that we maximize the use of our materials, reinforcing our commitment to sustainability and resource efficiency in our operations.

Equipment and Machinery

Our Angu Factory is equipped with modern equipment and machinery, all of which are owned by us. Some examples of the equipment and machinery at Angu Factory include CNC bending machines (數控折彎機), laser processing machines (激光加工機), welding robots (焊接機器人), hollow blow molding machines (中空吹塑成型機), and large double-layer vacuum forming machines (大型雙層吸塑機). Our major production equipment and machinery have an estimated average useful life of 10 years. We use straight-line basis to make provision and depreciation, with an annual rate of 9.5%. The remaining useful life of such equipment and machinery was approximately 6.0 years on average as of August 31, 2025.

Our Directors consider that our existing equipment and machinery are generally in good operating condition. We conduct periodic inspections and maintenance to ensure optimal performance and did not experience any material or prolonged suspensions due to equipment failures during the Track Record Period.

Research and Development

Our in-house R&D team, equipped with strong capabilities in product design and innovation, plays a crucial role in developing our container solutions. With 10 core R&D members, each averaging over seven years of experience in packaging design, the team leverages tools and methodologies to develop innovative and efficient container solutions. Our R&D efforts focus on enhancing the functionality, durability, and sustainability of our containers to meet the evolving needs of our customers. The team holds various intellectual properties, including patents and proprietary technologies, which ensure our solutions remain at the forefront of the market. By continuously investing in R&D, we maintain our competitive edge by offering unique container solutions that are difficult for competitors to replicate.

Container Sourcing and Procurement

During the Track Record Period, we sourced containers primarily through external procurement from trusted suppliers and in-house production, ensuring a steady supply to meet operational needs. Our procurement process involves selecting high-quality materials and components from reputable suppliers, conducting rigorous quality checks to ensure every container meets our stringent standards. This dual approach of combining external procurement with internal production provides us with flexibility and control over our supply chain, allowing us to quickly adapt to changing market demands and customer requirements.

We consider several factors when deciding whether to manufacture containers in-house or procure them from external suppliers. Key criteria include the type of containers, the logistical costs incurred due to the distance between the required warehouse assets and the production facility, as well as the delivery timeline to ensure operational efficiency and timely fulfillment of client needs.

During the Track Record Period, we demonstrated a strong ability to efficiently manage both production and procurement, enabling us to meet rising market demands with agility. In particular, our handling of Foldable Large Load Carriers, comprising covers, side panels, and bases, showcased a consistently balanced approach between output and acquisition, reflecting our strategic emphasis on maintaining a resilient and well-coordinated supply chain.

OUR OVERSEAS EXPANSION

We have developed a comprehensive strategy to drive our overseas expansion, with an initial focus on Southeast Asia. In this region, we aim to replicate our successful business model from the PRC by simultaneously building production and operational capabilities. Beyond Southeast Asia, we are actively exploring opportunities in other regions through various forms of business collaboration. These include establishing subsidiaries and forming partnerships with local consultants and business partners in these regions. Additionally, we are pursuing new projects and participating in international marketing activities, such as trade shows and exhibitions, to identify further avenues for expansion.

As part of our expansion strategy, we have already established subsidiaries in key Asia-Pacific markets, including Hong Kong and Thailand, and have built relationships with local consultants and advisors in several other regions.

Hong Kong

To facilitate our overseas expansion and enhance global competitiveness, we established ALSCO International Co., Limited on June 21, 2019. ALSCO International Co., Limited is strategically positioned to attract reputable partners and technologies, leveraging our operational expertise to expand and optimize our international network.

As of the Latest Practicable Date, ALSCO International Co., Limited has not yet commenced any substantial business, but we plan to develop it into one of our supporting platforms for our overseas expansion.

Thailand

In the context of Chinese automotive manufacturers expanding their global market share by actively pursuing international business through establishing joint ventures, building factories, or exporting products, companies like Customer A and battery supply chain enterprises such as Customer F have already set up factories in Thailand. In line with this trend, and to better serve the local market, we established ALSCO MANUFACTURING (THAILAND) CO., LTD. on January 26, 2024. This entity serves as a strategic manufacturing hub for our Company in Southeast Asia, benefiting from its proximity to OEMs and key industry players in the region.

We have established a production facility and office in Thailand at 65, 1, Mabpong Sub-district, Phan Thong District, Chon Buri 20160, Thailand, covering a total area of 3,300 square meters, with 3,200 square meters allocated for production and 100 square meters designated for office space. Operations at the facility commenced in October 2024. The facility is equipped with laser cutting, CNC bending, manual and robotic welding, coating, assembly, quality inspection, packaging, and storage capabilities, supporting the production of metal logistics equipment, including racks and carriers for automotive and home appliance manufacturers.

As part of our strategic expansion, this facility enables us to reduce production costs, shorten delivery cycles, and strengthen our presence in the Southeast Asian market while continuing to fulfill export orders for global markets. Our key customers include Mazda Logistics LAT, with total anticipated order values for 2025 reaching approximately THB100 million.

To support these operations, we have a dedicated team of 15 employees, including production staff, technical personnel, and management, ensuring stable and efficient manufacturing. The facility's monthly production capacity of approximately 420 units is sufficient to meet current demand, with future expansions planned to further enhance operational efficiency and increase production capacity. Currently, all major production equipment has been installed and is operational, and an initial container sales order from a local client has been completed with a net total amount of THB35,256.5, with additional orders pending confirmation following the Thai New Year holiday.

The total capital expenditure for establishing the facility was approximately THB20 million, comprising THB15 million for production equipment and THB5 million for factory renovation and infrastructure, while annual operational expenses, including raw material procurement and staff costs, are estimated to amount to approximately THB65 million.

Moving forward, we plan to expand production capacity by introducing additional welding equipment and optimizing operational efficiencies. By leveraging Thailand as a key manufacturing base, we aim to strengthen our foothold in Southeast Asia, capitalize on growing regional demand, and enhance our global supply chain network.

CUSTOMERS

We primarily serve the automotive industry with a focus on Tier 1 suppliers and OEMs. Depending on the specific supply chain arrangements, we enter into contractual agreements with either Tier 1 suppliers or OEMs. Under agreements with Tier 1 suppliers, they are responsible for making payments to us, while agreements with OEMs result in payments being made directly by the OEMs. Over the years, we have established long-lasting relationships with our major customers, and have achieved rapid growth in key new energy vehicle components, such as power batteries. We have maintained strong business relationships with our five largest customers in each year/period during the Track Record Period, ensuring continuity and stability in our customer base. In the emerging new energy vehicle industry, we have also successfully acquired customers, including key automotive parts manufacturers, further expanding our market presence.

We serve a diverse customer base, mitigating any risk of individual customer concentration. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, our five largest customers in each year/period during the Track Record Period contributed approximately 22.5%, 28.4%, 29.8% and 26.5% of our total revenue, respectively. All of our five largest customers in each year/period during the Track Record Period were Independent Third Parties. We had not experienced any material disputes or termination of sales contracts with our five largest customers in each year/period during the Track Record Period. As of the Latest Practicable Date, we were not aware of any information or arrangements which would lead to cessation or termination of our relationships with any of our five largest customers in each year/period during the Track Record Period. During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholder (who owned or to the best knowledge of our Directors had owned more than 5% of our share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

As part of our comprehensive reusable package services, our customers benefit from innovative, cost-effective, and sustainable services that help them optimize their logistics operations and reduce costs. In many cases, our customers operate factories in various regions and enter into contracts with us through different entities. These entities may belong to the same corporate group or have interrelated relationships, allowing for streamlined operations and cost efficiencies. This approach helps in reducing the burden on customers' logistics network layout and asset investment, further optimizing transportation costs and enhancing operational efficiency. Therefore, some of our customers and suppliers in this business may overlap. See "Suppliers — Overlapping of customers and suppliers" in this section for more information.

Major Customers

The following tables set out the details of our five largest customers in each year/period during the Track Record Period:

For the eight months ended August 31, 2025

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
1 . .	Customer A	An automobile manufacturer dual-listed on the Hong Kong Stock Exchange and the SZSE, primarily engaged in the business of rechargeable batteries, mobile phone and computer components, and automotive.	Automobile manufacturing	Pooling services and container sales	Three years	30 to 90	Bills receivable	53,852	10.1
2 . .	Customer B	An automotive lighting assembly manufacturer and design solution provider listed on the Shanghai Stock Exchange, principally engaged in the research, design, manufacturing, and sales of automotive lighting.	Automobile parts manufacturing	Pooling services	Seven years	60	Bank acceptance bill	37,661	7.1

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
3 . .	Customer D	An investment company established by the Volkswagen Group, primarily engaged in conducting research, production, and sales of cars and components in China through its subsidiaries or associates.	Automobile manufacturing	Pooling services, other value added services, and container sales	Seven years	30 to 90	Bank transfer	21,404	4.0
4 . .	Customer C	An automobile manufacturer listed on the Hong Kong Stock Exchange, principally engaged in the research, production, and sales of passenger cars and core components.	Automobile manufacturing	Pooling services and other value-added services	Four years	30 to 90	Bank transfer or bank acceptance bill	14,632	2.7
5 . .	Customer H	Automobile lighting products manufacturers in Taiwan, controlled and consolidated by the same group of ultimate controllers, with the holding company listed on the Taiwan Stock Exchange.	Automobile parts manufacturing	Pooling services	Nine years	60 to 120	Bank transfer or bank acceptance bill	13,770	2.6
							Total:	141,319	26.5

For the year ended December 31, 2024

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
1. . .	Customer A	An automobile manufacturer dual-listed on the Hong Kong Stock Exchange and the SZSE, primarily engaged in the business of rechargeable batteries, mobile phone and computer components, and automotive.	Automobile manufacturing	Pooling services	Three years	30 to 60	Bills receivable	87,561	10.5
2. . .	Customer B	An automotive lighting assembly manufacturer and design solution provider listed on the Shanghai Stock Exchange, principally engaged in the research, design, manufacturing, and sales of automotive lighting.	Automobile parts manufacturing	Pooling services	Seven years	60	Bank acceptance bill	59,760	7.1

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
3. . .	Customer C	An automobile manufacturer listed on the Hong Kong Stock Exchange, principally engaged in the research, production, and sales of passenger cars and core components.	Automobile manufacturing	Pooling services and other value-added services	Four years	30 to 60	Bank transfer or bank acceptance bill	43,961	5.2
4. . .	Customer D	An investment company established by the Volkswagen Group, primarily engaged in conducting research, production, and sales of cars and components in China through its subsidiaries or associates.	Automobile manufacturing	Pooling services	Seven years	30 to 90	Bank transfer	36,582	4.4
5. . .	Customer F	A lithium battery and power system manufacturer listed on the SZSE, principally engaged in the research, production, and sales of consumer batteries, power batteries, and energy storage batteries.	Electrical components and equipment manufacturing	Pooling services, rental services, other value-added services, and container sales	Three years	60	Bank transfer or bank acceptance bill	22,074	2.6
							Total:	249,938	29.8

For the year ended December 31, 2023

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
1. . .	Customer A	An automobile manufacturer dual-listed on the Hong Kong Stock Exchange and the SZSE, primarily engaged in the business of rechargeable batteries, mobile phone and computer components, and automotive.	Automobile manufacturing	Pooling services and container sales	Three years	30 to 60	Bills receivable	61,009	7.7
2. . .	Customer B	An automotive lighting assembly manufacturer and design solution provider listed on the Shanghai Stock Exchange, principally engaged in the research, design, manufacturing, and sales of automotive lighting.	Automobile parts manufacturing	Pooling services	Seven years	60	Bank transfer or bank acceptance bill	49,817	6.3
3. . .	Customer F	A lithium battery and power system manufacturer listed on the SZSE, principally engaged in the research, production, and sales of consumer batteries, power batteries, and energy storage batteries.	Electrical components and equipment manufacturing	Pooling services, rental services, other value-added services, and container sales	Three years	60	Bank transfer or bank acceptance bill	45,254	5.7

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
4. . .	Customer D	An investment company established by the Volkswagen Group, primarily engaged in conducting research, production, and sales of cars and components in China through its subsidiaries.	Automobile manufacturing	Pooling services	Seven years	30 to 90	Bank transfer	42,563	5.4
5. . .	Customer C	An automobile manufacturer listed on the Hong Kong Stock Exchange, principally engaged in the research, production, and sales of passenger cars and core components.	Automobile manufacturing	Pooling services, other value-added services, and container sales	Four years	30 to 60	Bank transfer or bank acceptance bill	26,358	3.3
							Total:	225,001	28.4

For the year ended December 31, 2022

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
1. . .	Customer B	An automotive lighting assembly manufacturer and design solution provider listed on the Shanghai Stock Exchange, principally engaged in the research, design, manufacturing, and sales of automotive lighting.	Automobile parts manufacturing	Pooling services	Seven years	60	Bank transfer or bank acceptance bill	40,446	6.3
2. . .	Customer D	An investment company established by the Volkswagen Group, primarily engaged in conducting research, production, and sales of cars and components in China through its subsidiaries.	Automobile manufacturing	Pooling services and container sales	Seven years	30 to 90	Bank transfer	35,760	5.5
3. . .	Customer G	An automobile manufacturer listed on the Paris Stock Exchange, operating in China through wholly-owned and joint venture enterprises, principally engaged in the research, production, and sales of automobiles and components.	Automobile manufacturing	Pooling services, rental services, other value-added services, and container sales	Seven years	45 to 90	Bank transfer or bank acceptance bill	25,128	3.9

Rank	Customer[1]	Background and principal business	Type of customer	Type of services provided	Years of business relationship	Credit terms	Typical payment method	Amount of revenue[3]	Approximate percentage of our total revenue[3]
						days		*RMB'000*	*%*
4. . .	Customer E	An automobile manufacturer listed on the Shanghai Stock Exchange, principally engaged in the research, production, and sales of complete vehicles (including passenger cars and commercial vehicles).	Automobile manufacturing	Pooling services and container sales	Five years	45 to 90	Bank transfer or bank acceptance bill	22,755	3.5
5. . .	Customer A	An automobile manufacturer dual-listed on the Hong Kong Stock Exchange and the SZSE, primarily engaged in the business of rechargeable batteries, mobile phone and computer components, and automotive.	Automobile manufacturing	Pooling services	Three years	30	Bank transfer	21,535	3.3
							Total:	145,624	22.5

Notes:

(1) The customers' names disclosed refer to their Group companies. Our transactions have been conducted with subsidiaries of their Group companies or their associates. For financial reporting and strategic management purposes, these entities are consolidated under the umbrella of their Group companies.

(2) Any discrepancies between totals and sums of amounts and percentage figures listed herein are due to rounding adjustments.

Contracts with Customers

In each year/period during the Track Record Period, our primary customers included automobile manufacturers, auto parts manufacturers, to whom we provided pooling services, rental services, other value-added services and container sales.

A summary of the key terms of our pooling services contract is as follows:

- *Service Scope.* We provide a specified number of container sets to the customer. Each container set generally consists of either a foldable large load carrier (comprising covers, side panels and base), a small load carrier or a metal rack, and may be equipped with inner linings depending on project requirements. The service includes the delivery and return of containers between our warehouses and the customer's designated locations, as well as cleaning, maintenance, storage, and system-based planning. The customer is responsible for providing production forecasts, weekly demand, delivery schedules, and other logistical details to ensure continuous operations.

- *Pricing Terms.* Service fees are charged on a per set per trip basis, calculated based on actual usage or the contractually agreed minimum monthly usage, whichever is higher. The fee covers the initial delivery, the return transportation for each trip, as well as cleaning, maintenance and other related services upon recovery of containers. If the duration of any service cycle exceeds the agreed threshold (typically 15 to 45 days depending on project and delivery arrangement), a daily surcharge per set applies. Service fees may be adjusted if fuel prices fluctuate by more than 15%, subject to mutual agreement.

- *Payment Terms.* Invoices are issued monthly based on the usage during the relevant month and are payable within 30 days from the date of receipt. Late payments are subject to interest at 0.5% per day on the outstanding amount. The customer is required to confirm the invoice amount based on actual receipt quantity and must complete reconciliation within five working days of receiving the invoice.

- *Liability and Compensation.* The customer is responsible for lost or damaged container sets from the time they receive them until our collection. The customer must meet the minimum container usage agreed in the contract or compensate for the shortfall. A risk deposit equivalent to two months' service fee is required at the start and is returned upon contract completion, unless the contract is terminated early.

- *Maintenance.* The customer is required to properly maintain containers in accordance with operating guidelines. We may inspect containers at the customer's premises and perform stock checks with 15 days' prior notice. Upon contract completion, the customer shall bear the cost of any repair or compensation for loss attributable to them and assist in sorting containers at the warehouse.

- *Termination.* Early contract termination requires the customer to provide 180 days' advance written notice. If the contract is terminated within the first year, the customer must pay for a full year's fee. Termination after the first year but before the contract's official expiry date requires an additional 60 days' rental fee as compensation. The customer must also bear the return transportation cost if terminating early.

- *Renewal.* To extend the lease beyond the agreed period, the customer must notify us 60 days before the contract ends. If not renewing, all container sets must be returned unconditionally within one service cycle following expiry, and all outstanding reconciliations and payments must be completed.

A summary of the key terms of our rental services contract is as follows:

- *Service Scope.* We lease the customer a specified number of sets of the products which are packaged in reusable containers with both outer and inner dimensions listed. Each container set consists of pallets, sleeves, covers, inlays, and other components. As part of this leasing agreement, the customer provides a valid and up-to-date delivery and pickup address to ensure service fulfillment and continuous operations.

- *Pricing Terms.* Rental fees are charged on a per set per month basis, determined with reference to the number of container sets leased for the agreed rental period.

- *Payment Terms.* The customer pays a total rental fee over a specified rental period, with a defined number of sets per month. The lease spans a specific number of years, with a clear start and end date, and may include particular conditions or remarks. The rental fee includes initial transportation costs to the customer and one return transportation cost upon contract completion. We invoice the customer monthly for the current month's rental, and the customer makes the payment within 30 days of the invoice date via electronic fund transfer to our nominated account. Late payments incur an additional 0.5% interest per month on the outstanding balance. The transaction is completed within 10 days from the signing of the delivery, and the customer inspects and reports defects within five days of receipt. The agreement term starts on the acceptance report date.

- *Liability and Compensation*. Compensation values for lost and damaged container items are specified per whole set, pallet, sleeve, cover, and other components. Increasing the number of container sets requires at least 45 days' advance notice.

- *Maintenance.* During the leasing period, the customer is responsible for maintaining the container sets in good working order at their own cost and must take reasonable measures to prevent damage, loss, or destruction. We have the right to inspect the container conditions at the customer's premises as necessary. Upon contract completion, we inspect the returned container sets, and the customer pays for any necessary loss or repair.

- *Termination.* For early contract termination, the customer provides 60 days' advance written notice. Termination within the first year requires payment of a full year's rental fee. Termination after the first year but before the contract's official expiry date requires an additional 60 days' rental fee as compensation. If the customer terminates the contract early, they bear the return transportation cost.

- *Renewal.* To continue the lease beyond the agreed period, the customer informs us 60 days in advance. If not renewing, all container sets are returned unconditionally.

A summary of the key terms of our container sales contract is as follows:

- *Service Scope.* We sell the customer a specified number of sets of the product. The mold-making process begins upon contract signing and receipt of the deposit. We will send sample products to the customer, and upon their written confirmation (via email or written reply) that there are no issues, we will commence mass production and deliver the products according to the agreed delivery method.

- *Payment Terms.* The customer pays a deposit to our designated account within five working days of signing the contract. Within five working days of receiving and confirming the sample products, the customer pays the second installment to our designated account. The remaining balance is due upon successful delivery of the goods. We will issue a VAT special invoice to the customer within five working days of receiving each payment.

- *Packaging and Transportation.* Either the customer or we arrange the carrier and bear the freight cost. Packaging follows relevant national standards or regulations; if none exist, the mutually confirmed packaging standard is used. If the customer arranges the carrier, we assist with loading; if we arrange the carrier, the customer assists with unloading and moving upon arrival. Packaging costs incurred during contract performance are borne by us, with specifics determined on a case-by-case basis.

- *Quality and Inspection.* National or industry mandatory quality standards apply; for customized products, mutually recognized drawings or confirmed samples serve as the quality standard. The customer inspects the goods within a specified period after receipt and raises any objections regarding quality, quantity, and specifications; if no objections are raised within the agreed period, it is deemed that the goods meet agreed quality standards.

- *Liability and Compensation.* If within the agreed inspection period the customer deems that the goods' specifications, models, or quality do not meet contract and quality standards, we are responsible for replacement and repair. During the warranty period, we provide free repair for quality problems due to our fault. If the customer changes the specifications or delivery location of the goods, they must notify us immediately and compensate for any actual economic losses incurred by us, and the delivery period will be extended accordingly. For failure to perform obligations on time, a late payment penalty of one-thousandth of the total contract amount per day of delay is incurred; if the delay exceeds 30 days or other breaches occur, the non-breaching party may seek compensation for losses, and require the breaching party to pay a penalty of 20% of the total contract amount.

- *Warranty.* The warranty period is 12 months from the date of receipt. After the warranty period, we may provide paid maintenance, with costs borne by the customer. During the warranty period, proper use and maintenance of the product by the customer are required. Maintenance and repair costs due to overloading, man-made collision, accidental corrosion, etc., are borne by the customer.

A summary of the key terms of our logistics transportation contract under our other value-added services segment is as follows:

- *Service Scope.* We provide domestic inland transportation of goods from the specified shipping location to the delivery location, along with the provision of reusable packages through pooling services during the contract term.

- *Payment Terms.* Payments are made monthly, settled within a specified number of days, and transferred to our designated bank account. Monthly reconciliation is completed by a specified date, followed by invoicing. Late payments incur a 0.5% monthly interest.

- *Transportation and Shipping.* We ensure the quality and safety of goods during transportation using well-maintained trucks. Our agents inspect goods during loading and unloading, addressing any discrepancies immediately. We are responsible for goods from the time of signing the shipping documents.

- *Delivery.* Either party can handle loading, unloading, and placement of goods. The customer may hire a consignee for these tasks, following our instructions. The customer ensures complete and clear transportation documents, promptly reporting any discrepancies upon arrival.

- *Liability and Compensation.* We replace or repair goods not meeting standards within the inspection period. Changes to specifications or delivery locations by the customer require compensation for economic losses. Delays incur a penalty of one-thousandth of the total contract amount per day, with further compensation for delays exceeding 30 days or other breaches.

- *Termination.* Early contract termination requires the customer to pay the actual transportation cost for returning the boxes. If delays in performance exceed 30 days or other breaches occur, further compensation may be required.

Pricing Policy

In determining our Group's pricing policy, we consider a variety of factors which are set out below by types of services.

Container services

Pooling Services . . . . . . Our Group will charge its customers based on market rates which are generally determined by the following factors:

- the length of service cycles;
- packaging specifications;
- the number of containers used;
- the type of materials used for inner linings;
- delivery timeliness;
- the distance of transportation.

Rental Services . . . . Our Group will charge its customers based on market rates which are generally determined by the following factors:

- the cost of materials for the containers;
- the length of rental period;
- transportation costs.

Other Value-added Services . . . . Our Group will charge its customers based on market rates which are generally determined by the following factors:

- storage fees;
- fuel costs;
- the length of circulation time;
- the number of containers used;
- labor costs.

Container Sales . . . . Our Group will charge its customers based on market rates which are generally determined by the following factors:

- material costs;
- labor costs;
- processing techniques;
- one-time purchase quantity.

Final prices will generally be formulated on a case-by-case basis in line with market prices and after a price negotiation process.

Credit Policy

We generally grant a credit period ranging from 30 to 90 days from the invoice date, but variations may occur on a case-by-case basis depending on the following and subject to the approval by our management:

(i) customer's background, reputation and credibility;

(ii) customer's payment history in the industry; and

(iii) customer's business relationship with us.

Our Group reviews our customer payment records from time to time and, if necessary, will revise the credit terms accordingly. Our customers have been continuously settling their bills without default and our Directors consider that there was no collectability issue in relation to such outstanding trade receivables. During the Track Record Period and up to the Latest Practicable Date, we did not experience material default in payment from our customers. Our trade receivable turnover days during the Track Record Period are within the credit period.

Customer Service

We understand that providing outstanding customer service is crucial to upholding our market reputation and nurturing customer loyalty. Our sales, marketing, and commercial teams proactively reach out to potential customers through phone or email to promote our services. Many of our new customers come to us through referrals from existing clients or other logistics service providers we collaborate with. Our operations staff handle customer inquiries, service bookings, and feedback, managing general inquiries and feedback on a location-by-location basis. They also closely follow up with customers on their orders and satisfaction levels.

In the event of complaints, our operations staff are required to report such issues to the head of the sales and marketing team immediately, who then follow up directly with the complaint. We continuously review our business workflow to identify areas for improvement and enhance our services.

Our Directors have confirmed that in each year/period during the Track Record Period, our Group did not experience any material complaints from customers or have any disputes with them.

Seasonality

Our business operations are closely tied to the logistics needs of our customers and are influenced by fluctuations in their production and sales plans, particularly those of Tier 1 suppliers and OEMs in the automotive industry. According to Frost & Sullivan, the fourth quarter is generally considered a traditional peak season for the automotive industry, primarily driven by active nationwide auto shows and increased vehicle purchasing activities near year-end.

Consequently, our business has historically experienced, and we expect to continue to experience, relatively higher demand for our services in the fourth quarter of the calendar year. We remain attentive to these variations in our customers' operational demands and monitor these trends to ensure that our services are aligned with their logistics requirements, allowing us to adapt to shifts in the market and maintain our competitive edge.

OUR SALES AND MARKETING

We have built our Group into a strong brand, benefiting from our ability to deliver reliable services and a high-quality user experience. As the largest reusable package services provider in the automotive sector nationwide, our reputation is a key driver for customer acquisition. We attract new clients primarily through our established brand presence and participation in tenders, where our services are widely recognized in the public market.

We also engage in targeted marketing efforts through industry exhibitions and forums, where we showcase our offerings and connect with potential clients. Our strong market position eliminates the need for significant advertising and market promotion, allowing us to focus on delivering service efficiently and strengthening our competitive advantage.

SUPPLIERS

In each year/period during the Track Record Period, suppliers to our Group primarily included reusable packaging manufacturers, logistics service providers, and equipment suppliers. We have a diverse supplier base. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, our five largest suppliers in each year/period during the Track Record Period contributed approximately 11.7%, 19.1%, 17.5% and 16.0% of our total purchase, respectively.

Our Group has maintained business relationships ranging from two to seven years with our five largest suppliers in each year/period during the Track Record Period. Our suppliers generally grant us credit terms ranging from 0 to 90 days. The availability of credit and the terms extended to us vary from supplier to supplier.

Major Suppliers

The following tables set out the details of our five largest suppliers in each year/period during the Track Record Period:

For the eight months ended August 31, 2025

Rank	Supplier[1]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[3]	Approximate percentage of our total purchase[3]
						days		*RMB'000*	*%*
1 . .	Chongqing Tongxin Freight Co., Ltd. and its associates	A road freight transportation company located in Chongqing, principally engaged in road freight transportation and international road freight transportation.	Freight logistics	Logistics and transportation services	Four years	30 to 90 days	Bank transfer	28,731	6.7
2 . .	Group A	Automotive logistics service provider and comprehensive logistics service provider listed on the Hong Kong Stock Exchange, principally engaged in providing automotive logistics services and comprehensive logistics solutions.	Freight logistics	Transportation services, warehousing services and container procurement	Seven years	zero to 90	Bank transfer or bank acceptance bill	12,971	3.0

Rank	Supplier[1]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[3]	Approximate percentage of our total purchase[3]
						days		*RMB'000*	*%*
3 . .	Wuxi Fengsu Logistics Co., Ltd.*	A comprehensive logistics service provider located in Jiangsu Province, primarily engaged in providing comprehensive logistics services.	Freight logistics	Logistics and transportation services	Two years	30-90	Bank acceptance bill	9,473	2.2
4 . .	Supplier D	A transportation and logistics company that primarily provides integrated transportation and logistics services, controlled and consolidated by the same group of ultimate controllers.	Freight logistics	Logistics and transportation services	Four years	30	Bank transfer	8,886	2.1
5 . .	Supplier E	A multimodal logistics service company based in Chongqing, principally engaged in integrated logistics and transportation solutions.	Freight logistics	Logistics and transportation services	One year	30	Bank acceptance	8,784	2.0
							Total:	68,845	16.0

For the year ended December 31, 2024

Rank	Supplier[1]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[3]	Approximate percentage of our total purchase[3]
						days		*RMB'000*	*%*
1. . .	Supplier A	A large transportation and logistics company, principally engaged in providing comprehensive transportation and logistics services.	Freight logistics	Logistics and transportation services	Four years	zero to 30	Bank transfer	32,092	4.7
2. . .	Group A	A third-party automotive logistics service provider and comprehensive logistics service provider listed on the Hong Kong Stock Exchange, principally engaged in providing automotive logistics services and comprehensive logistics solutions.	Freight logistics	Transportation services, warehousing services and container procurement	Seven years	zero to 90	Bank transfer or bank acceptance bill	29,974	4.4
3. . .	Chongqing Tongxin Freight Co., Ltd. and its associates	A road freight transportation company located in Chongqing, principally engaged in road freight transportation and international road freight transportation.	Freight logistics	Logistics and transportation services	Three years	30 to 90 days	Bank transfer or bank acceptance bill	27,214	4.0

Rank	Supplier[1]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[3]	Approximate percentage of our total purchase[3]
						days		*RMB'000*	*%*
4. . .	Wuxi Fengsu Logistics Co., Ltd.	A comprehensive logistics service provider located in Jiangsu Province, principally engaged in providing integrated logistics services.	Freight logistics	Logistics and transportation services	Three years	30 to 60	Bank acceptance bill	15,729	2.3
5. . .	Changzhou Suyue Logistics Co., Ltd.	A road transportation company located in Jiangsu Province, principally engaged in providing road transportation services.	Freight logistics	Logistics and transportation services	Seven years	90 days	Bank acceptance bill	14,428	2.1
							Total:	119,437	17.5

For the year ended December 31, 2023

Rank	Supplier[1]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[3]	Approximate percentage of our total purchase[3]
						days		*RMB'000*	*%*
1. . .	Group A	A third-party automotive logistics service provider and comprehensive logistics service provider listed on the Hong Kong Stock Exchange, principally engaged in providing automotive logistics services and comprehensive logistics solutions.	Freight logistics	Transportation services, warehousing services and container procurement	Six years	30 to 90	Bank transfer or bank acceptance bill	46,757	7.8

Rank	Supplier(1)	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase(3)	Approximate percentage of our total purchase(3)
						days		*RMB'000*	*%*
2. . .	Supplier A	A large transportation and logistics company, principally engaged in providing comprehensive transportation and logistics services.	Freight logistics	Logistics and transportation services	Four years	zero to 30	Bank transfer	29,278	4.8
3. . .	Changzhou Suyue Logistics Co., Ltd.	A road transportation company located in Jiangsu Province, principally engaged in providing road transportation services.	Freight logistics	Logistics and transportation services	Six years	90	Bank acceptance bill	14,800	2.4
4. . .	Supplier B	A professional human resources service provider in China, principally engaged in providing human resources services.	Human Resources	Logistics and transportation services	Three years	zero	Bank acceptance bill	13,266	2.2
5. . .	Supplier C	A road transportation company located in Jiangsu Province, principally engaged in providing freight logistics services.	Freight logistics	Logistics and transportation services	Four years	30	Bank transfer or bank acceptance bill	11,404	1.9
							Total:	115,505	19.1

For the year ended December 31, 2022

Rank	Supplier[1]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[3]	Approximate percentage of our total purchase[3]
						days		*RMB'000*	*%*
1. . .	Group A	A third-party automotive logistics service provider and comprehensive logistics service provider listed on the Hong Kong Stock Exchange, principally engaged in providing automotive logistics services and comprehensive logistics solutions.	Freight logistics	Transportation services, warehousing services, container procurement	Six years	30-90	Bank transfer or bank acceptance bill	21,604	3.7
2. . .	Zhongshan Haitian Plastic Products Co., Ltd and its associates	Plastic products manufacturers in China, principally engaged in the manufacturing of containers, controlled and consolidated by the same group of ultimate controllers.	Container manufacturer	Container and liner procurement	Six years	60-90	Bank acceptance bill	14,002	2.4
3. . .	Shanghai Chenhuan Industrial Co., Ltd.	A professional road transportation company based in Shanghai, primarily engaged in providing freight logistics services, materials trade, and raw material procurement.	Material Trade	Raw material procurement	Three years	zero	Bank transfer	11,504	1.9

Rank	Supplier[(1)]	Background and principal business	Type of supplier	Type of services/products provided	Years of business relationship	Credit terms	Typical payment method	Amount of purchase[(3)]	Approximate percentage of our total purchase[(3)]
						days		*RMB'000*	*%*
4. . .	Changzhou Suyue Logistics Co., Ltd.	A road transportation company located in Jiangsu Province, principally engaged in providing road transportation services.	Freight logistics	Logistics and transportation services	Six years	90	Bank acceptance bill	10,922	1.9
5. . .	Changzhou Penghe Supply Chain Management Co., Ltd.	A road transportation company located in Jiangsu, principally engaged in supply chain management, road transportation services, warehousing services and logistics information consulting services.	Freight logistics	Transportation services and warehousing services	Six years	30 to 90	Bank transfer or bank acceptance bill	10,443	1.8
							Total:	68,475	11.7

Notes:

(1) The suppliers' names disclosed refer to their Group companies. Our transactions have been conducted with subsidiaries of their Group companies or their associates. For financial reporting and strategic management purposes, these entities are consolidated under the umbrella of their Group companies.

(2) Any discrepancies between totals and sums of amounts and percentage figures listed herein are due to rounding adjustments.

To the best of our Directors' knowledge, as of the Latest Practicable Date, all of our five largest suppliers in each year/period during the Track Record Period, were Independent Third Parties. None of our Directors, their close associates, or our Shareholders (who, to the knowledge of our Directors, own more than 5% of the issued Shares) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

Our Group generally does not enter into long-term or exclusive agreements with any of our suppliers. This approach provides us with the flexibility to select new suppliers who can offer high-quality services at competitive prices. This flexibility is crucial for maintaining our competitive edge and ensuring we can adapt to changing market conditions. For further information on risks related to land availability and other factors, please refer to the section titled "Risk Factors — Risks Relating to Our Business and Our Industry."

Our business success is also dependent on maintaining strong relationships with our suppliers. We have established and maintained long-term working relationships with key suppliers, ensuring a stable supply chain. Our Directors are not aware of any information or arrangements that would lead to a cessation or termination of our current relationships with any of our major suppliers. In each year/period during the Track Record Period and as of the Latest Practicable Date, we did not have any material litigation, dispute or unresolved issue with any of our major suppliers.

Contracts with Suppliers

During the Track Record Period, our key suppliers included freight logistics providers, human resources providers, materials traders, container manufacturers, and plastic manufacturers. They provided us with logistics and transportation services, warehousing, container and inner lining procurement, raw material sourcing, and human resources support.

A summary of the key terms of our transporting contract is as follows:

- *Service Scope.* The carrier will transport specified goods, excluding prohibited items, by road to locations we specify. Instructions will be provided at least one day in advance. Upon delivery, we will inspect and confirm receipt.

- *Payment Terms.* Freight is settled based on signed delivery receipts and agreed standards. The carrier must provide monthly expense summaries and invoices. Payment is made within 90 days via bank transfer.

- *Liability and Compensation.* The carrier is responsible for timely and safe delivery. They bear liability for any damage, loss, or delays during transit and must compensate us accordingly. Insurance for goods is required at the carrier's expense.

- *Termination.* The contract can be terminated early with one month's notice, but we may terminate immediately if the carrier causes losses. The carrier can terminate if we fail to pay or deliver prohibited items.

- *Renewal.* Contract renewal requires mutual agreement before expiration. If not renewed, the contract ends after all fees are settled.

A summary of the key terms of our purchase agreement is as follows:

- *Service Scope.* The contract is valid for three years from the date of signing. During this period, we may issue purchase orders to the seller, who must confirm and return them within two days. Once confirmed, the purchase order becomes binding, and the seller must fulfill the order as specified. We reserve the right to cancel any purchase order for general market goods before shipment without incurring liability.

- *Payment Terms.* The seller must offer us the most favorable terms available in the Chinese market for similar projects, both 12 months before and after delivery. If better terms are found, the contract will be adjusted to reflect them, and excess payments will be refunded. If the product price drops by more than 1%, we may negotiate a price adjustment or terminate the contract for undelivered goods without penalty.

- *Quality and Inspection.* Products must meet our specifications and national standards. We may inspect the seller's factory and the goods upon arrival, with acceptance not implying final approval of quality. The seller guarantees product quality for a specified period, during which any defects discovered must be compensated, with options for returns, replacements, or price reductions. The seller is liable for any quality issues that affect our final products and must compensate for related losses.

- *Packaging and Transport.* The seller must ensure proper packaging suitable for long-distance transport, including protection against moisture, rust, and corrosion. The seller must inspect and clean equipment before packaging and provide us with shipment details in advance. If the seller is responsible for freight, they must also inform us of the expected arrival time. Required documentation includes a factory inspection report, packing list, and weight details.

- *Liability and Compensation.* If products do not meet contractual specifications, we may file a compensation claim. The seller is responsible for replacing, repairing, or compensating for defective goods and covering related costs. If more than 5% of the goods are defective, we may reject the entire shipment and demand a refund, along with a 5% penalty. Quality disputes will be resolved through joint testing, with the seller bearing the costs if the goods are found to be defective. The seller is also liable for any damage or loss during transport and must promptly replace goods to avoid disruption to our production.

- *Termination.* If the seller delays delivery without a valid excuse, they must pay a penalty around 0.3% of the delayed delivery payment per day, up to 10% of the total value. If the delay exceeds 10 days, we may terminate the contract, and the seller must refund all payments with interest and pay a 10% penalty on the delayed portion.

A summary of the key terms of our logistics vehicle rental contract is as follows:

- *Service Scope.* The lessor will provide a specified number of standard box trucks with wing-style doors. We are responsible for obtaining the necessary permits for vehicle entry and peak hour driving. Vehicle handover will be documented using a vehicle handover form. The lessor must ensure the vehicles meet our clients' requirements.

- *Payment Terms.* We will pay a monthly rental fee per vehicle, with the lessor issuing a 9% VAT invoice by the 10th of the following month. Payment will be made within 15 working days of receiving the invoice, using cash acceptance.

- *Liability and Compensation.* If the lessor fails to provide the agreed vehicle services, we may terminate the contract unilaterally, with the lessor bearing any resulting economic losses. The lessor cannot recall vehicles without our written consent. We must notify the lessor one month in advance of any adjustments to the number of vehicles. Disputes will be resolved through consultation, or by filing a lawsuit if necessary.

- *Maintenance.* We are responsible for vehicle maintenance, repairs, and handling any violations. Monthly inspections and maintenance will be conducted, and vehicles may be redeployed to any city as needed.

- *Term of Contract and Termination.* Upon contract expiration or mutual termination, we will return the vehicles within 20 days. The lessor will retrieve the vehicles from the location we designate.

A summary of the key terms of our warehouse-leasing contract is as follows:

- *Service Scope.* The Lessor will lease a specified warehouse for office use, storage, and material circulation. The Lessor confirms that the warehouse meets all necessary legal and safety requirements. We will manage the warehouse, operate legally, and comply with relevant regulations. Any changes to the warehouse's function require the Lessor's written consent and all necessary procedures and fees will be our responsibility.

- *Payment Terms.* We will pay a specified rent, with invoices provided by the Lessor. The property management fee is waived, and electricity costs will be paid quarterly based on meter readings. Rent is settled semi-annually, and payment will be made by bank transfer upon receipt of a VAT invoice. If the Lessor fails to provide the invoice as agreed, we may withhold payment without penalty. The Lessor ensures there are no mortgages on the property and grants us the priority right of transfer if the property is sold.

- *Liability and Compensation.* The Lessor is responsible for insuring the leased property, while we must insure our property within the warehouse. Each party is liable for any damages resulting from their failure to purchase the required insurance. We must comply with all fire safety laws and the Lessor's management system.

- *Maintenance.* We have exclusive use of the facilities and are responsible for their maintenance, upkeep, and inspections. The Lessor has the right to inspect and supervise. We must repair any damage caused by improper use, while the Lessor is liable for losses due to property issues like mortgages or asset seizures.

- *Termination.* Early termination requires one month's notice for negotiation, and mutual consent is needed for termination. If terminated early, we must return the property, pay for the usage period, and compensate the Lessor with one month's rent.

- *Renewal.* To renew the lease, we must notify the Lessor one month before the lease ends. With the Lessor's consent, a new contract will be signed, and we have the priority right of renewal. If not renewed, we must vacate the property within 15 days, and the Lessor will refund the rental deposit.

Overlapping of Customers and Suppliers

For the Track Record Period, three of our top five customers, namely, Group A, Customer A and Customer C, were also our suppliers (the "**Customers/Suppliers**").

Group A was one of our top five suppliers who also engaged us for our good and services. For the Track Record Period, our Group primarily provided Group A with various services or products, including pooling services, rental services, and container sales. Group A provided us with transportation services and certain unstandardized container products. Our revenue derived from our services to Group A was in the amount of RMB18.1 million, RMB14.7 million, RMB6.1 million and RMB4.5 million, representing 2.8%, 1.9%, 0.7% and 0.8% of our total revenue in each year/period during the Track Record Period, respectively, and our purchase attributable to Group A amounted to RMB21.6 million, RMB46.8 million, RMB30.0 million and RMB13.0 million, representing 3.7%, 7.8%, 4.4% and 3.0% of our total purchase in each year/period during the Track Record Period, respectively.

For the remaining Customers/Suppliers, Customer A, Customer C, they were our top five customers who also provided goods or services to us during the Track Record Period. During the Track Record Period, revenue generated from the remaining Customers/Suppliers accounted for 4.8%, 11.0%, 15.7% and 12.8% of our total revenue in each year/period during the Track Record Period. Meanwhile, procurement from these Customers/Suppliers accounted for 0.02%, 0.1%, 0.1% and 0.1% of our total purchase in each year/period during the Track Record Period. For these Customers/Suppliers, we primarily provided them with various services or products, including pooling services, rental services and container sales. Meanwhile, we mainly procured logistical transportation, container products and container cleaning services from them. We engaged these Customers/Suppliers primarily to source logistical warehousing services in specific regions, acquire certain unstandardized containers to meet operational demands, or utilize their services to recover empty containers from their factory premises.

Our Directors confirmed that negotiations of the terms of our revenue and procurement from the Customers/Suppliers were conducted on a case-by-case basis, and the services and/or products supplied to and services and/or products procured from the Customers/Suppliers were neither inter-connected nor inter-conditional with each other. The salient terms of the transactions with such Customers/Suppliers are similar to those with our other customers and suppliers, which our Directors consider normal commercial terms.

Our Directors confirm that, during the Track Record Period, the products we procured from these Customers/Suppliers (in the context of suppliers) were not subsequently sold to these same Customers/Suppliers. None of our Directors, their respective close associates, or any of our Shareholder had any interest in any of the Customers/Suppliers during the Track Record Period.

As advised by Frost & Sullivan, it is an industry norm in the reusable package services industry to have overlapping customers and suppliers.

MARKET AND COMPETITION

The market for reusable package services is highly competitive, and we face aggressive competition across all areas of our business. The barriers to entry in this industry are substantial due to the capital-intensive nature of the business and the need for substantial infrastructure and technological capabilities.

Despite these challenges, we have observed a trend where some automotive industry players are investing in their own logistics and packaging solutions. However, these companies often still rely on third-party providers like us to manage excess demand and optimize their supply chain operations. This reliance provides us with opportunities to capitalize on our independence and maintain competitiveness against in-house solutions developed by our clients.

To mitigate competitive risks, we focus on diversifying our customer base and collaborating with multiple players across the automotive industry. We strive to maintain strong relationships with our existing customers, including those who may develop their own solutions, by delivering high-quality services and accommodating their specific needs. Our ability to provide flexible, timely, and tailored solutions helps us retain and grow our customer base.

Our competitive strengths, as detailed in the "Our Competitive Strengths" section, allow us to stand out in the markets we operate in. These include our service network, technological capabilities, deep understanding of industry operations, and comprehensive management system and operational platform. By leveraging these strengths, we believe we compete favorably with our competitors, ensuring sustained growth.

DATA PRIVACY AND PROTECTION

We do not actively collect client data. The data we handle is primarily related to business orders and project requirements. During our initial engagements with potential clients, we obtain their consent to collect essential contact information and geographical data related to their intended projects. This includes basic client details such as names, phone numbers, email addresses, and project location information. This data is meticulously recorded in our operational system, categorized according to the specific location of each project. The data is collected directly from clients at the time of their initial inquiry or during subsequent communications related to their project requirements.

Access to this information is tightly controlled, ensuring that clients can only view details pertaining to their own projects within the system. They are strictly prohibited from accessing or viewing any information related to other clients. Therefore, we never share, transfer, or disclose personal data to any third parties.

In addition to client-related data, we also collect and manage internal system operation data, which includes system logs (e.g., system startup and shutdown records), hardware performance data (e.g., CPU usage, disk space utilization, and network bandwidth), user operation logs (e.g., login and logout records, and permission changes), and fault and issue data (e.g., system faults and resolutions). This data is stored on secure servers, encrypted, and regularly backed up to ensure its confidentiality and integrity.

We have established a comprehensive data security framework to protect the confidentiality and integrity of the information we collect. This framework includes the use of firewalls and a network security management system to ensure the secure and stable operation of our network systems. These measures protect critical company information and data from unauthorized access, damage, and leaks, regulate network usage, and enhance the overall level of network security. Specifically, we address wide area network (WAN) security and protection, internal network security and protection, prevention and handling of network security incidents, and the daily management of security facilities. Additionally, our framework incorporates encryption technologies for data transmission, stringent access controls, and routine system checks to identify and address vulnerabilities.

All internal data is managed exclusively within the organization, with no data shared with external business partners or transferred across borders. As part of our system management, hardware USB encryption keys and software encryption programs related to the servers under the responsibility of system operation and maintenance administrators are uniformly managed and recorded. We are committed to maintaining full compliance with all relevant laws and regulations, and we continuously improve our security protocols to safeguard against data breaches or unauthorized access.

Our employees who handle sensitive information are bound by robust confidentiality agreements. These agreements clearly state that employees are legally prohibited from sharing, distributing, or selling any confidential information, including client details, to any third party or unauthorized internal personnel. Upon resignation, employees are required to return all confidential information in their possession and are obligated to maintain confidentiality even after their departure. In the event of a breach of these obligations, employees are held accountable and may face compensation liability.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of the personal data of users. Our Directors of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with laws and regulations relating to data privacy and data security in all material respects.

We have implemented a variety of protocols and procedures, such as regular system checks, password policy, server access logging, network access authentication, consumer authorization review and approval and data back-up, as well as data recovery test, to safeguard our data assets and prevent unauthorized access to our network. For data security incidents, we have established response plans, which include incident reporting, containment, resolution, and follow-up measures. Our operation and maintenance team and data security team monitors the operation of our systems and conduct safety drill on a regular basis. We also maintain a backup of our operating data to minimize the risk of data loss.

At the same time, we also ensure that all data collection is conducted with the knowledge and authorization of data owners, such as employees and clients, through mechanisms including privacy statements or authorization agreements.

We aim to continue to improve and enhance our data and system security to ensure the proper management of our operational data. Whenever an issue is discovered, we take prompt actions to upgrade our system and mitigate any potential problems that may undermine the security of our system. We believe our policies and practice with respect to data privacy and security are in compliance with applicable laws and with prevalent industry practice.

Our PRC Legal Advisor has confirmed that we complied with the relevant data privacy, cybersecurity, and cross-border data regulations in the PRC in all material aspects during the Track Record Period and up to the Latest Practicable Date.

The Group confirms that it was not involved in any cross-border transfer of data, including client data and internal operational data, during the Track Record Period and up to the Latest Practicable Date. All client and internal data collected and processed by the Group is stored and managed within the PRC. The Group's two overseas operational projects in Indonesia and South Korea were conducted under agreements signed with PRC-based customers and did not involve any cross-border data processing or transfer. All data collection, processing, storage, and security management were undertaken solely within the PRC, with no data transferred to or accessed by any overseas entities or systems. Our Directors have further confirmed that we complied with the relevant data privacy, cybersecurity, and cross-border data regulations in all jurisdictions where we operated during the same period.

INSURANCE

As a provider of reusable package services, our business inherently carries several risks, including equipment damage, cargo loss or damage, property loss, and business interruptions due to natural disasters, political unrest, or other factors. To manage these risks, we maintain a range of insurance policies, which cover, among others, third-party liability, transportation risks, property loss and damage and workers' compensation for injury and death. We currently do not maintain product liability insurance and litigation insurance. Our Directors believe that our insurance coverage is sufficient and aligns with industry standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to social responsibility and recognize the fundamental importance of ESG related factors in our path towards sustainable development by advancing the use of clean energy, supporting social causes and exploring ways to protect the environment.

Identification, Assessment, Management and Mitigation of ESG Risks

We are currently in the process of developing and implementing ESG policies under the oversight of our Board. Our Board is placing an emphasis on and giving significant attention to the areas of environmental impact management, social responsibilities, and corporate governance that are significant to our operations. We are dedicated to taking proactive measures to address associated risks and implement mitigating strategies in the future. Lead by our Board, we also closely follow the latest legal developments on ESG matters and will correspondingly update our ESG measures to ensure that we comply with the latest regulatory requirements.

We have identified the following ESG risks during our business operation, which we consider material and may have an impact on our business, strategy or financial performance, and have formulated strategies and implemented systems to manage and mitigate these risks, including:

- Resource consumption, including energy and water consumption

- Waste management
- Employee health and safety
- Diversity and inclusion
- Corporate governance
- Supply chain related risks
- Human resource risks
- Climate-related risks

We intend to adopt various strategies and measures to assess and manage the abovementioned risks, including but not limited to:

- regularly reviewing and assessing the ESG issues under the oversight of our Board to ensure that all relevant ESG-related risks are identified on a timely basis;
- discussing with key stakeholders on an ongoing basis on key ESG principles and practices as well as their concerns and expectations to ensure that the significant aspects are covered;
- setting targets for each major ESG risk with reference to guidance on ESG released by the Stock Exchange evaluating the ESG results regularly; and
- reviewing the ESG-related studies in the industry periodically and optimize ESG measures continuously.

The Group has initially incorporated supply chain and climate-related ESG risks into the Group's overall risk management system. The Audit Committee, under the Board of Directors, regularly reviews and supervises ESG-related risks and reports to the Board. The risk management department regularly organizes relevant personnel from financial, legal, EHS, and other areas within the Group to identify and research ESG risks with external research institutions and consultants, and evaluates identified ESG risks through internal and external stakeholder surveys.

Regarding supply chain and climate-related risks and opportunities, the Group's preliminary identification and assessment results are as follows:

Type	Risk/Opportunity Description	Impact on Business
Transition Risks . .	• **Policy Risk:** Increasingly strict policies and regulations regarding plastics and packaging, e.g., the EU's "New Packaging Law" which will require higher proportions of renewable materials in packaging. • **Market Risk:** Leading clients' preference for circular packaging, shifting to products with lower carbon emissions. • **Technological Risk:** Breakthroughs in bio-based plastics (e.g., PLA) could weaken the cost advantages of PP reusable packaging.	**Rising costs, increased R&D investment**
Physical Risks . . .	• **Acute Risks:** Coastal suppliers facing threats from typhoons/floods; high concentration of suppliers in the Yangtze River Delta region, where extreme summer heat could cause power shortages, delaying raw material supply. • **Chronic Risks:** Rising regional temperatures leading to increased cooling energy costs.	**Supply chain disruption, fluctuating operational costs**
Opportunities	• **Policy Driven:** Domestic and international packaging regulations may become stricter, and the Group's current business model can comply more quickly and cost-effectively. • **Circular Economy:** The Group's existing closed-loop recycling system reduces dependence on raw materials, and its business model in the circular economy may attract more leading customers. • **Green Financing:** The Group's high environmental value business model may obtain financing at a lower cost.	**Market growth, cost savings, broader financing channels**

Our Directors believe that under our current business operations, our long term risks include resource consumption and climate-related risks, our medium term risks include waste management, diversity and inclusion and supply chain related risks and our short term risks are mainly employee health and safety, corporate governance and human resources related risks.

Where appropriate, our management are responsible to set targets for those risks that are material to our Group in accordance with the requirements of Appendix C2 to the Listing Rules. On a regular basis, the relevant targets on material risks will be reviewed and monitored to ensure the appropriateness to the needs of our operation.

As such, we intend to establish and implement the following principal ESG policies and implement mitigating measures accordingly.

Environmental Protection

With a focus on environmental consciousness, we strive to conduct our operations in a manner that safeguards the environment associated with our operation. We are committed to exploring ways to protect the environment as we continue to grow our revenue and expand the scope of our reusable packaging solutions. We strive to minimize our environmental impact through developing and integrating environmentally sustainable practices into our operations.

Resource Consumption and Waste Management

During the Track Record Period, our Group's primary resource consumption included electricity and water, all closely linked to our Group's production and research and development activities. We consistently monitor resource usage, evaluating power and thermal efficiency, water consumption, and gas usage on a monthly basis.

In our commitment to environmental sustainability, we provide reusable packaging solutions that help supply chain participants reduce costs and improve efficiency. By replacing single-use paper and wooden packaging with reusable alternatives, we significantly reduce solid waste and contribute to a greener economy.

To address potential environmental risks, the Group refers to the relevant requirements of the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, implementing environmental management processes and mechanisms within its management system. Internal rules, regulations, and environmental control procedures have been refined accordingly. All factories under the Group have obtained ISO 14001 certification and undergo regular internal on-site audits.To mitigate potential ESG risks in our supply chain, we incorporate environmental compliance into our supplier quality performance evaluation system. Suppliers are required to sign a supplier quality assurance agreement, ensuring that the content of hazardous substances in products meets domestic and international standards (such as the European Union RoHS Directive) and provide environmental protection test reports from accredited institutions. Suppliers who fail to meet these requirements or violate compliance standards will face claims or termination of cooperation. Starting from 2026, we plan to progressively incorporate ESG clauses related to human rights and occupational health and safety into supplier contracts and conduct annual on-site reviews.

Additionally, we have implemented a closed-loop recycling system within our operations. This system, integral to our sustainability efforts, involves the recycling of damaged and unusable containers, transforming them into high-quality raw materials that are reused in the manufacturing process at our other facilities. This approach not only supports our production needs but also aligns with our commitment to minimizing environmental impact and promoting resource efficiency. When introducing new equipment or software, a team of technicians and engineers conducts thorough inspections and monitors the outcomes. We also adhere to energy and water management guidelines set by local governments, including any restrictions. As of the Latest Practicable Date, we have not experienced any significant disruptions due to resource shortages.

To further reduce the potential negative environmental impact of our products, the recycled plastic containers purchased by the Group are recycled and scrapped after meeting scrapping standards. Scrapped products are processed into 100% recyclable plastic particles and used in the production of new recycling containers in specified proportions. By 2026, we plan to clarify the proportion requirements for recycled materials in disposable linings, improve the plastic recycling system, and conduct relevant specialized training within the Group. Suppliers are required to commit to reducing plastic pollution and are subject to random annual on-site audits.

During the Track Record Period, the pollutants that we discharged primarily consist of exhaust fumes, solid waste and wastewater. We monitor the emission of exhaust fumes and wastewater on a regular basis in accordance with local government regulations and internal management requirements, to ensure that all emissions comply with the required standards. We applied for and obtained pollution discharge permits from the relevant environmental authorities, following a comprehensive review process. These permits authorize us to discharge specific quantities of pollutants, and we are fully compliant with all permit conditions, including the timely payment of discharge fees. Additionally, we formulate and manage production plans in accordance with emission permit limits to control pollution levels.

During the Track Record Period, the Group's main resource consumption included electricity and water, and its emissions included greenhouse gas emissions, hazardous waste, and wastewater, all of which are closely related to the Group's production and R&D activities. The Group's resource consumption (including energy and water consumption data) and emissions data (including Scope 1, 2, and some Scope 3 greenhouse gas emissions, hazardous waste, and wastewater emissions data) for the years ended December 31, 2022, 2023 and 2024 are as follows:

	For the years ended December 31,		
	2022	**2023**	**2024**
Resource Consumption			
Energy Consumption (kWh)	6,300,947.3	4,015,749.0	5,841,166.8
Energy Consumption Intensity (kWh/employee)	19,151.8	12,996.0	17,436.3
Water Consumption (m^3)	11,579.8	10,932.0	14,162.0
Water Consumption Intensity (m^3/employee)	35.2	35.4	42.3
Emissions			
Total GHG Emissions (GHG) (tCO_2e)	5,216.1	3,954.8	4,955.9
Scope 1 Emissions (tCO_2e)	124.5	149.0	132.2
Scope 2 Emissions (tCO_2e)	3,381.1	2,154.9	3,134.4
Scope 3 Category 2 Capital Goods Emissions (tCO_2e)	925.0	751.0	751.0
Scope 3 Category 3 Fuel- and Energy-Related Activities Emissions (tCO_2e)	581.1	384.2	547.8
Scope 3 Category 6 Business Travel Emissions (tCO_2e)	204.5	515.7	390.5
Hazardous Waste (tons)	6.8	0.2	6.8
Wastewater (tons)	7,900.1	7,630.5	9,184.5

Note: Greenhouse gas (GHG) emissions are categorized into three scopes to provide a comprehensive view of a company's carbon footprint. Scope 1 refers to direct emissions from sources that are owned or controlled by the company, such as emissions from company vehicles or manufacturing processes. Scope 2 covers indirect emissions from the generation of purchased energy that the company uses, such as electricity for offices or factories. Scope 3 includes emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by it, but by those that it is indirectly responsible for up and down its value chain, such as emissions from suppliers, product use, and waste management.

In 2023, the Group implemented energy consumption control measures, resulting in a significant reduction in purchased electricity compared to 2022. Consequently, energy consumption and energy consumption intensity decreased in 2023. However, in 2024, due to business expansion and increased production capacity, purchased electricity rebounded, leading to a year-on-year increase in energy consumption and intensity. Total greenhouse gas ("GHG") emissions fluctuated correspondingly, with a decrease in 2023 and a rebound in 2024 as a result of capacity expansion. Scope 3 emissions related to business travel (Category 6) were also affected by external factors. In 2022, emissions from business travel were significantly lower due to the COVID-19 pandemic, which constrained travel activities. In 2023, as travel activities resumed, business travel emissions returned to normal levels. In 2024, the Group actively encouraged employees to adopt low-carbon travel methods, which led to a moderate decrease in emissions from this category.

Water consumption also fluctuated during the Track Record Period. In 2023, the Group's factories implemented watersaving initiatives, which successfully reduced water consumption compared to 2022. However, in 2024, water consumption increased year-on-year due to business expansion and increased production capacity, which drove higher water demand. Wastewater discharge fluctuated in tandem with water consumption levels throughout the period.

Hazardous waste emissions also exhibited variations during the Track Record Period, primarily due to the Group's centralized disposal practices conducted on a biennial basis. Data for hazardous waste in 2023 was relatively low as no centralized disposal occurred during the year. In 2024, hazardous waste emissions returned to normal levels in alignment with the Group's disposal schedule.

In addition to the Scope 1 and Scope 2 emissions, the Group has also identified seven categories of Scope 3 greenhouse gas emissions related to its business (specific categories and identification criteria are listed in the table below) and has conducted preliminary calculations. Other categories are not involved in our production operations. However, due to the nature of our business, data collection and calculations for categories such as purchased goods and services and upstream transportation and distribution have not been completed. We will disclose all Scope 3 emissions data related to our business by 2025.

According to the carbon footprint data for PP reusable boxes in the China Product Lifecycle Greenhouse Gas Emission Coefficient Database (CPCD), the Group's product generates slightly lower carbon emissions from cradle to gate compared to the carbon emissions of PP reusable boxes in the database, considering the product has more cycles and larger specifications. In the future, the Group will continue to focus on the environmental impact of its operations and value chain, and will implement a greenhouse gas reduction plan covering the entire value chain to maximize the Group's environmental value.

Scope 3 Emissions Category	Identification Basis	Involved
Purchased Goods and Services. . . .	Emissions related to raw materials purchased for production	Yes
Capital Goods	Emissions related to equipment and hardware purchased for business and production	Yes

Scope 3 Emissions Category	Identification Basis	Involved
Fuel- and Energy-Related Activities	Emissions related to the extraction, production, and transportation of purchased fuel and electricity	Yes
Upstream Transportation and Distribution	Emissions related to the logistics of purchased products and external sales	Yes
Waste in Operations	Emissions from the disposal/handling of waste produced in operations	Yes
Business Travel	Emissions from flights and land transportation for business-related activities	Yes
Employee Commuting	Emissions from employee commuting and travel	Yes
Upstream Leased Assets	Emissions from leased premises of suppliers	Yes
Downstream Transportation and Distribution	There is no transportation and distribution to end-users for which the company pays	No
Processing of Sold Products	No further processing required for our products	No
Use of Sold Products	No emissions during the use of our products	No
Disposal of Sold Products at End of Life	Emissions related to the disposal of products provided to customers at the end of life	Yes
Downstream Leased Assets	No assets leased externally	No
Franchising Rights	No franchising rights granted externally	No
Investment	Emissions from subsidiaries in which the company has no operational control	Yes

To reduce our environmental impact, we implemented several key initiatives. We optimized our production processes by upgrading equipment and refining operational techniques, which enhanced production efficiency and reduced material waste. In addition, we strengthened our waste management practices by introducing a robust classification system to facilitate the recycling and proper disposal of various waste streams, in line with regulatory requirements.

Specific Environmental Targets

To further our commitment to sustainability and environmental protection, we have set the following specific targets:

- ***Carbon Emission Target*****:** By 2030, reduce Scope 1 and Scope 2 greenhouse gas emissions by 40% compared to 2024, and continuously reduce Scope 3 emissions. To achieve this target, the Group will invest in R&D and introduce improved production technologies and equipment to improve energy efficiency, reduce energy consumption and greenhouse gas emissions during production, gradually increase the use of renewable energy and materials, and set higher carbon footprint requirements for suppliers. The Group will also incorporate greenhouse gas emission performance into supplier evaluation metrics, optimize our service network, plan transport routes more efficiently, and require new logistics partners to use a higher proportion of new energy vehicles.

- ***Supply Chain Target*****:** By 2027, achieve 100% supplier adherence to the ESG Code of Conduct, and ensure 100% coverage of training on human rights, occupational health and safety, and anti-corruption for suppliers. To achieve this goal, we will establish a clear and detailed supplier code of conduct, making it a fundamental and important clause in our business agreements with suppliers. Suppliers will be required to strictly comply with these provisions, and signing the ESG Code of Conduct will be a key condition for supplier selection, order allocation, and contract renewal. Suppliers who actively sign and implement the ESG Code will be given preferential support in business cooperation, such as increased order volumes, more favorable payment terms, etc. We will also develop specific training plans tailored to the characteristics and needs of our suppliers to ensure that the training is both targeted and systematic.

Based on the foregoing, our PRC Legal Advisors confirm that, during the Track Record Period and up to the Latest Practicable Date, our production and operation activities complied with relevant PRC environmental protection laws and regulations in all material aspects.

Social Responsibility

We are committed to being responsible corporations, continuously fulfilling corporate social responsibility. Recognizing the size and influence of our platform, we aim to leverage this impact in a socially responsible manner, actively encouraging and supporting initiatives that benefit society. We actively encourage and support socially responsible initiatives and promote the concept of corporate social responsibility throughout our Company.

In particular, we place strong emphasis on protecting labor rights in all jurisdictions where we operate. For example, our operations in Thailand strictly comply with international frameworks such as the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and ISO 26000: Guidance on Social Responsibility, as well as applicable local labor laws. We ensure that local employees in Thailand have signed written labor contracts, with a 100% signing rate, contribute to Thai social security funds as required, and implement lawful working hours and leave systems.

Health and Work Safety

Aiming at offering a healthy and safe workplace to our employees, we are committed to strictly complying with applicable laws, regulations and standards related to health and work safety in different jurisdictions. We have adopted a series of policies and procedures with respect to health and work safety. Our human resources department, led by an experienced department manager, comprehensively monitors every aspect of the implementation of such policies and procedures. We examine the workplace regularly to eliminate all potential workplace hazard that may negatively affect the health and safety of our employees. To strengthen the employees' awareness and knowledge on health and work safety, we also conduct relevant training sessions on applicable laws and regulations. In overseas jurisdictions such as Thailand, we also ensure that health and work safety requirements are implemented in accordance with both local regulations and international best practices, including employee social security participation and standardized workplace protections. During the Track Record Period, we did not experience any significant operational or administrative accident in health and work safety.

Workplace Diversity

We are equally committed to fostering an inclusive and diverse workplace that values equality and fairness. Our recruitment and employment practices are strictly merit-based, ensuring that all employees are provided with equal opportunities regardless of gender, age, race, religion, or other social or personal attributes. As of the Latest Practicable Date, around half of our total employees are composed of female employees, underscoring our commitment to gender diversity.

We strive to maintain a fair and transparent employee management system and continuously seek to enhance both gender and age diversity across our organization. Our efforts to cultivate an inclusive environment are our key corporate ethos, promoting innovation and ensuring a dynamic, diverse workplace.

Governance

Our Board of Directors oversees our Company's ESG practices, focusing on identifying risks, setting annual targets, and monitoring performance. The Board reviews and approves ESG policies, ensures compliance with relevant laws such as the Production Safety Law and Environmental Protection Law in the PRC, and adjusts strategies as needed. It also incorporates the ESG requirements of the Stock Exchange into our action plans for safety, workplace health, and environmental protection.

The Board manages climate-related risks, updates employee protocols, and addresses internal issues as part of our ESG strategy. Precautionary measures are implemented to manage safety risks, and violations are investigated with corrective actions taken as necessary. Our Directors are of the view that we have complied in all material respects with environmental regulations during the Track Record Period.

LICENSES, PERMITS AND APPROVALS

The following table sets forth a list of our material certificates, licenses, and permits as of Latest Practicable Date:

Name of License, Approval and Permit	Holder	Issuing Authority	Effective From	Effective as of
Import and Export Consignee (進出口收發貨人)	Our Company	Suzhou Industrial Park Custom* (蘇工業區海關)	September 30, 2017	July 31, 2068
Import and Export Consignee (進出口收發貨人)	Angu Liangyungang	Lianyungang Custom* (連雲港海關)	October 13, 2008	July 31, 2068
Road Transportation Business License (道路運輸經營許可證)	Our Company	Suzhou Municipal Transportation Bureau* (蘇州市交通運輸局)	September 14, 2024	September 13, 2032

Name of License, Approval and Permit	Holder	Issuing Authority	Effective From	Effective as of
Road Transportation Business License (道路運輸經營許可證)	Dalian Anhua	Dalian Municipal Transportation Bureau* (大連市交通運輸局)	January 9, 2026	January 9, 2030
Road Transportation Business License (道路運輸經營許可證)	Fuzhou Asike	Fuzhou Municipal Transportation Bureau* (福州市交通運輸局)	July 25, 2023	July 24, 2027
Road Transportation Business License (道路運輸經營許可證)	Changchun ALSCO	Changchun Municipal Transportation Bureau* (長春市交通運輸局)	July 11, 2024	July 10, 2028
Road Transportation Business License (道路運輸經營許可證)	Suzhou Sprint	Suzhou Municipal Bureau of Transportation* (蘇州市交通運輸局)	September 24, 2024	September 23, 2032
Road Transportation Business License (道路運輸經營許可證)	Chongqing Asike	Chongqing Shapingba District Transportation Bureau* (重慶市沙坪壩區交通局)	March 30, 2022	March 30, 2026

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we had obtained all material licenses, permits, approvals and certificates necessary for our business operations from the relevant government authorities in the PRC. We will apply for renewal of our licenses and permits prior to their expiration, and we do not foresee any legal impediment for the renewal of our certifications that are about to expire in March 2026.

INTELLECTUAL PROPERTY

We believe the protection of our trademarks, copyrights, domain names, trade names, trade secrets, patents and other proprietary rights is critical to our business. We rely on a combination of trademark, fair trade practice, copyright and trade secret protection laws and patent protection, as well as confidentiality procedures and contractual provisions to protect our intellectual property and our trademarks. We also enter into confidentiality and invention assignment agreements with all of our employees, and we rigorously control access to our proprietary technology and information.

As of August 31, 2025, we possessed 8 copyrights, 151 patents, 12 domain names and 32 trademarks in the PRC. See "Statutory and General Information — Further Information About the Business of Our Company — 6. Intellectual property rights" in Appendix VI to this prospectus for details. We did not have any material disputes or any other pending material legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

We are subject to legal proceedings, investigations and claims incidental to the regular operation of our business from time to time. During the Track Record Period and up to the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to us to be pending or threatened by or against us.

Non-compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and as of the Latest Practicable Date, we were not involved in any non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, financial condition or results of operations.

Fire Safety Incidents

During the Track Record Period, our subsidiary, Suzhou Sipinte, was subject to administrative penalties from local authorities due to fire safety-related issues at the three warehouses managed by Suzhou Sipinte. In response, we promptly implemented comprehensive corrective measures to resolve these issues and ensure full compliance with all relevant fire safety regulations.

Non-Compliant Fire Products Incident

On October 25, 2023, our subsidiary Suzhou Sipinte was penalized by the Wuhan Economic and Technological Development Zone Fire Rescue Brigade for using non-compliant fire protection products in a non-personnel-intensive business location at the Wuhan warehouse managed by Suzhou Sipinte. The penalty was imposed under Article 36, Clause 2 of the Regulations on Supervision of Fire Protection Products, which mandates rectification within a specified period for the use of non-compliant fire products. Failure to rectify within the stipulated time frame led to a fine of RMB5,100, which we have since paid in full. The issue was rectified in full within the period specified by the Fire Rescue Brigade to ensure compliance with fire safety regulations.

Fire Safety Equipment and Emergency Exit Violation

On June 8, 2024, Suzhou Sipinte was penalized by the Ma'anshan Economic and Technological Development Zone Fire Rescue Brigade for several fire safety violations, including the improper configuration and maintenance of fire facilities and equipment, as well as blocking emergency exits at the Ma'anshan warehouse managed by Suzhou Sipinte. These actions were in violation of Article 60 of the Fire Protection Law, resulting in a fine of RMB28,600, which we have since paid in full. To rectify this issue, we have (i) coordinated with the landlord to install an automatic fire extinguishing system to meet fire safety requirements for storage conditions, (ii) cleared the original side door storage area to create an unobstructed emergency passageway, and (iii) coordinated with the landlord to replace expired fire extinguishers with compliant ones. These measures have been fully implemented to the satisfaction of the relevant authorities.

Electrical Wiring Non-Compliance Incident

On July 30, 2024, Suzhou Sipinte was penalized by the Jiading District Fire Rescue Detachment for failing to correct improper electrical wiring in accordance with fire safety standards at the Shanghai warehouse managed by Suzhou Sipinte. The penalty was imposed pursuant to Article 66 of the Fire Protection Law, which requires entities with noncompliant electrical installations to implement corrective measures within a designated timeframe. Failure to remedy the violations within this period may result in an order to cease use of the noncompliant installations and a monetary penalty ranging from RMB1,000 to RMB5,000. We promptly took corrective measures by urgently applying via email for a professional construction team to rectify the issue, and we have since completed the necessary corrections to ensure full compliance.

These penalties were not material to the Group's liquidity, financial condition, or operations. We promptly took corrective actions, paid all penalties in full, and completed the required rectifications to the satisfaction of the relevant authorities. We remain committed to ensuring full compliance with fire safety regulations.

For details on property defects and non-compliance related to Social Insurance and Housing Provident Fund contributions, see "Properties — Non-compliance Incidents in Relation to Our Leased Properties" and "Employees — Social Insurance and Housing Provident Funds" in this section.

PROPERTIES

As of August 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this prospectus any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Owned Properties

As of the Latest Practicable Date, we owned four buildings with an aggregate area of approximately 10,847.0 sq.m., which were primarily used as our factories, offices and dormitories. We have obtained building ownership certificates for all four buildings. Additionally, we hold land use rights for one piece of industrial land with an area of 26,129 sq.m. The following table sets forth the details of our owned material properties as of the Latest Practicable Date.

Land

Property owner	Location	Approximate site area	Details of encumbrances, liens, pledges and mortgages	Main usage
		sq.m		
Angu Lianyungang	Plot of land at West Side of Beishou, Jingliu Road, Guannan Economic Development Zone, Lianyungang, Jiangsu, PRC	26,129	N/A	Industrial Land

Buildings

Property owner	Location	Building floor area	Details of encumbrances, liens, pledges and mortgages	Main usage
		sq.m		
Angu Lianyungang	West Side of Beishou, Jingliu Road, Guannan Economic Development Zone, Lianyungang, Jiangsu, PRC	10,386.96	N/A	Industrial
Our Company	Room 3D2, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	143.39	N/A	Non-residential
Our Company	Room 3D4, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	139.94	N/A	Non-residential
Our Company	5-1-1402, Changjiang Road, Wuxi, Jiangsu, PRC	177.06	N/A	Residential

Leased Properties

PRC

As of the Latest Practicable Date, we leased 32 properties in various locations with an aggregate gross floor area of approximately 76,892.34 sq.m. in the PRC, which were primarily used as offices, factories and warehouses. The following table sets forth the details of the offices and factories properties leased by our Company and its major subsidiaries as of the Latest Practicable Date.

Lessee	Location	Approximate site area	Term	Main usage
		sq.m		
Our Company . . .	Room 3A, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	710.5	From March 1, 2023 to February 28, 2026	Office
Our Company . . .	Room 3C, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	97	From April 10, 2024 to April 9, 2027	Office
Our Company . . .	Room 3C1, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	130.21	From November 1, 2021 to October 31, 2027	Office
Our Company . . .	Room 3D1D3, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	133.39	From March 1, 2024 to February 28, 2026	Office

Lessee	Location	Approximate site area	Term	Main usage
		sq.m		
Our Company . . .	Room 3D8, Jiacheng Building, No. 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, PRC	154.91	From November 10, 2021 to November 9, 2026	Office
Our Company . . .	Room 3D6, Block 128, Jinchihu Road, Jiacheng Garden, Suzhou Industrial Park, PRC	138.1	From January 1, 2026 to December 31, 2026	Office
Suzhou Sprint . . .	Room 3D4, Block 128, Jinchihu Road, Jiacheng Building, Suzhou Industrial Park, PRC	139.94	From January 1, 2026 to December 31, 2028	Office
Dalian Anhua . . .	Units C2-2, D1, and D2-2, 23/F, Education Information Building, No. 620 Huanghe Road, Shahekou District, Dalian, Liaoning, PRC	256.51	From November 16, 2024 to November 15, 2027	Office
Our Company . . .	Room ZC119, Zongchuang Space, Fengniao Science and Innovation Center, No. 98 Chenguang Road, Qinhuai District, Nanjing, Jiangsu, PRC	20	From February 26, 2025 to August 26, 2026	Office

Lessee	Location	Approximate site area	Term	Main usage
		sq.m		
Chongqing Asike .	Unit 2 and 3-1, 5/F, Block 2, China Huarong Modern Plaza Project, No. 439 Xinnan Road, Yubei District, Chongqing, PRC	401	From November 1, 2021 to October 31, 2027	Office
Our Company . . .	16th & 17th Floors, Yixin Technology Building, No. 29 Yunlin Road, Suzhou Industrial Park	3,398.89	From December 8, 2025 to June 7, 2036	Office

Thailand

As of the Latest Practicable Date, we leased one property in Thailand with a total gross floor area of approximately 3,200 square meters, which is primarily used as a production facility. As of the Latest Practicable Date, this production facility has not yet commenced production. The following table provides details of the property leased by our subsidiary, ALSCO MANUFACTURING (THAILAND) CO., LTD.

Lessee	Location	Approximate site area	Term	Main usage
		sq.m		
ALSCO MANUFACTURING (THAILAND) CO., LTD.	65/1 Moo Mabpong Sub-district, Phan Thong District, Chon Buri 20160	3,200	From July 1, 2024 to July 30, 2026	Business

Non-compliance Incidents in Relation to Our Leased Properties

(i) Leased Properties Pending Building Ownership Certificates/Lease Assignment Documents

As of the Latest Practicable Date, seven leased properties in the PRC, with an aggregate gross floor area of approximately 8,145.4 sq.m., have title defects due to the failure of certain lessors to provide property ownership certificates or other sufficient ownership/lease assignment documents. Any dispute or claim arising from such title defects of our leased properties may require us to relocate and incur relocation costs. See "Risk Factors — Risks Relating to Regulatory Compliance — Any challenge by third parties or government authorities over our right to use our leased properties or failure to renew our current lease may adversely affect our business operations" in this prospectus for details. To mitigate such risk, we will require all of our lessors to provide the valid title certificates and other necessary documentation before we enter into lease agreements with them.

As advised by our PRC Legal Advisor, as the tenant of these properties, we will not be subject to any administrative punishment or penalties simply in this regard but we may not be able to lease, occupy and use such leased properties if the relevant lease agreements are deemed to be in breach of applicable laws and therefore be void.

Our Directors confirm that, since the affected properties have strong substitutability, neither our Company nor its relevant subsidiaries are materially dependent on them. In the event that our Company or its relevant subsidiaries are unable to continue using these properties due to the aforementioned title defects, they would be able to find alternative premises within a short period of time. Therefore, such an event would not have a material adverse impact on the ordinary business operations of our Company and its relevant subsidiaries.

Considering that (i) during the Track Record Period and up to the Latest Practicable Date, our leases with respect to the leased properties with title defects had never been challenged by any third parties; (ii) we did not receive any administrative punishment or penalties from the relevant authorities; and (iii) we do not expect any practical difficulty in identifying alternative comparable property in terms of site area and rent to substitute the said leased properties, our Directors are of the view that such title defects would not have a material impact on our business, operations and financial results.

(iii) Lease Registration

As of the Latest Practicable Date, we had not registered 28 of our lease agreements in the PRC. As advised by our PRC Legal Advisors, non-registration of lease agreement would not affect the validity or enforceability of the lease, but we might be imposed a penalty between RMB1,000 and RMB10,000 for each of such lease agreements for any delay in complying with such requirement, and we may be subject to a maximum penalty of approximately RMB0.3 million for the failure to register the property lease agreements if we fail to take rectification measures within the prescribed time frame after receiving notice from the relevant PRC Government authorities. See "Risk Factors — Risks Relating to Our Business, Industry, General Operations and Financial Position and Prospects — We may be subject to penalties for the non-registration of lease agreements in the PRC" in this prospectus for details. To mitigate such risk, we will proactively communicate with the lessors to seek its cooperation and to collect relevant documentations for lease registration.

Considering that (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to the potential penalties or enforcement action resulting from the non-registration of the lease agreements; (ii) we did not receive any administrative punishment or penalties from the relevant authorities; and (iii) we do not expect any practical difficulty in identifying alternative comparable property in terms of site area and rent to substitute the said lease properties, our Directors are of the view that such non-restriction of lease agreements would not have a material impact on our business, operations and financial results.

(iv) Usage and safety condition of the lease properties with title defects

As of the Latest Practicable Date, the leased properties with title defects were in ordinary use for our business operations and were in safe conditions. These properties have been used for their intended purposes without any safety-related incidents. In addition, pursuant to the lease agreements signed with the lessors, it is expressly confirmed that the leased properties are equipped with the necessary structural, fire safety, and compliance certifications. Our Directors confirm that their current condition does not pose any material risk to our business operations.

EMPLOYEES

Our company places a high value on attracting and retaining skilled and qualified employees. We recruit skilled and qualified personnel with relevant working experience to support the sustainable growth of our business. We provide a competitive remuneration package to ensure our employees are fairly compensated for their contributions to our Company. Additionally, we are dedicated to investing in our employees' training and development to ensure they have the necessary skills and knowledge to succeed in their roles and contribute to our Company's growth.

We are equally committed to upholding labor rights and complying with applicable employment laws, regulations, and internationally recognized standards across all jurisdictions in which we operate. In line with frameworks such as the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and ISO 26000: Guidance on Social Responsibility, we ensure that local employees are engaged through formal labor contracts, enrolled in statutory social security programs, and covered by legally mandated working hour and leave arrangements. These practices reflect our commitment to fair employment, legal compliance, and responsible workforce management in all our markets.

As of August 31, 2025, we had a total of 507 employees. During the Track Record Period, there had been no material change in the number of our employees. The following table sets forth the number of our employees by function and geographic location as of August 31, 2025:

Function	Number of Employees
Management	76
Operations	142
Sales and Marketing	110
Research and Development	44
Administration and Support	54
Production	81

Geographic Location	Number of Employees
Headquarters	122
Regional Offices	385

As of the Latest Practicable Date, our employees had not formed any labor union. We believe that our employees are our greatest asset, and their dedication and expertise are crucial to our success. To foster a positive work environment, we promote open communication, collaboration, and continuous improvement within our workforce. Our commitment to our employees' well-being and professional development ensures that we maintain a motivated and capable team, ready to meet the challenges and opportunities that lie ahead.

Social Insurance and Housing Provident Funds

During the Track Record Period, we (i) did not make social insurance and housing provident fund contribution for certain employees; (ii) did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations; and (iii) engaged third-party human resource agency to pay social insurance and housing provident funds for a small number of employees. As of December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, our shortfall in social insurance and housing provident fund contribution during the Track Record Period amounted to approximately RMB3.1 million, RMB2.8 million, RMB2.2 million and RMB2.5 million, respectively, on cumulative basis.

We did not fully comply with social insurance and the housing provident fund contribution requirements because: (i) some employees were registered as residents in areas outside the cities where the Company or its subsidiaries operate, and they preferred to maintain their housing provident fund contributions in their place of household registration; (ii) other employees already had alternative benefits and, therefore, did not feel the need to participate in the social insurance and housing provident fund schemes; and (iii) some employees opted for partial contributions, choosing a lower contribution base to reduce their monthly payments.

In respect of the legal consequences and potential maximum penalties for our failure to make full contributions to social insurance and housing provident fund, according to the relevant PRC laws and regulations, the relevant PRC authorities may (i) demand us to pay the outstanding social insurance contributions within a prescribed period and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we fail to make such payments, we may be liable to a penalty of one to three times the amount of the outstanding contributions; and (ii) order us to pay the outstanding housing provident fund contributions within a prescribed time period, failing which the relevant PRC authorities may apply to the relevant people's court for compulsory enforcement. For details, see "Risk Factors — Risks Relating to Government Regulations — We may be demanded to pay the outstanding contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities". If we receive any notification from the relevant PRC authorities requiring us to pay shortfalls or penalties in the future, we will comply and make the necessary payments within the prescribed time period.

According to the Interpretation (II) of the Supreme People's Court on 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 "**Interpretation**"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation, the people's court shall uphold such claim. And according to the understanding of the PRC laws and regulations by our PRC Legal Advisor, (i) the Interpretation does not create any new rules but rather unifies judicial discretion to eliminate inconsistencies in judicial practice across different regions in the PRC, and (ii) the Interpretation applies solely to labor litigation, which does not alter the rights and obligations of employers under the Social Insurance Law of the PRC, nor does it increase the administrative penalties for employers who fail to pay social insurance contributions in full.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from the relevant PRC authorities requiring us to pay shortfalls or the penalties with respect to social insurance and housing provident funds; and (ii) we were neither aware of any material pending employee complaints nor were involved in any material pending labor disputes with our employees with respect to social insurance and housing provident funds. Our directors are of the view that the interpretation will not have a material adverse effect on the Group's operation or financial condition. We made full provisions for the potential liabilities arising from shortfalls in social insurance and housing provident fund contributions during the Track Record Period, which amounted to approximately RMB1.6 million, RMB1.2 million, RMB1.0 million and RMB1.1 million, respectively.

Furthermore, we are in the process of improving relevant internal control measures to strengthen our oversight and management in relation to the social insurance and housing provident funds, including incorporating compliance payments for social insurance and housing provident funds into our internal policies, learning official rules and regulations promulgated by the competent authorities, reviewing the social insurance and housing provident funds contribution for all eligible employees on a regular basis and conducting regular internal trainings for personnel responsible for human resource matters on the relevant laws and regulations as well as regulatory updates. For further details on the risks associated with the shortfall in our contributions, see ''Risk Factors — We may be demanded to pay the outstanding contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities.'' We plan to adjust the payment base for our employees' social insurance and housing provident funds contributions in batches to make full contribution in compliance with the applicable laws and regulations and expect such adjustment to be completed within one year after the Listing.

This timeline is primarily due to the broad geographic distribution of our employees, many of whom have household registrations differing from their work locations and prefer to continue contributing to their housing provident fund at their place of registration to facilitate benefits such as home purchasing and loan applications. Our current corporate structure does not support cross-regional contributions, requiring the establishment of subsidiaries or branch offices in multiple cities to gradually improve contribution channels. Additionally, some employees have historically chosen to opt out or contribute at reduced levels due to personal considerations such as financial burden and existing commercial insurance coverage. While the Company has respected such choices to maintain flexibility in employee welfare, we have now introduced standardized policies that are being phased in, with full rectification expected within one year after the Listing.

Currently, we engage third-party human resource agencies to pay social insurance and housing provident funds for a small number of employees. This arrangement primarily arises due to the geographic dispersion of employees, as many work in locations outside the cities where we or our subsidiaries operate. These agreements are often based on employees' voluntary decisions and have not adversely affected their entitlements or benefits. To gradually reduce reliance on third-party agencies, we plan to establish subsidiaries or branch offices in relevant regions, enabling us to directly manage contributions and ensure greater compliance while safeguarding employees' rights and benefits during the transition.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. See "Risk Factors — Risks Relating to Our Business, Industry, General Operations and Financial Position and Prospects" in this prospectus for details. We have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations.

Financial Reporting Risk Management

We have implemented a series of accounting policies for financial reporting risk management and have established strict internal reimbursement, financial reporting management and approval policies. Specifically, the finance department implements specific review and verification procedures for invoices, drafts, bills, and other financial documents to check whether the original documents we receive and use are authentical. The finance department also checks whether the amounts and times shown on the documents are consistent with the relevant contracts. We have a strict internal approval process, and almost all approval matters are completed online through our Company's internal platform, which can achieve good results of full process monitoring while operating efficiently.

Our finance department is led by our chief financial officer. The chief financial officer has substantial financial reporting and internal monitoring experience. Other senior staff in the finance department also have experience in finance and accounting. Besides their professional expertise, we continue to provide training to our financial personnel to ensure strict compliance and effective implementation of financial reporting and risk management policies.

Information Technology Risk Management

We perform multiple backups of the data from our business operations and if an accident causes a system crash or data loss, we can restore the original data on a timely basis. In the future, we will continue to reserve talents for the R&D team, explore new technical directions, and strengthen the security and compliance of the information system and data usage. In addition, we have also formulated an information security management manual, which stipulates detailed regulations and operation guidelines for network security, data security and personal information protection.

Legal Compliance and Intellectual Property Risk Management

Our operation risk management involve compliance with the PRC laws and regulations, especially laws and regulations relating to the information service industry as well as protecting intellectual property and avoiding liability for infringing third-party intellectual property rights.

Internal Control

Our Directors and senior management are responsible for formulating and overseeing the implementation and effectiveness of our internal control and risk management systems, which are designed to ensure our ongoing compliance with the applicable laws, regulations and rules relevant to our business operations and/or corporate governance, and to prevent any recurrence of any incidents of non-compliance.

To monitor the ongoing implementation of our risk management policies and improve our corporate governance, we have adopted or will continue to adopt after Listing a series of internal control measures, highlights of which include the following:

- establishing an Audit Committee to review and supervise our financial reporting process and internal control system. See "Directors, Supervisors and Senior Management" in this prospectus for the qualifications and experience of the committee members;

- adopting various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- executing anti-corruption and anti-bribery compliance management on our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and including relevant policies against non-compliance in employee handbooks. In jurisdictions where we operate production facilities, such as through our overseas subsidiaries, we have implemented anti-corruption management policies issued by our headquarters, require designated managers to sign integrity agreements containing specific anti-bribery provisions, and maintain open email reporting channels accessible to all employees;

- organizing training session for our Directors, Supervisors and senior management in respect of the relevant requirements under the Listing Rules; and

- appointing Maxa Capital Limited as our compliance advisor to advise us on compliance with the Listing Rules.

In preparation for the Listing, we engaged an independent internal control consultant to review our internal control system, based on an agreed scope covering controls and procedures that include the following aspects: financial reporting procedures and disclosure controls, revenue, sales, accounts receivable, and collection procedures, costs, procurement, accounts payable, expenses, and expenditures, inventory management and logistics, production management, banking, cash, and funds management, asset management (including fixed assets, intangible assets, and right-of-use assets), human resources and payroll management, taxation, insurance, R&D and intellectual property management, general controls for information systems, contract management, and confidential document management. Our internal control consultant recommended various rectification and improvement measures in our internal control system based on its findings.

Accordingly, we have begun implementing the rectification and improvement measures in response to these findings and recommendations. Our internal control consultant has also followed up on the actions we took in relation to our internal control system, and did not raise any further recommendation in the follow-up review. Taking into consideration of the above, our Directors are of the view that our enhanced internal control measures are adequate and effective for our current business operation.

AWARDS, ACCREDITATION AND RECOGNITION

The following table sets out a summary of the major awards, accreditation and recognition we have received during the Track Record Period and as of the Latest Practicable Date.

Year of Award	Award	Awarding Organization
2021	Leading Enterprise in Suzhou's Productive Service Industry (蘇州市生產性服務業領軍企業)	Suzhou Municipal People's Government
2021	Member of Society of Entrepreneurs and Ecology Conservation (SEE) Conservation	Society of Entrepreneurs and Ecology Conservation (SEE) Conservation (阿拉善SEE生態協會)

Year of Award	Award	Awarding Organization
2021	Suzhou Unicorn Cultivation Enterprise (蘇州市獨角獸培育企業)	Suzhou Municipal People's Government
2021	High-tech Enterprise (高新技術企業)	National High-tech Enterprise Recognition and Management Leading Group Office (全國高新技術企業認定管理工作領導小組辦公室)
2021	2021 Excellent Technical Equipment Supplier in the Automobile Logistics Industry (2021年度汽車物流行業優秀科技裝備供應商)	Automobile Logistics Branch of China Federation of Logistics & Purchasing (中國物流與採購聯合會汽車物流分會)
2021	High-tech Enterprise (高新技術企業)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳), Jiangsu Provincial Department of Finance (江蘇省財政廳) and State Taxation Administration Jiangsu Provincial Tax Service (國家稅務總局江蘇省稅務局)
2022	Recommended Brand of Logistics Technology Equipment (物流技術裝備推薦品牌)	Logistics Equipment Committee of China Federation of Logistics & Purchasing (中國物流與採購聯合會物流裝備專業委員會)
2023	ISO 9001:2015 Quality Management Certification	Shanghai Ingeer Certification Assessment Co., Ltd. (上海英格爾認證有限公司)
2023	ISO 14001:2015 Environmental Management Certification	Shanghai Ingeer Certification Assessment Co., Ltd. (上海英格爾認證有限公司)
2023	2023 Log Low Carbon Supply Chain Logistics Outstanding Contribution Award (2023LOG低碳供應鏈物流傑出貢獻獎)	Log Club (羅戈網)

Year of Award	Award	Awarding Organization
2023	Second Batch of Provincial Leading Enterprises in High-Quality Development of Modern Service Industry (第二批省級現代化服務業高品質發展領軍企業)	Jiangsu Provincial Development and Reform Commission (江蘇省發展和改革委員會)
2024	Outstanding Enterprises in Integrated Development at the 2023 Suzhou Industrial Park New Industrialization Promotion Conference (蘇州工業園區推進新型工業化工作會議2023年度融合化發展優秀企業)	CPC Suzhou Industrial Park Working Committee, Suzhou Industrial Park Administrative Committee (中共蘇州工業園區工作委員會、蘇州工業園區管理委員會)
2024	Council Member of Jiangsu Chamber of International Commerce (江蘇省國際商會理事單位)	Jiangsu Chamber of International Commerce (江蘇省國際商會)
2024	AAA Credit Rating Enterprise in Corporate Credit Evaluation	Office of the National Chamber of Commerce Business Credit Cooperation Joint Conference (Quanxinlian) (全國商協會商務信用合作聯席會議(全信聯)辦公室)
2024	High and New Technology Enterprise (高新技術企業)	National High-tech Enterprise Recognition and Management Leading Group Office (全國高新技術企業認定管理工作領導小組辦公室)
2024	Proposed Enterprise for Inclusion in Jiangsu Provincial Sci-Tech Enterprises Listing Cultivation Program (江蘇省科技企業上市培育計劃擬入庫企業)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳)
2025	Innovative Small and Medium-sized Enterprise (創新型中小企業)	Suzhou Municipal Bureau of Industry and Information Technology (蘇州市工業和信息化局)

THE IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic has materially and adversely affected the global economy since the first quarter of 2020. As a result of the restrictive and anti-pandemic measures implemented in places where our operation, production, and R&D activities are located, the mobility of some of our employees was affected, and some of our employees had to work remotely. The impact on our overall production and R&D processes was limited as we implemented various precautionary measures and flexibly adjusted the work arrangements of our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience temporary closure or shutdown of our offices or production facilities due to the COVID-19 pandemic.

Due to our active communication with our logistics, warehousing, raw material, and packaging suppliers, as well as adjustments and expansion of our service network, during the Track Record Period and up to the Latest Practicable Date, our production and operational activities had not encountered any material disruption, nor had our product delivery been materially affected, despite the impact of COVID-19 on raw material and logistics suppliers.

Accordingly, our Directors believe that the outbreak of COVID-19 has not had, and will not have, any material adverse impact on the Group's business, financial condition, or results of operations. However, there is no assurance that our operation or production activities will not be affected in the future due to the COVID-19 pandemic or other similar pandemics and relevant restrictive measures.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Sun and Suzhou Anhua held 36,093,750 and 3,318,924 Shares, representing approximately 51.56% and 4.74% of our total issued Shares, respectively. As Mr. Sun directly owns 90% equity interests in Suzhou Anhua and can control the voting rights attached to the Shares held by Suzhou Anhua, Mr. Sun and Suzhou Anhua are considered to be a group of Controlling Shareholders, who collectively held approximately 56.30% of our total issued Shares as of the Latest Practicable Date.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Sun and Suzhou Anhua will collectively hold approximately 43.63% of our total issued Shares. Accordingly, Mr. Sun and Suzhou Anhua will remain as our Controlling Shareholders immediately after Listing.

The remaining equity interests in Suzhou Anhua are owned as to 5% by Mr. Sun Wenhong (孫文宏), a former director of Angu Lianyungang, our wholly-owned subsidiary, and the brother of Mr. Sun, and 5% by Mr. Zhu Zhizhou (朱智洲), a former director of Angu Lianyungang. Suzhou Anhua is an investment vehicle established for the purpose of internal restructuring contemplated under the Series A Financing. See "History, Development and Corporate Structure — Corporate Developments — (ii) Series A Financing" in this prospectus for further details of Suzhou Anhua. Apart from their respective interests in Suzhou Anhua, as of the Latest Practicable Date, each of Mr. Sun Wenhong and Mr. Zhu Zhizhou directly holds approximately 3.52% shareholding interests in our Company.

Pursuant to Chapter 1.1C of the Guide, when parties have decided to restrict their ability to exercise direct control by holding their interests in the listing applicant through a common investment vehicle, such parties would be presumed to be a group of Shareholders unless such presumption is rebutted. In such regard, our Directors are of the view that Mr. Sun, Mr. Sun Wenhong and Mr. Zhu Zhizhou shall not be considered as a group of Shareholders of our Company due to the shareholding structure of Suzhou Anhua for the following reasons:

(i) Suzhou Anhua was established solely for the abovementioned purpose. In contrast, at the time of our Company's establishment, each of Mr. Sun, Mr. Sun Wenhong and Mr. Zhu Zhizhou had decided to hold their respective equity interests in our Company in a direct and separate manner instead of through any jointly-owned investment vehicles;

(ii) as confirmed by each of Mr. Sun, Mr. Sun Wenhong and Mr. Zhu Zhizhou,

   (a) considering Mr. Sun's supermajority stake in Suzhou Anhua and being the sole director of Suzhou Anhua, and that Mr. Sun Wenhong and Mr. Zhu Zhizhou were not involved in any consensus building process with Mr. Sun when Suzhou Anhua cast its votes at the general meeting of our Company, Mr. Sun can, in essence, control the exercise of the voting power of the Shares held by Suzhou Anhua at the general meeting of our Company;

(b) there have been no formal agreements amongst Mr. Sun, Mr. Sun Wenhong and Mr. Zhu Zhizhou in how they should exercise their respective equity interests in our Company, nor has there been any understanding or arrangement (formal or otherwise) that they must follow when exercising their respective voting rights in the Shares;

(c) each of Mr. Sun, Mr. Sun Wenhong and Mr. Zhu Zhizhou has made their respective investment decisions in respect of our Company independently since its establishment, and none of them are accustomed to taking instructions from one another in relation to the matters of acquisition, disposal, voting or other disposition of the Shares;

(d) while Mr. Sun Wenhong is the brother of Mr. Sun, he was already an adult who had completed his tertiary education and with 26 years of working experience at the time when he decided to invest in our Company, and was capable of making his independent judgment and investment decisions;

(e) Mr. Zhu Zhizhou is a former director of Angu Lianyungang, our wholly-owned subsidiary, and save for the business collaboration, Mr. Zhu Zhizhou is not otherwise related to Mr. Sun or Mr. Sun Wenhong; and

(f) the subscription of the Shares held by each of Mr. Sun, Mr. Sun Wenhong and Mr. Zhu Zhizhou was financed by their own personal funds, and was not financed directly or indirectly by one another.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after Listing.

Operational Independence

We are able to make all decisions on, and to carry out, our own business operations independently. Our Group holds the licenses and qualifications necessary to carry out our current business. We have sufficient capital, facilities, technology and employees and our own departments specializing in the respective areas which have been in operation and are expected to continue to operate our business independently from our Controlling Shareholders. We have access to third parties independently from our Controlling Shareholders for sources of suppliers and customers.

Based on the above, our Directors are satisfied that we are able to function and operate independently from our Controlling Shareholders and their close associates.

Management Independence

Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Among our Directors, Mr. Sun is a Controlling Shareholder while Mr. Wang Yue (汪玥) is the nephew of Mr. Sun. Despite so, we believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Controlling Shareholders for the following considerations:

(i) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(ii) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management, see "Directors, Supervisors and Senior Management" in this prospectus;

(iii) we have appointed three independent non-executive Directors with a view to bringing independent judgment to the decision-making process of our Board;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her close associates, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See "Corporate Governance" in this section for further details.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management is able to perform the managerial role in our Group independently.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of our Company, independent from our Controlling Shareholders. We are able to make financial decisions independently and our Controlling Shareholders do not intervene with our financial matters. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system.

As of August 31, 2025, we had an outstanding balance of RMB0.7 million due from Mr. Sun which was non-trade in nature. See "Financial Information — Related Party Transactions" in this prospectus and Note 34 to the Accountants' Report in Appendix I to this prospectus for details. Our Directors confirm that all outstanding balance due to or from the Controlling Shareholders will be settled before or upon Listing.

During the Track Record Period, Mr. Sun and Ms. Lin Lan (林嵐), the spouse of Mr. Sun, guaranteed our bank borrowings. See "Financial Information — Related Party Transactions" in this prospectus and Note 33 to the Accountants' Report in Appendix I to this prospectus for details. As of December 31, 2025, all the above guarantees have been released. Save as disclosed above, none of our Controlling Shareholders or their respective close associates financed our operations during the Track Record Period. We do not intend to obtain any further borrowings, guarantees, pledges or mortgages from our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and their close associates.

INTERESTS OF THE CONTROLLING SHAREHOLDER IN OTHER BUSINESSES

The Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) the Controlling Shareholders will provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Maxa Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to 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 the Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

OUR DIRECTORS

Overview

Our Board consists of nine Directors, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. Our Board is responsible and has general powers for the management and conduct of our business. The table below sets forth certain information in respect of the members of the Board:

Name	Age	Major position(s)	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Sun Yan'an (孫延安) . .	55	Chairman of our Board, executive Director, and chief executive officer	December 12, 2016	December 12, 2016	Overall strategic development, key business decisions and market development of our Group	Uncle of Mr. Wang Yue, our executive Director
Mr. Wang Yue (汪玥) . . .	37	Executive Director	December 12, 2016	April 18, 2018	Overall strategic development and management of our Group	Nephew of Mr. Sun Yan'an, our chairman of Board and executive Director
Mr. Xiang Yang (相陽)	37	Executive Director and secretary of our Board, head of strategic investment and joint company secretary of our Company	August 1, 2017	December 15, 2025	Handling daily affairs of the Board, assisting the Board in legal compliance matters and handling public relations of our Group	None
Dr. Fang Dianjun (房殿軍) . .	64	Non-executive Director	July 12, 2022	October 25, 2024	Participating in the formulation of the overall strategy of our Group	None

Name	Age	Major position(s)	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Ren Qingxiang (任慶祥) . .	42	Non-executive Director	October 25, 2024	October 25, 2024	Participating in the formulation of the overall strategy of our Group	None
Dr. Dai Yuanyu (戴元煜) . .	39	Non-executive Director	October 25, 2024	October 25, 2024	Participating in the formulation of the overall strategy of our Group	None
Dr. Wang Rui (王鋭) . . .	47	Independent non-executive Director	Listing Date	Listing Date	Supervising and providing independent opinion to our Board	None
Dr. Liu Dacheng (劉大成) . .	57	Independent non-executive Director	Listing Date	Listing Date	Supervising and providing independent opinion to our Board	None
Ms. Hong Ting (項婷)	39	Independent non-executive Director	Listing Date	Listing Date	Supervising and providing independent opinion to our Board	None

OUR BOARD OF DIRECTORS

Executive Directors

Mr. Sun Yan'an (孫延安), aged 55, is the chairman of our Board, an executive Director of our Company, and our chief executive officer, and is primarily responsible for the overall strategic development, key business decisions and market development of our Group. He is also a Controlling Shareholder of our Company. Mr. Sun founded our Company in December 2016 and served as a Director since its establishment. He was re-designated as an executive Director on October 25, 2024 and was appointed as our chief executive officer on December

15, 2025. He is also the executive director of Suzhou Sprint, the executive director and general manager of Suzhou Youpule and the director of ALSCO International Co., Limited, all of which being the subsidiaries of our Company.

Mr. Sun has over 25 years of experience in the logistics service industry. After completing his undergraduate education in 1992, Mr. Sun had several employments in various industries where he gained solid skills and work experience. Mr. Sun founded Anhua Logistics in 1998 and served as executive director, primarily responsible for the overall business planning and operational management. Subsequently, seeing the development potential of reusable package services, Mr. Sun founded our Company with our other founders in 2016. See "History, Development and Corporate Structure — Corporate Development — (i) Formation and acquisition of certain assets and subsidiaries" in this prospectus for further details.

Mr. Sun obtained a bachelor degree in engineering from the University of Science and Technology Beijing (北京科技大學), the PRC, in July 1992.

Mr. Sun was accredited as "Professor of Industry in Jiangsu Province" (江蘇省產業教授) in Suzhou University of Science and Technology (蘇州科技大學) by Talent Office of Jiangsu Provincial Party Committee, Department of Education, Department of Science and Technology, Department of Human Resources and Social Security and Department of Finance of Jiangsu Province in 2018. He was also a standing director of the Fourth Council of the Automotive Logistics Branch of China Federation of Logistics & Purchasing (中國物流與採購聯合會汽車物流分會). Mr. Sun is currently a member of the Chinese People's Political Consultative Conference in Guannan County of Lianyungang City (連雲港市灌南縣人民政協). In addition to the above, Mr. Sun has received multiple awards in recognition of his areas of expertise, in particular within the logistics service industry. Details of his major awards are set out below:

Year	Awards
2021	was named as "Contributing Entrepreneurs in the Automobile Logistics Industry of the Decade" (汽車物流行業貢獻企業家)
2011	was named as "Person of the Year 2011 for China's Tray Industry" (2011中國托盤年度人物)

As of the Latest Practicable Date, Mr. Sun was interested in, or deemed to be interested in, in aggregate 39,412,674 Shares, representing approximately 56.30% of our total issued Shares. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Sun will be interested in, or deemed to be interested in approximately 43.63% of our total issued Shares.

Mr. Sun is the uncle of Mr. Wang Yue, an executive Director of our Company.

Mr. Sun was a director of Kunshan Taiye Co., Ltd.* (昆山市泰業有限責任公司) when its business license was revoked on November 29, 2006; he was a director of Wuxi Anhua Logistics Technology Co., Ltd.* (無錫安華物流科技有限公司) when its business license was revoked and such company was deregistered on June 21, 2019; and he was a director of Suzhou Industrial Park Shenhua Logistics Technology Co., Ltd.* (蘇州工業園區神華物流科技有限公司) when its business license was revoked and such company was deregistered on May 4, 2018. Revocation of business license of the aforesaid companies was due to their cessation of operation for more than six months. Mr. Sun confirmed that, to the best of his knowledge, (i) each of the aforesaid companies was solvent immediately prior to revocation of its business license, (ii) there was no wrongful act on his part leading to revocation of business license of the aforesaid companies, and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of revocation of business license of the aforesaid companies.

Mr. Wang Yue (汪玥), aged 37, is the executive Director of our Company, and is primarily responsible for the overall strategic development and management of our Group. Mr. Wang Yue was the co-founder of our Company and was appointed as our Director on April 18, 2018 and was re-designated as an executive Director on October 25, 2024. He has also been serving as the head of the commercial department of Suzhou Sprint since October 2017, and the general manager of Suzhou Sprint since January 2019.

Prior to joining our Group, from January 2012 to April 2016, Mr. Wang Yue worked for Suzhou Industrial Park Jinjihu Rural Micro Loan Co., Ltd.* (蘇州工業園區金雞湖農村小額貸款有限公司) (now known as Suzhou Industrial Park Xincheng Investment Consulting Co., Ltd.* (蘇州工業園區信誠投資諮詢有限公司)), a company primarily engaged in investment consulting and management services. During the period from May 2016 to September 2017, Mr. Wang Yue worked for Suzhou Technology Enterprise Equity Services Co., Ltd.* (蘇州科技企業股權服務有限公司), a company mainly engaged in commercial services such as equity investment and financial consulting services.

Mr. Wang Yue obtained a bachelor degree in economics from Soochow University in June 2010 and a master of science in international management from Loughborough University, the United Kingdom, in December 2012.

As of the Latest Practicable Date, Mr. Wang Yue was interested in 4,921,875 Shares, representing approximately 7.03% of our total issued Shares. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Wang Yue will be interested in approximately 5.45% of our total issued Shares. Under the Employee Incentive Scheme, Mr. Wang Yue would hold approximately 11.67% of the partnership interests in Suzhou Sailing, our Employee Scheme Platform. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

Mr. Wang Yue is the nephew of Mr. Sun.

Mr. Xiang Yang (相陽), aged 37, is our executive Director and joint company secretary, and has been working as the secretary of the Board and head of strategic investment of our Company since June 2019. He is primarily responsible for handling daily affairs of the Board, assisting the Board in legal compliance matters, handling public relations with intermediaries, regulatory authorities and media and overseeing the strategic investment of our Group. During the period from August 2017 to May 2019, Mr. Xiang served as the assistant to the chief executive officer in our Company. He assumed a position as the head of marketing department and was primarily responsible for the overseeing all marketing activities within our Company.

Mr. Xiang obtained a master degree in business administration from University of Illinois at Chicago, the United States, in May 2014.

Under the Employee Incentive Scheme, Mr. Xiang would hold approximately 6.67% of the partnership interests in Suzhou Sailing, our Employee Scheme Platform. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

Non-executive Directors

Dr. Fang Dianjun (房殿軍), aged 64, is the non-executive Director of our Company, and is primarily responsible for participating in the formulation of the overall strategy of our Group. Dr. Fang is a Pre-IPO Investor and was appointed as a Director on October 25, 2024.

Dr. Fang served as the independent director of New Trend International Logis-Tech Co., Ltd.* (深圳市今天國際物流技術股份有限公司), a company listed on the ChiNext Board of the SZSE (stock code: 300532) and primarily engaged in the intelligent logistics and integrated solution of intelligent manufacturing system, from December 2009 to December 2015 and October 2016 to April 2024.

In addition, Dr. Fang has substantial experience in teaching and academic research, in particular, the field of intelligent logistics supply chain. He is one of the team members of the Fraunhofer Institute for Material Flow and Logistics (德國弗勞恩霍夫物流研究院), a leading institute for applied logistics research in Germany, Europe and the world. Dr. Fang is also a doctoral advisor in Tongji University (同濟大學).

Dr. Fang obtained each of his bachelor degree in metallurgical machinery and master degree in machinery from University of Science and Technology Beijing (北京科技大學) (formerly known as Beijing Iron and Steel College (北京鋼鐵學院)), the PRC, in July 1982 and May 1985. Dr. Fang obtained his doctorate degree in engineering from Technische Universität Dortmund, Germany, in November 1995.

Dr. Fang is a Pre-IPO Investor. See "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus for details. As of the Latest Practicable Date, Dr. Fang was interested in 492,188 Shares, representing approximately 0.70% of our total issued Shares. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Dr. Fang will be interested in approximately 0.54% of our total issued Shares.

Mr. Ren Qingxiang (任慶祥), aged 42, is the non-executive Director of our Company, and is primarily responsible for participating in the formulation of the overall strategy of our Group. He is the board representative of the Pre-IPO Investors of the Pre-IPO Investment and was appointed as a Director by resolution of our Company's shareholders' meeting held on October 25, 2024.

From May 2013 to May 2014, Mr. Ren worked as a senior investment manager in Suzhou International Development Real Estate Management Co., Ltd.* (蘇州國發不動產投資管理有限公司), a company mainly engaged in the real estate investment management and related consulting services. From May 2014 to March 2019, Mr. Ren served as investment manager and senior investment manager in Suzhou International Development Private Equity Management Co., Ltd.* (蘇州國發股權投資基金管理有限公司), a company mainly engaged in the investment management and related consulting service, and was promoted as the deputy general manager in March 2019 and then further promoted to the general manager of the fourth investment department of the same company.

Mr. Ren obtained a bachelor degree in arts from Soochow University in June 2006.

Dr. Dai Yuanyu (戴元煜), aged 39, is the non-executive Director of our Company, and is primarily responsible for participating in the formulation of the overall strategy of our Group. He is the board representative of the Pre-IPO Investors of the Pre-IPO Investment and was appointed as a Director by resolution of our Company's shareholders' meeting held on October 25, 2024.

From October 2007 to June 2014, Dr. Dai worked as the smart grid researcher in the Laboratory of Academician Xue Yusheng in State Grid Electric Power NARI Technology Co., Ltd.* (國家電網南瑞集團公司薛禹勝院士實驗室). From September 2010 to August 2011, Dr. Dai served as the research assistant in the Department of Electrical Engineering at the Hong Kong Polytechnic University (香港理工大學). Since 2014, Dr. Dai has been working as the investment manager of Suzhou Industrial Park Oriza Seed Fund Management Co., Ltd.* (蘇州工業園區元禾原點創業投資管理有限公司), a company mainly engaged in the investment management and related consulting service, which is a limited partner of Suzhou Industrial Park Yuandianlize Venture Capital Management Center (Limited Partnership)* (蘇州工業園區原點理則創業投資 管理中心(有限合夥)), the general partner of Yuandian Zhengze.

Dr. Dai obtained his doctorate's degree in engineering from Nanjing University of Science and Technology (南京理工大學), the PRC, in March 2016.

Independent non-executive Directors

Dr. Wang Rui (王銳), aged 47, is an independent non-executive Director, primarily responsible for supervising and providing independent opinion to our Board.

Dr. Wang Rui has substantial experience in teaching and academic research, in particular, the field of transportation, environment and urban policy analysis, including serving as the associate professor at Johns Hopkins University and assistant professor at the University of California, Los Angeles. Mr. Wang is also a Professor of Xi'an Jiaotong-Liverpool University (西交利物浦大學).

Dr. Wang Rui has been recognized as one of the 16 scientists in Greater China who have a long-term impact on the field of urban and regional planning in the Top 2% Scientists Worldwide 2023 and 2024 by Stanford University.

Dr. Wang Rui obtained his doctorate degree in public policy from Harvard University, the United States, in June 2008.

Dr. Liu Dacheng (劉大成), aged 57, is an independent non-executive Director, primarily responsible for supervising and providing independent opinion to our Board.

Dr. Liu has substantial experience in corporate management. He was the independent director of each of Guangdong Baolihua New ENERGY STOCK Co., Ltd.* (廣東寶麗華新能源股份有限公司), a company listed on main board of the SZSE (stock code: 000690) and primarily engaged in the energy power and financial investment, China Railway Tielong Container Logistics Co., Ltd. (中鐵鐵龍集裝箱物流股份有限公司), a company listed on main board of the Shanghai Stock Exchange (stock code: 600125) and primarily engaged in the railroad special container business, railroad freight and port logistics business, and Jiuzhou Hengchang Logistics Co., Ltd.* (九洲恆昌物流股份有限公司) (formerly known as Xinjiang Jiuzhou Hengchang Supply Chain Management Co. (新疆九洲恆昌供應鏈管理股份有限公司)), a company mainly engaged in cargo transportation and warehousing services. From January 2018 to August 2024, he worked as an independent director of each of Beh-Property Co., Ltd.* (京能置業股份有限公司), a company listed on main board of the Shanghai Stock Exchange (stock code: 600791) and primarily engaged in the real estate development business. From December 2018, Dr. Liu has been serving as an independent director of Shenzhen Prince New Materials Co., Ltd.* (深圳王子新材料股份有限公司), a company listed on main board of the SZSE (stock code: 002735) and primarily engaged in the design, manufacture and sale of environmentally friendly packaging materials and other special packaging materials.

From June 2014 to May 2017, Dr. Liu assumed the position as an executive director at MEM Education Center, Tsinghua University. Dr. Liu has also been working as an associate professor and doctoral supervisor of the Department of Industrial Engineering at Tsinghua University. He is also the vice president of the Internet Industry Research Institute and director of the Logistics Industry Research Center of Tsinghua University.

Dr. Liu obtained his master degree in engineering from Shenyang Institute of Automation, Chinese Academy of Sciences (中國科學院瀋陽自動化研究所), China, in July 1994. Dr. Liu obtained his doctorate degree in engineering from Tsinghua University, China, in April 1999.

Ms. Hong Ting (項婷), aged 39, is an independent non-executive Director, primarily responsible for supervising and providing independent opinion to our Board.

Ms. Hong has over 17 years of experience in accounting, auditing, taxation and financial consulting. Her professional experience includes a ten-year tenure at a top-tier international accounting firm and current leadership in a professional accounting practice. Since October 2018, Ms. Hong has been serving as the managing director of Rongcheng (HK) CPA Limited (容誠(香港)會計師事務所有限公司).

Ms. Hong currently holds directorships in several listed companies in Hong Kong and the PRC, serving as an independent non-executive director of each of Yun Lee Marine Group Holdings Limited (stock code: 2682), a company mainly engaged in vessel chartering and related services, since January 2023, World Houseware (Holdings) Limited (stock code: 0713), a company mainly engaged in household products manufacturing, since December 2024, Yinsheng Digifavor Company Limited (stock code: 3773), a company mainly engaged in top-up services and digital marketing services, since May 2025, Ernest BorelHoldings Limited (stock code: 1856), a company mainly engaged in the designing, manufacturing, marketing and sale of Swiss-made mechanical and quartz premium watches, since May 2025, and Qingdao Gon Technology Co., Ltd. (stock code: 002768), a company listed on the main board of the SZSE and mainly engaged in the production and sale of chemical materials.

Previously, Ms. Hong served as a non-executive director of Alco Holdings Limited (stock code: 0328) from June 2022 to January 2023. She also served as an independent non-executive director of Wai Chun Bio-Technology Limited (stock code: 0660) from October 2022 to April 2024, C&D Newin Paper & Pulp Corporation Limited (stock code: 0731) from October 2024 to February 2025, and JingruiHoldings Limited (stock code: 1862) from July 2023 to December 2025.

Ms. Hong obtained a bachelor’s degree (Honours) in business management from the Chinese University of Hong Kong in June 2008. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and a Certified Public Accountant (Practicing) in Hong Kong.

SUPERVISORS

The table below sets out certain information regarding our Supervisors:

Name	Age	Major position(s)	Date of joining our Group	Date of appointment as Supervisor	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Hong Lijun (洪禮軍) . . .	55	Supervisor	December 12, 2016	October 25, 2024	Responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor	None
Ms. Yan Shuai (嚴帥)	39	Supervisor	February 6, 2017	October 25, 2024	Responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor	None
Ms. Zhang Xin (張欣)	31	Supervisor	April 24, 2017	October 25, 2024	Responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor	None

Mr. Hong Lijun (洪禮軍), aged 55, was appointed as a Supervisor of our Company. Since joining our Group in December 2016, he has been continuously working for our Company for over 8 years and served as the chief financial officer of our Company from December 2016 to June 2019. He was appointed as the Director of our Company from April 18, 2018 where he participated in the overall business planning and direction of the Company together with the other board members, and started to be in charge of the internal audit work of our Group since the year of 2024. Pursuant to the Shareholders' resolutions dated October 25, 2024, he officially transitioned to the role of Supervisor of our Company, responsible for the supervision of the performance of financial-related matters of the Directors and senior managements. Besides, Mr. Hong has also been appointed as the head of our strategic planning office in June 2019, and serving concurrently as the head of the supervision commission of our Company since April 2021. Given Mr. Hong did not assume an executive role in the Board, as an internal personnel transfer, Mr. Hong ceased to act as a Director and was re-designated as a Supervisor in October 2024, while he remains as the head of strategic planning office and the head of the supervision commission. Mr. Hong also acted as the director of Angu Lianyungang, the supervisor of Anhui Asike, Changchun ALSCO, Suzhou Youpule, Yancheng Youlejia and Chongqing Asike.

Mr. Hong has over 25 years of experience in auditing and other financial consulting services. After completing his secondary vocational education majoring in accounting and audit in Jiangsu Food and Pharmaceutical Science College* (江蘇食品藥品職業技術學院), Mr. Hong had several employment in accounting firms where he gained solid skills and work experience. From November 1997 to December 1999, Mr. Hong worked as the director of Capital Verification Department of the Guannan County Audit Office* (灌南縣審計事務所). From January 2000 to July 2005, he worked at the audit department of Lianyungang Huaihai Certified Public Accountants Co., Ltd.* (連雲港淮海會計師事務所有限公司). From August 2005 to May 2006, he assumed the position in Lianyungang Qingrui Tax Agent Firm Co., Ltd.* (連雲港慶瑞稅務師事務所有限公司). Before joining our Company, Mr. Hong used to be the head of financial department of Anhua Logistics.

Mr. Hong was a director of Guannan Rufeng Zhongjie Business Service Co., Ltd.* (灌南如風中界商務服務有限公司) when its business license was revoked due to cessation of operation for more than six months, and such company was deregistered on August 24, 2020. Mr. Hong confirmed that, to the best of his knowledge, (i) the aforesaid company was solvent immediately prior to revocation of its business license, (ii) there was no wrongful act on his part leading to revocation of business license of the aforesaid company, 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 revocation of business license of the aforesaid company.

Under the Employee Incentive Scheme, Mr. Hong would hold approximately 6.67% of the partnership interests in Suzhou Sailing, our Employee Scheme Platform. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

Ms. Yan Shuai (嚴帥), aged 39, was appointed as a Supervisor of our Company. She joined our Group on February 6, 2017 and served as the assistant to the chief executive officer of our Company, concurrently in charge of the marketing department. She has been appointed as the head of the general management department in June 2018, responsible for administrative and personnel management until December 2022. Since August 2021, Ms. Yan has also been working as the general manager of Changchun ALSCO, primarily responsible for the procurement and transportation. She was appointed as the deputy general manager of our Group in January 2023, and primarily in charge of the procurement management of our Group.

Ms. Yan obtained a master degree from Guizhou University majoring in business management in June 2022.

Under the Employee Incentive Scheme, Ms. Yan would hold approximately 6.67% of the partnership interests in Suzhou Sailing, our Employee Scheme Platform. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

Ms. Zhang Xin (張欣), aged 31, was appointed as a Supervisor of our Company. She joined our Group on April 24, 2017 and served as a marketing officer of our Company from May 2017 to May 2020. She worked as the marketing manager of our Company from June 2020 to January 2022. From February 2022 to February 2023, Ms. Zhang served as the assistant to the chief executive office of our Company. Since February 2023, Ms. Zhang has been working as the human resource business partner of Suzhou Sprint.

Prior to joining our Group, from June 2016 to April 2017, Ms. Zhang worked for Tuanbo Haomai (Tianjin) Sports Culture Development Co., Ltd.* (團泊豪邁(天津)體育文化發展有限公司) a company engaged in the organization and information consulting services of sports events and activities.

Ms. Zhang obtained a bachelor degree in education from Tianjin University of Sport, the PRC, in June 2016.

Under the Employee Incentive Scheme, Ms. Zhang would hold approximately 1.67% of the partnership interests in Suzhou Sailing, our Employee Scheme Platform. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

Save as disclosed above and in this prospectus, each of our Directors and Supervisors confirms with respect to himself or herself that he or she (1) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (2) had no other relationship with any Directors, Supervisors, senior management or substantial shareholders of our Company as of the Latest Practicable Date; (3) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (4) there are no other matters concerning our Director's appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

SENIOR MANAGEMENT

The table below sets out certain information regarding our senior management:

Name	Age	Major position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. Xiang Yang (相陽)	37	Executive Director, secretary of our Board, head of strategic investment and joint company secretary of our Company	August 1, 2017	June 2019	handling daily affairs of the Board, assisting the Board in legal compliance matters and handling public relations of our Group	None
Ms. Zhu Meiling (朱美玲) . . .	43	Chief financial officer	September 3, 2018	July 2019	overseeing the corporate financing of our Group	None

Mr. Xiang Yang (相陽), see "Our Board of Directors — Executive Directors" in this section.

Ms. Zhu Meiling (朱美玲), aged 43, has been working as our chief financial officer since July 2019 and is primarily responsible for overseeing the development, day-to-day management and financial and capital management of our Group. During the period from September 2018 to July 2019, Ms. Zhu served as the chief audit executive of our Company, primarily responsible for the day-to-day management of internal auditing, audit team building and maintenance of audit system. Among her duties as the chief financial officer of our Company, from July 2019 to present, Ms. Zhu assumed the position as the vice president of our Company and was primarily responsible for the digital management of our Group. During the period from March 2023 to December 2023, she concurrently worked as the head of asset management of our Company and was primarily responsible for the asset placement, scrapping and stocktaking of our Group.

Ms. Zhu has over 20 years of experience in financial affairs. Prior to joining our Group, from November 2016 to March 2018, Ms. Zhu served as the financial analysis manager in Rigol TECHNOLOGIES Co., Ltd.* (普源精電科技股份有限公司), a company primarily engaged in the design, manufacture and sale of electronic measuring instrument. She has served for Suzhou Victory Precision Manufacture Co., Ltd.* (蘇州勝利精密製造科技股份有限公司), a company primarily engaged in the manufacture of consumer electronic and automotive components from April 2018 to August 2018.

Ms. Zhu obtained a master degree in business administration, from Nanjing Audit University, the PRC, in December 2023. She is a fellow member of the Institute of Management Accountants and a Certified Management Accountant in the United States. Ms. Zhu is also a member of the Association of Chartered Certified Accountants and was certified as a senior accountant by the Jiangsu Accounting Senior Professional and Technical Qualification Review Committee (江蘇省會計專業高級專業技術資格評審委員會) in August 2020.

Under the Employee Incentive Scheme, Ms. Zhu would hold approximately 6.67% of the partnership interests in Suzhou Sailing, our Employee Scheme Platform. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

JOINT COMPANY SECRETARIES

Mr. Xiang Yang (相陽), aged 37, was appointed as the joint company secretary of our Company in November 2024, with effect from the Listing Date. For details of his biography, see "Executive Directors" in this section.

Mr. Ng Tung Ching Raphael (吳東澄) was appointed as our joint company secretary in November 2024, with effect from the Listing Date. Mr. Ng has over 15 years of experience in the legal and company secretarial domains, specializing in corporate governance and compliance. He currently serves as the assistant vice president, in the department of entity solutions of Computershare Hong Kong Investor Services Limited. Mr. Ng holds a master degree in Chinese business law from the Chinese University of Hong Kong and a master degree in professional accounting and corporate governance from the City University of Hong Kong. He earned his bachelor degree in law from Manchester Metropolitan University. Mr. Ng is a fellow of both the Hong Kong Chartered Governance Institute (the "**HKCGI**" formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom. He also possesses the practitioner's endorsement from HKCGI.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the Corporate Governance Code set forth in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), our Company has formed three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration 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 paragraph D.3 of part 2 of the Corporate Governance Code. The Audit Committee consists of three members, namely Ms. Hong Ting, Dr. Fang Dianjun and Dr. Wang Rui, with Ms. Hong Ting being the chairman of the committee possessing the appropriate accounting or related financial management expertise in compliance with the requirements under Rules 3.10(2) and 3.21 of the Listing Rules. The main duties of the Audit Committee include, but not limited to:

- examining the authenticity of financial reports of our Company and monitoring financial reporting procedures of our Company;
- examining the effectiveness of risk management and internal control system of our Company;
- ensuring that our Company's resources in accounting, internal audit and financial reporting functions, qualifications and experience of our Company's accounting and reporting personnel, and the training and budget for relevant expenditures are adequate;
- reviewing results of internal investigations and responses from management in relation to any suspected dishonesty, non-compliances or suspected violations of laws, rules and regulations;
- coordinating the communication among management, internal audit department, related departments and external audit agency;
- evaluating the nature and severity of major risks faced by our Company in the preceding financial year;
- evaluating the performance of the audit function and personnel;
- proposing the appointment of external auditors to our Board, and reviewing the qualification, independence and performance of the external auditors; and
- regularly examining the financial reports and annual reports of our Company.

Remuneration Committee

Our Company has established a Remuneration Committee with written terms of reference in compliance with paragraph E.1 of part 2 of the Corporate Governance Code. The Remuneration Committee consists of three members, namely Dr. Wang Rui, Mr. Sun Yan'an and Dr. Liu Dacheng, with Dr. Wang Rui being the chairman of the committee. The main duties of the Remuneration Committee include, but not limited to:

- formulating the overall remuneration policies and structure of our Company's Directors, Supervisors and members of the senior management, formulating proper and transparent remuneration procedures and making suggestions to our Board;

- reviewing and approving remuneration proposals of members of our senior management in accordance with our Company's policies and objectives as approved by our Board from time to time;

- making recommendations to our Board on remuneration of individual executive Directors and member of senior management, including non-monetary benefits, pension rights and amount of compensation (including compensation for loss or termination of office or appointment);

- making recommendations to our Board on remuneration of our non-executive Directors (including independent non-executive Directors), Supervisors, advisors to the Board (if any) and committees of our Board;

- reviewing and approving compensation payable to our executive Directors, Supervisors and members of senior management for loss or termination of office or appointment, so as to ensure that such compensation is consistent with the terms of relevant contracts, and if such compensation is not determined in accordance with the relevant contract terms, compensation should be fair, reasonable and not excessive;

- reviewing and approving compensation arrangements in relation to dismissal or removal of our Directors due to misconduct, so as to ensure that such compensation is consistent with terms of relevant contract, and if such compensation is not determined in accordance with the relevant contract terms, compensation should be fair, reasonable and not excessive; and

- dealing with other matters as required by laws, regulations, rules, articles of our Company, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board.

Nomination Committee

Our Company has established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of three members, namely Mr. Sun Yan'an, Dr. Liu Dacheng and Dr. Wang Rui, and Mr. Sun Yan'an being the chairman of the committee. The main duties of the Nomination Committee include, but not limited to:

- reviewing the structure, composition and diversity of our Board at least once a year with reference to our Company's business activities, scale of assets and shareholding structure, and making recommendations to our Board on any change in Board composition in accordance with our Company's strategies;
- making recommendations on the appointment and re-appointment of our Directors (in particular, the chairperson of our Board, and including our non-executive Directors and independent non-executive Directors) and our chief executive officer;
- conducting search in potential suitable candidates for Directors and making recommendations to our Board on the suitable candidates;
- evaluating the independence of our independent non-executive Directors;
- formulating and evaluating our Board diversity policy, and making disclosures in the corporate governance report (which shall be included as part of our annual report) the relevant policies, including the nomination procedures adopted by the Nomination Committee and standards for the election of our Board members; and
- dealing with other matters that are authorized by our Board or our Articles from time to time, and other matters that are required by applicable laws from time to time.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on October 28, 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or our 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/her appointments.

Former Director

During the Track Record Period, Mr. Zeng Haiping (曾海屏), a former executive Director and chief executive officer, who joined our Group on January 15, 2024, tendered his resignation due to the upcoming expiry of his employment contract with us and his intention to pursue other career developments. Upon mutual consent, our Board approved his resignation with effect from December 15, 2025. After his resignation, Mr. Zeng will no longer hold any position in our Group. Apart from the terms of the employment contract entered into between our Group and Mr. Zeng, there are no side arrangements of any kind between our Group and Mr. Zeng that would exceed or go beyond the terms of the employment contract. Mr. Zeng confirmed that he has no disagreement with the directors, supervisors, senior management and shareholders/equity interest holders of our Group regarding his resignation, and he is not aware of any matters relating to his resignation that need to be brought to the attention of our Shareholders.

COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

We offer our executive Directors, Supervisors and members of the senior management, who are also our Company's employees, compensation in the form of fees, salaries, allowances and benefits in kind, performance-related bonuses, pension scheme contribution and social welfare. Our independent non-executive Directors receive compensation with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, the aggregate amount of remuneration paid or payable to our Directors, Supervisors and members of the senior management amounted to approximately RMB3.2 million, RMB3.9 million, RMB5.4 million and RMB3.3 million, respectively. Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors, our Supervisors and members of the senior management for the year ending December 31, 2025 to be approximately RMB4.3 million. The actual remuneration of Directors, Supervisors and members of the senior management in 2025 may be different from the expected remuneration.

The total emoluments for the five highest paid individuals amounted to approximately RMB5.7 million, RMB4.9 million, RMB5.6 million and RMB2.0 million, for the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, respectively.

Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors, Supervisors or the five highest paid individuals during the Track Record Period.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

CORPORATE GOVERNANCE

Mr. Sun Yan'an, who is our executive Director, will also continue to assume the responsibilities as the chairman of our Board and our chief executive officer upon Listing. Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Following the appointment of Mr. Sun as the chief executive officer, Mr. Sun will assume dual roles of the chairman of our Board and the chief executive officer of our Company. After evaluation of the current situation of our Company and taking into account of the experience and past performance of Mr. Sun, our Board is of the opinion that it is appropriate at the present stage for Mr. Sun to hold both positions as the chairman of our Board and our chief executive officer as it ensures the stability of the operations of our Company with consistent leadership and policy formulation, which is conducive to the efficiency of our Company's overall strategic planning and business decision-making and implementation. In addition, under the supervision by our current Board which consists of three non-executive Director and three independent non-executive Directors, the interests of our Shareholders will be adequately and fairly represented. Also, as all major decisions are made in consultation with and approved by the members of our Board, our Board believes that this arrangement will not have negative influence on the balance of power and authorization between our Board and the management of our Company. Therefore, our Board considers the deviation from code provision C.2.1 of the Corporate Governance Code to be appropriate under such circumstances. Our Board shall nevertheless review the structure from time to time and it will consider the appropriate move to take should suitable circumstance arise. Save as disclosed above, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing.

BOARD DIVERSITY POLICY

Our Company seeks to enhance the effectiveness of the Board and to maintain high standards of corporate governance by adopting a board diversity policy. Pursuant to this policy, we intend to achieve board diversity through the consideration of a number of factors at the selection of candidates to the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decisions of board appointments will be based on merit and the contribution which the selected candidates will bring to the Board.

Our Board consists of eight male members and one female member spanning a wide range of ages, from 37 years old to 64 years old. Our Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable our Company to maintain high standard of operation.

Our Nomination Committee is responsible for reviewing the diversity of the Board. After Listing, our Nomination Committee will continue to monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. We will also continue to take steps to promote gender diversity at all levels of our Company.

COMPLIANCE ADVISOR

We have appointed Maxa Capital Limited as our compliance advisor (the "**Compliance Advisor**") upon the Listing 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 when consulted by our Company in relation to the followings:

- 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 and share repurchases;
- where we procure to use the proceeds from the Global Offering in a manner different from that detailed in the prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in the prospectus; and
- where the Stock Exchange makes an inquiry to our Company regarding unusual movement in the price or trading volume of the securities of our Company, the possible development of a false market in its securities, or any other matters.

The Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of appointment of the compliance advisor shall commence on the Listing Date and is expected to end on the date on which our Company distributes its annual report in respect of our financial results for the first full financial year commencing after the Listing Date and this appointment may be subject to extension by mutual agreement.

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB70,000,000, comprising 70,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
		(%)
Unlisted Shares in issue	2,682,295	3.0
H Shares to be converted from Unlisted Shares	67,317,705	74.5
H Shares to be issued pursuant to the Global Offering	20,336,000	22.5
Total	**90,336,000**	**100.0**

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
		(%)
Unlisted Shares in issue	2,682,295	2.9
H Shares to be converted from Unlisted Shares	67,317,705	72.1
H Shares to be issued pursuant to the Global Offering	23,386,500	25.0
Total	**93,386,500**	**100.0**

RANKING

Upon completion of the Global Offering, we would have only one class of Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

Unlisted Shares and H Shares 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 prospectus. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. Based on the procedures for the conversion of Unlisted Shares into H Shares as described below, we may apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our Listing in Hong Kong. Class shareholder voting is not required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after our initial Listing is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

Our Company has applied for a "full circulation" filing of existing 67,317,705 Unlisted Shares with the CSRC for our overseas Listing on the Stock Exchange. Our Company has received the filing notice from the CSRC dated November 27, 2025 in relation to the registration of our overseas listing on the Stock Exchange and the "full circulation". Accordingly, a total of 67,317,705 Unlisted Shares held by all the existing Shareholders were approved to be converted into H Shares on a one-for-one basis, and the converted H Shares will be listed on the Stock Exchange.

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be conditional on (a) our H Share Registrar lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Listing Rules, the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

LOCK-UP PERIODS

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors and members of senior management of our Company.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING ARE REQUIRED

For details of circumstances under which our Shareholders' general meeting are required, see "Summary of the Articles of Association of the Company — Shareholders and Shareholders' Meetings — General provisions for shareholders' meeting" in Appendix V to this prospectus.

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme on November 5, 2024. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this prospectus for further details.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general mandate to issue our Shares. See "Statutory and General Information — Further Information about Our Company — 4. Resolutions of our shareholders" in Appendix VI to this prospectus for details of this general mandate.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》), domestic shareholders of unlisted shares shall, in accordance with the relevant business rules of the CSDC handle the transfer registration of shares, complete the procedures of share registration and stock listing in accordance with the relevant regulations of the Hong Kong market, and disclose information in accordance with the law and regulations. The H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSDC of the shares related to the application has been completed.

So far as our Directors are aware, immediately following the completion of the Global Offering and assuming the Over-Allotment Option is not exercised, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date		Following the completion of the Global Offering			
Name of Shareholder	**Capacity/ nature of interest**	**Number of Unlisted Shares(1)**	**Approximate percentage of shareholding in our total share capital**	**Number of Shares(1)**	**Description of Shares**	**Approximate percentage of shareholding in our total share capital(2A)**	**Approximate percentage of shareholding in the H Shares of our Company(2B)**
Mr. Sun Yan'an (孫延安)	Beneficial owner	36,093,750	51.56%	36,093,750	H Shares	39.96%	41.18%
	Interest in controlled corporations(3)	3,318,924	4.74%	3,318,924	H Shares	3.67%	3.79%
Suzhou International Development Equity Investment Fund Management Co., Ltd.* (蘇州國發股權投資基金管理有限公司) ("**SZ Equity Investment Fund**")(4)	Interest in controlled corporations	5,468,750	7.81%	5,468,750	H Shares	6.05%	6.24%
Suzhou International Development Venture Capital Holdings Co., Ltd.* (蘇州國發創業投資控股有限公司) ("**SZ Venture Capital**")(4)(5)	Interest in controlled corporations	7,291,667	10.41%	7,291,667	H Shares	8.07%	8.32%
Suzhou Innovation Investment Group Co., Ltd.* (蘇州創新投資集團有限公司) ("**SZ Innovation Investment**")(4)(5)	Interest in controlled corporations	7,291,667	10.41%	7,291,667	H Shares	8.07%	8.32%

		As of the Latest Practicable Date		Following the completion of the Global Offering			
Name of Shareholder	Capacity/ nature of interest	Number of Unlisted Shares[(1)]	Approximate percentage of shareholding in our total share capital	Number of Shares[(1)]	Description of Shares	Approximate percentage of shareholding in our total share capital[(2A)]	Approximate percentage of shareholding in the H Shares of our Company[(2B)]
Suzhou International Development Group Co., Ltd.* (蘇州國際發展集團有限公司) ("**SZ International Development Group**")[(4)(5)]	Interest in controlled corporations	7,291,667	10.41%	7,291,667	H Shares	8.07%	8.32%
Mr. Wang Yue (汪玥) . . .	Beneficial owner	4,921,875	7.03%	4,921,875	H Shares	5.45%	5.62%
	Interest in controlled corporations[(6)]	1,050,000	1.50%	1,050,000	H Shares	1.16%	1.20%

Notes:

(1) All interests stated are long positions.

(2A) The calculation is based on the assumption that (i) the Over-allotment Option is not exercised, (ii) a total of 67,317,705 Unlisted Shares will be converted into H Shares, with 2,682,295 to be remained as Unlisted Shares, and (iii) the total number of the Shares in issue will be 90,336,000 Shares immediately upon completion of the Global Offering.

(2B) The calculation is based on the assumption that (i) the Over-allotment Option is not exercised, (ii) a total of 67,317,705 Unlisted Shares will be converted into H Shares, and (iii) a total of 20,336,000 H Shares to be issued pursuant to the Global Offering.

(3) As of the Latest Practicable Date, Suzhou Anhua was owned as to 90% by Mr. Sun. As such, under the SFO, Mr. Sun is deemed to be interested in 3,318,924 Shares held by Suzhou Anhua.

(4) As of the Latest Practicable Date, SZ Equity Investment Fund was the general partner of Suzhou International Development Emerging Industry Venture Investment Enterprise (Limited Partnership)* (蘇州國發新興產業創業投資企業(有限合夥)) ("**Suzhou Emerging Industry**"). SZ Equity Investment Fund was also the general partner of Suzhou International Development Rongfu Venture Capital Management Enterprise (Limited Partnership)* (蘇州國發融富創業投資管理企業(有限合夥)), the latter being the general partner of Suqian International Development Venture Capital Enterprise (Limited Partnership)* (宿遷國發創業投資企業(有限合夥)) ("**Suqian International Development**"). As such, under the SFO, SZ Equity Investment Fund is deemed to be interested in 3,645,833 Shares held by Suzhou Emerging Industry and 1,822,917 Shares held by Suqian International Development.

(5) As of the Latest Practicable Date, Suzhou International Development Equity Investment Fund Management Co., Ltd.* (蘇州國發聯合股權投資管理有限公司) was the general partner of Suzhou International Development Union Equity Investment Enterprise (Limited Partnership)* (蘇州國發聯合股權投資企業(有限合夥)) ("**Suzhou Union**"), and was indirectly owned as to 55% by SZ Venture Capital. SZ Venture Capital was also the sole shareholder of SZ Equity Investment Fund.

As of the Latest Practicable Date, SZ Venture Capital was owned as to approximately 94.74% by SZ Innovation Investment, which in turn was owned as to approximately 91.67% by SZ International Development Group. SZ International Development Group was wholly-owned by Suzhou Municipal Finance Bureau (蘇州市財政局). As such, under the SFO, each of SZ Venture Capital, SZ Innovation Investment and SZ International Development Group is deemed to be interested in 3,645,833 Shares held by Suzhou Emerging Industry, 1,822,917 Shares held by Suqian International Development and 1,822,917 Shares held by Suzhou Union.

(6) As of the Latest Practicable Date, Mr. Wang Yue was the sole general partner of Suzhou Sailing. As such, under the SFO, Mr. Wang Yue is deemed to be interested in 1,050,000 Shares held by Suzhou Sailing.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025 included in the Accountants' Report set out in Appendix I to this prospectus, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Business" in this prospectus.

The following discussion and analysis also contain certain amounts and percentage figures that 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 all monetary amounts shown are approximate amounts only.

OVERVIEW

We are a reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and OEMs within the automotive industry. We provide pooling services, rental services, and other value-added services for reusable containers to customers who require efficient and sustainable solutions for managing their supply chain logistics. In addition, we sell containers to customers who use them within their own facilities or have the capability to manage container operations independently. According to Frost & Sullivan, in terms of revenue for 2024, we ranked as the second-largest provider of reusable package services in China with a market share of 1.5% and the largest provider in the automotive pooling services market in China with a market share of 8.2%. In 2024, reusable package services, pooling services, and automotive pooling services accounted for 6.4%, 2.4%, and 1.0%, respectively, of China's overall logistics packaging solution market. The industries in which our Group operates, including reusable package services and pooling services markets in China, are highly fragmented and competitive.

As of August 31, 2025, we managed an asset pool comprising around 1.5 million reusable containers covering over 100 cities, supported by 78 warehouses. This infrastructure enable us to meet the evolving needs of our customers.

We experienced steady growth during the Track Record Period. Our revenue increased from RMB647.6 million for the year ended December 31, 2022 to RMB794.0 million for the year ended December 31, 2023, and further increased to RMB837.6 million for the year ended December 31, 2024, representing a CAGR of 13.7%. Our revenue increased from RMB507.4 million for the eight months ended August 31, 2024 to RMB533.3 million for the eight months ended August 31, 2025. Our gross profit increased from RMB127.4 million for the year ended December 31, 2022 to RMB169.9 million for the year ended December 31, 2023, and further increased to RMB184.1 million for the year ended December 31, 2024, representing a CAGR of 20.2%. Our gross profit increased from RMB109.0 million for the eight months ended August 31, 2024 to RMB111.2 million for the eight months ended August 31, 2025. In the years ended December 31, 2022, 2023 and 2024, and eight months ended August 31, 2024 and 2025, our gross profit margin was 19.7%, 21.4%, 22.0%, 21.5% and 20.8%, respectively.

BASIS OF PRESENTATION OF OUR FINANCIAL INFORMATION

Our historical financial information has been prepared in accordance with IFRSs, which comprise all standards and interpretations approved by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and certain bills receivable which have been measured at fair value. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our Group are eliminated in full on consolidation.

The preparation of the historical financial information in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each financial year during the Track Record Period, that have a significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in Note 3 to the Accountants' Report included in Appendix I to this prospectus.

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreement entered into between our Company and the pre-IPO Investors in relation to the termination of certain of redemption right granted by our Company, which have never had any legal effect as described in note 28 to the Accountants' Report, having taking into account the legal and regulatory framework of our jurisdiction and the governing law of the supplementary agreement, our Directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Track Record Period. For details of the financial impacts, see note 28 to the Accountants' Report.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Group's business, results of operations and financial conditions have been and are expected to be affected by a number of principal factors, including those set out below and in "Risk Factors" in this prospectus:

Increasing Market Demand

Our success hinges on the market demand for quality pooling services. Driven by Chinese favorable policy support and market demand for cost reduction and environmental protection in logistics packaging, the market size of pooling services in China increased rapidly and is expected to continue to grow in the future. According to Frost & Sullivan, the size of pooling services market in China grew from RMB10.7 billion in 2019 to RMB18.8 billion in 2024, representing a CAGR of 11.9%, and is expected to reach RMB39.1 billion in 2030, representing a CAGR of 13.2% from 2025 to 2030. Capitalizing on our industry position, we believe we will continue to benefit from the rising customer demand for quality pooling services, especially in China.

Nationwide Service Network

Our service network plays a crucial role in our market reach and revenue growth. We have successfully established a well-developed network and infrastructure, which serves as the foundation for implementing our reusable package services. We have operated (i) service network spanning over 100 cities, including major cities such as Shanghai, Wuxi, Guangzhou, Wuhan, and Chongqing, as well as overseas countries in Indonesia and South Korea, as of August 31, 2025; (ii) network of 78 warehouses to manage our containers and deliver services to our clients as of August 31, 2025; and (iii) overseas subsidiaries in Hong Kong and Thailand to support our potential international clients and accelerate our global expansion.

This network and infrastructure enable us to deliver our services effectively, maintain high operational efficiency, and provide comprehensive support to our customers. According to Frost & Sullivan, our efficient and nationwide service network and infrastructure have laid a solid foundation for our development and differentiate us from our competitors in the industry.

Comprehensive Support from Digital Systems and Platforms

Our digital systems and platforms are key drivers of our business success and financial performance. We initially developed the Smartlinx platform to enable comprehensive monitoring and management of our reusable packages. To further strengthen our operations, we introduced digital systems such as Find Me and the Return Box, specifically designed to meet evolving business and now supporting our container management and logistics services. These systems enable us to enhance supply transparency and improve operational efficiency.

The Smartlinx platform, our comprehensive cloud-based management system, integrates multiple systems, including the Order Management System (OMS), Transportation Management System (TMS), Warehouse Management System (WMS) and Settlement Management System (SMS). This unified platform enables standardized container scheduling, data analytics, real-time container management, visualization capabilities, and intelligent settlement. Our Find Me tracking platform facilitates real-time location tracking, inventory alerts, abnormal vibration recording, and temperature sensing for around 145,432 containers as of August 31, 2025, providing comprehensive tracking services that enable informed decision-making. Return Box, our container recovery management system, oversees container recovery with features like inspection management, inventory management and recovery monitoring.

These innovative platforms enable us to meet the evolving needs of our customers and enhancing sustainability. According to Frost & Sullivan, our advancements in digital technology improve visibility, automate processes, and enhance forecasting, particularly in the automotive supply chain sector.

Ability to Control Cost of Sales

Our results of operations have been, and will continue to be, affected by our ability to control cost of sales. Costs of trucking and transportation is the most significant component of our cost of sales during the Track Record Period, accounting for approximately 38.9%, 37.5%, 38.8%, 37.8% and 35.9% of our total cost of sales for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

The following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in costs of trucking and transportation on our net profit for the years/periods indicated:

	Year ended December 31,			**Eight months ended August 31,**	
	2022	**2023**	**2024**	**2024**	**2025**
	Change in net profit	**Change in net profit**	**Change in net profit**	**Change in net profit**	**Change in net profit**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
+5%	(8,256)	(9,260)	(12,691)	(7,526)	(7,576)
+2%	(3,302)	(3,704)	(5,076)	(3,010)	(3,030)
+1%	(1,651)	(1,852)	(2,538)	(1,505)	(1,515)
-1%.	1,651	1,852	2,538	1,505	1,515
-2%.	3,302	3,704	5,076	3,010	3,030
-5%.	8,256	9,260	12,691	7,526	7,576

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our financial statements. Our material accounting policies, judgments and estimates, which are important for understanding our financial condition and results of operations, are set out in further details in Note 2.3 and Note 3 to the Accountants' Report in Appendix I to this prospectus.

Material Accounting Policies

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we 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.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

We are an integrated reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and original equipment manufacturers within the automotive industry. We are mainly engaged in the business of provision of pooling services, container sales and transportation and other value-added services.

Pooling Services

Revenue from our pooling services is recognized over the scheduled period of time. The nature of our pooling services is a single performance obligation under the service contract. When providing pooling services, in addition to providing the rental of reusable packages to the customers for use, we also handle package storage, distribution, returns, maintenance, operational scheduling, and so on. The customer pays based on the number of times the reusable packages are circulated.

Container Sales

Container sales business is designed to meet the logistical capabilities and procurement needs of the customers, offering them a direct supply of the specialized products. These products primarily include reusable foldable large load carriers, small load carriers, custom-developed inner linings, and customized metal racks. Revenue from the sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Other Value-added Services

Other value-added services primarily include logistics transportation, warehouse management, and outsourcing pooling services, providing comprehensive solutions that go beyond traditional pooling and rental offerings. These services are designed to streamline operations, enhance supply chain efficiency, and reduce the logistical burdens on our clients, allowing them to focus on core business activities.

Revenue from other value-added services is recognized over the scheduled period of time because our customers simultaneously receive and consume the benefits provided by us.

Revenue from other sources

Rental Services

Revenue from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as revenue from an operating lease. Contingent rents or variable lease payments are recognized as revenue in the period in which they are earned.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Leases

We assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Act as a lessee

As a lessee, we apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 years
Warehouse and equipment	2 to 6 years
Leasehold land	50 years

If ownership of the leased asset transfers to us by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for termination of a lease, if the lease term reflects us exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to its short-term leases of equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). We also apply the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Act as a lessor

When we act as a lessor, we classify at lease inception (or when there is a lease modification) each of our leases as either an operating lease or finance lease.

Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, we allocate the consideration in the contract to each component on a stand-alone selling price basis. Revenue from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as revenue from operating leases. Contingent rents or variable lease payments are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the leasee are accounted for as finance leases.

Property, Plant and Equipment and Depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, we recognize such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates and estimated useful life used for this purpose are as follows:

Buildings	4.75%
Machinery	9.50%
Reusable packaging containers	18.00%
Electronic equipment	19.00% to 31.67%
Transportation equipment and others	19.00% to 23.75%
Inner linings	Over the shorter of the lease term and three years

We determine the principal annual rate of depreciation for our reusable packaging containers and the estimated useful life of our inner linings by analyzing historical data from similar containers and inner linings to identify their general lifespan. Additionally, we reference industry benchmarks, which provide valuable insights into standard practices and expected depreciation rates within our sector. We further align our assessments with the lifespan of comparable tools and equipment, providing a broader context that reinforces the accuracy of our depreciation and useful life estimates. In respect to our inner linings, we take into account the lease term of such inner linings, ensuring that our depreciation calculations align with the contract periods signed with our customers, which can vary in duration, ranging from 12 months to 36 months. Due to the customizable nature of our inner linings, if the lease term is shorter than 36 months, we will make reasonable adjustments to the useful life of our inner linings based on contract periods to ensure that their values decreases appropriately over time. As confirmed by Frost & Sullivan, such assessment is generally accepted industry practice for calculating depreciation of reusable packaging containers and inner linings of similar nature.

Significant Accounting Judgments and Estimates

Impairment of non-financial assets (other than goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of financial year of the Track Record Period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on financial assets

The assessment of the correlation among historical observed default rates, forecast economic conditions and expected credit losses ("**ECLs**") is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on our trade receivables is disclosed in note 20 to the Accountants' Report in Appendix I to this prospectus.

Leases — Estimating the incremental borrowing rate

We cannot readily determine the interest rate implicit in a lease, and therefore, we use an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. Further details are contained in Note 17 to the Accountants' Report in Appendix I to this prospectus.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Revenue	647,587	794,019	837,620	507,429	533,336
Cost of sales	(520,139)	(624,147)	(653,479)	(398,432)	(422,138)
Gross Profit	127,448	169,872	184,141	108,997	111,198
Other income and gains	11,394	13,247	4,038	2,625	3,989
Selling and distribution expenses	(35,792)	(43,371)	(48,940)	(30,595)	(34,519)
Administrative expenses	(52,708)	(50,875)	(68,512)	(39,916)	(42,941)
(Impairment losses)/reversal on financial assets, net	(4,376)	(1,774)	(209)	576	329
Other expenses	(856)	(711)	(1,566)	(641)	(671)
Finance costs	(6,841)	(5,246)	(4,462)	(2,580)	(2,425)
Share of loss of an associate	–	–	(3)	–	(6)
Profit before tax	38,269	81,142	64,487	38,466	34,954
Income tax expense	(7,068)	(16,993)	(13,746)	(7,737)	(8,062)
Profit for the year/period	31,201	64,149	50,741	30,729	26,892
Profit attributable to:					
Owners of the parent	23,703	50,823	40,114	23,896	22,025
Non-controlling interests	7,498	13,326	10,627	6,833	4,867
	31,201	64,149	50,741	30,729	26,892

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Paid In/Share Capital and Total Equity" below and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Non-IFRS Financial Measure

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

EBITDA (Non-IFRS Measure) and Adjusted EBITDA (Non-IFRS Measure)

We define EBITDA (non-IFRS measure) as profit for the year/period adjusted for depreciation and amortization, finance costs, and income tax paid and excluding interest income. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) adjusted by adding back equity-settled share option expense and listing expenses. Equity-settled share option expense is non-cash in nature. Listing expenses are expenses relating to the Global Offering. The following table sets out a reconciliation of profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Reconciliation of profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)					
Profit for the year/period	**31,201**	**64,149**	**50,741**	**30,729**	**26,892**

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000) (unaudited)*	*(RMB'000)*
Add:					
Depreciation of property, plant and equipment	83,333	101,983	107,821	71,881	76,783
Depreciation of right-of-use assets	13,266	15,201	18,393	11,806	12,512
Amortisation of other intangible assets	724	824	806	522	925
Finance costs	6,841	5,246	4,462	2,580	2,425
Income tax expense	7,068	16,993	13,746	7,737	8,062
Less:					
Interest income	(355)	(497)	(863)	(500)	(332)
EBITDA (non-IFRS measure)	142,078	203,899	195,106	125,755	127,267
Add:					
Equity-settled share payment expense	43	216	690	144	1,130
Listing expense	–	–	11,403	4,073	1,981
Adjusted EBITDA (non-IFRS measure)	142,476	204,612	208,062	129,972	130,378

Adjusted Net Profit (Non-IFRS measure)

We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted by adding back equity-settled share option expense and listing expense. Equity-settled share option expense is non-cash in nature. Listing expenses are expenses relating to the Global Offering. The following table sets out a reconciliation of profit for the year/period to adjusted net profit (non-IFRS measure) for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000) (unaudited)*	*(RMB'000)*
Reconciliation of profit for the year/period to adjusted net profit (non-IFRS measure)					
Profit for the year/period	31,201	64,149	50,741	30,729	26,892

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Add:					
Equity-settled share option expense	43	216	690	144	1,130
Listing expense	–	–	11,403	4,073	1,981
Adjusted net profit (non-IFRS measure) . .	31,244	64,365	62,834	34,946	30,003

We experience a decrease in our adjusted net profit (non-IFRS measure) of 2.3% from RMB64.4 million for the year ended December 31, 2023 to RMB62.8 million for the year ended December 31, 2024. Such a decrease was primarily due to (i) a reduction in our other income and gains, stemming from the absence of gains on the disposal of property, plant, and equipment in 2024, compounded by the cessation of tax incentives for productive services on value-added tax as of December 31, 2023; (ii) an increase in our selling and distribution expenses, mainly driven by the expansion of our marketing workforce and rising rental expenses; and (iii) an increase in administrative expenses associated with payment of salaries and benefits to our administrative staff in the new Thailand offices, despite an increase in our overall gross profit. We experience a decrease in our adjusted net profit (non-IFRS measure) of 16.0% from RMB34.9 million for the eight months ended August 31, 2024 to RMB30.0 million for the eight months ended August 31, 2025. Such decrease was primarily due to (i) an increase in operating expenses driven by our global market expansion; (ii) a greater proportion of lower-margin small load carriers in our sales mix; and (iii) the recognition of a share of loss from an associate, which was partially offset by (i) our growth in container sales; (ii) an increase in our other income and gains; and (iii) a reduction in finance costs.

Revenue

Our revenue increased by 22.6% from RMB647.6 million for the year ended December 31, 2022 to RMB794.0 million for the year ended December 31, 2023, and further increased by 5.5% to RMB837.6 million for the year ended December 31, 2024. Additionally, there was an increase of 5.1% from RMB507.4 million for the eight months ended August 31, 2024 to RMB533.3 million for the eight months ended August 31, 2025.

Revenue by Business Segments

During the Track Record Period, our revenue primarily came from: (i) container services which consists of (a) pooling services, where our customers pay based on the number of times the reusable packages are circulated; (b) traditional containers rental services involving fixed-term rental with customers paying based on the number of days the containers are used; and (c) other value-added services, where we provide comprehensive solutions beyond the logistics of reusable packages and container operations, which primarily include logistics transportation, warehousing management, and customer-owned container management to enhance supply chain efficiency; and (ii) container sales, where we directly supply our clients with our containers, which primarily include reusable foldable large load carriers, small load carriers, custom-developed inner linings and customized metal racks. For details, see "Business — Overview — Our business model" in this prospectus.

The table below sets forth a breakdown of our revenue by business segments for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*(RMB'000) (unaudited)*	*Percentage of total revenue (%)*	*(RMB'000)*	*Percentage of total revenue (%)*
Container services										
– Pooling services.	447,413	69.1	587,692	74.0	673,549	80.4	401,088	79.0	402,969	75.5
– Rental services .	28,444	4.4	28,055	3.5	20,937	2.5	15,020	3.0	18,760	3.5
– Other value-added services .	63,453	9.8	76,096	9.6	72,127	8.6	45,743	9.0	45,115	8.5
Container sales[1]. .	108,277	16.7	102,176	12.9	71,007	8.5	45,578	9.0	66,492	12.5
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

Note:

(1) Our container sales primarily include foldable large load carriers, small load carriers, custom-developed inner linings and customized metal racks.

Revenue by Geographical Locations

During the Track Record Period, we primarily derived revenue from sales to customers in the PRC, which contributed the majority of our total revenue. A smaller portion of our revenue was generated from overseas markets including, among others, Germany, Indonesia, Japan and South Korea. The following table sets forth a breakdown of our revenue by geographical locations for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*(RMB'000) (unaudited)*	*Percentage of total revenue (%)*	*(RMB'000)*	*Percentage of total revenue (%)*
Container services										
– PRC	537,134	83.0	691,041	87.0	764,785	91.3	460,918	90.8	465,177	87.2
– Overseas(1)	2,176	0.3	802	0.1	1,828	0.2	933	0.2	1,667	0.3
Sub-total	539,310	83.3	691,843	87.1	766,613	91.5	461,851	91.0	466,844	87.5
Container Sales										
– PRC	103,051	15.9	99,635	12.5	69,745	8.3	44,501	8.8	63,265	11.9
– Overseas(2)	5,226	0.8	2,541	0.3	1,262	0.2	1,077	0.2	3,227	0.6
Sub-total	108,277	16.7	102,176	12.9	71,007	8.5	45,578	9.0	66,492	12.5
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

Notes:

(1) Our overseas container services business primarily consisted of two key projects located in Indonesia and South Korea during the Track Record Period. Our overseas operations in Indonesia and South Korea primarily support PRC-based customers who export auto parts and KD kits for assembly at their overseas OEM plants. These operations involve the provision and international circulation of reusable containers, where we act as the service provider responsible for container design, dispatch planning and international circulation. See "Business — Our Business Model — Overview — Revenue by geographical locations — Overseas Container Services/Overseas Projects" in this prospectus for further details.

(2) Our overseas Container Sales business primarily served customers from Japan, South Korea, Germany, and other overseas regions during the Track Record Period.

Revenue by Industries of Downstream Customers

During the Track Record Period, our major downstream customers were primarily from the automotive industry, with a smaller portion from non-automotive industries, such as logistics services, food, and pharmaceuticals. The following table sets forth a breakdown of our revenue by the automotive industry and non-automotive industries of our downstream customers for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*RMB'000*	*Percentage of total revenue (%)*	*(RMB'000) (unaudited)*	*Percentage of total revenue (%)*	*(RMB'000)*	*Percentage of total revenue (%)*
Container services										
– Automotive Industries	538,694	83.2	689,534	86.8	765,078	91.3	461,206	90.9	466,844	87.5
– Non-automotive industries	616	0.1	2,309	0.3	1,535	0.2	645	0.1	–	–
Sub-Total	539,310	83.3	691,843	87.1	766,613	91.5	461,851	91.0	466,844	87.5
Container Sales										
– Automotive Industries	108,230	16.7	102,176	12.9	70,790	8.5	45,375	9.0	66,451	12.5
– Non-automotive industries	47	0.0	–	–	217	0.0	203	0.0	41	0.0
Sub-Total	108,277	16.7	102,176	12.9	71,007	8.5	45,578	9.0	66,492	12.5
Total	**647,587**	**100.0**	**794,019**	**100.0**	**837,620**	**100.0**	**507,429**	**100.0**	**533,336**	**100.0**

Cost of Sales

Our cost of sales primarily consists of (i) trucking and transportation costs, which primarily include costs related to transporting our containers to our clients, returning empty containers to our warehouses and transiting our containers among our warehouses; (ii) warehousing costs, which mainly represent warehousing costs of our warehouses, including, among others, rental, utilities, office expenses, other storage expenses and depreciation expenses of our leased warehouse and equipment; (iii) depreciation and amortization expenses, which are primarily derived from the depreciation of our containers and inner linings; (iv) costs of containers sold, which primarily include the costs of selling our reusable foldable large load carriers, small load carriers, customized metal racks and custom-developed inner linings; (v) costs of packaging, which primarily include costs of our packaging containers, inner linings and other accessories; (vi) staff costs, which are primarily related to the remuneration of our operation staff; (vii) operating costs, which mainly include our maintenance costs, sales taxes and surcharges; and (viii) others, which primarily consist our freight forwarding costs, including expenses incurred for customs clearance and documentation.

The following table sets forth a breakdown of our cost of sales for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of cost of sales (%)*	*RMB'000*	*Percentage of cost of sales (%)*	*RMB'000*	*Percentage of cost of sales (%)*	*(RMB'000) (unaudited)*	*Percentage of total revenue (%)*	*(RMB'000)*	*Percentage of total revenue (%)*
Trucking and transportation costs	202,525	38.9	234,254	37.5	253,824	38.8	150,514	37.8	151,511	35.9
Warehousing costs	103,243	19.8	152,475	24.4	180,994	27.7	116,034	29.1	116,390	27.6
Depreciation and amortization expenses	52,758	10.1	54,042	8.7	52,970	8.1	33,149	8.3	36,223	8.6
Costs of container sold	88,488	17.0	81,355	13.0	58,140	8.9	34,982	8.8	52,887	12.5
Costs of packaging	44,000	8.5	62,207	10.0	63,844	9.8	38,405	9.6	39,889	9.4
Staff costs	15,974	3.1	14,564	2.3	14,998	2.3	10,125	2.5	10,184	2.4
Operating costs	6,230	1.2	14,987	2.4	17,102	2.6	7,477	1.9	7,964	1.9
Others	6,921	1.4	10,263	1.7	11,607	1.8	7,746	1.9	7,090	1.7
Total	**520,139**	**100.0**	**624,147**	**100.0**	**653,479**	**100.0**	**398,432**	**100.0**	**422,138**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less cost of sales. In the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2024 and 2025, our gross profit was RMB127.4 million, RMB169.9 million, RMB184.1 million, RMB109.0 million and RMB111.2 million, respectively. Gross profit margin represents our gross profit as a percentage of our revenue. In the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2024 and 2025, our gross profit margin was 19.7%, 21.4%, 22.0%, 21.5% and 20.8%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit/(loss)	Gross profit margin	Gross profit/(loss)	Gross profit margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Container services	109,046	20.2	150,283	21.7	172,789	22.5	99,614	21.6	98,955	21.2
Container sales	18,402	17.0	19,589	19.2	11,352	16.0	9,383	20.6	12,243	18.4
Total	**127,448**	**19.7**	**169,872**	**21.4**	**184,141**	**22.0**	**108,997**	**21.5**	**111,198**	**20.8**

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical locations for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross profit margin	Gross profit/(loss)	Gross profit margin	Gross profit/(loss)	Gross profit margin	Gross profit/(loss)	Gross profit margin	Gross profit/(loss)	Gross profit margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Container services										
– PRC	110,554	20.6	151,815	22.0	172,736	22.6	100,117	21.7	98,475	21.2
– Overseas[(1)]	(1,508)	(69.3)	(1,532)	(191.0)	53	2.9	(502)	(53.8)	480	28.8
Sub-total	109,046	20.2	150,283	21.7	172,789	22.5	99,614	21.6	98,955	21.2
Container Sales										
– PRC	16,930	16.4	19,008	19.1	11,071	15.9	9,162	20.6	11,190	17.7
– Overseas[(2)]	1,472	28.2	581	22.9	281	22.3	220	20.5	1,053	32.6
Sub-total	18,402	17.0	19,589	19.2	11,352	16.0	9,383	20.6	12,243	18.4
Total	**127,448**	**19.7**	**169,872**	**21.4**	**184,141**	**22.0**	**108,997**	**21.5**	**111,198**	**20.8**

Notes:

(1) Our overseas container services business primarily consisted of two key projects located in Indonesia and South Korea during the Track Record Period.

(2) Our overseas Container Sales business primarily served customers from Japan, South Korea, Germany, and other overseas regions during the Track Record Period.

During the Track Record Period, our gross profit margin from sale of our container services in the PRC amounted to 20.6%, 22.0% and 22.6%, respectively, for the years ended December 31, 2022, 2023 and 2024 and 21.7% and 21.2%, respectively, for the eight months ended August 31, 2024 and 2025. We recorded negative gross profit margin from sale of our container services overseas at 69.3%, 191.0%, 53.8% for the years ended December 31, 2022 and 2023, and the eight months ended August 31, 2024, respectively, and gross profit margin from sale of our container services overseas at 2.9% for the year ended December 31, 2024, and 28.8% for the eight months ended August 31, 2025. We experienced such negative gross profit margins mainly due to a gradual reduction in project scale in Indonesia and a decrease in customer demand over the years since the second half of 2022. With limited number and scale of overseas projects in Southeast Asia, container asset turnover was low due to a small customer base and low shipment frequency. As a result, operating efficiency was limited, and depreciation costs on deployed assets were allocated over fewer usage cycles, resulting in higher unit costs. Additionally, elevated international logistics costs and prolonged transit times further contributed to negative gross profit margins over the years.

During the Track Record Period, our gross profit margin from our container sales in the PRC amounted to 16.4%, 19.1% and 15.9%, respectively, for the years ended December 31, 2022, 2023 and 2024 and 20.6% and 17.7% respectively, for the eight months ended August 31, 2024 and 2025. Our gross profit margin from our container sales overseas amounted to 28.2%, 22.9%, and 22.3% for the years ended December 31, 2022, 2023 and 2024, respectively, and 20.5% and 32.6% for the eight months ended August 31, 2024 and 2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by industries of our downstream customers for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	Gross profit/ (loss)	Gross profit margin	Gross profit/ (loss)	Gross profit margin	Gross profit/ (loss)	Gross profit margin	Gross profit/ (loss)	Gross profit margin	Gross profit/ (loss)	Gross profit margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*(RMB'000)* *(unaudited)*	*(%)*	*(RMB'000)*	*(%)*
Container services										
– Automotive Industries	109,192	20.3	150,085	21.8	173,294	22.7	99,777	21.6	98,955	21.2
– Non-automotive industries	(146)	(23.7)	198	8.6	(505)	(32.9)	(163)	(25.2)	–	–
Sub-total	109,046	20.2	150,283	21.7	172,789	22.5	99,614	21.6	98,955	21.2
Container Sales										
– Automotive Industries	18,392	17.0	19,589	19.2	11,362	16.1	9,362	20.7	12,260	18.5
– Non-automotive industries	10	21.3	–	–	(10)	(4.6)	(10)	(4.8)	(17)	(42.0)
Sub-total	18,402	17.0	19,589	19.2	11,352	16.0	9,383	20.6	12,243	18.4
Total	**127,448**	**19.7**	**169,872**	**21.4**	**184,141**	**22.0**	**108,997**	**21.5**	**111,198**	**20.8**

During the Track Record Period, our gross profit margin from sales to downstream customers in our container services within the automotive industries amounted to 20.3%, 21.8% and 22.7% for the years ended December 31, 2022, 2023 and 2024, respectively, and 21.6% and 21.2% for the eight months ended August 31, 2024 and 2025, respectively. We recorded gross profit margin from our container sales to downstream customers within the automotive industries amounted to 17.0%, 19.2% and 16.1% for the years ended December 31, 2022, 2023 and 2024, respectively and 20.6% and 18.4% for the eight months ended August 31, 2024 and 2025, respectively.

We recorded gross profit margin from sales to downstream customers in our container services within the non-automotive industries at 8.6% for the year ended December 31, 2023. We recorded negative gross profit margin from sales to downstream customers in our container services within the non-automotive industries at 23.7% for the year ended December 31, 2022. We experienced such negative gross profit margin as a result of our business strategy to offer increased discounts to new customers in the logistics industry in order to expand our market share. Following the conclusion of our promotional offers to new customers in the logistics industry, we experienced a turnover in our gross profit margins since the second half of 2023. We recorded negative gross profit margin from sales to downstream customers in our container services within the non-automative industries at 32.9% for the year ended December 31, 2024, primarily due to the low container turnover rate in our container services within the non-automotive industries. As we had diverted more resources toward development within the automotive industry, this prevented us from achieving economies of scale, and led to higher per-unit costs.

Other income and gains

Our other income and gains primarily consists of (i) government grants, representing subsidies received from the local governments for our R&D initiatives and job retention efforts and award money received from the local governments in recognition of our business performance and development; (ii) income from value-added tax super deduction, representing gains on the tax incentives on value-added tax during the COVID-19 pandemic; (iii) interest income from our bank deposits and wealth management products; (iv) gains on disposal of property, plant and equipment, representing our gains from the disposal of obsolete containers; (v) fair value gains on financial assets at fair value through profit or loss ("**FVTPL**"), reflecting investment gains from our wealth management products; and (vi) others, mainly representing our compensation income.

In general, our containers are considered as obsolete under several circumstances. A container may be deemed unusable if it is damaged beyond repair, including significant structural issues or corrosion that affects its integrity. A container can also become obsolete when it no longer meets current safety or regulatory standards, making it unsafe for continued use. Additionally, if it has reached the end of its useful life, it may be also classified as obsolete. If newer, more efficient designs or materials provide better functionality or safety features, this can lead to obsolescence. Furthermore, if the container no longer meets the operational needs of the business, such as inadequate capacity, it may also be considered obsolete. Our management conducts regular assessments to ensure that all containers are evaluated for their condition, compliance with safety standards, and overall effectiveness in meeting operational needs. These assessments help identify any containers that may be approaching obsolescence, allowing us to make informed decisions about repairs, replacements, or updates.

For the years ended December 31, 2022, 2023, and 2024, and the eight months ended August 31, 2025, over 38,800, 154,300, 19,300 and 56,800 were disposed of to approximately 28, 40, 23 and 28 purchasers during the Track Record Period, respectively. Such disposals were mainly made to our customers, suppliers or other industry participants for additional storage needs, replacements and other business needs, with the selling price typically determined through arm's length commercial negotiation or based on the remaining book value.

The following table sets forth a breakdown of our other income and gains for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Government grants	1,507	2,185	1,532	297	456
Income from value-added tax super deduction	7,144	4,527	652	377	117
Interest income	355	497	863	595	332
Gains on disposal of property, plant and equipment	2,089	5,666	–	1,208	2,996
Fair value gains on financial assets at FVTPL	109	45	33	14	45
Others	190	327	958	134	43
Total	**11,394**	**13,247**	**4,038**	**2,625**	**3,989**

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) staff costs, which mainly include the remuneration of our marketing staff; (ii) advertising and hospitality expenses, which include, among others, expenses related to offline exhibitions and other marketing activities; (iii) traveling expenses, which include transportation and accommodation expenses of our marketing staff; (iv) professional consulting fees related to our sales business; (v) depreciation and amortization; (vi) office expenses; (vii) rental expenses; and (viii) others.

The following table sets forth a breakdown of our selling and distribution expenses for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total selling and distribution expenses (%)*	*RMB'000*	*Percentage of total selling and distribution expenses (%)*	*RMB'000*	*Percentage of total selling and distribution expenses (%)*	*(RMB'000) (unaudited)*	*Percentage of total selling and distribution expenses (%)*	*(RMB'000)*	*Percentage of total selling and distribution expenses (%)*
Staff costs	25,595	71.5	28,729	66.2	35,399	72.3	21,805	71.2	22,224	64.4
Advertising and hospitality expenses	4,266	11.9	7,372	17.0	7,309	14.9	3,984	13.0	7,099	20.6
Traveling expenses	1,431	4.0	3,122	7.2	2,366	4.8	1,691	5.5	2,217	6.4
Professional consulting fees	1,689	4.7	1,718	4.0	944	1.9	823	2.7	657	1.9
Depreciation and amortization	670	1.9	600	1.4	444	0.9	658	2.2	484	1.4
Office expenses	871	2.4	689	1.6	832	1.7	469	1.5	383	1.1
Rental expenses	1,160	3.3	931	2.1	1,254	2.6	813	2.7	1,067	3.1
Others	110	0.3	210	0.5	392	0.9	352	1.2	388	1.1
Total	**35,792**	**100.0**	**43,371**	**100.0**	**48,940**	**100.0**	**30,595**	**100.0**	**34,519**	**100.0**

Administrative Expenses

Our administrative expenses primarily consist of (i) staff costs, which primarily include remuneration of our administrative staff; (ii) professional fees, which primarily include our consulting and advisory fees and listing expenses; (iii) material costs, which primarily represent our costs incurred for the purchases of materials of our research and development activities; (iv) traveling expenses, which primarily consist of transportation and accommodation expenses of our administrative staff; (v) hospitality costs; (vi) depreciation and amortization; (vii) rental expenses mainly incurred in relation to our office rental, utilities and property management fees; (viii) office expenses primarily incurred for the purchases of our low-value consumables; (ix) share-based payment, which primarily represents our equity-settled share option expense; and (x) others, which primarily include our patent fees.

The following table sets forth a breakdown of our administrative expenses for the years/periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	*Percentage of total administrative expenses (%)*	*RMB'000*	*Percentage of total administrative expenses (%)*	*RMB'000*	*Percentage of total administrative expenses (%)*	*(RMB'000) (unaudited)*	*Percentage of total administrative expenses (%)*	*(RMB'000)*	*Percentage of total administrative expenses (%)*
Staff costs	25,402	48.2	25,212	49.6	29,339	42.8	18,802	47.1	22,226	51.7
Professional fees	6,869	13.0	6,207	12.2	19,234	28.1	8,694	21.8	8,912	20.8
Material costs	8,373	15.9	5,764	11.3	7,697	11.2	5,606	14.0	1,208	2.8
Traveling expenses	1,415	2.7	3,480	6.8	2,527	3.7	1,440	3.6	2,164	5.0
Hospitality costs	2,479	4.7	3,049	6.0	3,025	4.4	1,653	4.1	2,686	6.3
Depreciation and amortization	4,115	7.8	3,060	6.0	2,238	3.3	1,505	3.8	2,011	4.7
Rental expenses	2,517	4.8	2,579	5.1	2,354	3.4	1,149	2.9	1,362	3.2
Office expenses	1,094	2.1	837	1.6	837	1.2	550	1.4	526	1.2
Others	401	0.7	471	0.9	571	0.9	373	0.9	716	1.7
Share-based payment	43	0.1	216	0.5	690	1.0	144	0.4	1,130	2.6
Total	**52,708**	**100.0**	**50,875**	**100.0**	**68,512**	**100.0**	**39,916**	**100.0**	**42,941**	**100.0**

Impairment Losses/Reversal on Financial Assets, Net

Our impairment losses/reversal on financial assets are provisions/reversal for losses arising from potential bad debts in respect of our trade receivables and other receivables in the ordinary course of business. We assess impairment losses on financial assets based on a number of factors, including historical credit risk experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other Expenses

Our other expenses primarily consist of (i) donation; (ii) losses on disposal of property, plant and equipment; and (iii) exchange loss.

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we recorded other expenses of RMB0.9 million, RMB0.7 million, RMB1.6 million, RMB0.6 million and RMB0.7 million.

Finance Costs

Our finance costs include (i) interest on bank and other borrowings; and (ii) interest on lease liabilities.

The following table sets forth a breakdown of our finance costs for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Interest on bank and other borrowings	5,926	4,419	3,518	2,010	1,968
Interest on lease liabilities	915	827	944	570	457
Total	**6,841**	**5,246**	**4,462**	**2,580**	**2,425**

Share of loss of an associate

We recognized share of loss of associates of RMB3.0 thousand and RMB6.0 thousand for the year ended December 31, 2024 and the eight months ended August 31, 2025, respectively, primarily attributable to the financial performance of Jiangsu Lile Packaging Technology Co., Ltd., which is owned as to 40% by our Group.

Income Tax Expense

Our income tax expenses consist of current and deferred income taxes payable in the PRC by our subsidiaries. Our income tax expenses increased by 140.4% from RMB7.1 million for the year ended December 31, 2022 to RMB17.0 million for the year ended December 31, 2023. Our income tax expenses then decreased by 19.4% from RMB17.0 million for the year ended December 31, 2023 to RMB13.7 million for the year ended December 31, 2024. Our income tax expenses remained relatively stable at RMB7.7 million and RMB8.1 million for the eight months ended August 31, 2024 and 2025.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), we are subject to corporate income tax at a rate of 25% on our taxable income for our operation in the PRC. During the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the effective tax rate of our Group was 18.5%, 20.9%, 21.3%, 20.1% and 23.1% respectively. The relatively low effective tax rate reflected the tax exemption we enjoyed during the Track Record Period. Our Company and another subsidiary of our Group are qualified as "high and new technology enterprises," and benefited from a preferential income tax rate of 15%. Certain other subsidiaries of our Group are qualified as "small and micro enterprises," and were subject to a preferential income tax rate of 20.0%. See Note 10 to the Accountants' Report set out in Appendix I to this prospectus for more details.

PERIODS TO PERIODS COMPARISON OF RESULTS OF OPERATIONS

Eight Months Ended August 31, 2024 Compared with Eight Months Ended August 31, 2025

Revenue

Our revenue increased by 5.1% from RMB507.4 million for the eight months ended August 31, 2024 to RMB533.3 million for the eight months ended August 31, 2025, primarily due to an increase in our revenue from container sales, primarily due to favorable market demand from customers.

Container services

Pooling Services

Revenue generated from our pooling services remained relatively stable at RMB401.1 million for the eight months ended August 31, 2024 to RMB403.0 million for the eight months ended August 31, 2025, primarily due to our steady turnover times and average operating price during the eight months ended August 31, 2025, driven by our strategic shift in focus from merely pursuing revenue scale to optimizing customer structure by selecting customers with strong performance growth and stable demand volume.

Rental Services

Revenue generated from rental services increased by 25.3% from RMB15.0 million for the eight months ended August 31, 2024 to RMB18.8 million for the eight months ended August 31, 2025, primarily due to customers switching from purchasing one-time packaging materials to our rental services to meet their internal cost reduction and efficiency improvement requirements, driving higher rental demand and average rental price.

Other Value-added Services

Revenue generated from other value-added services remained relatively stable at RMB45.7 million and RMB45.1 million for the eight months ended August 31, 2024 and 2025, respectively, primarily due to steady demand of our specific customers for our value-added services, including logistics transportation, warehousing management, and customer-owned container management.

Container Sales

Revenue generated from container sales increased by 45.8% from RMB45.6 million for the eight months ended August 31, 2024 to RMB66.5 million for the eight months ended August 31, 2025. Such increase was primarily due to favorable market fluctuations, leading to an increase in demand of our small load carriers.

Cost of Sales

Our cost of sales increased by 5.9% from RMB398.4 million for the eight months ended August 31, 2024 to RMB422.1 million for the eight months ended August 31, 2025. Such increase was primarily due to (i) an increase in our costs of container sold and costs of packaging, which was in line with the increase in our container sales; and (ii) an increase in our depreciation and amortization expenses, primarily due to an increase in our containers pool under management.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased slightly by 2.0% from RMB109.0 million for the eight months ended August 31, 2024 to RMB111.2 million for eight months ended August 31, 2025. Our gross profit margin decreased slightly from 21.5% for the eight months ended August 31, 2024 to 20.8% for the eight months ended August 31, 2025. Such change was primarily due to the combined effect of the decrease in gross profit margins for both our container services and container sales, mainly driven by automotive industry fluctuations, increased container reserves, and a higher proportion of lower-margin small load carriers.

Gross profit margin of our container services decreased from 21.6% for the eight months ended August 31, 2024 to 21.2% for the eight months ended August 31, 2025. Such decline was primarily due to fluctuations in the automotive industry affecting the efficiency and profitability of certain pooling projects, along with our increased container reserves and investments, which led to higher costs of sales.

Gross profit margin of our container sales decreased from 20.6% for the eight months ended August 31, 2024 to 18.4% for the eight months ended August 31, 2025. Such decline was primarily due to an increase in the sales volume and proportion of our small load carriers, which had lower profit margins compared to other containers.

Other Income and Gains

Our other income and gains increased by 52.0% from RMB2.6 million for the eight months ended August 31, 2024 to RMB4.0 million for the eight months ended August 31, 2025. Such increase was primarily due to an increase in our gains on disposal of property, plant and equipment, mainly attributable to increased volume and gains from the disposal of inner linings customized for customers in the new energy vehicle sectors that could not be integrated into our asset pool for reuse across other projects due to changes in battery and component designs.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 12.8% from RMB30.6 million for the eight months ended August 31, 2024 to RMB34.5 million for the eight months ended August 31, 2025. Such increase was primarily due to our increased advertising and hospitality expenses for our global market expansion.

Administrative Expenses

Our administrative expenses increased by 7.6% from RMB39.9 million for the eight months ended August 31, 2024 to RMB42.9 million for the eight months ended August 31, 2025. Such increase was primarily due to our increased investment in manpower and resources in global market expansion. This has led to higher expenditures on staff costs and travelling expenses.

Reversal on Impairment Losses on Financial Assets, Net

We recognized a reversal of our impairment losses on financial assets of RMB0.6 million and RMB0.3 million for the eight months ended August 31, 2024 and 2025, respectively.

Other Expenses

Our other expenses were RMB0.6 million and RMB0.7 million for the eight months ended August 31, 2024 and 2025, respectively.

Finance Cost

Our finance cost decreased by 6.0% from RMB2.6 million for the eight months ended August 31, 2024 to RMB2.4 million for the eight months ended August 31, 2025. Such decrease was primarily due to a decrease in loan interest rates, with the loan prime rate at 3.45% at the beginning of 2024, and further declining to 3.1% at the beginning of 2025.

Share of Loss of an Associate

We recognized share of loss of associates of RMB6.0 thousand for eight months ended August 31, 2025, primarily attributable to the share of profits of Jiangsu Lile Packaging Technology Co., Ltd., which was owned as to 40% by our Group.

Income Tax Expense

Our income tax expenses increased from RMB7.7 million for the eight months ended August 31, 2024 to RMB8.1 million for the eight months ended August 31, 2025, respectively, which was in line with the changes of our profit before tax.

Profit for the Period

As a result of the above, our net profit decreased by 12.5% from RMB30.7 million for the eight months ended August 31, 2024 to RMB26.9 million for the eight months ended August 31, 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 5.5% from RMB794.0 million for the year ended December 31, 2023 to RMB837.6 million for the year ended December 31, 2024, primarily due to the overall increase in our revenue from our pooling services, as partially offset by the decrease in revenue of our rental services, other value-added services and container sales.

Container services

Pooling Services

Revenue generated from our pooling services increased by 14.6% from RMB587.7 million for the year ended December 31, 2023 to RMB673.5 million for the year ended December 31, 2024. Such increase was primarily due to (i) our enhanced efforts to promote pooling services as our core business among customers; and (ii) the increase in our container turnover in pooling services from 5.3 million times to 6.5 million times driven by increasing demand for our cost-effective and sustainable solutions, coupled with (i) the expansion of our geographical reach from 93 cities for the year ended December 31, 2023 to 100 cities for the year ended December 31, 2024; and (ii) the introduction of a new international route for the year ended December 31, 2024.

Rental Services

Revenue generated from rental services decreased by 25.6% from RMB28.1 million for the year ended December 31, 2023 to RMB20.9 million for the year ended December 31, 2024. This was primarily (i) due to a change of service mix from rental services to pooling services, which are perceived by our customers as more comprehensive, cost-effective and efficient; (ii) our preference to target a broader customer base in pooling services, as rental service customers often require specific containers that are not compatible with our existing standard containers.

Other Value-added Services

Revenue generated from other value-added services decreased by 5.3% from RMB76.1 million for the year ended December 31, 2023 to RMB72.1 million for the year ended December 31, 2024. This was primarily due to a decrease in the service volume of our existing customers.

Container Sales

Revenue generated from container sales decreased by 30.5% from RMB102.2 million for the year ended December 31, 2023 to RMB71.0 million for the year ended December 31, 2024. Such decrease was primarily due to a decrease in demand for our specialized containers, which was mainly attributable to (i) a shift in customer preference from container sales to pooling services, which are perceived by our customers as more comprehensive, cost-effective and efficient; (ii) a decrease in the number of our existing customers following completion of our delivery; and (iii) a decrease in repeat business from our existing customers due to the long-lasting nature of our containers, limiting our revenue from these customers to maintenance and support services.

Cost of Sales

Our cost of sales increased by 4.7% from RMB624.1 million for the year ended December 31, 2023 to RMB653.5 million for the year ended December 31, 2024. Such increase was in line with the growth of our revenue and was primarily due to (i) an increase in our trucking and transportation costs, partially due to the expansion of our geographical reach to 100 cities and the introduction of one international logistics route; and (ii) an increase in warehousing costs, primarily resulting from an increase in our containers pool under management from around 1.0 million reusable containers for the year ended December 31, 2023 to over 1.4 million reusable containers for the year ended December 31, 2024, as partially offset by the decrease in our costs of containers sold, which was in line with the decrease of our container sales.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 8.4% from RMB169.9 million for the year ended December 31, 2023 to RMB184.1 million for the year ended December 31, 2024. Our gross profit margin increased from 21.4% for the year ended December 31, 2023 to 22.0% for the year ended December 31, 2024. This was primarily due to the expansion of our service network and enhanced geographical coverage, which resulted in shorter container transit times and more cost-efficient operations.

Gross profit margin of our container services remained relatively stable at 21.7% and 22.5% for the year ended December 31, 2023 and 2024, respectively.

Gross profit margin of our container sales remained relatively stable at 19.2% for the year ended December 31, 2023 and 16.0% for the year ended December 31, 2024.

Other Income and Gains

Our other income and gains decreased by 69.5% from RMB13.2 million for the year ended December 31, 2023 to RMB4.0 million for the year ended December 31, 2024. Such decrease was primarily due to (i) the fact that there was no gain on disposal of property, plant and equipment in 2024 as a disposal of a specific group of equipment resulted in overall loss; (ii) the ending of the tax incentives for taxpayers of productive services on value-added tax on December 31, 2023, such that we no longer enjoyed the additional 5% value input tax deduction only leaving one entity to enjoy the 5% value input tax deduction for taxpayers of advanced manufacturing enterprise in 2024; and (iii) a reduction in government grants received.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 12.8% from RMB43.4 million for the year ended December 31, 2023 to RMB48.9 million for the year ended December 31, 2024. Such increase was primarily due to (i) an increase in the number of our marketing staff, leading to an increase in the payment of their salaries and benefits; and (ii) an increase in our rental expenses, partially offset by a decrease in our travel expenses resulting from improved communication efficiency through online channels, which led to a reduction in the need of business trips.

Administrative Expenses

Our administrative expenses increased by 34.7% from RMB50.9 million for the year ended December 31, 2023 to RMB68.5 million for the year ended December 31, 2024. Such increase was primarily due to (i) the incurrence of our listing expenses; and (ii) payment of salaries and benefits to our administrative staff in the new Thailand offices.

Impairment Losses on Financial Assets, Net

We recognized a reversal of our impairment losses on financial assets of RMB1.8 million and RMB0.2 million for the year ended December 31, 2023 and 2024, respectively.

Other Expenses

Our other expenses were RMB0.7 million and RMB1.6 million for the year ended December 31, 2023 and 2024, respectively.

Finance Cost

Our finance cost decreased by 14.9% from RMB5.2 million for the year ended December 31, 2023 to RMB4.5 million for the year ended December 31, 2024. Such decrease was primarily due to a decrease in the interest rates of our bank borrowings for the year ended December 31, 2024.

Share of Loss/Profit of an Associate

We recognized share of losses of associates of RMB3.0 thousand for the year ended December 31, 2024, primarily attributable to the net loss of Jiangsu Lile Packaging Technology Co., Ltd., which was owned as to 40% by our Group.

Income Tax Expense

Our income tax expenses decreased by 19.1% from RMB17.0 million for the year ended December 31, 2023 to RMB13.7 million for the year ended December 31, 2024, which was in line with the decrease in our profit before tax.

Profit for the Year

As a result of the above, our net profit decreased by 20.9% from RMB64.1 million for the year ended December 31, 2023 to RMB50.7 million for the year ended December 31, 2024. Such decrease was primarily due to (i) a reduction in our other income and gains, stemming from the absence of gains on the disposal of property, plant, and equipment in 2024, compounded by the cessation of tax incentives for productive services on value-added tax as of December 31, 2023; (ii) an increase in our selling and distribution expenses, driven by the expansion of our marketing workforce and rising rental expenses; and (iii) an increase in administrative expenses associated with the incurrence of our listing expenses and payment of salaries and benefits to our administrative staff in the new Thailand offices, despite an increase in our overall gross profit.

Year Ended December 31, 2023 Compared With Year Ended December 31, 2022

Revenue

Our revenue increased by 22.6% from RMB647.6 million for the year ended December 31, 2022 to RMB794.0 million for the year ended December 31, 2023, primarily due to the overall increase in our container services, as partially offset by the decrease in revenue of our container sales.

Container services

Pooling Services

Revenue generated from pooling services increased by 31.4% from RMB447.4 million for the year ended December 31, 2022 to RMB587.7 million for the year ended December 31, 2023. Such increase was primarily due to (i) the growth in the business volume of our existing customers; and (ii) an increase in our container turnover in pooling services from 5.0 million times for the year ended December 31, 2022 to 5.3 million times for the year ended December 31, 2023 driven by increasing demand for our cost-effective and sustainable solutions, coupled with (i) the expansion of our geographical reach from 83 cities for the year ended December 31, 2022 to 92 cities for the year ended December 31, 2023, in particular our then business development in the Shaanxi and Shanxi provinces; and (ii) an increase in the number of our domestic circulation routes from 671 for the year ended December 31, 2022 to 916 for the year ended December 31, 2023.

Rental Services

Revenue generated from rental services remained relatively stable at RMB28.4 million for the year ended December 31, 2022 and RMB28.1 million for the year ended December 31, 2023.

Other Value-added Services

Revenue generated from our other value-added services increased by 19.9% from RMB63.5 million for the year ended December 31, 2022 to RMB76.1 million for the year ended December 31, 2023. Such increase was primarily in line with the business growth of our pooling services during the same periods.

Container Sales

Revenue generated from container sales decreased by 5.6% from RMB108.3 million for the year ended December 31, 2022 to RMB102.2 million for the year ended December 31, 2023. Such decrease was primarily due to a change of service mix from container sales to pooling services, which are perceived by our customers as more comprehensive, cost-effective and efficient.

Cost of Sales

Our cost of sales increased by 20.0% from RMB520.1 million for the year ended December 31, 2022 to RMB624.1 million for the year ended December 31, 2023. Such increase was in line with the growth of our revenue and was primarily due to (i) an increase in our trucking and transportation costs, partially due to the expansion of our geographical reach to

92 cities; and (ii) an increase in warehousing costs, primarily resulting from an increase in our asset pool under management from around 0.9 million reusable containers for the year ended December 31, 2022 to around 1.1 million reusable containers for the year ended December 31, 2023.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 33.3% from RMB127.4 million for the year ended December 31, 2022 to RMB169.9 million for the year ended December 31, 2023. Our gross profit margin increased from 19.7% for the year ended December 31, 2022 to 21.4% for the year ended December 31, 2023. This was primarily due to our enhanced operation efficiency as the trade flows and supply chain began to return to normal post-COVID-19.

Gross profit margin of our container services increased from 20.2% for the year ended December 31, 2022 to 21.7% for the year ended December 31, 2023.

Gross profit margin of our container sales increased from 17.0% for the year ended December 31, 2022 to 19.2% for the year ended December 31, 2023. Such increase was primarily due to a decline in the costs of containers sold as the supply chain began to stabilize post COVID-19.

Other Income and Gains

Our other income and gains increased by 16.3% from RMB11.4 million for the year ended December 31, 2022 to RMB13.2 million for the year ended December 31, 2023. This was primarily due to an increase in government grants received, as partially offset by a reduction of the tax incentives on value-added tax from 10.0% value input tax deduction for the year ended December 31, 2022 to 5.0% value input tax deduction for the year ended December 31, 2023.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 21.2% from RMB35.8 million for the year ended December 31, 2022 to RMB43.4 million for the year ended December 31, 2023. Such increase was primarily due to (i) an increase in the number of our marketing staff, leading to an increase in the payment of their salaries and benefits; (ii) the payment of discretionary bonuses for the year ended December 31, 2023; and (iii) an increase in advertising and hospitality expenses and traveling expenses as business travel and hospitality activities resumed normalcy following the lifting of travel restrictions imposed during the COVID-19 pandemic.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB52.7 million for the year ended December 31, 2022 and RMB50.9 million for the year ended December 31, 2023.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets decreased by 59.5% from RMB4.4 million for the year ended December 31, 2022 to RMB1.8 million for the year ended December 31, 2023. Such decrease was primarily due to our enhanced effort in trade receivables collection.

Other Expenses

Our other expenses remained relatively stable at RMB0.9 million for the year ended December 31, 2022 and RMB0.7 million for the year ended December 31, 2023.

Finance Cost

Our finance cost decreased by 23.3% from RMB6.8 million for the year ended December 31, 2022 to RMB5.2 million for the year ended December 31, 2023. Such decrease was primarily due to a decrease in the interest rates of our bank borrowings for the year ended December 31, 2023.

Income Tax Expense

Our income tax expenses increased by 140.4% from RMB7.1 million for the year ended December 31, 2022 to RMB17.0 million for the year ended December 31, 2023, which was in line with the increase in our profit before tax.

Profit for the Year

As a result of the above, our profit for the year increased by 105.6% from RMB31.2 million for the year ended December 31, 2022 to RMB64.1 million for the year ended December 31, 2023.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	267,092	269,739	296,030	299,354
Right-of-use assets	23,640	31,000	21,135	18,258
Investment in an associate	–	345	597	591
Other intangible assets	2,921	2,376	2,394	2,758
Deferred tax assets	8,831	8,129	8,856	8,409
Other long-term assets	6,687	4,658	5,207	10,763
Total non-current assets	309,171	316,247	334,219	340,133
CURRENT ASSETS				
Inventories	32,450	18,807	17,245	23,974
Trade and bills receivables	310,694	360,753	382,372	324,503
Financial assets at fair value through other comprehensive income	56,195	72,798	47,502	45,373
Prepayments, other receivables and other assets	13,826	17,722	16,462	20,409
Financial assets at fair value through profit or loss	10,543	12,096	11,082	51,463
Tax recoverable	2,143	249	77	77
Pledged deposits	13,940	12,380	3	2
Restricted cash	27	1,014	87	–
Cash and cash equivalents	33,201	32,343	56,776	88,915
Total current assets	473,019	528,162	531,606	554,716

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT LIABILITIES				
Trade and bills payables	274,938	261,116	249,604	202,846
Other payables and accruals	26,085	28,352	37,399	31,202
Interest-bearing bank and other borrowings	119,649	117,954	101,663	178,348
Tax payable	5,349	10,552	10,742	9,462
Lease liabilities	11,011	15,364	11,615	13,073
Total current liabilities	437,032	433,338	411,023	434,931
NET CURRENT ASSETS	**35,987**	**94,824**	**120,583**	**119,785**
TOTAL ASSETS LESS CURRENT LIABILITIES	**345,158**	**411,071**	**454,802**	**459,918**
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	–	–	19,000	–
Lease liabilities	8,910	11,419	5,636	2,506
Total non-current liabilities	8,910	11,419	24,636	2,506
NET ASSETS	**336,248**	**399,652**	**430,166**	**457,412**
EQUITY				
Equity attributable to owners of the parent				
Share capital	–	–	70,000	70,000
Paid-in capital	14,222	14,222	–	–
Reserves	295,322	346,361	315,541	337,920
	309,544	**360,583**	**385,541**	**407,920**
Non-controlling interests	**26,704**	**39,069**	**44,625**	**49,492**
TOTAL EQUITY	**336,248**	**399,652**	**430,166**	**457,412**

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Paid In/Share Capital and Total Equity" below and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consist of (i) buildings; (ii) machinery; (iii) reusable packaging containers; (iv) electronic equipment; (v) transportation equipment and others; (vi) inner linings; and (vii) construction in progress.

Our property, plant, and equipment remained relatively stable at RMB267.1 million as of December 31, 2022 and RMB269.7 million as of December 31, 2023. Our property, plant and equipment further increased from RMB269.7 million as of December 31, 2023 to RMB296.0 million as of December 31, 2024, primarily due to (i) an increase of our reusable packaging containers, which was in line with the growth of our pooling services; (ii) an increase in our inner lining due to our increased investment in inner linings in 2024; and (iii) the addition of our construction in progress relating to the expansion of our Angu Factory in 2024. Our property, plant, and equipment increased from RMB296.0 million as of December 31, 2024 to RMB299.4 million as of August 31, 2025. Such increase was primarily attributed to the ongoing expansion of our reusable packaging containers to meet anticipated demand in the second half of 2025, as well as the continued investment in construction related to the expansion of our Angu Factory in 2025.

Right-of-Use Assets

During the Track Record Period, our right-of-use assets primarily represents our lease contracts for (i) office premises; (ii) warehouse and equipment; and (iii) leasehold land used in our operations. Lump sum payments were made upfront to lease the leasehold land with lease periods of 50 years and warehouse and equipment with lease periods of two to six years, and no ongoing payments will be made under the terms of the lease for the leasehold land. Our right-of-use assets increased from RMB23.6 million as of December 31, 2022 to RMB31.0 million as of December 31, 2023. Such increase was primarily attributed to the addition of leased office premises, including warehouse and equipment. Our right-of-use assets decreased from RMB31.0 million as of December 31, 2023 to RMB21.1 million as of December 31, 2024. Such decrease was mainly due to a reduction in the number of our self-operated warehouses, leading to a decrease in the number of our leases. Our right-of-use assets decreased from RMB21.1 million as of December 31, 2024 to RMB18.3 million as of August 31, 2025. Such decrease was primarily due to a further reduction in the number of our self-operated warehouse.

Investment in an Associate

Investment in an associate represented our investment in 40% equity interest in Jiangsu Lile Packaging Technology Co., Ltd., which is principally engaged in manufacturing of inner linings and metal racks. We recorded investment in an associate of nil, RMB0.3 million, RMB0.6 million and RMB0.6 million as of December 31, 2022, 2023 and 2024, and August 31, 2025, respectively. The increases of our investment in such associate in 2024 represented our capital contribution during the year ended December 31, 2024.

Other Intangible Assets

During the Track Record Period, our other intangible assets consisted primarily of software. Our other intangible assets remained relatively stable at RMB2.9 million, RMB2.4 million, RMB2.4 million and RMB2.8 million as of December 31, 2022, 2023 and 2024, and August 31, 2025 respectively.

Other Long-Term Assets

During the Track Record Period, our other long-term assets primarily represented deposits placed at the request of our customers for tender purposes and performance guarantee for over one year and prepayments made for our machinery. The following table sets forth the carrying amount of our other long-term assets as of the dates indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits	3,366	3,130	3,530	5,182
Prepayments	3,321	1,528	1,677	5,581
Total	**6,687**	**4,658**	**5,207**	**10,763**

We recorded other long-term assets of RMB6.7 million, RMB4.7 million, RMB5.2 million and RMB10.8 million as of December 31, 2022, 2023 and 2024, and August 31, 2025 respectively.

Inventories

During the Track Record Period, our inventories primarily consist of raw materials and finished goods. The following table sets forth the carrying amount of our inventories as of the dates indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	6,800	7,776	7,753	8,042
Finished goods	25,650	11,031	9,492	15,932
Total	**32,450**	**18,807**	**17,245**	**23,974**

Our inventories decreased from RMB32.5 million as of December 31, 2022 to RMB18.8 million as of December 31, 2023, and further decreased to RMB17.2 million as of December 31, 2024, which was in line with the decrease of revenue from our container sales. Our inventories increased from RMB17.2 million as of December 31, 2024 to RMB24.0 million as of August 31, 2025, primarily because we strategically raised our inventory level in anticipation of sales growth.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within six months	30,280	14,974	14,625	18,370
Six months to one year	1,007	2,060	1,019	4,345
One to one and a half years	422	912	718	384
One and a half years to two years	115	389	204	236
Over two years	626	472	679	639
Total	32,450	18,807	17,245	23,974

The following table sets forth the turnover days of our inventories for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,
	2022	2023	2024	2025
Inventory turnover days[(1)]	98.3	115.0	113.2	94.8

Note:

(1) Inventory turnover days for a year/period equals the average of the gross value of the opening and closing balance of our inventories divided by costs of container sold for the relevant year/period, and multiplied by the number of days in the relevant year/period, which is 365 days for each year/243 days for each period.

The turnover days of our inventory increased from 98.3 days for the year ended December 31, 2022, to 115.0 days for the year ended December 31, 2023. Such increase was primarily attributed to (i) an increase in our average inventories resulting from lower-than-anticipated sales for the year ended December 31, 2022, caused by the impact of the COVID-19 pandemic; and (ii) a decrease in our costs of container sold as the supply chain began to stabilize post-COVID-19 for the year ended December 31, 2023. The turnover days of our inventory remained relatively stable at 115.0 days, 113.2 days for the year ended December 31, 2023 and 2024. The turnover days of our inventory decreased from 113.2 days to 94.8 days, primarily due to improved timeliness of invoicing resulting from enhanced inventory management efforts, which in turn increased the inventory turnover frequency.

As at January 31, 2026, RMB19.9 million, or 83.1%, of our inventory as of August 31, 2025, had been sold to our customers. For the eight months ended August 31, 2025, we made provision for impairment of inventories of RMB0.9 million to recognize its net realizable value. Our Directors consider that sufficient provision was made and there was no material recoverability issue of our inventories as of August 31, 2025, which included RMB8.0 million of raw materials that mainly comprised steal and plastic pellets that we purchased from our raw material suppliers; and RMB15.9 million of finished goods that mainly comprised our reusable containers, carriers, metal racks and inner linings, for the reasons that (i) a majority of our inventories are primarily aged one year or less; (ii) our inventories are not perishable or fragile products and can maintain saleable value; (iii) a substantial part of our inventories had already been allocated to our on-going contracts and their subsequent sale; and (iv) our raw materials in stock as a whole are still being used for production.

Trade and Bills Receivable

During the Track Record Period, our trade and bills receivables primarily consist of (i) trade receivables, representing the amount of money owed by customers for services or products sold on credit terms; and (ii) bills receivable, representing bank acceptance bills that have been received from our customers.

Our trading term with our customers are mainly on credit. We generally grant a credit period ranging from 30 to 90 days from the invoice date, but variations may occur on a case-by-case basis depending on (i) customer's background, reputation and credibility; (ii) customer's payment history in the industry; and (iii) customer's business relationship with us, and subject to the approval by our management. Our bill receivables are generally due within two to three months from the invoice date. We closely monitor the credit qualities and the collectability of these bills receivables.

The following table sets forth our trade and bills receivables as of the date indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	305,649	347,676	375,620	311,258
Bill receivables, carried at amortized cost	16,332	25,970	21,231	27,383
Impairment	(11,287)	(12,893)	(14,479)	(14,138)
Net carrying amount	310,694	360,753	382,372	324,503

Our trade and bills receivables increased from RMB310.7 million as of December 31, 2022 to RMB360.8 million as of December 31, 2023. Such increase was primarily due to (i) an increase in trade receivables in line with our business expansion; and (ii) an increase in bills receivable due to more customers opting to settle their invoices using bills, which have not reached their due dates. Our trade and bills receivables increased from RMB360.8 million as of December 31, 2023, to RMB382.4 million as of December 31, 2024, primarily due to an increase in our billing during the last quarter of 2024, which was in line with the growth of our business. Our trade and bills receivables decreased from RMB382.4 million as of December 31 2024 to RMB324.5 million as of August 31, 2025. Such decrease was primarily due to enhanced efforts and measures to collect our outstanding receivables.

In general, we allow customers to settle their purchases using acceptance notes guaranteed by certain banks in the PRC. Once these bank acceptance notes are received by us, they may be held until their maturity dates to receive their full value, or endorsed by us to settle our payables to suppliers. To the best knowledge of our Directors, we complied with applicable laws and regulations related to our endorsement of notes receivables to suppliers in material aspects during the Track Record Period.

As of December 31, 2022, 2023 and 2024, and August 31, 2025 we endorsed certain bank acceptance notes (the "**Endorsed Notes**") to certain of our suppliers in order to settle the trade and other payables due to such suppliers with carrying amounts in aggregate of RMB71.4 million, RMB115.0 million, RMB290.7 million, and RMB203.2 million, respectively. The Endorsed Notes had a maturity from three to six months as of the end of each financial year during the Track Record Period. In accordance with the Negotiable Instruments Law of the PRC and relevant discounting arrangements with certain banks in the PRC, the holders of the Endorsed Notes have a right of recourse against our Group if such banks default (the "**Continuing Involvement**").

In the opinion of our Directors, we have transferred substantially all risks and rewards relating to certain Endorsed Notes (the "**Derecognized Endorsed Notes**") with amounts of RMB59.6 million, RMB98.5 million, RMB274.0 million and RMB180.0 million as of December 31, 2022, 2023 and 2024, and August 31, 2025 respectively. Accordingly, the full carrying amounts of such note receivable have been derecognized. The maximum exposure to loss from our Continuing Involvement in the derecognized notes is equal to their carrying amounts. In the opinion of our Directors, the fair values of our Continuing Involvement in the derecognized notes are not significant.

For the rest of the Endorsed Notes, our Directors believe that we have retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes (the "**Recognized Endorsed Notes**"), and accordingly, we continued to recognize the full carrying amounts of the Endorsed Notes. Subsequent to the endorsement, we did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. As of December 31, 2022, 2023 and 2024, and August 31, 2025 the aggregate carrying amounts of the trade payables settled by such Endorsed Notes to which suppliers have recourse were RMB11.7 million, RMB16.5 million, RMB16.7 million, and RMB23.1 million respectively.

When the Endorsed Notes are dishonored by non-acceptance or non-payment in part of the accepted banks, our suppliers, the holders of the Endorsed notes, shall have an immediate right of recourse against us, the drawers, the accepted banks and other endorsers, if any. When exercising such right of recourse, the holders shall provide relevant evidence of non-acceptance or non-payment and may demand the parties against whom the right of recourse is exercised to pay the amount due under the dishonored Endorsed Notes, along with interests on such amount from the date of maturity or from the date of presentment for payment until the date of payment. If we have settled the debt, we may exercise the right of re-recourse against other parties liable for the Endorsed Notes and request them to pay the entire sum that we have paid, together with interest on such amount from the day of our payment until the date of reimbursement after seeking re-recourse. Should we fail to seek reimbursement from any other persons liable for the Endorsed Notes, our maximum potential liabilities (excluding interest payable) as of January 31, 2026 would be RMB123.2 million, representing the full carry amount of the Derecognized Endorsed Notes and the Recognized Endorsed Notes.

The following table sets forth an aging analysis of our trade and bills receivables as of the dates indicated presented, based on invoice date and net of loss allowance:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within six months	302,043	355,432	374,092	315,400
Six months to one year	7,951	3,408	7,278	6,682
One to two years	390	1,838	887	2,278
Two to three years	310	75	115	143
Total	310,694	360,753	382,372	324,503

The following table sets forth the number of our trade and bills receivables turnover days for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,
	2022	2023	2024	2025
Trade and bills receivable turnover days[1]	168.3	159.9	167.9	167.8

Note:

(1) The trade and bills receivable turnover days are derived by dividing the average of the beginning and ending trade and bills receivable balances by revenue for that year/period and multiplied by 365 days for each year/243 days for each period.

Our trade and bills receivables turnover days remained relatively stable at 168.3 days, 159.9 days, 167.9 days and 167.8 days for the years ended December 31, 2022 and 2023 and 2024, and the eight months ended August 31, 2025. Our trade receivables turnover days during the Track Record Period were notably longer than the general credit period granted to our customers, which typically ranged from 30 to 90 days. This was primarily due to our acceptance of bank acceptance notes from customers as a method of settlement. These bank acceptance notes, with a maturity period of three to six months, extended the timeframe for collecting payments. Although the initial credit period for customers generally ranged from 30 to 60 days, the maturity of the bank acceptance notes added an additional three to six months before we could collect cash payments, leading to an increase in our trade receivables turnover days. The extended turnover days reflect the prolonged period required to collect payments following the maturity of our bank acceptance notes.

Additionally, some of our larger customers had prolonged payment approval process, which further extended the overall time required to collect payments, resulting in an increase in our trade receivables turnover days.

As of January 31, 2026, RMB275.4 million, or 88.5%, of our trade receivables as of August 31, 2025 had been settled. We seek to maintain strict control over our outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. We do not hold any collateral or other credit enhancements over our trade receivable balances.

To strengthen the control of our outstanding trade receivables, our credit control department has adopted the following credit control measures:

- monitoring and updating our customer's trade receivables position from time to time, keeping track of the movement of trade receivables, and ensuring that the outstanding amounts due do not exceed the maximum balance allowable for a customer;

- sending payment reminders to customers before the balance is due and requiring sales personnel to communicate with customers regarding the payment plans in advance;

- updating a list of defaulting customers and designating personnel to follow up the collection of overdue trade receivables; and

- providing monthly information on our customer's credit position up to end of the previous month for our sales personnel to follow up.

To minimize our credit risks, we have also implemented sales and collection policy which includes measures to perform on-going credit evaluation of financial conditions of our customers. For both of our new and existing customers, we assess the potential customer's credit quality at the early stage of entering sales contracts and our sales department is responsible for assessing the risks and credits of the customers. Credit limit is assigned to each customer and is regularly reviewed by the management of our Group. For a new customer, as part of the customer intake process, the staff from our sales department would collect basic information and build customer profiles to include new customers' business operation conditions, financial conditions and credit conditions and assess their credit risk based on the information collected. In particular, our staff from the sales department would prepare a new customer application form that includes the customer's scope of business operations, market position in commercial vehicle market, purpose of purchase and potential business risks associated. Before we enter a new sales contract with both of our new and existing customers, we internally reviewed and confirmed the order with our finance, sales and legal personnel. Approvals from relevant departments are required to enter sales contracts. For existing customers, we also consider the customer's payment history and any unsettled amount with us at the time. We are vigilant and update our assessments based on our customers' business operations and financial performance. We obtain information of our customer's operation and finance performance via public domain and regular communications with them. Our management of the sales and finance departments also conducts review at least once a month on the credit limits that were assigned to each of our existing customers to ensure the customer's business and finance conditions are properly reflected.

When a payment is due, we take further appropriate follow-up actions based on our previous assessments and Director's review, including continuous communications with our customers, negotiating with customers to formulate payment plans and monitoring the implementation, sending overdue payment notices on a monthly basis and taking legal actions when necessary. Our sales team is responsible for following up with our customers periodically regarding trade receivables, and closely monitors the progress and outcome of such follow-ups as it is one of their KPIs. They are responsible for notifying customers to make timely payments until receiving confirmation from our finance department that such payments have been timely and duly made.

To further mitigate the default risks arising from the Endorsed Notes, we have also adopted the following measures:

- reducing the proportion of trade receivables settled by bank acceptance notes to 50% or below by contractually requiring customers to make at least 50% of their payments via direct wire transfer;

- only accepting bank acceptance notes that are issued or guaranteed by reputable banks in the PRC; and

- maintaining a list of all Endorsed Notes, regularly assessing their maturity dates and monitoring the financing status of the endorsing banks, and adjusting our credit policies proactively based on emerging risks.

Financial Assets at Fair Value Through Other Comprehensive Income

During the Track Record Period, our financial assets at FVTOCI primarily consisted of bills which were held by us for the practice of endorsing to suppliers before the bills due for payment. All the bills receivable were within a maturity period of less than 12 months. We consider the credit risk was limited because counterparties were banks with good credit standing and were highly likely to pay.

Our financial assets at FVTOCI was RMB56.2 million, RMB72.8 million, RMB47.5 million and RMB45.4 million as of December 31, 2022, 2023 and 2024, and August 31, 2025 respectively.

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets primarily consisted of (i) prepayments, mainly representing advanced payments to suppliers; (ii) listing fees; (iii) deposits, mainly representing rental deposits and performance guarantee deposits; (iv) due from third-parties, mainly representing payment recoverable from a contractor; (v) recoverable value-added tax, mainly relating to recoverable value-added tax from daily business operations, calculated by deducting output value-added tax from input value-added tax; (vi) deferred assets, mainly relating to inner linings that we allocated for our short-term projects; and (vii) other receivables, primarily in connection to our prepaid employee social security, telecommunication, network and property fees, petty cash and export taxes.

The following table sets forth the details of our prepayments, other receivables and other assets as of the dates indicated:

	As of 31 December			As of August 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	5,712	4,973	4,050	3,401
Listing fee	–	–	3,769	4,429
Deposits	3,830	4,672	4,615	4,470
Due from third parties	5,000	5,000	1,000	1,000
Recoverable value-added tax	708	1,010	740	550
Deferred assets	114	1,746	734	3,453
Other receivables	1,241	3,254	3,023	4,586
Impairment allowance	(2,779)	(2,933)	(1,469)	(1,480)
Total	13,826	17,722	16,462	20,409

Our prepayments, deposits and other receivables increased from RMB13.8 million as of December 31, 2022 to RMB17.7 million as of December 31, 2023, mainly attributable to an increase of our other receivables, primarily related to (i) an increase in our prepaid expenses and petty cash, which was in line with the increase of our business scale; and (ii) an increase in our deferred assets, which was primarily attributable to an increase in the business volume of our short-term projects as partially offset by a decrease in our prepayments. Our prepayments, other receivables and other assets decreased from RMB17.7 million as of December 31, 2023 to RMB16.5 million as of December 31, 2024, primarily due to (i) a decrease in our amount due from third parties, mainly due to payment recovered under a discontinued service contract; and (ii) a decrease in our deferred assets, primarily due to a reduction in our reusable inner linings with lifespan of less than one year. Our prepayments, deposits and other receivables increased from RMB16.5 million as of December 31, 2024 to RMB20.4 million as of August 31, 2025, mainly attributable to (i) an increase in our other receivables, which was in line with our business scale; and (ii) an increase in our deferred assets, primarily resulting from the changes in our provisions from bad debts and inventory impairment.

As of January 31, 2026, RMB7.4 million, or 41.4%, of our prepayments, deposits, and other receivables as of August 31, 2025 had been settled.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at FVTPL as of the end of the period during the Track Record Period mainly represented unlisted investments at fair value. Such unlisted investments were wealth management products issued by banks in the PRC. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest. See Note 23 to the Accountants' Report set out in Appendix I to this prospectus for more details. The current financial product portfolio could be subject to the impact of macroeconomic environment conditions, and we monitor the portfolio mix closely. We had financial assets at fair value through profit or loss of RMB10.5 million, RMB12.1 million, RMB11.1 million, and RMB51.5 million as of December 31, 2022, 2023 and 2024, and August 31, 2025, respectively.

We have standard internal procedures to manage our investments. Our finance department is responsible for proposing, analyzing and evaluating potential investment in such wealth management products. Our management, including our finance department, has substantial experience in managing the financial aspects of an enterprise's operations. Upon Listing, we intend to continue our investments strictly in accordance with our internal control policy, Articles of Association and, to the extent that such investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules, including the announcement, reporting and/or shareholders' approval requirements (if applicable).

Our investment strategy related to such products focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, while generating desirable investment returns. To control our risk exposure, we make investment decisions related to structured deposits and low risk wealth management products, after thoroughly considering a number of factors, including, but not limited to, macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our own working capital conditions, and the expected profit or potential loss of the investment.

Restricted Cash

Our restricted cash primarily represented deposits which were restricted to use due to contractual disputes. As of December 31, 2022, 2023 and 2024, and August 31, 2025, we recorded restricted cash of RMB27,000, RMB1.0 million, RMB87,000, and nil, respectively. As of the Latest Practicable Date, all restrictions placed on our deposits were lifted.

Pledged Deposits

Our pledged deposits primarily represented security deposits placed at bank for letter of guarantee or bill payable. As of December 31, 2022, 2023 and 2024, and August 31, 2025, we recorded pledged deposits of RMB13.9 million, RMB12.4 million, RMB3.0 thousand, and RMB2.0 thousand, respectively.

Cash and Cash Equivalent

As of December 31, 2022, 2023 and 2024, and August 31, 2025, the balance of our cash and cash equivalents amounted to RMB33.2 million, RMB32.3 million, RMB56.8 million, and RMB88.9 million, respectively. Our Directors confirm that our bank and cash balances were maintained at a prudent level for the purpose of satisfying the requirements for our daily business operations. See "Liquidity and capital resources — Cash flows" in this section for further details.

Trade and Bills Payable

During the Track Record Period, our trade and bills payables primarily consisted of payables for our purchases to our manufacturers of reusable packaging solutions, logistics service providers, and equipment suppliers. The following table sets forth our trade and bills payables as of the dates indicated:

	As of December 31,			As of August 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills payables	46,403	32,094	914	2.641
Trade payables	228,535	229,022	248,690	200,205
Total	274,938	261,116	249,604	202,846

As of December 31, 2022, 2023 and 2024, and August 31, 2025 our trade and bills payable amounted to RMB274.9 million, RMB261.1 million, RMB249.6 million, and RMB202.8 million, respectively.

Our trade and bills payables decreased from RMB274.9 million as of December 31, 2022 to RMB261.1 million as of December 31, 2023, then decreased to RMB249.6 million as of December 31, 2024, and further decreased to RMB202.8 million as of August 31, 2025, primarily due to our enhanced settlement efforts.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated based on the invoice date:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	273,802	259,809	248,082	201,319
Over one year	1,136	1,307	1,522	1,527
Total	274,938	261,116	249,604	202,846

The following table sets forth the number of our trade and bills payables turnover days for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,
	2022	2023	2024	2025
Trade and bills payables turnover days[1]	158.9	156.7	142.6	130.4

Note:

(1) The trade payable turnover days are derived by dividing the average of the beginning and ending trade payables balance by cost of sales for that year/period and multiplied by 365 days for each year/243 days for each period.

Our trade and bills payable turnover days remained relatively stable at 158.9 days, 156.7 days, 142.6 days, and 130.4 days for the years ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2025, respectively.

As of January 31, 2026, RMB192.9 million, or 96.3%, of our trade payables as of August 31, 2025 had been settled.

Other Payables and Accruals

During the Track Record Period, our other payables and accruals primarily consisted of (i) contract liabilities, which represented advance payments received from customers for our services/products that had yet to be performed/delivered and short term advances received from customers; (ii) salary and welfare payable; (iii) deposits; (iv) other payables; (v) other tax payables; (vi) dividend payable; and (vii) others.

The following table sets forth the details of other payables and accruals as of the dates indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	408	931	943	1,098
Salary and welfare payable	17,680	19,220	21,407	17,578
Deposits	827	833	5,523	7,047
Other payables	3,738	1,847	800	1,911
Other tax payables	3,091	5,167	8,070	3,274
Dividend payable	–	–	300	–
Others	341	354	356	294
Total	26,085	28,352	37,399	31,202

Our other payables and accruals remained relatively stable at RMB26.1 million, and RMB28.4 million as of December 31, 2022 and 2023, respectively.

Our other payables and accruals increased from RMB28.4 million as of December 31, 2023 to RMB37.4 million as of December 31, 2024. Such increase was primarily due to (i) an increase in our deposits to suppliers due to stricter requirement on their deposit policies; (ii) an increase in our other tax payables for withholding personal income tax following the declaration of dividends to our Shareholders; and (iii) an increase in our salary and welfare payable, primarily due to our year-end bonus.

Our other payables and accruals decreased from RMB37.4 million as of December 31, 2024 to RMB31.2 million as of August 31, 2025. Such decrease was primarily due to (i) a decrease in our salary and welfare payable following the payment of the our year-end bonuses declared in 2024; and (ii) a decrease in our other tax payables upon the settlement of dividend withholding taxes related to dividends paid to our Shareholders in 2024, and partially offset by an increase in our deposits to suppliers, resulting from the continual tightening of their policy requirements regarding deposits.

As of January 31, 2026, RMB0.1 million, or 11.2% of our contract liabilities as of August 31, 2025 had been recognized as revenue.

As of January 31, 2026, RMB14.0 million, or 46.3%, of our other payables and accruals as of August 31, 2025 had been settled.

PAID IN/SHARE CAPITAL AND TOTAL EQUITY

Our paid-in/share capital amounted to RMB14.2 million, RMB14.2 million, RMB70.0 million and RMB70.0 million as of December 31, 2022, 2023, 2024 and August 31, 2025, respectively.

In addition, our total equity amounted to RMB336.2 million, RMB399.7 million, RMB430.2 million and RMB457.4 million as of December 31, 2022, 2023, 2024 and August 31, 2025, respectively. Our total equity increased from RMB430.2 million as of December 31, 2024 to RMB457.4 million as of August 31, 2025, primarily due to (i) total comprehensive income for the period of RMB26.9 million; and (ii) our equity-settled share-based payments of RMB1.1 million. Our total equity increased from RMB399.7 million as of December 31, 2023 to RMB430.2 million as of December 31, 2024, primarily due to (i) total comprehensive income for the year of RMB50.9 million; (ii) capital contribution from non-controlling shareholders of RMB1.7 million; (iii) equity-settled share-based payments of RMB0.7 million; and (iv) dividends declared to our Shareholders and non-controlling shareholders of RMB22.8 million. Our total equity increased from approximately RMB336.2 million as of December 31, 2022 to RMB399.7 million as of December 31, 2023, primarily due to (i) the profit and total comprehensive income of RMB64.1 million recorded for the year ended December 31, 2023; and (ii) our equity-settled share-based payments of RMB0.2 million made in 2023; as partially offset by our dividends paid to our non-controlling shareholders of RMB1.0 million.

As disclosed in "History, Development and Corporate Structure — Pre-IPO Investments" of this prospectus, we entered into respective capital increase agreements with various Pre-IPO Investors, and the Pre-IPO Investors agreed to subscribe for the increased registered capital thereto with a total consideration of approximately RMB179.5 million (collectively, the "**Pre-IPO Investments**"), with the respective par value being recorded as paid-in capital and the remainder as capital reserves. Besides, certain Pre-IPO Investors entered into equity transfer agreements to transfer our registered capital to other Pre-IPO Investors. Pursuant to the respective capital increase agreements and equity transfer agreements of the Pre-IPO Investments, we granted redemption rights to our Pre-IPO Investors. There was no exercise of redemption rights granted by our Company throughout the Track Record Period.

On September 6, 2024, our Company and the Pre-IPO Investors subsequently entered into a supplemental agreement ("**Supplemental Agreement**"), agreeing that the redemption rights granted by our Company to Pre-IPO investors have been irrecoverably terminated and have never had any legal effect. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the Supplemental Agreement, our Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the Special Rights granted by our Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the Supplemental Agreement in September 2024, (i) the redemption financial liabilities, total non-current liabilities and net assets would have been:

	As of December 31,	
	2022	2023
	RMB'000	*RMB'000*
Redemption financial liabilities	218,098	236,148
Total non-current liabilities	227,008	247,567
Net assets	118,150	163,504

and (ii), the finance costs associated with the redemption financial liabilities, and the net profit for the year/period, basic and diluted earning per share would have been:

	For the year ended December 31,			For the eight months ended
	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Finance costs associated with the redemption financial liabilities	12,975	18,049	13,234	12,908
Total net profit	18,226	46,100	37,507	13,984
Basic and diluted earning per share (expressed in RMB)	0.16	0.47	0.38	0.13

For further details of the financial impacts, see note 28 to the Accountants' Report.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal use of cash during the Track Record Period was for working capital purposes, production of our products and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operating activities and bank borrowings. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, bank borrowings and net proceeds from the Global Offering and other funds that may be raised from the capital markets from time to time. As of December 31, 2022, 2023 and 2024, and August 31, 2025, we had cash and cash equivalents of RMB33.2 million, RMB32.3 million, RMB56.8 million, and RMB88.9 million, respectively.

Working Capital Sufficiency

Taking into account the financial resources available to us, including cash flow from operating activities, unutilized bank borrowing, and the estimated net proceeds from the Global Offering (after a possible Downward Offer Price Adjustment setting the final Offer Price up to 10% below the bottom end of the indicative Offer Price range), our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash generated from operating activities	130,753	122,197	203,977	146,124	111,489
Net cash used in investing activities	(143,016)	(99,453)	(135,058)	(135,577)	(122,642)
Net cash (used in)/generated from financing activities	16,536	(23,602)	(44,486)	5,128	43,292
Net increase/(decrease) in cash and cash equivalents	4,273	(858)	24,433	15,675	32,139
Cash and cash equivalents at beginning of year/period	28,928	33,201	32,343	32,343	56,776
Cash and cash equivalents at end of year/period	**33,201**	**32,343**	**56,776**	**48,018**	**88,915**

Net Cash Generated from Operating Activities

During the Track Record Period, our net cash generated from operating activities reflect our profit before tax, adjusted for (i) cash flow effects of certain non-cash/non-operating income statement items, including, among others, depreciation of property, plant and equipment, gain on disposal of items of property, plant and equipment, depreciation of right-of-use assets, amortization of other intangible assets, impairment losses on financial assets, net, write-down/reversal of write-down of inventories to net realizable values, finance costs, interest income, fair value gains on financial assets at FVTPL, share of losses of associates and equity-settled share option expense; and (ii) the effects on change in our working capital, including changes in inventories, restricted cash and pledged deposits, trade and bills receivables, financial assets at FVTOCI, prepayments, other receivables and other assets, other long-term assets, trade and bills payables and other payables and accruals.

For the eight months ended August 31, 2025, our net cash generated from operating activities was RMB111.5 million, while our profit before tax was RMB35.0 million. The difference primarily represents upward adjustments for (i) non-cash depreciation and amortization of RMB90.2 million in connection with our property, plant and equipment, right-of-use assets and other intangible assets; and (ii) finance costs of RMB2.4 million.

The amount is further adjusted by changes in itemized balances of working capital that have a positive effect on cashflow, including a decrease in trade and bills receivables of RMB58.2 million; as partially offset by (i) a decrease in trade and bills payables of RMB46.8 million; and (ii) an increase in inventories of RMB7.0 million.

For the year ended December 31, 2024, our net cash generated from operating activities was RMB204.0 million, while our profit before tax was RMB64.5 million. The difference primarily represents upward adjustments for (i) non-cash depreciation and amortization of RMB127.0 million in connection with our property, plant and equipment, right-of-use assets and intangible assets; and (ii) finance costs of RMB4.5 million.

The amount is further adjusted by changes in itemized balances of working capital that have an effect on cashflow, including (i) a decrease in financial assets at FVTOCI of RMB25.3 million; and (ii) a decrease in restricted cash and pledged deposits of RMB13.3 million, as partially offset by (i) an increase in trade and bills receivables of RMB23.2 million; and (ii) a decrease in trade and bill payables of RMB11.5 million.

For the year ended December 31, 2023, our net cash generated from operating activities was RMB122.2 million, while our profit before tax was RMB81.1 million. The difference primarily represents, mainly adjusted for upward adjustments for (i) non-cash depreciation and amortization of RMB118.0 million in connection with our property, plant and equipment, right-of-use assets and intangible assets; (ii) finance costs of RMB5.2 million; and (iii) impairment losses of financial assets, net of RMB1.8 million. The upward adjustments are partially offset by gain on disposal of items of property, plant and equipment of RMB5.7 million. Such balance is an itemized balance of working capital that have a negative effect on cashflow.

The amount is further adjusted by changes in itemized balances of working capital that have an effect on cashflow, including (i) an increase in trade and bills receivables of RMB51.7 million; (ii) a decrease in trade and bills payables of RMB13.8 million; and (iii) an increase in financial assets at FVTOCI of RMB16.6 million, as partially offset by a decrease in inventories of RMB13.5 million.

For the year ended December 31, 2022, our net cash generated from operating activities was RMB130.8 million, while our profit before tax was RMB38.3 million. The difference primarily represents upward adjustments for (i) non-cash depreciation and amortization of RMB97.3 million in connection with our property, plant and equipment, right-of-use assets and intangible assets; (ii) finance costs of RMB6.8 million; and (iii) impairment losses on financial assets, net of RMB4.4 million.

The amount is further adjusted by changes in itemized balances of working capital that have an effect on cashflow, including (i) an increase in trade and bills payables of RMB97.1 million; (ii) an increase in trade and bills receivables of RMB47.4 million; (iii) an increase in financial assets at FVTOCI of RMB29.2 million; and (iv) an increase in inventories of RMB17.2 million.

Net Cash Used in Investing Activities

For the eight months ended August 31, 2025, our net cash used in investing activities was RMB122.6 million, mainly due to (i) our purchases of items of property, plant and equipment and other intangible assets amounting to RMB98.8 million; and (ii) our purchases of financial assets at FVTPL of RMB78.2 million, partially offset by our redemption of financial assets at FVTPL of RMB37.9 million.

For the year ended December 31, 2024, our net cash used in investing activities was RMB135.1 million, mainly due to (i) our purchase of financial assets at FVTPL of RMB182.4 million; and (ii) our purchases of items of property, plant and equipment and other intangible assets amounting to RMB153.7 million, partially offset by redemption of financial assets at FVTPL of RMB183.4 million.

For the year ended December 31, 2023, our net cash used in investing activities was RMB99.5 million, mainly due to (i) our purchases of items of property, plant and equipment and other intangible assets amounting to RMB121.7 million; and (ii) our purchase of financial assets at FVTPL of RMB103.4 million, partially offset by redemption of financial assets at FVTPL of RMB101.9 million.

For the year ended December 31, 2022, our net cash used in investing activities was RMB143.0 million, mainly due to (i) our purchase of financial assets at FVTPL of RMB193.6 million; and (ii) our purchases of items of property, plant and equipment and other intangible assets amounting to RMB160.3 million, partially offset by redemption of financial assets at FVTPL of RMB185.4 million.

Net Cash From/(Used in) Financing Activities

For the eight months ended August 31, 2025, our net cash from financing activities was RMB43.3 million, due to new borrowings of RMB198.2 million, partially offset by repayment of bank and other borrowings of RMB140.5 million.

For the year ended December 31, 2024, our net cash used in financing activities was RMB44.5 million, due to (i) repayment of bank and other borrowings of RMB165.9 million; (ii) payments of lease liabilities of RMB19.1 million; and (iii) dividend paid to our Shareholders of RMB15.7 million, partially offset by new borrowings of RMB168.6 million.

For the year ended December 31, 2023, our net cash used in financing activities was RMB23.6 million, mainly due to (i) repayment of bank and other borrowings of RMB155.1 million; (ii) payments of lease liabilities of RMB16.5 million, and (iii) interest paid of RMB4.4 million, partially offset by new borrowings of RMB153.5 million.

For the year ended December 31, 2022, our net cash from financing activities was RMB16.5 million, mainly due to (i) new borrowings of RMB129.5 million; and (ii) proceeds from capital contribution from shareholders of RMB50.0 million, partially offset by (i) repayment of bank and other borrowings of RMB136.8 million; and (ii) payments of lease liabilities of RMB14.3 million.

Current Assets and Current Liabilities

Our net current assets represent the differences between our current assets and our current liabilities. As of December 31, 2022, 2023 and 2024, August 31, 2025 and October 31, 2025, we had net current assets of RMB36.0 million, RMB94.8 million, RMB120.6 million, RMB119.8 million and RMB120.0 million respectively.

	As of December 31,			As of August 31,	As of January 31,
	2022	**2023**	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current assets					
Inventories	32,450	18,807	17,245	23,974	23,226
Trade and bills receivables	310,694	360,753	382,372	324,503	327,915
Financial assets at fair value through other comprehensive income	56,195	72,798	47,502	45,373	27,265
Prepayments, other receivables and other assets	13,826	17,722	16,462	20,409	53,139
Financial assets at fair value through profit or loss	10,543	12,096	11,082	51,463	23,836
Tax recoverable	2,143	249	77	77	–
Pledged deposits	13,940	12,380	3	2	500
Restricted cash	27	1,014	87	–	–
Cash and cash equivalents	33,201	32,343	56,776	88,915	121,264
Total current assets	473,019	528,162	531,606	554,716	577,145

	As of December 31,			As of August 31,	As of January 31,
	2022	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current liabilities					
Trade and bills payables	274,938	261,116	249,604	202,846	235,787
Other payables and accruals	26,085	28,352	37,399	31,202	40,152
Interest-bearing bank and other borrowings	119,649	117,954	101,663	178,348	178,180
Tax payable	5,349	10,552	10,742	9,462	2,545
Lease liabilities	11,011	15,364	11,615	13,073	9,022
Total current liabilities	437,032	433,338	411,023	434,931	465,686
Net current assets	**35,987**	**94,824**	**120,583**	**119,785**	**111,459**

Our net current assets decreased from RMB119.8 million as of August 31, 2025 to RMB111.5 million as of January 31, 2026, primarily due to (i) an increase in trade and bill payables of RMB32.9 million; (ii) a decrease in financial assets at fair value through profit or loss of RMB27.6 million; (iii) a decrease in financial assets at fair value through other comprehensive income of RMB18.1 million, as partially offset by (i) an increase in prepayments, other receivables and other assets of RMB32.7 million; and (ii) an increase in cash and cash equivalents of RMB32.3 million.

Our net current assets decreased from RMB120.6 million as of December 31, 2024 to RMB119.8 million as of August 31, 2025, primarily due to (i) a decrease in trade and bills receivables of RMB57.9 million; (ii) an increase in interest-bearing bank and other borrowings of RMB76.7 million, as partially offset by (i) a decrease in trade and bills payables of RMB46.8 million; and (ii) an increase in financial assets at FVTPL at RMB51.5 million.

Our net current assets decreased from RMB120.6 million as of December 31, 2024 to RMB113.1 million as of April 30, 2025, primarily due to (i) a decrease in our financial assets at FVTOCI of RMB16.1 million; (ii) a decrease in our prepayments, other receivables and other assets of RMB14.3 million; (iii) a decrease in our trade and bills receivables of RMB13.7 million; and (iv) an increase in our interest-bearing bank and other borrowings of RMB8.2 million.

Our net current assets increased from approximately RMB94.8 million as of December 31, 2023 to RMB120.6 million as of December 31, 2024, primarily due to (i) an increase in our cash and cash equivalents of RMB24.5 million; (ii) an increase in our trade and bills receivables of RMB21.6 million; (iii) a decrease in our interest-bearing bank and other borrowings of RMB16.3 million; and (iv) a decrease in our trade and bills payables of RMB11.5 million, partially offset by a decrease in our pledged deposits of RMB12.4 million.

Our net current assets increased from approximately RMB36.0 million as of December 31, 2022 to RMB94.8 million as of December 31, 2023, primarily due to (i) an increase in our trade and bills receivables of RMB50.1 million; (ii) an increase in our financial assets at FVTOCI of RMB16.6 million; and (iii) a decrease in in our trade and bills payables of RMB13.8 million, as partially offset by a decrease in our inventories of RMB13.6 million.

INDEBTEDNESS

Our indebtedness mainly included interest-bearing bank and other borrowings and lease liabilities during the Track Record Period. As of January 31, 2026, we had unutilized banking facilities of RMB551.8 million, which can be utilized to address our liquidity needs. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of January 31, 2026. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since January 31, 2026 and up to the date of this prospectus. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			**As at 31 August,**	**As of January 31,**
	2022	**2023**	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current					
Interest-bearing bank and other borrowings	119,649	117,954	101,663	178,348	178,180
Lease liabilities	11,011	15,364	11,615	13,073	9,022
Subtotal	130,660	133,318	113,278	191,421	187,202
Non-current					
Interest-bearing bank and other borrowings	–	–	19,000	–	–
Lease liabilities	8,910	11,419	5,636	2,506	19,666
Subtotal	8,910	11,419	24,636	2,506	19,666
Total	**139,570**	**144,737**	**137,914**	**193,927**	**206,868**

Interest-Bearing Bank and Other Borrowings

Our bank and other borrowings during the Track Record Period were primarily used for business operations. Our bank and other borrowings bore effective interest rates ranging from approximately 0.00% to 6.48% per year. All our borrowings are denominated in RMB with fixed interest rates. The fluctuations in our bank and other borrowings during the Track Record Period were primarily due to the changes in financial needs in light of our operating activities and cash flow planning. For more details of our interest-bearing bank and other borrowings, see Note 27 to the Accountants' Report in Appendix I to this prospectus.

Our Directors confirm that we have not defaulted in the repayment of the bank and other borrowings during the Track Record Period. Our Directors have confirmed that, as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we did not experience any difficulty in obtaining bank borrowings.

Lease Liabilities

Our lease liabilities primarily represented our obligations related to the leasing of leasehold land, office premises and warehouse and equipment used in our operations. Lease liabilities are measured at net present value of the lease payments during the lease terms that are not yet paid.

Our lease liabilities increased from RMB19.9 million as of December 31, 2022 to RMB26.8 million as of December 31, 2023, primarily due to the increased number of leased properties in light of our business expansion. We recorded lease liabilities at RMB17.3 million and RMB15.6 million as of December 31, 2024 and August 31, 2025, respectively. Such change was generally in line with the change in the number of our self-operated warehouses. Our lease liabilities then increased to RMB28.7 million as of January 31, 2026, primarily due to our new lease of office premises.

CAPITAL EXPENDITURES

During the Track Record Period, we incurred capital expenditures for the purchases of items of property, plant and equipment and purchase of other intangible assets, with an aim to increase our operating efficiency. Such capital expenditures were primarily funded by our internal financial resources including cash generated from operations and bank and other borrowings. For the year ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2025, we incurred capital expenditure of RMB160.3 million, RMB121.7 million, RMB154.5 million and RMB98.8 million, respectively.

The following table sets forth our capital expenditures for the years/periods indicated:

	Year ended December 31,			Eight months ended August 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital expenditures				
Purchases of items of property, plant and equipment	159,509	121,393	153,690	97,517
Purchase of other intangible assets	781	279	824	1,289
Total	**160,290**	**121,672**	**154,514**	**98,806**

COMMITMENTS

Capital commitments represent capital expenditure contracted for as at a particular date but not yet incurred. As of December 31, 2022, 2023, 2024 and August 31, 2025, our capital commitments amounted to RMB1.2 million, RMB4.7 million, RMB9.7 million, and RMB11.4 million respectively, which represented our committed expenditure on reusable containers and inner linings.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023 and 2024, and August 31, 2025, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios as of the dates or for the years/periods indicated:

	As of/for the year ended December 31,			As of/for the eight months ended August 31,
	2022	2023	2024	2025
Profit Indicators				
Return on equity(1)	9.3%	16.1%	11.8%	N/A(8)
Return on total assets(2)	4.0%	7.6%	5.9%	N/A(8)
Gross profit margin(3)	19.7%	21.4%	22.0%	20.8%
Net profit margin(4)	4.8%	8.1%	6.1%	5.0%
Liquidity				
Current Ratio (*times*)(5)	1.1	1.2	1.3	1.3
Quick Ratio (*times*)(6)	1.0	1.2	1.3	1.2
Gearing Ratio(7)	41.5%	36.2%	32.1%	42.4%

Notes:

(1) Return on equity is calculated based on our net profit for each reporting year/period divided by the total equity as at the end of each reporting year/period and multiplied by 100%.

(2) Return on total assets is calculated based on our net profit for each reporting year/period divided by total assets as at the end of each reporting year/period and multiplied by 100%.

(3) Gross profit margin is calculated based on the gross profit for each reporting year/period divided by total revenue for each reporting year/period and multiplied by 100%.

(4) Net profit margin is calculated based on the net profit for each reporting year/period divided by the total revenue for each reporting year/period and multiplied by 100%.

(5) Current ratio is calculated based on total current assets divided by the total current liabilities as at the end of each reporting year/period.

(6) Quick ratio is calculated based on our total current assets excluding inventories divided by the total current liabilities as at the end of each reporting year/period.

(7) Gearing ratio is calculated based on our debt (total interest bearing loans and lease liabilities) divided by our total equity as at the end of each reporting year/period and multiplied by 100%.

(8) The five-month figure is not applicable as it is not comparable to an annual figure.

See "Periods to Periods Comparison of Results of Operations" in this section above for further information on the changes in our gross profit margin during the Track Record Period.

Our return on equity increased from 9.3% as of December 31, 2022 to 16.1% as of December 31, 2023, primarily due to an increase in our net profit for the year. Our return on equity decreased from 16.1% as of December 31, 2023 to 11.8% as of December 31, 2024, primarily due to the recognition of RMB70.0 million share capital upon our conversion from a joint-stock company to a limited liability company under the Company Law of the PRC, leading to an increase in our total equity.

Our return on total asset increased from 4.0% for the year ended December 31, 2022 to 7.6% for the year ended December 31, 2023, primarily due to the growth of our net profit with an increasing net profit margin, which outweighed the increase in our total assets for the year ended December 31, 2023. Our return on total assets then decreased to 5.9% for the year ended December 31, 2024, primarily attributable to (i) increases in our administrative expenses, in particular our listing expenses in 2024, leading to a decrease in our net profit; and (ii) increases in our property, plant and equipment and trade and bills receivables, leading to an increase in our total assets.

We had net profit margin of 4.8%, 8.1%, 6.1%, 5.0% for the years ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2025. We recorded lower net profit margin for the year ended December 31, 2022, primarily due to the negative impact of the COVID-19 pandemic on our business and financial performance. Our decreased net profit margin for the year ended December 31, 2024 was primarily due to the incurrence of our listing expenses. Our net profit margin for the eight months ended August 31, 2025 further decrease mainly because of our continual incurrence of listing expenses and our increased investment in manpower and resources in global market expansion, leading to an increase in administrative, selling and distribution expenses.

Our current ratio remained relatively stable at 1.1 times, 1.2 times, 1.3 times and 1.3 times as of December 31, 2022, 2023 and 2024, and August 31, 2025, respectively.

Our quick ratio remained relatively stable at 1.0 times, 1.2 times, 1.3 times and 1.2 times as of December 31, 2022, 2023 and 2024, and August 31, 2025, respectively.

Our gearing ratio decreased from 41.5% as of December 31, 2022 to 36.2% as of December 31, 2023, which was mainly due to our repayment of bank and other borrowings and the increase in our Group's total equity as a result of the net profit for the year ended 31 December 2022, as partially offset by an increase in our lease liabilities, primarily due to the increased number of leased properties in light of our business expansion. Our gearing ratio slightly further decreased to 32.1% as of December 31, 2024, which was mainly due to our repayment of bank and other borrowings and an increase in our total equity as a result of the recognition of RMB70.0 million share capital upon our conversion from a joint-stock company to a limited liability company under the Company Law of the PRC and a decrease in our lease liabilities, mainly due to a reduction in the number of our self-operated warehouses, leading to a decrease in the number of our leases. Our gearing ratio then slightly increased to 42.4% as of August 31, 2025, which was mainly due to our new bank and other borrowings.

RELATED PARTY TRANSACTIONS

During the Track Record Period, our related party transaction mainly included (i) purchase of goods from our associate; (ii) purchase of buildings from the spouse of our Controlling Shareholder; (iii) lease fees paid to our Controlling Shareholder; (iv) advance to our Controlling Shareholder; and (v) recovery of advance to our Controlling Shareholder. For details, please see Note 34 to the Accountants' Report in Appendix I to this prospectus.

Transaction with related parties

Set out below a summary of the significant transactions with our related parties during the Track Record Period:

	Year ended December 31,			Eight months ended August 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Purchase of goods from an associate	–	–	6,212	2,750	5,989
Advance to our Controlling Shareholder	–	1,889	1,351	1,200	1,907
Recovery of advance to Controlling Shareholder	–	1,200	1,200	992	2,040
Total	**–**	**3,089**	**8,763**	**4,942**	**9,936**

In respect of our purchase of goods from a related party, we made the purchases from Jiangsu Lile Packaging Technology Co., Ltd. for our inner lining for the year ended December 31, 2024 and the eight months ended August 31, 2025.

Advance to/(recovery of advance from) our Controlling Shareholder mainly represent our cash advances to Mr. Sun during the Track Record Period.

Outstanding balances with related parties

We had an outstanding balance due to Jiangsu Lile Packaging Technology Co., Ltd. of RMB2.1 million and RMB2.8 million, in our trade and bills payables as of December 31, 2024 and August 31, 2025. Such balance was unsecured, interest-free and had repayment terms of 60 days.

We had an outstanding balance due from Mr. Sun, the chairman of our Board, executive Director and our Controlling Shareholder, of RMB0.7 million, RMB0.8 million and RMB0.7 million as of December 31, 2023 and 2024, and August 31, 2025, respectively, in our prepayments, other receivables and other assets. Such balance was non-trade in nature, unsecured, interest-free and had no fixed terms of repayment.

Our Directors confirm that the outstanding balance due from Mr. Sun will be settled before or upon Listing.

Other transactions with related parties

Mr. Sun and Ms. Lin Lan, the spouse of Mr. Sun had guaranteed our bank borrowings of up to RMB118.1 million, RMB83.0 million, RMB80.6 million and RMB88.3 million as of December 31, 2022, 2023 and 2024, and August 31, 2025.

All the above guarantees have been released as of the Latest Practicable Date.

Compensation of key management personnel of our Group

We paid short-term employee benefits and pension scheme contributions to key management personnel during the Track Record Period. For the years ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2024 and 2025, we paid RMB2.6 million, RMB3.2 million, RMB4.8 million, RMB2.5 million and RMB3.2 million to our key management personnel, respectively. For more details, see Note 34 to the Accountants' Report in Appendix I to this prospectus.

In respect of the related-party transactions set forth in Note 33 to the Accountants' Report contained in Appendix I to this prospectus, our Directors confirm that these transactions were conducted on normal commercial terms, and that their terms were fair, reasonable and in the interest of our Shareholders as a whole.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Our principal financial instruments comprise interest-bearing bank loans and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for our operation. We have various other financial assets and liabilities such as pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals which arise directly from our operations.

The main risks arising from our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. For more details, see Note 36 to the Accountants' Report in Appendix I to this prospectus. The Board reviews and agrees policies for managing each of these risks and they are summarized below:

Interest Rate Risk

Our policy is to manage our interest cost mainly using fixed rate debts. As of December 31, 2022, 2023 and 2024, and August 31, 2025, none of our interest-bearing borrowings bore interest at floating rates. Accordingly, we did not have any significant exposure to the interest rate risk in the cash flows as of the end of each financial year during the Track Record Period.

Foreign currency risk

We are exposed to foreign currency risk with respect to transactions denominated in currencies other than Hong Kong dollars and Thai baht, which are the functional currencies of our subsidiaries incorporated in Hong Kong and Thailand, respectively. In addition, in the PRC, where our Group principally conducts business, we are exposed to currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in currencies that are not the functional currencies of the relevant group entity.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant.

Liquidity Risk

We aim to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

DIVIDENDS

In 2024, our Group declared a distribution of RMB16.0 million to our Shareholders. As of the Latest Practicable Date, all of our dividend declared in 2024 had been paid. Save as the aforesaid, no dividend has been paid or declared by us during the Track Record Period. After completion of the Global Offering, our Shareholders will be entitled to receive dividends declared by us. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends.

As at the Latest Practicable Date, we had not adopted any formal dividend policy, nor had we set any dividend payout ratio after the Listing. After the Listing, the determination of whether to pay a dividend and in which amount is based on our results of operations, cash flow, financial condition, capital requirements and other factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in the Shareholder's meeting and the compliance with our Articles of Association and relevant regulatory requirement. Our past dividend distribution record may not be used as a reference or basis to determine the level of dividends, or if any at all, that may be declared or paid by our Company in the future. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

DISTRIBUTABLE RESERVES

As of August 31, 2025, we had distributable reserves of RMB88.9 million.

LISTING EXPENSES

Our listing expenses mainly include sponsor's fee, underwriting commissions, professional fees paid to legal advisors, the reporting accountants and other professional advisors for their services rendered in relation to the Listing and the Global Offering. The estimated total listing expenses (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately RMB43.7 million (HK$49.4 million), representing 19.4% of the gross proceeds (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering. Our listing expenses are categorized into underwriting-related expenses of approximately RMB9.0 million (HK$10.2 million) and non-underwriting-related expenses of approximately RMB34.7 million (equivalent to HK$39.2 million), representing 4.0% and 15.4% of the gross proceeds (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering, respectively. The non-underwriting-related expenses can be further classified into fees and expenses of legal advisors and accountants of approximately RMB22.0 million (HK$24.8 million) and other fees and expenses of approximately RMB12.7 million (HK$14.4 million), representing 9.8% and 5.7%, of the gross proceeds (based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised) of the Global Offering, respectively. During the Track Record Period, we incurred listing expenses in aggregate of RMB17.8 million (equivalent to HK$20.1 million), of which RMB13.4 million (equivalent to HK$15.2 million) was charged to the consolidated statements of profit or loss and RMB4.4 million (equivalent to HK$5.0 million) is expected to be deducted from equity upon the completion of Listing. We expect to incur additional listing expenses of approximately RMB25.9 million (equivalent to HK$29.3 million), of which approximately RMB12.6 million (equivalent to HK$14.3 million) is expected to be charged to the consolidated statements of profit or loss and approximately RMB13.3 million (equivalent to HK$15.0 million) is expected to be recognized as a deduction in equity directly upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Unaudited Pro Forma Financial Information" in Appendix IIA to this prospectus for details.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 (the "**Profit Estimate**") based on the audited consolidated results of our Group for the eight months ended August 31, 2025 and the unaudited consolidated results of our Group for the four months ended August 31, 2025. The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the Accountants' Report as set out in Appendix I to this Prospectus.

Estimated consolidated profit attributable to owners of our Company for the year ended December 31, 2025	Not less than RMB40 million

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this prospectus, there had been no material adverse change in our financial, operational or prospects since August 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus.

NO SIGNIFICANT INTERRUPTIONS

Our Directors have confirmed that there have been no interruptions in our business that may have a material adverse effect on our financial position and results of operations in the 12 months period prior to the Latest Practicable Date.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rule.

FUTURE PLANS

See "Business — Our Strategies" in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$204.8 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming the Over-allotment Option being not exercised and an Offer Price of HK$12.5 per H Share, being the mid-point of the indicative Offer Price range stated in this prospectus. If the Offer Price is set at HK$14.0 per H Share, being the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$29.3 million. If the Offer Price is set at HK$11.0 per H Share, being the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$29.3 million. If we make a Downward Offer Price Adjustment to set the Offer Price at HK$9.9 per H Share, the net proceeds from the Global Offering will be further reduced by an additional amount of approximately HK$24.7 million. To the extent our net proceeds are further reduced we will adjust the above allocation of the net proceeds from the Global Offering on a pro rata basis.

Assuming an Offer Price at the mid-point of the Offer Price range, the following table sets forth an intended timeframe for our use of the net proceeds, which is subject to changes based on our actual needs and market conditions at the relevant time.

	For the year ending December 31,			
	2026	2027	2028	Total
	HK$' million			
Enhancement and upgrade of our digital systems and platforms	15.4	20.4	15.4	51.2
Advancing our overseas expansion strategy	14.7	17.5	19.1	51.2
Expanding our nationwide service network	10.3	14.4	20.3	41.0
Expanding the application scenarios of our services to other downstream industries by acquisition	We plan to complete the acquisition by December 31, 2028.			41.0
General corporate purposes and working capital	6.2	7.2	7.2	20.5

Assuming an Offer Price at the mid-point of the Offer Price range, we intend to use the net proceeds from the Global Offering for the following purposes:

- approximately 25.0% (or HK$51.2 million) will be used for enhancement and upgrade of our digital systems and platforms. Specifically:

  (i) approximately 17.0% (or HK$34.8 million) will be used for procurement of software, hardware components of the digital systems and platforms, and asset trackers for monitoring of asset flow process. In the next three years, we plan to procure approximately 15 sets of software with unit price ranging from RMB0.5 million to RMB1.2 million to support our enhancement and upgrade of, among others, data visualization platform, fleet management system, transportation intelligent scheduling system, warehousing management system, intelligent forecasting system.

  (ii) approximately 8.0% (or HK$16.4 million) will be used for recruitment of employees, primarily including programmers, architects and product managers. In the next three years, we plan to recruit approximately (a) seven programmers mainly responsible for developing, upgrading, testing and administering our digital systems and platforms, who shall possess a bachelor's degree or above in computer science and automation with over three years of work experience in the field of programming and algorithm development; (b) three architects mainly responsible for overall technical solution, code quality and architecture design and construction, who shall possess a bachelor's degree or above in computer science with over eight years of relevant work experience; and (c) five product managers, who shall possess a bachelor's degree or above with relevant work experience in web product development.

  We plan to enhance and upgrade our digital systems and platforms to achieve full-cycle operation digitalization, business automation and decision-making intelligence in all of the key business aspects. We target to enhance our digitalization capabilities as follows: (a) enhance our operation digitalization, such as building a middle-end platform to support our operating process with data integration; (b) improve the intelligence level of our supply chain, such as achieving real-time asset tracking, building intelligent warehousing and delivery capabilities and developing a middle-end platform to optimize supply chain and warehousing capabilities; (c) enhance our big-data capabilities, such as launching business intelligence for business analysis and decision-making, developing algorithms for intelligent recommendation, precise marketing, intelligent warehousing management and intelligent supply chain planning; and (d) support digitalization in other key business aspects, such as finance management, cost analysis, customer relationship management, human resources and daily corporate management.

Thus, we consider this enhancement and upgrade plan for our digital systems and platforms necessary and important to our development and expansion as (a) it enables us to provide more sophisticated services to cope with the increasingly complex customer needs; and (b) we are able to optimize our scheduling and container management, automate and streamline various processes within our supply chain, and our decision-making capabilities, thereby improving the transparency, precision and efficiency of our supply chain management and operation.

In particular, we plan to enhance and upgrade our digital systems and platforms with specific key areas of development in each of the next three years. In 2026, we aim to build data visualization platform to visualize, among others, inventory stocking and asset tracking to achieve digital management of containers and improve operational transparency. We also aim to build fleet management system and transportation intelligent scheduling system to improve our transportation scheduling capability and the utilization rate of our containers. In 2027, we aim to upgrade warehousing management system to reduce manual dependence and improve the warehouse efficiency, and build intelligent forecasting system to predict and better manage future orders based on historical figures. In 2028, we aim to enhance and upgrade our digital systems and platforms to achieve full-cycle operation digitalization, business automation and decision-making intelligence in all of the key business aspects, including supply chain management, finance management, cost analysis, customer relationship management, human resources and daily corporate management.

- approximately 25.0% (or HK$51.2 million) will be used for advancing our overseas expansion strategy. We plan to expand our overseas automotive pooling services network by establishing branches, subsidiaries or joint ventures in target local automotive pooling services markets with relatively high growth potential, including selected markets in Europe (Germany, the Netherlands and Italy), East Asia (Japan and South Korea) and Southeast Asia (Thailand). Specifically:

  (i) approximately 7.0% (or HK$14.3 million) will be used for renting warehouses and offices. In the next three years, we plan to rent approximately three warehouses with a gross floor area ranging from 3,000 sq.m. to 6,000 sq.m. and a monthly rent ranging from RMB20 to RMB35 per sq.m. in logistics hubs across key geographic regions, including Amsterdam (the Netherlands), Stuttgart and Munich (Germany) and Budapest (Hungary). These warehouses will serve as logistics hubs to support efficient storage, sorting, and distribution operations. Additionally, we plan to rent approximately three offices with a gross floor area ranging from 100 sq.m. to 300 sq.m. and a monthly rent ranging from RMB100 to RMB200 per sq.m. in business centers across target regions, such as Rotterdam (the Netherlands), Japan, South Korea and Thailand, to provide customer support and manage regional operations. In line with our "local for local" strategy, and supported by our own local sales and service teams, we will rely on local third-party manufacturers for container production and on existing local warehousing and logistics providers, without constructing our own overseas production facilities. This enables us to minimize cross-border logistics, improve cost efficiency, and quickly meet local customer needs with limited capital outlay.

(ii) approximately 5.5% (or HK$11.3 million) will be used for procurement of corresponding logistics equipment. In the next three years, we plan to purchase approximately 10 trucks, 10 forklifts, 20 hydraulic trucks, 10 ultrasonic spray cleaning equipment and approximately 10,000 containers, covering storage, sorting and conveying equipment.

(iii) approximately 5.5% (or HK$11.3 million) will be used for enhancing our transportation capabilities for our containers by establishing cooperation with existing and new transportation services providers. We will select eligible transportation service providers with, among others, transportation qualifications required by applicable laws and regulations, international transportation network, good reputation and standardized service, so as to cope with risks in transportation and logistics. The transportation service fees are typically calculated on the basis of mode of transportation, transportation distance and actual transportation volume.

(iv) approximately 4.5% (or HK$9.2 million) will be used for recruitment of employees. In the next three years, we plan to recruit approximately (a) five employees mainly responsible for logistics operation and management, who shall possess a bachelor's degree or above in logistics, management or business administration with two or three years of work experience in the field of overseas logistics and be fluent in English; and (b) eight employees mainly responsible for sales and marketing, business development and customer maintenance, who shall possess a bachelor's degree or above in marketing or media with relevant work experience, be fluent in English and be familiar with overseas social media and promotion channels.

(v) approximately 2.5% (or HK$5.1 million) will be used for marketing activities, such as participating in exhibitions and conducting online and offline advertising activities.

In particular, we expect to (a) conduct market research on overseas automotive pooling services markets with relatively high growth potential, initiate discussions with potential business partners and select geographic locations for overseas branches, subsidiaries or joint ventures; and initially establish our overseas service network by renting offices and warehouses, purchasing logistics equipment, cooperating with transportation services providers, recruiting employees and marketing in 2026; and (c) continue to advance the abovementioned overseas expansion strategy, subject to specific market demands and our business development strategy, to further improve our business coverage, reach more customers, boost our brand awareness and increase our market shares in 2027 and 2028.

We mainly take into account the following factors when formulating our expansion plan and our strategy to compete with existing market players: (a) we have accumulated rich experience in provision of pooling services in China since our establishment, and by leveraging our operational and management capabilities, we are able to replicate our mature business model in overseas markets; (b) the size of global automotive pooling services market is expected to reach RMB43.1 billion in 2028 in terms of revenue, representing a CAGR of 10.2% from 2025 to 2030, according to Frost & Sullivan; (c) although there is expected to be huge demand for automotive pooling services in overseas markets, there are currently few market players who specialize in the automotive industry and provision of reusable package services, according to Frost & Sullivan; and (d) we intend to differentiate ourselves through cooperation with mature local distributors, leveraging their established channels to penetrate the local automotive market, offering competitive product pricing and deploying our proprietary "FindMe" digital asset tracking system to enhance service visibility and operational efficiency. Our target customers primarily include international automotive logistics and component enterprises. As of the Latest Practicable Date, based on our current estimation and preliminary indications of interest received from our overseas customers, we expect there will be a demand for over two million reusable containers in the forthcoming five years. In addition, to ensure our compliance with overseas laws and regulations, we will engage overseas legal counsels to advise on compliance operations, including but not limited to corporate incorporation, licenses and permits, properties, transactions, tax and data administration.

In addition, we have considered the potential impact of tariff and international trade policies on our overseas expansion plan. In line with our "local for local" strategy, and supported by our own local sales and service teams, we will rely on local third-party manufacturers for container production and on existing local warehousing and logistics providers, without constructing our own overseas production facilities. This enables us to minimize cross-border logistics, improve cost efficiency, and quickly meet local customer needs with limited capital outlay. As our overseas expansion focuses on Europe (including Germany, the Netherlands and Italy), East Asia (including Japan and South Korea) and Southeast Asia (including Thailand), and we currently have no plan to expand into the United States in the near term, the recent changes to U.S. tariff policies and the suspension of duty-free "de minimis" treatment for international shipments worth US$800 or less, effective from 29 August 2025, are not expected to have any material impact on our business or expansion strategy.

- approximately 20.0% (or HK$41.0 million) will be used for expanding our nationwide service network. Specifically:

  (i) approximately 9.0% (or HK$18.5 million) will be used for renting additional warehouses. In the next three years, we plan to rent approximately five additional warehouses (approximately one to two additional warehouses per year) with a gross floor area ranging from 3,000 sq.m. to 6,000 sq.m. and a monthly rent ranging from RMB10 to RMB30 per sq.m. in key automotive manufacturing and logistics hubs across China, such as Beijing, Hefei, Xi'an, Chongqing, Ningbo, Guangzhou and Liuzhou.

  (ii) approximately 6.0% (or HK$12.3 million) will be used for enhancing our transportation capabilities for our containers by establishing cooperation with existing and new transportation service providers. We select eligible transportation service providers with, among others, transportation qualifications required by applicable laws and regulations, nationwide transportation network, good reputation and standardized service, so as to cope with risks in transportation and logistics. The transportation service fees are typically calculated on the basis of mode of transportation, transportation distance and actual transportation volume.

  (iii) approximately 5.0% (or HK$10.3 million) will be used for recruitment of employees. In the next three years, we plan to recruit approximately 23 additional employees (approximately seven additional employees per year) mainly responsible for logistics operation and management, who shall possess a bachelor's degree or above in logistics, management or business administration with over five years of relevant work experience.

  We mainly take into account the following factors when formulating our expansion plan: (i) our capability for provision of pooling services during the Track Record Period; (ii) current geographical distribution of our warehouses; and (iii) the needs for enhancing our service capabilities and reaching a broader customer base to continuously enhance our competitiveness.

- approximately 20.0% (or HK$41.0 million) will be used for expanding the application scenarios of our services to other downstream industries by acquisition.

  We mainly take into account the following factors when formulating our acquisition plan: (i) the size of China pooling services market in terms of revenue is expected to grow at a CAGR of 13.2% from 2025 to 2030 according to Frost & Sullivan; and (ii) the potential impact of expanding the application scenarios of our services to other downstream industries by acquisition on our business operation and financial performance. Specifically, the acquisition plan enables us to (a) quickly expand our market coverage, enhance our brand effect and reach a broader customer base; (b) integrate existing logistics infrastructure and logistics supply chain, which is in favor of optimizing supply chain efficiency, and (c) acquire new technologies or expertise from the target, thereby enhancing our overall technical strength and service capabilities. In addition, (a) our revenue may rapidly increase if the target has a strong customer base and adequate sales orders, (b) we may achieve economies of scale by reducing unit costs, such as transportation costs and warehousing costs, and (c) our profit may increase as synergies are realized.

We have identified the following criteria of potential acquisition targets: (a) the target is a pooling services provider in China; (b) the geographical coverage of the target's business aligns with that of our business development plan; (c) the target focuses on serving downstream industries with relatively high growth potential without taking into account the automotive industry, such as petrochemical industry and courier/express delivery industry; (d) the target recorded an annual revenue of over RMB10.0 million in the latest financial year; and (e) the target's business should generate strong synergies with our business operations. As confirmed by Frost & Sullivan, there are sufficient number of, which is over 50 suitable targets that meet our selection criteria in the market.

In particular, we plan to (a) conduct market research on potential target companies that meet our selection criteria by December 31, 2026; (b) initiate discussions with target companies, conduct business and legal due diligence on target companies and engage in negotiations regarding transaction frameworks with target companies by December 31, 2027; and (c) finalize transaction frameworks and enter into acquisition agreements with target companies by December 31, 2028.

As of the Latest Practicable Date, we had not identified any acquisition targets, and had not entered into any letter of intent or definitive agreement for acquisition of any company. We have not yet determined whether we would acquire majority or minority interests in the potential acquisition targets, which will depend on factors such as the business nature, scale, and synergies of the target companies, as well as our capital allocation and strategic development needs at the time of acquisition.

- approximately 10.0% (or HK$20.5 million) will be used for general corporate purposes and working capital.

To the extent our net proceeds are either more or less than expected, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro rata basis.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, we can only place the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

If the Over-allotment Option is fully exercised, the net proceeds that we will receive will be approximately HK$241.4 million, at the Offer Price of HK$12.5 per H Share, being the mid-point of the indicative Offer Price range stated in this prospectus, and after deducting the underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering. The additional amount raised will be applied to the above areas of use of proceeds on pro rata basis.

HONG KONG UNDERWRITERS

China Securities (International) Corporate Finance Company Limited
DBS Asia Capital Limited
China Sunrise Securities (International) Limited
ABCI Securities Company Limited#
CMB International Capital Limited#
Futu Securities International (Hong Kong) Limited#
Livermore Holdings Limited#
SPDB International Capital Limited#
TFI Securities and Futures Limited#
TradeGo Markets Limited#

 # (in alphabetical order)

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 2,034,000 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus. Subject to the Listing Committee granting listing of, and permission to deal in, our H Shares in issue and to be offered as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to subscribe or procure subscribers for its applicable proportion of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares will be subject to termination by notice in writing to our Company from the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) with immediate effect if any of the following events occur at or prior to 8:00 a.m. on the Listing Date:

(a) there has come to the notice of the Sole Sponsor and the Overall Coordinators:

(i) that any statement contained in any of this prospectus and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Global Offering (including any supplement or amendments thereto) (collectively, the "**Relevant Documents**"), was, when it was issued, or has become, untrue, incorrect, misleading or deceptive in any respect or that any forecast, expression of opinion, intention or expectation expressed in any of the Relevant Documents is not, in the sole and absolute opinion of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters), fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii) that any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the respective dates of the publication of the Relevant Documents, constitute an omission therefrom; or

(iii) any breach of any of the obligations imposed or to be imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (in each case, other than on the part of any of the Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of our Company, our executive Directors and the Controlling Shareholders (the "**Warrantors**") pursuant to the indemnities given by them under the Hong Kong Underwriting Agreement or under the International Underwriting Agreement; or

(v) any change or development involving a prospective adverse change in the assets, liabilities, general affairs, management, business prospects, shareholders' equity, profits, losses, results of operations, position or conditions (financial, trading or otherwise) or performance of any member of our Group ("**Group Company**"); or

(vi) any breach of, or any event or circumstance rendering untrue or incorrect in any respect, any of the representations, warranties, agreements and undertakings to be given by the Warrantors respectively in terms set out in the Hong Kong Underwriting Agreement; or

(vii) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares (including any additional Shares that may be issued upon the exercise of the Over-allotment Option) is refused or not granted, or is qualified (other than subject to customary conditions), on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(viii) our Company withdraws any of the Relevant Documents or the Global Offering; or

(ix) any person (other than the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Relevant Documents or to the issue of any of the Relevant Documents; or

(x) that a petition or an order is presented for the winding-up or liquidation of any Group Company or any Group Company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any Group Company or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company; or

(xi) an authority or a political body or organization in any relevant jurisdiction has commenced any investigation or other action, or announced an intention to investigate or take other action, against any of the Directors and senior management member of our Group as set out in the "Directors, Supervisors and Senior Management" section of this prospectus; or

(xii) any loss or damage has been sustained by any Group Company (howsoever caused and whether or not the subject of any insurance or claim against any person) which is considered by the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) in their sole and absolute opinion to be material; or

(b) there shall develop, occur, exist or come into effect:

(i) any local, national, regional, international event or circumstance, or series of events or circumstances, beyond the reasonable control of the Underwriters (including, without limitation, any acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a local, regional, national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases, pandemics or epidemics (including, without limitation, Severe Acute Respiratory Syndrome, avian influenza A (H5N1), Swine Flu (H1N1), Middle East Respiratory Syndrome, coronavirus or such related or mutated forms) or interruption or delay in transportation); or

(ii) any change or development involving a prospective change, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change, in any local, regional, national, international, financial, economic, political, military, industrial, fiscal, legal regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets); or

(iii) any moratorium, suspension or restriction on trading in securities generally (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on the Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the NASDAQ Global Market, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Tokyo Stock Exchange; or

(iv) any new law(s), rule(s), statute(s), ordinance(s), regulation(s), guideline(s), opinion(s), notice(s), circular(s), order(s), judgment(s), decree(s) or ruling(s) of any governmental authority ("**Laws**"), or any change or development involving a prospective change in existing Laws, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change in the interpretation or application of existing Laws by any court or other competent authority, in each case, in or affecting any of Hong Kong, the PRC, the United States, United Kingdom, the European Union (or any member thereof) or any other jurisdictions relevant to any Group Company or the Global Offering (the "**Specific Jurisdictions**"); or

(v) any general moratorium on commercial banking activities, or any disruption in commercial banking activities, foreign exchange trading or securities settlement or clearance services or procedures or matters, in or affecting any of the Specific Jurisdictions; or

(vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by or for any of the Specific Jurisdictions; or

(vii) a change or development involving a prospective change in or affecting taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment Laws (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a material fluctuation in the exchange rate of the Hong Kong dollar or the Renminbi against any foreign currency) in or affecting any of the Specific Jurisdictions or affecting an investment in the Shares; or

(viii) any change or development involving a prospective change in, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(ix) any litigation or claim of any third party being threatened or instigated against any Group Company or any of the Warrantors; or

(x) any of the Directors, supervisors and senior management member of our Company as set out in the "Directors, Supervisors and Senior Management" section of this prospectus being charged with an indictable offense or prohibited by operation of Law or otherwise disqualified from taking part in the management of a company; or

(xi) the chairman or chief executive officer of our Company vacating his or her office; or

(xii) the commencement by any governmental, regulatory or political body or organization of any action against a Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organization that it intends to take any such action; or

(xiii) a contravention by any Group Company or any Director of the Listing Rules, the Companies Ordinance or any other Laws applicable to the Global Offering; or

(xiv) a prohibition on our Company for whatever reason from allotting, issuing or selling the Offer Shares and/or the Over-allotment Shares pursuant to the terms of the Global Offering; or

(xv) non-compliance of this prospectus, CSRC Filings and the other Relevant Documents or any aspect of the Global Offering with the Listing Rules or any other Laws applicable to the Global Offering; or

(xvi) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus and/or any of the other Relevant Documents pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xvii) a valid demand by any creditor for repayment or payment of any indebtedness of any Group Company or in respect of which any Group Company is liable prior to its stated maturity,

which in each case individually or in aggregate in the sole and absolute opinion of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters):

(a) has or is or will or may or could be expected to have an adverse effect on the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, results of operation, financial, trading or other condition or position or prospects or risks of our Company or our Group or any Group Company or on any present or prospective shareholder of our Company in his, her or its capacity as such; or

(b) has or will or may have or could be expected to have an adverse effect on the success, marketability or pricing of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(c) makes or will make or may make it inadvisable, inexpedient or impracticable for any part of the Hong Kong Underwriting Agreement or the Global Offering to be performed or implemented or proceeded with as envisaged or to market the Global Offering or shall otherwise result in an interruption to or delay thereof; or

(d) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

Undertakings given to the Stock Exchange pursuant to the Listing Rules

Pursuant to Rule 10.07(1) of the Listing Rules and Chapter 3.13 of the Guide, each of the Controlling Shareholders has undertaken to our Company and the Stock Exchange that, except pursuant to the Global Offering, it shall not and shall procure that the relevant registered Shareholder(s) shall not, without the prior written consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules, (i) in the period commencing from the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the H Shares or securities of our Company in respect of which it is shown by this prospectus to be the beneficial owner; and (ii) in the period of six months period commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests, or encumbrances in respect of, any of the securities referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, any of they would cease to be a Controlling Shareholder of our Company (as defined in the Listing Rules) or a member of the group of Controlling Shareholders of our Company or would together with the other Controlling Shareholder cease to be the Controlling Shareholders of our Company (as defined in the Listing Rules).

Note 2 to Rule 10.07 of the Listing Rules provides that such rule does not prevent any of the Controlling Shareholders from using the H Shares beneficially owned by it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has further undertaken to our Company and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will immediately inform us and the Stock Exchange of:

(a) any pledges or charges of any H Shares or securities of our Company beneficially owned by it in favor of any authorized institution pursuant to Note 2 to Rule 10.07(2) of the Listing Rules for a bona fide commercial loan, and the number of such H Shares or securities of our Company so pledged or charged; and

(b) any indication received by it, either verbal or written, from the pledgee or chargee that any H Shares or other securities of our Company pledged or charged will be disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by any of the Controlling Shareholders (or its respective shareholders) and disclose such matters by way of an announcement as required under the Listing Rules as soon as possible after being so informed by any of the Controlling Shareholders (or its respective shareholders).

Undertakings given to the Hong Kong Underwriters

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has also undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except for the offer and sale of the Offer Shares pursuant to the Global Offering, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), not to, and to procure each other member of our Group not to, without the prior written consent of the Sole Sponsor, and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules and any applicable laws:

(a) offer, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any H Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represents the right to receive, or any warrants or other rights to purchase any H Shares or other equity securities of our Company, as applicable), or deposit any H Shares or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or other equity securities of our Company, as applicable); or

(c) enter into any transaction with the same economic effect as any transactions specified in (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the foregoing transactions is to be settled by delivery of H Shares or other securities, as applicable, or in cash or otherwise (whether or not the issue of such equity securities will be completed within the First Six-Month Period).

Our Company has also undertaken that it will not, and will procure each other Group Company not to, enter into any of the transactions specified in (a), (b) or (c) above or offer to or agree to or announce any intention to effect any such transaction, such that any of our Controlling Shareholders would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company during the period of six months immediately following the expiry of the First Six-Month Period (the "**Second Six-Month Period**").

By our Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, the Controlling Shareholders undertake to each of our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except as pursuant to the Global Offering, without the prior written consent of the Sole Sponsor, and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules and any applicable laws:

(i) at any time during the First Six-Month Period, it/he/she shall not, and shall procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/he/she (together, the "**Controlled Entities**") shall not,

(a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares) beneficially owned by it/him/her directly or indirectly through its Controlled Entities (the "**Relevant Securities**"), or deposit any Relevant Securities with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Securities; or

(c) enter into or effect any transaction with the same economic effect as any of the transactions referred to in sub-paragraphs (a) or (b) above; or

(d) offer to or agree to or announce any intention to enter into or effect any of the transactions referred to in sub-paragraphs (a), (b) or (c) above,

in each case, whether any of the foregoing transactions referred to in sub-paragraphs (a), (b) or (c) is to be settled by delivery of Shares or any other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);

(ii) at any time during the Second Six-Month Period, it/he/she shall not, and shall procure that the Controlled Entities shall not, enter into any of the transactions referred to in (i)(a), (b) or (c) above or offer to or agree to or announce any intention to enter into any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, it/he/she would cease to be a "controlling shareholder" (as defined in the Listing Rules) of our Company or would together with the other Controlling Shareholders cease to be "Controlling Shareholders" (as defined in the Listing Rules) of our Company;

(iii) in the event that it/he/she enters into any of the transactions specified in (i)(a), (b) or (c) above or offer to or agrees to or announce any intention to effect any such transaction within the Second Six-Month Period, it/he/she shall take all reasonable steps to ensure that it/he/she will not create a disorderly or false market for any Shares or other securities of our Company; and

(iv) it/he/she shall, and shall procure that the relevant registered holder(s) and other Controlled Entities shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it/he/she or by the registered holder(s) and/or other Controlled Entities of any Shares or other securities of our Company.

Each of the Controlling Shareholders has further undertaken to each of our Company, the Stock Exchange, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Bookrunners, the Joint Lead Managers and the other Hong Kong Underwriters that, within the period from the date by reference to which disclosure of their shareholding in our Company is made in this prospectus and ending on the date which is twelve months from the Listing Date, it/he/she will:

(i) when it/he/she pledges or charges any securities or interests in the Relevant Securities in favor of an authorized institution pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company, the Sole Sponsor and the Overall Coordinators in writing of such pledges or charges together with the number of securities and nature of interest so pledged or charged; and

(ii) when it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company, the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) in writing of such indications.

Underwriters' interests in our Group

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement or as otherwise disclosed in this prospectus, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of our Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

The Sole Sponsor's Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The International Offering

International Offering

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, agree to procure subscribers or purchasers for the International Offer Shares, failing which it agrees to subscribe for or purchase the International Offer Shares which are not taken up under the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Overall Coordinators on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 3,050,000 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure and Conditions of the Global Offering — Over-allotment Option."

Commission and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 3.0% of the aggregate Offer Price of all the Offer Shares, out of which they will pay any sub-underwriting commissions and other fees.

The Capital Market Intermediaries may receive a discretionary incentive fee of up to 1.0% of the aggregate Offer Price of all the Offer Shares to be issued by our Company under the Global Offering.

Assuming full payment of the discretionary incentive fee, the fixed fees and the discretionary fees payable to the Underwriters represent approximately 42% and 58%, respectively, of the aggregate fees payable to the Capital Market Intermediaries in total in connection with the Global Offering.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable to the Capital Market Intermediaries in relation to the Global Offering (assuming (i) an indicative offer price of HK$12.5 per Offer Share (which is the mid-point of the indicative Offer Price range) and (ii) the full payment of the discretionary incentive will be approximately HK$10.2 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$49.4 million (assuming (i) an indicative offer price of HK$12.5 per Offer Share (which is the mid-point of the indicative Offer Price range) and (ii) the full payment of the discretionary incentive.

Indemnity

We have undertaken to indemnify and keep indemnified on demand (on an after-tax basis) and hold harmless each of the Joint Global Coordinators, the Sole Sponsor and the Hong Kong Underwriters (for itself and on trust for its directors, officers, employees, agents, assignees and affiliates) from and against certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us or any of the other Warrantors of the Hong Kong Underwriting Agreement.

Restrictions on the Offer Shares

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering, together referred to as "Syndicate Members", and their affiliates may each individually undertake, and which do not form part of the underwriting process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- the Syndicate Members and their affiliates must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

HONG KONG UNDERWRITERS' INTERESTS IN OUR COMPANY

Save as disclosed in this prospectus and save for its obligations under the Hong Kong Underwriting Agreement, the Hong Kong Underwriters do not have any shareholding interests in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Underwriters and their respective affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Underwriting Agreements.

OTHER SERVICES TO OUR COMPANY

The Overall Coordinators, the Hong Kong Underwriters, the Capital Market Intermediaries or their respective affiliates have, from time to time, provided and expect to provide in the future investment banking and other services to our Company and our respective affiliates, for which such Overall Coordinators, Hong Kong Underwriters, the Capital Market Intermediaries or their respective affiliates have received or will receive customary fees and commissions.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering (subject to reallocation) comprises:

(i) the Hong Kong Public Offering of initially 2,034,000 H Shares (subject to reallocation) in Hong Kong as described in the subsection headed "Structure and Conditions of the Global Offering — The Hong Kong Public Offering" below; and

(ii) the International Offering of an aggregate of initially 18,302,000 H Shares, consisting of the offering of our H Shares outside the United States in reliance on Regulation S under the U.S. Securities Act.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent 22.5% of the enlarged issued share capital of our Company immediately after the completion of the Global Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the paragraph headed "Structure and Conditions of the Global Offering — The Hong Kong Public Offering — Reallocation and clawback" below.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 2,034,000 H Shares for subscription by the public in Hong Kong at the Offer Price, representing 10.0% of the total number of Offer Shares initially available under the Global Offering. The Hong Kong Offer Shares will represent 2.3% of our Company's enlarged share capital immediately after completion of the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "Structure and Conditions of the Global Offering — Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Offer Shares initially available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into two pools for allocation purposes (subject to adjustment of odd lot size): pool A and for pool B. The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable) or less. The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable) and up to the total value in pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefore, which is HK$14.0 per Offer Share. Applicants can only receive an allocation of Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 1,016,400 Hong Kong Offer Shares, being approximately 50% of the 2,034,000 Hong Kong Offer Shares are liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators and the Joint Global Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators and the Joint Global Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators and the Joint Global Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators and the Joint Global Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,016,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 3,050,000 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) and the final Offer Price shall be fixed at the bottom end of the indicative Offer Price range (i.e. HK$11.0 per Offer Share) in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The listing of the Offer Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering must pay, on application (subject to application channels), the Offer Price of HK$14.0 per H Share in addition to any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable on each Offer Share. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares."

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 3,050,000 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) at the Offer Price, to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 3.3% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may make purchases, over-allocate or effect transactions in the market or otherwise take such stabilizing action(s) with a view to supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (i) will be conducted at the sole and absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in clauses (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;

- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;

- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Friday, April 3, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In effecting stabilization actions, the Stabilizing Manager (or any person acting for it) may arrange cover up to an aggregate of 3,050,000 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all), through delayed delivery arrangements with investors who have been offered Offer Shares under the International Offering. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether sufficient number of H Shares will be made available under delayed delivery arrangements. There will be no stabilization actions and no exercise of the Over-allotment Option should no investors be willing to enter into such delayed delivery arrangements.

The Company will ensure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

PRICING OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be not more than HK$14.0 per H Share and is expected to be not less than HK$11.0 per H Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application (subject to application channels), the Offer Price of HK$14.0 per H Share, plus 1.0% brokerage, 0.0027% SFC transaction levy, AFRC transaction levy of 0.00015% and 0.00565% Stock Exchange trading fee. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus (subject to a Downward Offer Price Adjustment).**

The Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the Offer Price, at any time on or prior to the morning of the last day for lodging applications under the International Offering.

In such a case, our Company will, as soon as practicable following the decision to make such reduction and/or set the final Offer Price, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause there to be posted on the website of the Stock Exchange (**www.hkexnews.hk**) and on the website of our Company (**www.anwood.com.cn**) notices of the reduction of the Offer Shares, the cancellation of the Global Offering and the relaunch of the offer at the revised number of Offer Shares.

Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental or new prospectus updating investors of the change in the number of Offer Shares and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: updated (i) Offer Price and market capitalization; (ii) listing timetable and underwriting obligations; (iii) unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and confirmation of the working capital adequacy based on the revised estimated proceeds.

Applicants should have regard to the possibility that any notice of a reduction in the number of Offer Shares being offered under the Global Offering and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

In the absence of any such notice so announced and any such supplemental or new prospectus so published, the number of Offer Shares and the Offer Price will not be reduced. If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price, or if our Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we will, as soon as practicable following such change, issue a supplemental prospectus updating investors of such change. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

In the event of a reduction in the number of Offer Shares being offered under the Global Offering, the Overall Coordinators and the Joint Global Coordinators may at their discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering.

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocation in the Hong Kong Public Offering are expected to be announced on Friday, March 6, 2026 through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares — Publication of Results" in this prospectus.

ANNOUNCEMENT OF OFFER PRICE REDUCTION

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of the Company, determine the final Offer Price to be no more than 10% below HK$11.0 (the bottom end of the Offer Price range), at any time on or prior to the Expected Price Determination Date.

In such situation, the Company will, as soon as practicable following the decision to set the final Offer Price below HK$11.0 (the bottom end of the Offer Price range), publish on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company's website (**www.anwood.com.cn**) an announcement of the final Offer Price after making a Downward Offer Price Adjustment. Such announcement will be issued before and separate from the announcement of the results of allocations expected to be announced no later than 11:00 p.m. on Friday, March 6, 2026. The Offer Price announced following making of a Downward Offer Price Adjustment shall be the final Offer Price and shall not be subsequently changed.

In the absence of an announcement that a Downward Offer Price Adjustment has been made, the final Offer Price will not be outside the indicative Offer Price range as disclosed in this prospectus.

ANNOUNCEMENT OF FINAL OFFER PRICE

Irrespective of whether a Downward Offer Price Adjustment is made, the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — Publication of Results" in this prospectus.

HONG KONG UNDERWRITING AGREEMENT

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriter(s) under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around Thursday, March 5, 2026.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Offer Shares being offered pursuant to the Global Offering (subject only to allotment);

(ii) the execution and delivery of the International Underwriting Agreement on or around Thursday, March 5, 2026; and

(iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of our Company (**www.anwood.com.cn**) respectively, on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares". In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

H Share certificates for the Offer Shares are expected to be issued on Friday, March 6, 2026 but will only become valid evidence of title at 8:00 a.m. on Monday, March 9, 2026 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination" has not been exercised.

H SHARES WILL BE ELIGIBLE FOR CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling our H Shares to be admitted into CCASS.

Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, March 9, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, March 9, 2026.

Our H Shares will be traded in board lots of 500 H Shares each and the stock code of the H Shares will be 2649.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.anwood.com.cn.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the **White Form eIPO** service only).*

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, February 27, 2026 and end at 12:00 noon on Wednesday, March 4, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	at **www.eipo.com.hk**	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, February 27, 2026 to 11:30 a.m. on Wednesday, March 4, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, March 4, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction.	Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. HKID card; or
  ii. National identification document; or
  iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. LEI registration document; or
  ii. Certificate of incorporation; or
  iii. Business registration certificate; or
  iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above. "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . : 500 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . . . : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$14.0 per H Share.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[(2)] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
500	7,070.60	7,000	98,988.34	50,000	707,059.50	400,000	5,656,476.00
1,000	14,141.19	8,000	113,129.52	60,000	848,471.40	450,000	6,363,535.50
1,500	21,211.79	9,000	127,270.71	70,000	989,883.30	500,000	7,070,595.00
2,000	28,282.38	10,000	141,411.90	80,000	1,131,295.20	600,000	8,484,714.00
2,500	35,352.98	15,000	212,117.86	90,000	1,272,707.10	700,000	9,898,833.00
3,000	42,423.56	20,000	282,823.80	100,000	1,414,119.00	800,000	11,312,952.00
3,500	49,494.16	25,000	353,529.76	150,000	2,121,178.50	900,000	12,727,071.00
4,000	56,564.75	30,000	424,235.70	200,000	2,828,238.00	1,017,000[(1)]	14,381,590.24
4,500	63,635.35	35,000	494,941.66	250,000	3,535,297.50		
5,000	70,705.96	40,000	565,647.60	300,000	4,242,357.00		
6,000	84,847.15	45,000	636,353.56	350,000	4,949,416.50		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons*(Note)*, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "How to Apply for Hong Kong Offer Shares — G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed " How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "How to Apply for Hong Kong Offer Shares — C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

Note: The Relevant Persons would include the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or our Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering.

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through **White Form eIPO** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Friday, March 6, 2026 to 12:00 noon on Thursday, March 12, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.anwood.com.cn** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Friday, March 6, 2026 (Hong Kong time).
Telephone . . .	+852 28628555 – the allocation results telephone enquiry line provided by the H Share Registrar.	between 9:00 a.m. to 6:00 p.m., on Monday, March 9, 2026, Tuesday, March 10, 2026, Wednesday, March 11, 2026 and Thursday, March 12, 2026 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, March 5, 2026 (Hong Kong time)

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, March 5, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.anwood.com.cn** by no later than 11:00 p.m. on Friday, March 6, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed " How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid evidence of title at 8:00 a.m. on Monday, March 9, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	**HKSCC EIPO channel**
Despatch/collection of Share certificate(Note 1)		
For physical share certificates of 1,000,000 or more Hong Kong Offer Shares issued under your own name	Collection in person from the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **Time:** Monday, March 9, 2026. If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

Note: Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on the Friday, March 6, 2026 rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this section.

	White Form eIPO service	**HKSCC EIPO channel**
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note:** If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For application of less than 1,000,000 Hong Kong Offer Shares issued under your own name	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Time:** Friday, March 6, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Monday, March 9, 2026	Subject to the arrangement between you and your broker or custodian.
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, March 4, 2026 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions

  (collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 4, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.anwood.com.cn** of the revised timetable.

If a Severe Weather Signal is hoisted on Friday, March 6, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Monday, March 9, 2026.

If a Severe Weather Signal is hoisted on Monday, March 9, 2026:

- for physical H Share certificates of 1,000,000 Offer Shares or more issued under your own name, you may collect the physical share certificates from the H Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, March 9, 2026 or on Tuesday, March 10, 2026).

If a Severe Weather Signal is hoisted on Friday, March 6, 2026:

- for physical H Share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, March 6, 2026 or on Monday, March 9, 2026).

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;

- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;

- maintaining or updating the register of members of our Company;

- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;

- facilitating Hong Kong Offer Shares balloting;

- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;

- distributing communications from our Company and its subsidiaries;

- compiling statistical information and profiles of the holder of the H Shares;

- disclosing relevant information to facilitate claims on entitlements; and

- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Registrar for the attention of the privacy compliance officer.

EY 安永

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ALSCO POOLING SERVICES CO., LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of ALSCO Pooling Service Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-80, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and 31 August 2025 and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 31 August 2025 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-80 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 27 February 2026 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* 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 consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 31 August 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the eight months ended 31 August 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our 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* issued by the HKICPA. A review 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. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
27 February 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Eight months ended 31 August	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	5	647,587	794,019	837,620	507,429	533,336
Cost of sales		(520,139)	(624,147)	(653,479)	(398,432)	(422,138)
GROSS PROFIT		127,448	169,872	184,141	108,997	111,198
Other income and gains	5	11,394	13,247	4,038	2,625	3,989
Selling and distribution expenses		(35,792)	(43,371)	(48,940)	(30,595)	(34,519)
Administrative expenses		(52,708)	(50,875)	(68,512)	(39,916)	(42,941)
(Impairment losses)/reversal on financial assets, net		(4,376)	(1,774)	(209)	576	329
Other expenses		(856)	(711)	(1,566)	(641)	(671)
Finance costs	6	(6,841)	(5,246)	(4,462)	(2,580)	(2,425)
Share of loss of an associate	16	–	–	(3)	–	(6)
PROFIT BEFORE TAX	7	38,269	81,142	64,487	38,466	34,954
Income tax expense	10	(7,068)	(16,993)	(13,746)	(7,737)	(8,062)
PROFIT FOR THE YEAR/PERIOD		31,201	64,149	50,741	30,729	26,892
Profit attributable to:						
Owners of the parent		23,703	50,823	40,114	23,896	22,025
Non-controlling interests		7,498	13,326	10,627	6,833	4,867
		31,201	64,149	50,741	30,729	26,892
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	12	0.36	0.73	0.57	0.34	0.31
OTHER COMPREHENSIVE INCOME/(LOSS)						
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, after tax						
Exchange differences on translation of foreign operations		–	–	154	120	(776)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		31,201	64,149	50,895	30,849	26,116
Total comprehensive income attributable to:						
Owners of the parent		23,703	50,823	40,268	24,016	21,249
Non-controlling interests		7,498	13,326	10,627	6,833	4,867
		31,201	64,149	50,895	30,849	26,116

For the details of Pre-IPO Investments, please refer to note 28 to this report.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 31 August
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	267,092	269,739	296,030	299,354
Right-of-use assets	*14(a)*	23,640	31,000	21,135	18,258
Other intangible assets	*15*	2,921	2,376	2,394	2,758
Investment in an associate	*16*	–	345	597	591
Deferred tax assets	*17*	8,831	8,129	8,856	8,409
Other long-term assets	*18*	6,687	4,658	5,207	10,763
Total non-current assets		309,171	316,247	334,219	340,133
CURRENT ASSETS					
Inventories	*19*	32,450	18,807	17,245	23,974
Trade and bills receivables	*20*	310,694	360,753	382,372	324,503
Financial assets at fair value through other comprehensive income	*21*	56,195	72,798	47,502	45,373
Prepayments, other receivables and other assets	*22*	13,826	17,722	16,462	20,409
Financial assets at fair value through profit or loss	*23*	10,543	12,096	11,082	51,463
Tax recoverable		2,143	249	77	77
Pledged deposits	*24*	13,940	12,380	3	2
Restricted cash	*24*	27	1,014	87	–
Cash and cash equivalents	*24*	33,201	32,343	56,776	88,915
Total current assets		473,019	528,162	531,606	554,716
CURRENT LIABILITIES					
Trade and bills payables	*25*	274,938	261,116	249,604	202,846
Other payables and accruals	*26*	26,085	28,352	37,399	31,202
Interest-bearing bank and other borrowings	*27*	119,649	117,954	101,663	178,348
Tax payable		5,349	10,552	10,742	9,462
Lease liabilities	*14(b)*	11,011	15,364	11,615	13,073
Total current liabilities		437,032	433,338	411,023	434,931
NET CURRENT ASSETS		35,987	94,824	120,583	119,785
TOTAL ASSETS LESS CURRENT LIABILITIES		345,158	411,071	454,802	459,918

	Notes	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 31 August 2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	27	–	–	19,000	–
Lease liabilities	14(b)	8,910	11,419	5,636	2,506
Total non-current liabilities		8,910	11,419	24,636	2,506
NET ASSETS		**336,248**	**399,652**	**430,166**	**457,412**
EQUITY					
Equity attributable to owners of the parent					
Share capital	28	–	–	70,000	70,000
Paid-in capital	28	14,222	14,222	–	–
Reserves	29	295,322	346,361	315,541	337,920
		309,544	**360,583**	**385,541**	**407,920**
Non-controlling interests		**26,704**	**39,069**	**44,625**	**49,492**
TOTAL EQUITY		**336,248**	**399,652**	**430,166**	**457,412**

For the details of Pre-IPO Investments, please refer to note 28 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent								
	Share capital/ Paid-in capital	Capital reserve*	Statutory surplus reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 29)*	*(note 29)*	*(note 29)*	*(note 29)*				
As at 1 January 2022	13,333	127,990	5,894	–	–	88,581	235,798	19,206	255,004
Profit and total comprehensive income for the year	–	–	–	–	–	23,703	23,703	7,498	31,201
Capital contribution by shareholders	889	49,111	–	–	–	–	50,000	–	50,000
Equity-settled share-based payments	–	–	–	43	–	–	43	–	43
Appropriations to statutory surplus reserve	–	–	1,221	–	–	(1,221)	–	–	–
As at 31 December 2022	14,222	177,101	7,115	43	–	111,063	309,544	26,704	336,248
As at 1 January 2023	14,222	177,101	7,115	43	–	111,063	309,544	26,704	336,248
Profit and total comprehensive income for the year	–	–	–	–	–	50,823	50,823	13,326	64,149
Equity-settled share-based payments	–	–	–	216	–	–	216	–	216
Dividends paid to shareholders	–	–	–	–	–	–	–	(961)	(961)
As at 31 December 2023	14,222	177,101	7,115	259	–	161,886	360,583	39,069	399,652

	Attributable to owners of the parent								
	Share capital/ Paid-in capital	**Capital reserve***	**Statutory surplus reserve***	**Share-based payment reserve***	**Exchange fluctuation reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 29)*	*(note 29)*	*(note 29)*	*(note 29)*				
As at 1 January 2024	14,222	177,101	7,115	259	–	161,886	360,583	39,069	399,652
Profit for the year	–	–	–	–	–	40,114	40,114	10,627	50,741
Exchange differences related to foreign operations	–	–	–	–	154	–	154	–	154
Total comprehensive income for the year	–	–	–	–	154	40,114	40,268	10,627	50,895
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	1,735	1,735
Conversion into a joint stock company	55,778	83,163	(7,115)	–	–	(131,826)	–	–	–
Equity-settled share-based payments	–	–	–	690	–	–	690	–	690
Appropriations to statutory surplus reserve	–	–	2,825	–	–	(2,825)	–	–	–
Dividends paid to shareholders	–	–	–	–	–	(16,000)	(16,000)	(6,806)	(22,806)
As at 31 December 2024	70,000	260,264	2,825	949	154	51,349	385,541	44,625	430,166
As at 1 January, 2024	14,222	177,101	7,115	259	–	161,886	360,583	39,069	399,652
Profit for the period (unaudited)	–	–	–	–	–	23,896	23,896	6,833	30,729
Exchange differences related to foreign operations (unaudited)	–	–	–	–	120	–	120	–	120
Total comprehensive income for the period (unaudited)	–	–	–	–	120	23,896	24,016	6,833	30,849
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	185	185
Equity-settled share-based payments (unaudited)	–	–	–	144	–	–	144	–	144
Dividends paid to shareholders (unaudited)	–	–	–	–	–	–	–	(505)	(505)
As at 31 August 2024 (unaudited)	14,222	177,101	7,115	403	120	185,782	384,743	45,582	430,325

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**Share-based payment reserve***	**Exchange fluctuation reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 29)*	*(note 29)*	*(note 29)*	*(note 29)*				
As at 1 January, 2025	70,000	260,264	2,825	949	154	51,349	385,541	44,625	430,166
Profit for the period	–	–	–	–	–	22,025	22,025	4,867	26,892
Exchange differences related to foreign operations	–	–	–	–	(776)	–	(776)	–	(776)
Total comprehensive income for the period	–	–	–	–	(776)	22,025	21,249	4,867	26,116
Equity-settled share-based payments	–	–	–	1,130	–	–	1,130	–	1,130
As at 31 August 2025	70,000	260,264	2,825	2,079	(622)	73,374	407,920	49,492	457,412

* These reserve accounts comprise the consolidated reserves of RMB295,322,000, RMB346,361,000, RMB315,541,000 and RMB337,920,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 31 August 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Eight months ended 31 August	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		38,269	81,142	64,487	38,466	34,954
Adjustments for:						
Depreciation of property, plant and equipment	*13*	83,333	101,983	107,821	71,881	76,783
(Gains)/losses on disposal of items of property, plant and equipment	*5*	(2,089)	(5,666)	766	(1,208)	(2,996)
Depreciation of right-of-use assets	*14*	13,266	15,201	18,393	11,806	12,512
Amortisation of other intangible assets	*15*	724	824	806	522	925
(Impairment losses)/reversal on financial assets, net		4,376	1,774	209	(576)	(329)
(Reversal of write-down)/write-down of inventories to net realizable values	*7*	(64)	126	(125)	60	239
Finance costs	*6*	6,841	5,246	4,462	2,580	2,425
Interest income	*5*	(355)	(497)	(863)	(500)	(332)
Fair value gains on financial assets at fair value through profit or loss	*5*	(109)	(45)	(33)	(109)	(45)
Share of loss of an associate	*16*	–	–	3	–	6
Equity-settled share payment expense	*7*	43	216	690	144	1,130
		144,235	200,304	196,616	123,066	125,272
(Increase)/decrease in inventories		(17,194)	13,503	1,601	583	(6,969)
(Increase)/decrease in restricted cash and pledged deposits		(10,859)	573	13,304	13,306	88
(Increase)/decrease in trade and bills receivables		(47,381)	(51,665)	(23,205)	46,408	58,210
(Increase)/decrease in financial assets at fair value through other comprehensive income		(29,241)	(16,603)	25,296	56,406	2,129
Decrease/(increase) in prepayments, other receivables and other assets		2,710	(3,900)	6,778	(8,747)	(4,371)
(Increase)/decrease in other long-term assets		(1,500)	236	(400)	–	(1,652)
Increase/(decrease) in trade and bills payables		97,068	(13,822)	(11,512)	(75,104)	(46,758)
Increase/(decrease) in other payables and accruals		1,878	2,267	8,747	(390)	(5,897)
Cash generated from operations		139,716	130,893	217,225	155,528	120,052
Interest received	*5*	355	497	863	595	332
Income tax paid		(9,318)	(9,193)	(14,111)	(9,999)	(8,895)
Net cash flows from operating activities		130,753	122,197	203,977	146,124	111,489

	Notes	Year ended 31 December			Eight months ended 31 August	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(159,509)	(121,393)	(153,690)	(105,136)	(97,517)
Purchase of other intangible assets		(781)	(279)	(824)	(283)	(1,289)
Proceeds from disposal of items of property, plant and equipment		25,458	24,072	18,664	18,526	16,500
Purchase of financial assets at fair value through profit or loss		(193,550)	(103,400)	(182,369)	(125,569)	(78,220)
Redemption of financial assets at fair value through profit or loss		185,366	101,892	183,416	77,140	37,884
Investment in an associate		–	(345)	(255)	(255)	–
Net cash flows used in investing activities		(143,016)	(99,453)	(135,058)	(135,577)	(122,642)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from capital contribution from shareholders		50,000	–	–	–	–
Capital contribution from the non-controlling shareholders		–	–	1,735	185	–
Share issue expenses		–	–	(3,769)	(1,358)	(449)
Payments of lease liabilities	*14*	(14,342)	(16,526)	(19,137)	(11,842)	(11,676)
New borrowings		129,547	153,470	168,612	118,612	198,200
Interest paid		(5,953)	(4,441)	(3,536)	(2,089)	(2,029)
Dividends paid to shareholders		(5,950)	–	(15,700)	–	(300)
Dividends paid to non-controlling shareholders of subsidiaries		–	(961)	(6,806)	(505)	–
Repayment of bank and other borrowings		(136,766)	(155,144)	(165,885)	(97,875)	(140,454)
Net cash flows from/(used in) financing activities		16,536	(23,602)	(44,486)	5,128	43,292
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,273	(858)	24,433	15,675	32,139
Cash and cash equivalents at beginning of year/period		28,928	33,201	32,343	32,343	56,776
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		33,201	32,343	56,776	48,018	88,915
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*24*	47,168	45,737	56,866	48,107	88,917
Less: Restricted cash and pledged deposits	*24*	13,967	13,394	90	89	2
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS	*24*	33,201	32,343	56,776	48,018	88,915

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December			As at 31 August
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	176,397	178,079	181,878	174,921
Right-of-use assets		636	1,490	1,203	816
Investments in subsidiaries		53,544	56,589	61,970	67,771
Other intangible assets	15	2,921	2,376	2,394	2,758
Deferred tax assets		1,373	1,856	1,341	1,748
Other long-term assets	18	6,647	3,610	5,097	7,364
Total non-current assets		241,518	244,000	253,883	255,378
CURRENT ASSETS					
Inventories	19	8,878	8,030	3,962	6,001
Trade and bills receivables	20	201,974	171,994	185,267	166,797
Financial assets at fair value through other comprehensive income	21	51,190	53,919	13,118	18,990
Prepayments, other receivables and other assets	22	33,464	110,951	117,628	124,328
Financial assets at fair value through profit or loss		7,305	–	5,000	48,734
Tax recoverable		1,475	–	–	–
Pledged deposits	24	13,940	12,380	3	2
Restricted cash	24	27	225	87	–
Cash and cash equivalents	24	7,829	10,620	10,779	56,402
Total current assets		326,082	368,119	335,844	421,254
CURRENT LIABILITIES					
Trade and bills payables	25	150,697	183,794	129,940	117,216
Other payables and accruals	26	22,295	18,876	21,453	22,052
Interest-bearing bank and other borrowings	27	99,620	88,079	71,663	178,348
Tax payable		–	2,082	3,582	225
Lease liabilities		367	781	710	820
Total current liabilities		272,979	293,612	227,348	318,661
NET CURRENT ASSETS		53,103	74,507	108,496	102,593
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	27	–	–	19,000	–
Lease liabilities		179	583	299	256
Total non-current liabilities		179	583	19,299	256
NET ASSETS		**294,442**	**317,924**	**343,080**	**357,715**
EQUITY					
Share capital	28	–	–	70,000	70,000
Paid-in capital	28	14,222	14,222	–	–
Reserves	29	280,220	303,702	273,080	287,715
TOTAL EQUITY		**294,442**	**317,924**	**343,080**	**357,715**

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

ALSCO Pooling Service Co., Ltd. (the "Company"), formerly known as Anwood Logistics Systems (Suzhou) Company Ltd., is a company established in the People's Republic of China ("PRC") with limited liability. The registered office of the Company is located at Jiacheng Building, 128 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou City, Jiangsu Province, PRC.

The Company was converted into a joint stock company with limited liability on 1 November 2024, pursuant to the shareholders' resolutions and the agreement of the then existing holders of the shares (the "Shareholders").

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the "Group") were reusable package service providers in China, primarily focusing on serving automotive parts manufacturers and original equipment manufacturers within the automotive industry.

As at 31 August 2025, the Company had direct or indirect interests in its subsidiaries as follows:

Name	Notes	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Suzhou Youpule Logistics Systems Management Co., Ltd. ("蘇州優普樂供應鏈管理有限公司")		PRC/Mainland China, 18 August 2016	RMB10,000,000	100%	–	Supply chain management; leasing of logistics packaging equipment
Chongqing Asike Logistics Systems Management Co., Ltd. ("重慶阿思柯供應鏈管理有限公司") ("Chongqing Asike")	(1)	PRC/Mainland China, 23 May 2016	RMB5,000,000	65%	–	Design, production and sales of logistics handling equipments and its leasing and operation management
Dalian Anhua Logistics System Co., Ltd. ("大連安華物流系統有限公司") ("Dalian Anhua")		PRC/Mainland China, 7 April 2016	RMB10,100,000	60%	–	Transportation of general cargo by water; inter-provincial general freighter transportation and intra-provincial vessel transportation
Suzhou Sprint Logistics Systems Management Co., Ltd. ("蘇州思品特供應鏈管理有限公司")	(2)	PRC/Mainland China, 15 July 2014	RMB10,000,000	100%	–	Supply chain management services; warehousing services

As at 31 August 2025, the Company had direct or indirect interests in its subsidiaries as follows: (continued)

Name	Notes	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Angu (Lianyungang) Technology Co., Ltd. ("安固(連雲港)科技有限公司")		PRC/Mainland China, 26 July 2005	RMB20,000,000	100%	–	Technical services; technical development and technical consultation
Qingdao Asike Logistics Systems Management Co., Ltd. ("青島阿思柯供應鏈管理有限公司")		PRC/Mainland China, 11 November 2015	RMB5,000,000	60%	–	Supply chain management; leasing of logistics packaging equipment
Fuzhou Asike Logistics Systems Management Co., Ltd. ("福州阿思柯供應鏈管理有限公司")		PRC/Mainland China, 9 August 2018	RMB3,000,000	51%	–	Supply chain management services; domestic freight forwarding
Changchun ALSCO Logistics Systems Management Co., Ltd. ("長春優樂賽供應鏈管理有限公司")		PRC/Mainland China, 15 July 2020	RMB10,000,000	100%	–	Supply chain management; leasing of logistics packaging equipment
Anhui Asike Logistics Systems Management Co., Ltd. ("安徽阿思柯供應鏈管理有限公司")		PRC/Mainland China, 14 December 2021	RMB5,000,000	51%	–	Supply chain management services; leasing services
Yancheng Youlejia New Materials Co., Ltd. ("鹽城優樂嘉新材料有限公司")		PRC/Mainland China, 27 January 2022	RMB6,000,000	100%	–	Plastic manufacturing; sales of plastic products

As at 31 August 2025, the Company had direct or indirect interests in its subsidiaries as follows: (continued)

Name	Notes	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
ALSCO International Co., Limited. ("優樂賽國際有限公司") . .		Hong Kong, 21 June 2019	HKD12,500,000	100%	–	Investment
ALSCO MANUFACTURING (THAILAND) CO., LTD. ("優樂賽製造泰國有限公司")		Thailand, 26 January 2024	THB5,000,000	–	100%	Plastic manufacturing; sales of plastic products

Notes:

(1) The statutory financial statements of Chongqing Asike Logistics Systems Management Co., Ltd. prepared in accordance with PRC accounting principles and regulations have been audited by Beijing Bochenyiheng Certified Public Accountants GP (北京博宸益恒會計師事務所(普通合夥)), a certified public accounting firm registered in the PRC, for the years ended 31 December 2022 and 2023. No audited financial statements have been prepared for the entity for the year ended 31 December 2024, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdictions of incorporation.

(2) The statutory financial statements of Suzhou Sprint Logistics Systems Management Co., Ltd. prepared in accordance with PRC accounting principles and regulations have been audited by Suzhou Dongxin Certified Public Accountants Co., Ltd. (蘇州東信會計師事務所有限公司), a certified public accounting firm registered in the PRC, for the year ended 31 December 2022. No audited financial statements have been prepared for the entity for the years ended 31 December 2023 and 2024, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdictions of incorporation.

(3) The English names of the subsidiaries registered in the PRC represent the best efforts made by management of the Company to translate the Chinese names of these companies as they do not have official English names.

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of redemption rights granted by the Company, which are void ab initio as described in note 28 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For details of the financial impacts, see note 28 to this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("FVTPL") and certain bills receivable which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiary for the Relevant Periods. A subsidiary is an entity, directly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same Relevant Periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in this Historical Financial Information.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

Further information about the new amended IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. There are also consequential amendments to other accounting standards. For example, narrow scope amendments have been made to IAS 7 and some requirements previously included in IAS 1 have been moved to IAS 8 which has also been renamed as IAS 8 *Basis of Preparation of Financial Statements.* IAS 34 *Interim Financial Reporting* was amended to require a new disclosure of management-defined performance measures. Minor consequential amendments to other standards was also made. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. Based on a preliminary assessment, the adoption of IFRS 18 is unlikely to have a significant impact on the Group's financial position and financial performance.

IFRS 19 allows eligible subsidiaries without public accountability to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. An eligible entity (including an intermediate parent) can apply IFRS 19 in its consolidated, separate or individual financial statements and it is applicable for both annual and interim reporting. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. Based on a preliminary assessment, the IFRS 19 is not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The classification of financial assets with environmental, social and governance-linked features has been clarified via additional guidance on the assessment of contingent features. Clarifications have been made on non-resource loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified as fair value through other comprehensive income. The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. 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.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

The Group measures certain of its financial assets at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the historical financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Relevant Period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is an associate of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Machinery	9.50%
Reusable packaging containers	18.00%
Electronic equipment	19.00% to 31.67%
Transportation equipment and others	19.00% to 23.75%
Inner linings	Over the shorter of the lease terms and 3 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

Research and development expenses

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 years
Warehouse and equipment	2 to 6 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a stand-alone selling price basis. Revenue from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from operating leases. Contingent rents or variable lease payments are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers there has been a significant increase in credit risk when contractual payments are more than one year over due.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of the Relevant Periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

The Group is a reusable package service provider in China, primarily focusing on serving automotive parts manufacturers and original equipment manufactures within the automotive industry. The Group is mainly engaged in the business of provision of pooling services, container sales and transportation and other value-added services.

(a) Pooling services

When providing pooling services, in addition to providing the rental of reusable packages to the customers for use, the Group also handles package storage, distribution, returns, maintenance, operational scheduling, and so on. The customer pays based on the number of times the reusable packages are circulated.

The nature of the Group's pooling service is a single performance obligation under the service contract. Revenue from the pooling service is recognised over the scheduled period of time.

(b) Container sales

Container sales business is designed to meet the logistical capabilities and procurement needs of the customers, offering them a direct supply of the specialized products. These products primarily include reusable foldable large load carriers, small load carriers, custom-developed inner linings, and customized metal racks.

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

(c) Other value-added services

Other value-added services primarily include logistics transportation, warehouse management, and outsourcing pooling services, providing comprehensive solutions that go beyond traditional pooling and rental offerings. These services are designed to streamline operations, enhance supply chain efficiency, and reduce the logistical burdens on the Group's clients, allowing them to focus on core business activities.

Revenue from other value-added services is recognised over the scheduled period of time because the customers simultaneously receive and consume the benefits provided by the Group.

Revenue from other sources

Revenue from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from an operating lease. Contingent rents or variable lease payments are recognised as revenue in the period in which they are earned.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share incentive plan. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using discounted cash flow method and back-solve method, further details of which are given in note 30 to the Historical Financial Information.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Employee benefits

Pension scheme

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

This Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below:

Estimated useful life and residual value of property, plant and equipment

The Group's management determines the estimated useful lives and residual value for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and also consideration of technical or commercial obsolescence of property, plant and equipment of similar nature and functions. The management will increase the depreciation charge where useful lives are expected to be shorter than previously estimated, or it will write off or write down obsolete or non-strategic assets that have been abandoned. Changes in these estimations may have a material impact on the results of the Group.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on financial assets

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised. Further details are contained in note 17 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statements of profit or loss and the consolidated statements of other comprehensive income.

Geographical information

Non-current assets

	Year ended 31 December			Eight months ended 31 August	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Mainland China	300,340	308,118	321,472	312,557	328,753
Thailand	–	–	3,891	4,347	2,971
Total non-current assets	300,340	308,118	325,363	316,904	331,724

The non-current asset information of continuing operations above is based on the locations of the assets and excludes deferred tax assets.

Almost all of the revenue of the Group was derived from operations in Mainland China during the Relevant Periods.

Information about major customers

The revenue generated from sales to customers which individually contributed more than 10% of the Group's total revenue during each of the Relevant Periods is set out below:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Customer A	N/A*	N/A*	87,561	N/A*	53,852

* Less than 10% of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue and other income and gains is as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue from contracts with customers	619,143	765,964	816,683	492,409	514,576
Revenue from other sources:					
Rental income	28,444	28,055	20,937	15,020	18,760
Total	647,587	794,019	837,620	507,429	533,336

(i) Disaggregated revenue information:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Types of goods or services					
Pooling services	447,413	587,692	673,549	401,088	402,969
Container sales	108,277	102,176	71,007	45,578	66,492
Other value-added services	63,453	76,096	72,127	45,743	45,115
Total	619,143	765,964	816,683	492,409	514,576

Represented by:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Timing of revenue recognition					
Recognised at a point in time	108,277	102,176	71,007	45,578	66,492
Recognised over time	510,866	663,788	745,676	446,831	448,084
Total	619,143	765,964	816,683	492,409	514,576

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Container sales	562	252	609	609	707
Pooling services	8	156	322	322	221

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Pooling services

Revenue from the pooling services is recognised over the scheduled period of time because customers simultaneously receive and consume the benefits provided by the Group.

Container sales

Revenue from the container sales is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Other value-added services

Revenue from the other value-added services is recognised over the scheduled period of time because customers simultaneously receive and consume the benefits provided by the Group.

As the contracts are for periods of one year or less or the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, thus the Group applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the Relevant Periods.

Other income and gains

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants*	1,507	2,185	1,532	297	456
Income from value-added tax super deduction**	7,144	4,527	652	377	117
Interest income	355	497	863	500	332
Gains on disposal of property, plant and equipment	2,089	5,666	–	1,208	2,996
Fair value gains on financial assets at FVTPL	109	45	33	109	45
Compensation income	3	96	492	1	–
Clearing income	64	119	320	1	–
Others	123	112	146	132	43
Total	11,394	13,247	4,038	2,625	3,989

* Various government grants have been received from the PRC local government authorities to support subsidiaries' daily operation. There are no unfulfilled conditions related to these government grants.

** Income from value-added tax ("VAT") super deduction is related to an additional 10% VAT input tax deduction for taxpayers of productive services from 1 April 2019 to 31 December 2022, an additional 5% VAT input tax deduction for taxpayers of productive services from 1 January 2023 to 31 December 2023 and an additional 5% VAT input tax deduction for taxpayers of advanced manufacturing enterprise from 1 January 2023 to 31 December 2027.

6. FINANCE COST

An analysis of finance costs is as follows:

		Year ended 31 December			Eight months ended 31 August	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest on bank and other borrowings		5,926	4,419	3,518	2,010	1,968
Interest on lease liabilities	*14*	915	827	944	570	457
Total		6,841	5,246	4,462	2,580	2,425

For the details of Pre-IPO Investments, please refer to note 28 to this report.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December			Eight months ended 31 August	
	Notes	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of inventories sold		89,875	82,587	59,655	36,195	54,249
Cost of services provided		430,264	541,560	593,824	362,237	367,889
Employee benefit expense (including directors' and chief executive's remuneration):						
Wages, salaries and other benefits		47,992	55,386	60,862	38,067	41,879
Pension scheme contributions		13,252	12,732	12,972	7,097	7,645
Share-based payments		43	216	690	144	1,130
Depreciation of items of property, plant and equipment*	*13*	83,333	101,983	107,821	71,881	76,783
Depreciation of right-of-use assets*	*14*	13,266	15,201	18,393	11,806	12,512
Expenses relating to short-term and low-value leases	*14*	3,697	3,408	3,861	3,041	1,691
Amortisation of intangible assets	*15*	724	824	806	522	925
Impairment of trade receivables	*20*	1,852	1,619	1,638	(598)	(340)
Impairment of financial assets included in prepayments, other receivables and other assets		2,524	155	(1,429)	22	11

	Notes	Year ended 31 December			Eight months ended 31 August	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Research and development costs**		18,471	14,257	18,323	12,769	8,630
(Gain)/loss on disposal of items of property, plant and equipment	*5*	(2,089)	(5,666)	766	(1,208)	(2,996)
(Reversal of write-down)/write-down of inventories to net realizable values***		(64)	126	(125)	60	239
Exchange loss****		625	399	230	110	198
Listing expenses		–	–	11,403	4,073	1,981
Auditor's remuneration		563	560	421	66	33

* The depreciation of property, plant and equipment and right-of-use assets is included in "Cost of sales", "Selling and distribution expenses" and "Administrative expenses" in profit or loss, respectively.

** Research and development costs are included in "Administrative expenses" in profit or loss.

*** (Reversal of write-down)/write-down of inventories to net realizable values is included in "Cost of Sales".

**** The foreign exchange loss is included in "Other expense" in profit or loss.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of the directors as recorded in the financial statements of the subsidiaries and the Company is set out below:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Fees	–	–	–	–	–
Other emoluments:					
Salaries, allowances and benefits in kind	1,061	1,094	2,266	1,452	1,613
Performance-related bonuses	201	269	540	–	–
Share-based payment compensation	4	18	110	12	202
Pension scheme contributions and social welfare	248	266	365	240	250
Total	1,514	1,647	3,281	1,704	2,065

The remuneration of the directors as recorded in the financial statements of the subsidiaries and the Company is set out below:

Year ended 31 December 2022

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
– Mr. Sun Yan'an	360	60	–	84	504
– Mr. Wang Yue	396	66	1	84	547
– Mr. Hong Lijun	305	75	3	80	463
Non-executive directors:					
-–Mr. Shi Jianwei	–	–	–	–	–
– Mr. Jiang Mingda	–	–	–	–	–
Total	1,061	201	4	248	1,514

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
– Mr. Sun Yan'an	360	120	–	89	569
– Mr. Wang Yue	396	66	4	91	557
– Mr. Hong Lijun	338	83	14	86	521
Non-executive directors:					
– Mr. Shi Jianwei	–	–	–	–	–
– Mr. Jiang Mingda	–	–	–	–	–
Total	1,094	269	18	266	1,647

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
– Mr. Sun Yan'an	360	120	–	92	572
– Mr. Wang Yue	396	66	22	95	579
– Mr. Zeng Haiping *(a)*	1,146	291	63	86	1,586
– Mr. Hong Lijun *(b)*	364	63	25	92	544
Non-executive directors:					
– Mr. Shi Jianwei *(c)*	–	–	–	–	–
– Mr. Jiang Mingda *(c)*	–	–	–	–	–
– Mr. Fang Dianjun *(d)*	–	–	–	–	–
– Mr. Ren Qinxiang *(d)*	–	–	–	–	–
– Mr. Dai Yuanyu *(d)*	–	–	–	–	–
– Mr. Wang Rui *(e)*	–	–	–	–	–
– Mr. Liu Dachen *(e)*	–	–	–	–	–
– Mr. Xiang Ting *(e)*	–	–	–	–	–
Total	2,266	540	110	365	3,281

The remuneration of the directors as recorded in the financial statements of the subsidiaries and the Company is set out below: (continued)

Eight months ended 31 August 2024 (unaudited)

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
– Mr. Sun Yan'an	240	–	–	61	301
– Mr. Wang Yue	264	–	2	63	329
– Mr. Zeng Haiping *(a)*	710	–	–	55	765
– Mr. Hong Lijun *(b)*	238	–	10	61	309
Non-executive directors:					
– Mr. Shi Jianwei *(c)*	–	–	–	–	–
– Mr. Jiang Mingda *(c)*	–	–	–	–	–
– Mr. Fang Dianjun *(d)*	–	–	–	–	–
– Mr. Ren Qinxiang *(d)*	–	–	–	–	–
– Mr. Dai Yuanyu *(d)*	–	–	–	–	–
– Mr. Wang Rui *(e)*	–	–	–	–	–
– Mr. Liu Dachen *(e)*	–	–	–	–	–
– Mr. Xiang Ting *(e)*	–	–	–	–	–
Total	1,452	–	12	240	1,704

Eight months ended 31 August 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
– Mr. Sun Yan'an	330	–	–	63	393
– Mr. Wang Yue	264	–	2	62	328
– Mr. Zeng Haiping *(a)*	765	–	194	61	1,020
– Mr. Hong Lijun *(b)*	254	–	6	64	324
Non-executive directors:					
– Mr. Shi Jianwei *(c)*	–	–	–	–	–
– Mr. Jiang Mingda *(c)*	–	–	–	–	–
– Mr. Fang Dianjun *(d)*	–	–	–	–	–
– Mr. Ren Qinxiang *(d)*	–	–	–	–	–
– Mr. Dai Yuanyu *(d)*	–	–	–	–	–
– Mr. Wang Rui *(e)*	–	–	–	–	–
– Mr. Liu Dachen *(e)*	–	–	–	–	–
– Mr. Xiang Ting *(e)*	–	–	–	–	–
Total	1,613	–	202	250	2,065

(a) Mr. Zeng Haiping joined the Group on 15 January 2024 as the chief executive officer and was appointed as an executive director of the Company on 25 October 2024.

(b) Mr. Hong Lijun was appointed as a supervisor of the Company on 25 October 2024 and retired as an executive director on the same day.

(c) Mr. Shi Jianwei and Mr. Jiang Mingda retired as non-executive directors on 25 October 2024.

(d) Mr. Fang Dianjun, Mr. Ren Qinxiang and Mr. Dai Yuanyu were appointed as non-executive directors of the Company on 25 October 2024.

(e) Mr. Wang Rui, Mr. Liu Dachen and Mr. Xiang Ting will be appointed as independent non-executive directors of the Company on the Listing date.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025 included nil, nil and one and two and one director, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the Relevant Periods of the remaining five, five, four, three and four highest paid employees who are neither a director nor chief executive of the Company for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025 are as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,801	2,150	995	1,009	1,772
Performance-related bonuses	3,521	2,274	2,704	–	–
Pension scheme contributions and social welfare	377	446	325	186	220
Total	5,699	4,870	4,024	1,195	1,992

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
				(unaudited)	
HKD1 to HKD500,000	–	–	–	2	2
HKD500,001 to HKD1,000,000	5	5	–	1	2
HKD1,000,001 to HKD1,500,000	–	–	4	–	–
Total	5	5	4	3	4

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the Company and the subsidiaries which operates in Mainland China is subject to corporate income tax at a rate of 25% on the taxable income except for those which are subject to tax exemption set out below.

The Company and Angu (Lianyungang) Technology Co., Ltd. are qualified as "High and New Technology Enterprises" and therefore were entitled to a preferential income tax rate of 15% during the validity period of their qualifications.

Except for Chongqing Asike Logistics Systems Management Co., Ltd., Dalian Anhua Logistics System Co., Ltd. and Suzhou Sprint Logistics Systems Management Co., Ltd., other subsidiaries of the Group in the PRC are qualified as "Small and Micro Enterprises" and therefore were entitled to a preferential income tax rate of 20% for the Relevant Periods.

Hong Kong

The subsidiary incorporated in Hong Kong was subject to corporate income tax at a rate of 16.5% on the taxable income during the Relevant Periods.

Thailand

The subsidiary incorporated in Thailand was subject to corporate income tax at a rate of 20% on the taxable income during the Relevant Periods.

The income tax expenses for the Relevant Periods are as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current tax	9,936	16,291	14,473	8,827	7,615
Deferred tax *(note 17)*	(2,868)	702	(727)	(1,090)	447
Total tax charge for the year/period	7,068	16,993	13,746	7,737	8,062

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit before tax	38,269	81,142	64,486	38,466	34,954
Tax at the statutory tax rate	9,567	20,285	16,122	9,617	8,739
Effect of preferential enterprise income tax rate	(1,602)	(3,314)	(3,267)	(2,063)	(1,819)
Expenses not deductible for tax	525	885	952	432	1,385
Income not subject to tax	(1,108)	(212)	(425)	(118)	(256)
Additional deduction of research and development expenses	(1,212)	(386)	(359)	(239)	(199)
Tax losses utilised from previous periods	–	(333)	(153)	(100)	(110)
Tax losses and temporary differences not recognised	898	68	876	208	322
Total tax charge for the year/period	7,068	16,993	13,746	7,737	8,062

11. DIVIDENDS

	Year ended 31 December			Eight months ended 31 August	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Dividends	–	–	16,000	–	–

The dividends declared in 2024 were paid in two separate installments, RMB15,700,000 was paid in 2024 and RMB300,000 was paid in January 2025.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods. The weighted average number of ordinary shares in issue for 2022 and 2023 before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:4.92 as upon transformation into a joint stock company in November 2024.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025.

The calculations of the basic and diluted earnings per share amounts are based on:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Earnings					
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	23,703	50,823	40,114	23,896	22,025
Shares					
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation ('000)	66,719	70,000	70,000	70,000	70,000
Earnings per share					
Basic and diluted	0.36	0.73	0.57	0.34	0.31

For the details of Pre-IPO Investments, please refer to note 28 to this report.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Inner linings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022								
As at 1 January 2022								
Cost	19,080	31,251	280,848	3,536	14,291	114,510	57	463,573
Accumulated depreciation	(5,413)	(6,843)	(138,313)	(1,623)	(4,171)	(92,433)	–	(248,796)
Net carrying amount	13,667	24,408	142,535	1,913	10,120	22,077	57	214,777

	Buildings	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Inner linings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost at 1 January 2022, net of accumulated depreciation	13,667	24,408	142,535	1,913	10,120	22,077	57	214,777
Additions	67	8,326	97,341	2,377	3,972	46,861	73	159,017
Transfers	70	60	–	–	–	–	(130)	–
Depreciation provided during the year	(918)	(3,007)	(52,936)	(851)	(3,852)	(21,769)	–	(83,333)
Disposals	(18)	(2,160)	(17,704)	(58)	(133)	(3,296)	–	(23,369)
As at 31 December 2022	12,868	27,627	169,236	3,381	10,107	43,873	–	267,092
As at 31 December 2022								
Cost	19,199	36,359	347,525	5,768	18,055	155,108	–	582,014
Accumulated depreciation	(6,331)	(8,732)	(178,289)	(2,387)	(7,948)	(111,235)	–	(314,922)
Net carrying amount	12,868	27,627	169,236	3,381	10,107	43,873	–	267,092
31 December 2023								
As at 1 January 2023								
Cost	19,199	36,359	347,525	5,768	18,055	155,108	–	582,014
Accumulated depreciation	(6,331)	(8,732)	(178,289)	(2,387)	(7,948)	(111,235)	–	(314,922)
Net carrying amount	12,868	27,627	169,236	3,381	10,107	43,873	–	267,092
Cost at 1 January 2023, net of accumulated depreciation	12,868	27,627	169,236	3,381	10,107	43,873	–	267,092
Additions	–	3,156	67,361	893	4,239	47,018	369	123,036
Transfers	–	369	–	–	–	–	(369)	–
Depreciation provided during the year	(920)	(3,138)	(50,671)	(1,153)	(3,490)	(42,611)	–	(101,983)
Disposals	–	(2,599)	(11,319)	(94)	(1,938)	(2,456)	–	(18,406)
As at 31 December 2023	11,948	25,415	174,607	3,027	8,918	45,824	–	269,739
As at 31 December 2023								
Cost	19,199	34,459	376,896	6,447	19,736	195,576	–	652,313
Accumulated depreciation	(7,251)	(9,044)	(202,289)	(3,420)	(10,818)	(149,752)	–	(382,574)
Net carrying amount	11,948	25,415	174,607	3,027	8,918	45,824	–	269,739
31 December 2024								
As at 1 January 2024								
Cost	19,199	34,459	376,896	6,447	19,736	195,576	–	652,313
Accumulated depreciation	(7,251)	(9,044)	(202,289)	(3,420)	(10,818)	(149,752)	–	(382,574)
Net carrying amount	11,948	25,415	174,607	3,027	8,918	45,824	–	269,739
Cost at 1 January 2024, net of accumulated depreciation	11,948	25,415	174,607	3,027	8,918	45,824	–	269,739
Additions	212	5,712	75,262	801	4,719	66,084	751	153,541
Transfers	–	–	426	–	281	–	(707)	–
Depreciation provided during the year	(917)	(3,408)	(50,781)	(350)	(3,649)	(48,716)	–	(107,821)
Disposals	(9)	(739)	(15,247)	(1,278)	(287)	(1,869)	–	(19,429)
As at 31 December 2024	11,234	26,980	184,267	2,200	9,982	61,323	44	296,030

	Buildings	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Inner linings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024								
Cost	19,371	38,672	407,374	5,696	23,158	249,413	44	743,728
Accumulated depreciation	(8,137)	(11,692)	(223,107)	(3,496)	(13,176)	(188,090)	–	(447,698)
Net carrying amount	11,234	26,980	184,267	2,200	9,982	61,323	44	296,030
31 August 2025								
As at 1 January 2025								
Cost	19,371	38,672	407,374	5,696	23,158	249,413	44	743,728
Accumulated depreciation	(8,137)	(11,692)	(223,107)	(3,496)	(13,176)	(188,090)	–	(447,698)
Net carrying amount	11,234	26,980	184,267	2,200	9,982	61,323	44	296,030
Cost at 1 January 2025, net of accumulated depreciation	11,234	26,980	184,267	2,200	9,982	61,323	44	296,030
Additions	602	2,238	43,103	462	4,035	41,577	1,596	93,613
Transfers	860	–	780	–	–	–	(1,640)	–
Depreciation provided during the period	(622)	(2,899)	(35,867)	(539)	(2,692)	(34,164)	–	(76,783)
Disposals	(89)	(1,805)	(7,644)	(15)	(674)	(3,279)	–	(13,506)
As at 31 August 2025	11,985	24,514	184,639	2,108	10,651	65,457	–	299,354
As at 31 August 2025								
Cost	20,713	38,631	429,621	6,037	25,051	276,244	–	796,297
Accumulated depreciation	(8,728)	(14,117)	(244,982)	(3,929)	(14,400)	(210,787)	–	(496,943)
Net carrying amount	11,985	24,514	184,639	2,108	10,651	65,457	–	299,354

At 31 December 2022, certain of the Group's buildings with net carrying amounts of approximately RMB5,496,000 were pledged to secure general banking facilities granted to the Group. At 31 December 2023 and 2024 and 31 August 2025, none of the Group's buildings were pledged to secure the general banking facilities granted to the Group (note 27).

The Company

	Buildings	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Inner linings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022								
As at 1 January 2022								
Cost	7,621	476	248,358	1,290	6,116	55,401	–	319,262
Accumulated depreciation	–	(131)	(125,520)	(721)	(2,400)	(47,496)	–	(176,268)
Net carrying amount	7,621	345	122,838	569	3,716	7,905	–	142,994
Cost at 1 January 2022, net of accumulated depreciation	7,621	345	122,838	569	3,716	7,905	–	142,994
Additions	–	–	78,244	1,284	1,769	14,279	–	95,576
Depreciation provided during the year	(362)	(46)	(44,976)	(365)	(1,586)	(7,694)	–	(55,029)
Disposals	–	–	(6,972)	(17)	(10)	(145)	–	(7,144)
As at 31 December 2022	7,259	299	149,134	1,471	3,889	14,345	–	176,397

	Buildings	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Inner linings	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2022								
Cost	7,621	476	309,639	2,511	7,866	68,213	–	396,326
Accumulated depreciation	(362)	(177)	(160,505)	(1,040)	(3,977)	(53,868)	–	(219,929)
Net carrying amount	7,259	299	149,134	1,471	3,889	14,345	–	176,397
31 December 2023								
As at 1 January 2023								
Cost	7,621	476	309,639	2,511	7,866	68,213	–	396,326
Accumulated depreciation	(362)	(177)	(160,505)	(1,040)	(3,977)	(53,868)	–	(219,929)
Net carrying amount	7,259	299	149,134	1,471	3,889	14,345	–	176,397
Cost at 1 January 2023, net of accumulated depreciation	7,259	299	149,134	1,471	3,889	14,345	–	176,397
Additions	–	–	47,142	57	2,589	20,835	–	70,623
Depreciation provided during the year	(362)	(45)	(41,701)	(570)	(2,006)	(17,008)	–	(61,692)
Disposals	–	–	(7,214)	(3)	–	(32)	–	(7,249)
As at 31 December 2023	6,897	254	147,361	955	4,472	18,140	–	178,079
As at 31 December 2023								
Cost	7,621	476	331,205	2,524	10,455	86,107	–	438,388
Accumulated depreciation	(724)	(222)	(183,844)	(1,569)	(5,983)	(67,967)	–	(260,309)
Net carrying amount	6,897	254	147,361	955	4,472	18,140	–	178,079
31 December 2024								
As at 1 January 2024								
Cost	7,621	476	331,205	2,524	10,455	86,107	–	438,388
Accumulated depreciation	(724)	(222)	(183,844)	(1,569)	(5,983)	(67,967)	–	(260,309)
Net carrying amount	6,897	254	147,361	955	4,472	18,140	–	178,079
Cost at 1 January 2024, net of accumulated depreciation	6,897	254	147,361	955	4,472	18,140	–	178,079
Additions	–	–	52,493	154	2,717	23,467	293	79,124
Transfers	–	–	293	–	–	–	(293)	–
Depreciation provided during the year	(362)	(45)	(41,046)	(182)	(1,798)	(19,942)	–	(63,375)
Disposals	–	–	(10,935)	(660)	(95)	(260)	–	(11,950)
As at 31 December 2024	6,535	209	148,166	267	5,296	21,405	–	181,878
As at 31 December 2024								
Cost	7,621	476	347,195	1,286	12,955	103,960	–	473,493
Accumulated depreciation	(1,086)	(267)	(199,029)	(1,019)	(7,659)	(82,555)	–	(291,615)
Net carrying amount	6,535	209	148,166	267	5,296	21,405	–	181,878
31 August 2025								
As at 1 January 2025								
Cost	7,621	476	347,195	1,286	12,955	103,960	–	473,493
Accumulated depreciation	(1,086)	(267)	(199,029)	(1,019)	(7,659)	(82,555)	–	(291,615)
Net carrying amount	6,535	209	148,166	267	5,296	21,405	–	181,878

	Buildings	Machinery	Reusable packaging containers	Electronic equipment	Transportation equipment and others	Inner linings	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost at 1 January 2025 net of accumulated depreciation	6,535	209	148,166	267	5,296	21,405	–	181,878
Additions	–	–	25,686	148	2,156	12,256	212	40,458
Transfers	–	–	212	–	–	–	(212)	–
Depreciation provided during the period	(241)	(30)	(28,047)	(69)	(1,680)	(13,176)	–	(43,243)
Disposals	–	–	(2,788)	–	–	(1,384)	–	(4,172)
As at 31 August 2025	6,294	179	143,229	346	5,772	19,101	–	174,921
As at 31 August 2025								
Cost	7,621	476	361,454	1,434	15,111	110,891	–	496,987
Accumulated depreciation	(1,327)	(297)	(218,225)	(1,088)	(9,339)	(91,790)	–	(322,066)
Net carrying amount	6,294	179	143,229	346	5,772	19,101	–	174,921

14. LEASES

The Group as a lessee

The Group has lease contracts for leasehold land, office premises and warehouse and equipment used in its operations. Lump sum payments were made upfront to lease the leasehold land with lease periods of 50 years and warehouse and equipment with lease periods of 2 to 6 years. No ongoing payments will be made under the terms of the lease for the leasehold land.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises	Warehouse and equipment	Leasehold land	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	3,231	12,907	2,258	18,396
Additions	2,266	16,244	–	18,510
Depreciation charge	(1,882)	(11,319)	(65)	(13,266)
As at 31 December 2022 and 1 January 2023	3,615	17,832	2,193	23,640
Additions	2,158	20,403	–	22,561
Depreciation charge	(2,095)	(13,041)	(65)	(15,201)
As at 31 December 2023 and 1 January 2024	3,678	25,194	2,128	31,000
Additions	5,154	7,518	–	12,672
Depreciation charge	(3,220)	(15,108)	(65)	(18,393)
Termination of leases	(25)	(4,119)	–	(4,144)
As at 31 December 2024 and 1 January 2025	5,587	13,485	2,063	21,135
Additions	1,238	9,656	–	10,894
Depreciation charge	(2,367)	(10,102)	(43)	(12,512)
Termination of leases	(875)	(384)	–	(1,259)
As at 31 August 2025	3,583	12,655	2,020	18,258

At 31 December 2022, the Group's leasehold land was pledged to secure general banking facilities granted to the Group. At 31 December 2023 and 2024 and 31 August 2025, no Group's leasehold land was pledged to secure general banking facilities granted to the Group (note 27).

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at beginning of the year/period	14,838	19,921	26,783	17,251
New leases	18,510	22,561	12,672	10,894
Accretion of interest recognised during the year/period	915	827	944	457
Payments	(14,342)	(16,526)	(19,137)	(11,676)
Termination of leases	–	–	(4,011)	(1,347)
Carrying amount at end of the year/period	19,921	26,783	17,251	15,579
Analysed into:				
Current portion	11,011	15,364	11,615	13,073
Non-current portion	8,910	11,419	5,636	2,506

The amounts recognised in profit or loss in relation to leases are as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest on lease liabilities	915	827	944	457
Depreciation charge of right-of-use assets	13,266	15,201	18,393	12,512
Expenses relating to short-term and low-value leases	3,697	3,408	3,861	1,691
Losses/(gains) on early termination of leases	–	–	133	(88)
Total amount recognised in profit or loss	17,878	19,436	23,331	14,572

The Group as a lessor

The Group leases logistics packages to customers under fixed-term rental agreements, with payments calculated based on the number of days rented. Rental income recognised by the Group for the years ended 31 December 2022, 2023 and 2024 and 31 August 2025 amounted to RMB28,444,000, RMB28,055,000, RMB20,937,000 and RMB18,760,000, details of which are included in note 5 to the financial statements.

As at 31 December, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	16,099	14,900	11,215	12,553
1 to 2 years	8,682	2,942	4,823	5,640
2 to 3 years	516	416	663	1,992
Over 3 years	11	–	315	480
Total	25,308	18,258	17,016	20,665

15. OTHER INTANGIBLE ASSETS

The Group and the Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software				
At 1 January,				
Cost	3,759	4,540	4,819	5,643
Accumulated amortisation	(895)	(1,619)	(2,443)	(3,249)
Net carrying amount	2,864	2,921	2,376	2,394
Cost at 1 January, net of accumulated amortisation	2,864	2,921	2,376	2,394
Addition	781	279	824	1,289
Amortisation provided during the year/period	(724)	(824)	(806)	(925)
At 31 December	2,921	2,376	2,394	2,758
At 31 December,				
Cost	4,540	4,819	5,643	6,932
Accumulated amortisation	(1,619)	(2,443)	(3,249)	(4,174)
Net carrying amount	2,921	2,376	2,394	2,758

16. INVESTMENT IN AN ASSOCIATE

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	–	345	597	591

(a) Particulars of the Group's associates are as follows:

Name of company	Place and year of registration	Registered capital	Percentage of ownership interest attributable to the Group	Principal activities
		RMB'000		
Jiangsu Lile Packaging Technology Co., Ltd.	DanYang, PRC 2023	10,000	40%	Manufacturing

The associate is directly held by the Company.

(b) The following table illustrates the aggregate financial information of the Group's associate:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associate's loss for the year/period	–	–	3	6
Share of the associate's total comprehensive loss	–	–	3	6

17. DEFERRED TAX

The movements in deferred tax during the Relevant Periods are as follows:

Deferred tax assets

	Lease liabilities	Impairment of financial assets	Loss available for offsetting against future taxable profits	Unrealised profit	Provisions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022.	3,428	1,818	2,620	695	1,132	9,693
Deferred tax credited to profit or loss during the year.	1,097	747	2,114	418	207	4,583
Gross deferred tax assets at 31 December 2022 .	4,525	2,565	4,734	1,113	1,339	14,276
At 1 January 2023.	4,525	2,565	4,734	1,113	1,339	14,276
Deferred tax (charged)/ credited to profit or loss during the year . .	1,717	379	(1,331)	(105)	409	1,069
Gross deferred tax assets at 31 December 2023 .	6,242	2,944	3,403	1,008	1,748	15,345
At 1 January 2024.	6,242	2,944	3,403	1,008	1,748	15,345
Deferred tax (charged)/ credited to profit or loss during the year . .	(2,590)	28	983	124	(545)	(2,000)
Gross deferred tax assets at 31 December 2024 .	3,652	2,972	4,386	1,132	1,203	13,345

	Lease liabilities	Impairment of financial assets	Loss available for offsetting against future taxable profits	Unrealised profit	Provisions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	3,652	2,972	4,386	1,132	1,203	13,345
Deferred tax (charged)/ credited to profit or loss during the period	(24)	(105)	(1,387)	183	586	(747)
Gross deferred tax assets at 31 August 2025	3,628	2,867	2,999	1,315	1,789	12,598

Deferred tax liabilities

	Right-of-use assets	Accelerated depreciation	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	3,730	–	3,730
Deferred tax credited to profit or loss during the year	1,145	570	1,715
Gross deferred tax liabilities at 31 December 2022	4,875	570	5,445
At 1 January 2023	4,875	570	5,445
Deferred tax credited/(charged) to profit or loss during the year	1,823	(52)	1,771
Gross deferred tax liabilities at 31 December 2023	6,698	518	7,216
At 1 January 2024	6,698	518	7,216
Deferred tax charged to profit or loss during the year	(2,671)	(56)	(2,727)
Gross deferred tax liabilities at 31 December 2024	4,027	462	4,489
At 1 January 2025	4,027	462	4,489
Deferred tax charged to profit or loss during the period	(265)	(35)	(300)
Gross deferred tax liabilities at 31 August 2025	3,762	427	4,189

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	8,831	8,129	8,856	8,409

The Group has tax losses arising in Mainland China and Thailand that will expire in one to ten years for offsetting against future taxable profits. The Group also has tax losses arising in Hong Kong that will be carried forward indefinitely for offsetting against future taxable profits.

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses arising in Mainland China	35,232	32,564	37,542	29,040
Tax losses arising in Hong Kong	–	–	743	1,481
Tax losses arising in Thailand	–	–	1,552	3,061
Total	35,232	32,564	39,837	33,582

There are deferred tax assets in respect of tax losses that have not been recognised as at 31 December 2022, 2023 and 2024 and 31 August 2025, respectively:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses not recognised	10,711	9,378	14,255	14,468

Those deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Group to its shareholders.

18. OTHER LONG-TERM ASSETS

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits	3,366	3,130	3,530	5,182
Prepayments	3,321	1,528	1,677	5,581
Total	6,687	4,658	5,207	10,763

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits	3,366	3,130	3,530	4,120
Prepayments	3,281	480	1,567	3,244
Total	6,647	3,610	5,097	7,364

19. INVENTORIES

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	6,800	7,776	7,753	8,042
Finished goods	25,650	11,031	9,492	15,932
Total	32,450	18,807	17,245	23,974

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	8,878	8,030	3,962	6,001

20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	305,649	347,676	375,620	311,258
Bills receivable, carried at amortised cost	16,332	25,970	21,231	27,383
Impairment	(11,287)	(12,893)	(14,479)	(14,138)
Total	310,694	360,753	382,372	324,503

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	123,134	134,270	151,049	134,578
Bills receivable, carried at amortised cost	9,686	11,462	5,688	7,320
Amounts due from subsidiaries	73,512	31,087	34,649	31,426
Impairment	(4,358)	(4,825)	(6,119)	(6,527)
Total	201,974	171,994	185,267	166,797

The Group's trading terms with its customers are mainly on credit. The credit period is generally 2 to 3 months, extending up to four months after invoice date for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group and the Company endorsed certain notes receivable accepted by certain banks in the PRC (the "Endorsed Notes") to certain of its suppliers in order to settle the trade and other payables due to such suppliers with carrying amounts in aggregate of RMB71,362,000, RMB114,966,000, RMB290,661,000 and RMB203,170,000 as at 31 December 2022, 2023 and 2024 and 31 August 2025, respectively (the "Endorsement"). The Endorsed Notes had a maturity from three to six months as at the end of each of the Relevant Periods. In accordance with the Negotiable Instruments Law of the People's Republic of China and relevant discounting arrangements with certain banks in the PRC, the holders of the Endorsed Notes have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement").

In the opinion of the directors, the Group and the Company has transferred substantially all risks and rewards relating to certain Endorsed Notes with amounts of RMB59,624,000, RMB98,508,000, RMB273,989,000 and RMB180,032,000 as at 31 December 2022, 2023 and 2024 and 31 August 2025, respectively. Accordingly, the Group has derecognised the full carrying amounts of the derecognised notes receivable. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the derecognised notes are not significant.

For the rest of the Endorsed Notes, the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Notes. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. As at 31 December 2022, 2023, 2024 and 31 August 2025, the aggregate carrying amounts of the trade payables settled by such Endorsed Notes to which the suppliers have recourse were RMB11,738,000, RMB16,458,000, RMB16,672,000 and RMB23,138,000, respectively.

For the bills receivable that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, they are measured at "financial assets at fair value through other comprehensive income" ("FVTOCI"). For details, please refer to note 21.

The breakdown of the Group's Endorsed Notes is summarised as below during the Relevant Periods:

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts of Endorsed Notes	71,362	114,966	290,661	203,170
Less: the amount of derecognition upon the Endorsement	(59,624)	(98,508)	(273,989)	(180,032)
Endorsed bills receivables that have not been derecognised and not yet due	11,738	16,458	16,672	23,138

The breakdown of the Company's Endorsed Notes are summarised as below during the Relevant Year:

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts of Endorsed Notes	31,528	31,197	68,498	38,043
Less: the amount of derecognition upon the Endorsement	(26,186)	(26,936)	(66,162)	(32,934)
Endorsed bills receivables that have not been derecognised and not yet due	5,342	4,261	2,336	5,109

An ageing analysis of the trade receivables as at the end of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 6 months	302,043	355,432	374,092	315,400
6 months to 1 year	7,951	3,408	7,278	6,682
1 to 2 years	390	1,838	887	2,278
2 to 3 years	310	75	115	143
Total	310,694	360,753	382,372	324,503

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 6 months	196,306	168,848	182,692	162,310
6 months to 1 year	5,353	2,339	2,471	3,662
1 to 2 years	234	772	46	752
2 to 3 years	81	35	58	73
Total	201,974	171,994	185,267	166,797

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	9,670	11,287	12,893	14,479
Impairment losses, net	1,852	1,619	1,638	(340)
Amount written off as uncollectible	(235)	(13)	(52)	(1)
At end of year/period	11,287	12,893	14,479	14,138

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	4,112	4,358	4,825	6,119
Impairment losses, net	246	467	1,328	408
Amount written off as uncollectible	–	–	(34)	–
At end of year/period	4,358	4,825	6,119	6,527

Impairment under IFRS 9 for the Relevant Periods

An impairment analysis was made based on expected credit loss model on the recoverability of trade and bills receivables. The identification of impairment requires management's judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

The expected credit losses for bills receivable are minimal since the settlement are made from creditworthy banks and customers with no recent history of default as at 31 December 2022, 2023 and 2024 and 31 August 2025.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

As at 31 December 2022

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.40%	5.54%	24.12%	56.26%	100.00%	3.69%
Gross carrying amount (RMB'000)	296,131	8,047	514	711	246	305,649
Expected credit losses (RMB'000)	10,071	446	124	400	246	11,287

As at 31 December 2023

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.30%	5.52%	27.12%	63.59%	100.00%	3.71%
Gross carrying amount (RMB'000)	340,708	3,607	2,522	206	633	347,676
Expected credit losses (RMB'000)	11,246	199	684	131	633	12,893

As at 31 December 2024

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.15%	5.21%	32.65%	84.87%	100.00%	3.66%
Gross carrying amount (RMB'000)	364,325	7,678	1,317	760	772	374,852
Expected credit losses (RMB'000)	11,464	400	430	645	772	13,711
On an Individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB'000)						768
Expected credit losses (RMB'000)						768

As at 31 August 2025

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.43%	5.61%	30.40%	79.94%	100.00%	4.18%
Gross carrying amount (RMB'000)	298,294	7,026	3,273	713	783	310,089
Expected credit losses (RMB'000)	10,227	394	995	570	783	12,969
On an Individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB'000)						1,169
Expected credit losses (RMB'000)						1,169

The Company

As at 31 December 2022

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.36%	5.53%	24.03%	56.22%	–	3.54%
Gross carrying amount (RMB'000)	119,984	2,657	308	185	–	123,134
Expected credit losses (RMB'000)	4,033	147	74	104	–	4,358

As at 31 December 2023

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.34%	5.52%	27.20%	63.54%	100.00%	3.59%
Gross carrying amount (RMB'000)	131,690	1,758	625	96	101	134,270
Expected credit losses (RMB'000)	4,396	97	170	61	101	4,825

As at 31 December 2024

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.18%	5.21%	34.29%	85.85%	100.00%	3.56%
Gross carrying amount (RMB'000)	147,341	2,286	70	410	174	150,281
Expected credit losses (RMB'000)	4,682	119	24	352	174	5,351

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On an Individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB'000).						768
Expected credit losses (RMB'000).						768

As at 31 August 2025

	Within 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
On a collective basis:						
Expected credit loss rate	3.43%	5.62%	30.37%	79.95%	100.00%	4.02%
Gross carrying amount (RMB'000).	129,134	2,671	1,080	364	160	133,409
Expected credit losses (RMB'000).	4,429	150	328	291	160	5,358
On an Individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB'000).						1,169
Expected credit losses (RMB'000)						1,169

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables at FVTOCI	56,195	72,798	47,502	45,373

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables at FVTOCI	51,190	53,919	13,118	18,990

As at 31 December, 2022, 2023 and 2024 and 31 August 2025, certain bills which held by the Group for the practice of endorsing to suppliers before the bills due for payment were classified as financial assets at FVTOCI. All the bill receivables were with a maturity period of less than 12 months.

The group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

Details of impairment assessment are set out in note 37.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	5,712	4,973	4,050	3,401
Listing fee	–	–	3,769	4,429
Deposits	3,830	4,672	4,615	4,470
Due from third-parties	5,000	5,000	1,000	1,000
Recoverable value-added tax	708	1,010	740	550
Deferred assets	114	1,746	734	3,453
Other receivables	1,241	3,254	3,023	4,586
Impairment allowance	(2,779)	(2,933)	(1,469)	(1,480)
Total	13,826	17,722	16,462	20,409

Prepayments mainly represent advanced payments to suppliers, other receivables are unsecured and non-interest-bearing.

An impairment analysis was made based on expected credit loss model on the recoverability of certain other receivables items, which are shown as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits	3,830	4,672	4,615	4,470
Other receivables	6,241	8,254	4,023	5,586
Total	10,071	12,926	8,638	10,056

The Group has applied the general approach in calculating the expected credit loss for deposits and other receivables under IFRS 9. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate. Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix:

As at 31 December 2022

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	0.89%	49.99%	100.00%	27.59%
Gross carrying amount (RMB'000)	4,607	5,451	13	10,071
Expected credit losses (RMB'000)	41	2,725	13	2,779

As at 31 December 2023

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	0.57%	49.99%	100.00%	22.69%
Gross carrying amount (RMB'000)	7,495	5,081	350	12,926
Expected credit losses (RMB'000)	43	2,540	350	2,933

As at 31 December 2024

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	1.13%	50.00%	100.00%	17.01%
Gross carrying amount (RMB'000)	7,215	73	1,350	8,638
Expected credit losses (RMB'000)	82	37	1,350	1,469

As at 31 August 2025

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected credit loss rate	0.93%	50.00%	100.00%	14.72%
Gross carrying amount (RMB'000)	8,606	100	1,350	10,056
Expected credit losses (RMB'000)	80	50	1,350	1,480

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	1,073	2,032	2,239	1,425
Listing fee	–	–	3,769	4,429
Deposits	498	970	382	997
Amounts due from subsidiaries	28,642	102,458	109,174	112,200
Due from third-parties	5,000	5,000	1,000	1,000
Recoverable value-added tax	179	–	–	–
Deferred assets	114	1,746	238	2,439
Other receivables	661	1,651	2,208	3,236
Impairment allowance	(2,703)	(2,906)	(1,382)	(1,398)
Total	33,464	110,951	117,628	124,328

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products, at fair value	10,543	12,096	11,082	51,463

The above wealth management products were issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	47,168	45,737	56,866	88,917
Restricted cash	(27)	(1,014)	(87)	–
Pledged deposits	(13,940)	(12,380)	(3)	(2)
Cash and cash equivalents	33,201	32,343	56,776	88,915

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Denominated in RMB	46,821	45,639	56,399	88,314
Denominated in USD	347	98	1	1
Denominated in HKD	–	–	141	132
Denominated in THB	–	–	325	470
Total	47,168	45,737	56,866	88,917

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	21,796	23,225	10,869	56,404
Restricted cash	(27)	(225)	(87)	–
Pledged deposits	(13,940)	(12,380)	(3)	(2)
Cash and cash equivalents	7,829	10,620	10,779	56,402

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

The restricted cash amounting to RMB27,000, RMB1,014,000, RMB87,000 and nil as at 31 December 2022, 2023 and 2024 and 31 August 2025 was placed as deposits which are restricted to use. The pledged deposits amounting to RMB13,940,000, RMB12,380,000, RMB3,000 and RMB2,000 as at 31 December 2022, 2023 and 2024 and 31 August 2025 were placed as security deposits placed at bank for letters of guarantee or bills payable.

25. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills payables	46,403	32,094	914	2,641
Trade payables	228,535	229,022	248,690	200,205
Total	274,938	261,116	249,604	202,846

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills payables	–	–	192	1,240
Trade payables	56,148	34,465	32,055	26,920
Amounts due to subsidiaries	94,549	149,329	97,693	89,056
Total	150,697	183,794	129,940	117,216

An ageing analysis of the trade and bills payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	273,802	259,809	248,082	201,319
Over 1 year	1,136	1,307	1,522	1,527
Total	274,938	261,116	249,604	202,846

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	150,109	183,315	129,461	116,737
Over 1 year	588	479	479	479
Total	150,697	183,794	129,940	117,216

The trade payables are non-interest-bearing and are normally settled on terms of 60 to 90 days after the invoice date.

26. OTHER PAYABLES AND ACCRUALS

The Group

	Notes	As at 31 December			As at 31 August
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	*(a)*	408	931	943	1,098
Salary and welfare payable		17,680	19,220	21,407	17,578
Deposits		827	833	5,523	7,047
Other payables	*(b)*	3,738	1,847	800	1,911
Other tax payables		3,091	5,167	8,070	3,274
Dividend payable		–	–	300	–
Others		341	354	356	294
Total		26,085	28,352	37,399	31,202

The Company

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	69	513	481	552
Salary and welfare payable	6,750	7,038	5,018	5,175
Deposits	282	335	2,004	2,625
Other payables	2,861	1,320	679	1,918
Other tax payables	533	2,433	4,272	1,582
Dividend payable	–	–	300	–
Amounts due to subsidiaries	11,800	7,237	8,699	10,200
Total	22,295	18,876	21,453	22,052

Notes:

(a) Details of contract liabilities are as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sale of goods	252	609	722	1,023
Pooling services	156	322	221	75
Total	408	931	943	1,098

Contract liabilities include short-term advances received to sales of goods and pooling services.

(b) Other payables are non-interest-bearing and are normally settled on 90-day terms.

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	As at 31 December 2022		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	3.55 to 4.00	2023	118,716
Other borrowings – sale leaseback – secured	5.93 to 6.48	2023	933
			119,649

	As at 31 December 2023		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	3.00 to 3.80	2024	83,079
Bank borrowings – unsecured	2.90 to 3.90	2024	34,875
			117,954

	As at 31 December 2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	0.00 to 2.90	2025	61,638
Bank borrowings – unsecured	2.60 to 2.85	2025	40,025
Total			101,663
Non-current			
Bank borrowings – secured	3.10	2026	19,000
Total			120,663

	As at 31 August 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	1.50 to 2.50	2026	88,300
Bank borrowings – unsecured	2.11 to 2.60	2026	90,048
Total			178,348

The Group's bank borrowings amounting to RMB108,051,000 as at 31 December 2022 were guaranteed by Sun Yan'an, the controlling shareholder of the Group, and his spouse Lin Lan. The Group's bank borrowings amounting to RMB10,000,000 as at 31 December 2022 were guaranteed by Angu (Lianyungang) Technology Co., Ltd., Sun Yan'an and his spouse Lin Lan, with a carrying amount of RMB10,000,000 were secured by Group's buildings and leasehold land as collateral. Such guarantees had been released after full repayment of the amount outstanding in 2023.

The Group's bank borrowings amounting to RMB83,000,000, RMB80,602,000 and RMB88,300,000 as at 31 December 2023 and 31 December 2024 and 31 August 2025, respectively, were guaranteed by Sun Yan'an, the controlling shareholder of the Group, and his spouse Lin Lan. In the opinion of the directors of the Company, the guarantee will be released prior to the Listing.

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Repayable within one year	119,649	117,954	101,663	178,348
Repayable over one year	–	–	19,000	–
Total	119,649	117,954	120,663	178,348

The Group's borrowings are all denominated in RMB with fixed interest rates.

The Company

	As at 31 December 2022		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	3.55 to 4.00	2023	98,715
Other borrowings – sale leaseback – secured	5.93 to 6.48	2024	905
			99,620

	As at 31 December 2023		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	3.00 to 3.80	2024	68,079
Bank borrowings – unsecured	2.90 to 3.90	2024	20,000
			88,079

	As at 31 December 2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	0.00 to 2.90	2025	31,638
Bank borrowings – unsecured	2.60 to 2.85	2025	40,025
Total			71,663
Non-current			
Bank borrowings – secured	3.10	2026	19,000
Total			90,663

	As at 31 August 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	1.50 to 2.50	2026	88,300
Bank borrowings – unsecured	2.11 to 2.60	2026	90,048
Total			178,348

28. SHARE CAPITAL/PAID-IN CAPITAL

Share capital

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
	(in thousand)	*RMB'000*
As at 1 January 2022 and 2023 and 2024	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB1.00 each**	70,000	70,000
As at 31 December 2024 and 31 August 2025	70,000	70,000

Paid-in capital

A summary of the movement in the Company's share capital is as follows:

	Paid-in capital
	RMB'000
As at 1 January 2022	13,333
Series B financing*	889
As at 31 December 2022 and 2023	14,222
Conversion into a joint stock company**	(14,222)
As at 31 December 2024 and as at 31 August 2025	–

* In July 2022, the Company and its then shareholders entered into a capital increase agreement with four investors ("Series B Investors"). The Series B Investors subscribed for the increased registered capital of RMB889,000 at the consideration of RMB50,000,000 ("Series B Financing").

** In November 2024, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and retain earnings, amounting to RMB330,400,000 were converted into 70,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

Special Rights Granted by the Company

As listed in the section "History, Development and Corporate Structure – Pre-IPO Investments" of this prospectus, the Company entered into respective capital increase agreements with various pre-IPO Investors, and agreed the pre-IPO Investors to subscribe for the increased registered capital thereto with a total consideration of approximately RMB179.5 million (collectively, the "Pre-IPO Investments") with the respective par value being recorded as paid-in capital and the remainder as capital reserves. Besides, certain pre-IPO Investors entered into equity transfer agreement to transferred registered capital of the company to other pre-IPO Investors (collectively the "Pre-IPO Investors"). Pursuant to the respective capital increase agreements and equity transfer agreements of the Pre-IPO Investments, the Pre-IPO Investors were granted by the Company with redemption rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

On 6 September 2024, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights granted by the Company have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total non-current liabilities and net assets would have been:

	31 December 2022	31 December 2023
	RMB'000	*RMB'000*
Redemption financial liabilities	218,098	236,148
Total non-current liabilities	227,008	247,567
Net assets	118,150	163,504

and (ii), the finance costs associated with the redemption financial liabilities, the net profit for the year/period, basic and dilutive earning per share would have been:

	Year ended 31 December			Eight months ended
	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Financial costs associated with the redemption financial liabilities	12,975	18,049	13,234	12,908
Total net profit	18,226	46,100	37,507	13,984
Basic and diluted earnings per share	0.16	0.47	0.38	0.13

29. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserve

Capital reserve represents (i) contributions from shareholders; and (ii) the difference between the consideration paid for acquiring the non-controlling interest and the carrying value of net assets attributed to the non-controlling interest.

Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Group, the statutory surplus reserve may be used either to offset losses, or to be converted to increase the paid-in capital of the Company and subsidiaries provided that the reserve balance after such conversion is not less than 25% of the registered capital of the Company and subsidiaries. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies in the Group of which the functional currency is not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.3 to the Historical Financial Information.

The Company

	Share capital/ Paid-in capital	Capital reserve	Statutory surplus reserve	Share-based payment reserve	Retained profits	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	13,333	127,893	5,893	–	84,446	231,565
Profit and total comprehensive income for the year	–	–	–	–	12,834	12,834
Capital contribution by shareholders	889	49,111	–	–	–	50,000
Equity-settled share-based payments	–	–	–	43	–	43
Appropriations to statutory surplus reserve	–	–	1,221	–	(1,221)	–
As at 31 December 2022	14,222	177,004	7,114	43	96,059	294,442
At 1 January 2023	14,222	177,004	7,114	43	96,059	294,442
Profit and total comprehensive income for the year	–	–	–	–	23,266	23,266
Equity-settled share-based payments	–	–	–	216	–	216
As at 31 December 2023	14,222	177,004	7,114	259	119,325	317,924
At 1 January 2024	14,222	177,004	7,114	259	119,325	317,924
Profit and total comprehensive income for the year	–	–	–	–	40,466	40,466
Conversion into a joint stock company	55,778	83,163	(7,114)	–	(131,827)	–
Equity-settled share-based payments	–	–	–	690	–	690
Appropriations to statutory surplus reserve	–	–	2,825	–	(2,825)	–
Dividends paid to shareholders	–	–	–	–	(16,000)	(16,000)
As at 31 December 2024	70,000	260,167	2,825	949	9,139	343,080

	Share capital	Capital reserve	Statutory surplus reserve	Share-based payment reserve	Retained profits	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	70,000	260,167	2,825	949	9,139	343,080
Profit and total comprehensive income for the period	–	–	–	–	13,505	13,505
Equity-settled share-based payments	–	–	–	1,130	–	1,130
As at 31 August 2025	70,000	260,167	2,825	2,079	22,644	357,715

30. SHARE-BASED PAYMENTS

(a) Employee incentive platform

On 18 August 2022, Suzhou Sailing Enterprise Management Partnership (Limited Partnership) (蘇州賽靈企業管理合夥企業(有限合夥)) ("Suzhou Sailing") was established in the PRC as the employee incentive platform to incentivize the employees. Mr. Wang Yue was the sole general partner of Suzhou Sailing.

(b) Employee Incentive Scheme

In October 2022, a 1.50% equity interest in the Company was transferred from Suzhou Anhua Investment Co., Ltd. (蘇州安華投資有限公司), which is 90% owned by Sun Yan'an, to Suzhou Sailing for a consideration of RMB9,000,000. Subsequently, the partnership interest in Suzhou Sailing was granted to 23 employees of the Group. These interests are originally subject to transfer restrictions until the employees remain in service for five years, then reduced to one year from the date of successful IPO of the Company.

In November 2024, the Company adopted an employee incentive scheme. Under the Employee Incentive Scheme, partnership interest in Suzhou Sailing was granted to the eligible participants. The interests are subject to transfer restrictions until the employees remain in service for one year from the date of successful IPO of the Company.

The following shares were outstanding under the share incentive plan during the Relevant Periods:

	Shares of the Company granted	Weighted average grant date fair value per share
At 1 January 2022	–	–
Granted during the year*	1,050,000	9.60
At 1 January 2023 and 2024	1,050,000	9.60
Forfeited during the year	(385,000)	9.60
Granted during the year	385,000	17.51
At 31 December 2024 and 31 August 2025	1,050,000	12.50

* The number of shares granted in 2022 was adjusted using the conversion ratio of 1:4.92 to ensure that the data is comparable with the shares granted in 2024, following the Company's transformation into a joint stock company in November 2024.

During the Relevant Periods, the Group recognized share-based compensation expenses of RMB43,000, RMB216,000, RMB690,000 and RMB1,130,000, respectively.

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted less the consideration received by the Group. The fair value of the share award granted is measured as the market value at the grant date, which was determined with the assistance of an independent third party valuation firm, Wanlong (Shanghai) Asset Appraisal Co., Ltd. ("萬隆(上海)資產評估有限公司"), and discounted cash flow method under the income approach was used. The discounted cash flow derived by management considered the Company's future business plan, specific business and financial risks, the stage of development of the Company's operations and economic and competitive elements affecting the Company's business, industry and market.

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Percentage of equity interest held by non-controlling interests:				
Chongqing Asike	35%	35%	35%	35%
Dalian Anhua	40%	40%	40%	40%
Profit for the year allocated to non-controlling interests:				
Chongqing Asike	5,409	7,650	6,385	2,432
Dalian Anhua	356	3,558	2,804	369
Total	5,765	11,208	9,189	2,801
Accumulated balances of non-controlling interests at the reporting date:				
Chongqing Asike	14,105	21,755	26,365	28,797
Dalian Anhua	8,283	11,841	11,845	12,214
Total	22,388	33,596	38,210	41,011

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Chongqing Asike	Dalian Anhua
	RMB'000	*RMB'000*
As at 31 December 2022		
Revenue	195,030	91,772
Total expenses	(179,577)	(90,881)
Total comprehensive income for the year	15,453	891
Current assets	137,517	46,683
Non-current assets	44,350	8,722
Current liabilities	(148,244)	(34,579)
Non-current liabilities	(282)	(118)
Net cash flows generated from/(used in) operating activities	16,279	(352)
Net cash flows (used in)/generated from investing activities	(14,823)	869
Net cash flows used in financing activities	–	(181)
Net increase in cash and cash equivalents	1,456	336

	Chongqing Asike	Dalian Anhua
	RMB'000	*RMB'000*
As at 31 December 2023		
Revenue	323,568	119,616
Total expenses	(301,712)	(110,722)
Total comprehensive income for the year	21,856	8,894
Current assets	162,594	69,978
Non-current assets	49,389	7,565
Current liabilities	(149,633)	(47,940)
Non-current liabilities	(194)	–
Net cash flows generated from operating activities	6,182	9,712
Net cash flows used in investing activities	(12,650)	(9,980)
Net cash flows generated from financing activities	4,948	–
Net decrease in cash and cash equivalents	(1,520)	(268)
As at 31 December 2024		
Revenue	331,381	101,834
Total expenses	(313,138)	(94,824)
Total comprehensive income for the year	18,243	7,010
Current assets	184,603	55,945
Non-current assets	67,028	8,683
Current liabilities	(175,594)	(34,510)
Non-current liabilities	(709)	(506)
Net cash flows generated from operating activities	17,915	3,624
Net cash flows (used in)/generated from investing activities	(3,985)	9,932
Net cash flows used in financing activities	(4,475)	(6,440)
Net increase in cash and cash equivalents	9,455	7,116

	Chongqing Asike	Dalian Anhua
	RMB'000	*RMB'000*
As at 31 August 2025		
Revenue	213,161	63,867
Total expenses	(206,212)	(62,944)
Total comprehensive income for the period	6,949	923
Current assets	153,713	52,709
Non-current assets	77,438	9,203
Current liabilities	(148,244)	(31,109)
Non-current liabilities	(629)	(268)
Net cash flows generated from operating activities	3,531	3,223
Net cash flows (used in)/generated from investing activities	(9,073)	3,520
Net cash flows used in financing activities	–	–
Net increase in cash and cash equivalents	(5,542)	6,743

32. NOTE TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2022, 2023 and 2024 and 31 August 2025, the Group had non-cash additions to right-of-use assets of RMB18,510,000, RMB22,561,000 and RMB12,672,000 and RMB10,894,000, respectively, in respect of lease arrangements for office premises and intralogistics equipment with the responding same amounts of lease liabilities.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Dividend payable included in other payables and accruals	Total liabilities from financing activities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	126,895	14,838	5,950	147,683
Cash flows from financing activities	(13,172)	(14,342)	(5,950)	(33,464)
Interest expense	5,926	915	–	6,841
New leases	–	18,510	–	18,510
At 31 December 2022 and 1 January 2023	119,649	19,921	–	139,570
Cash flows from financing activities	(6,114)	(16,526)	–	(22,640)
Interest expense	4,419	827	–	5,246
New leases	–	22,561	–	22,561
At 31 December 2023 and 1 January 2024	117,954	26,783	–	144,737
Dividend declared	–	–	16,000	16,000
Cash flows from financing activities	(809)	(19,137)	(15,700)	(35,646)
Termination of leases	–	(4,011)	–	(4,011)
Interest expense	3,518	944	–	4,462
New leases	–	12,672	–	12,672
At 31 December 2024 and 1 January 2025	120,663	17,251	300	138,214
Cash flows from financing activities	55,717	(11,676)	(300)	43,741
Termination of leases	–	(1,347)	–	(1,347)
Interest expense	1,968	457	–	2,425
New leases	–	10,894	–	10,894
As at 31 August 2025	178,348	15,579	–	193,927

(c) Total cash outflows for leases

The total cash outflows for leases included in the statement of cash flows is as follows:

	Year ended 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within operating activities	3,697	3,408	3,861	1,691
Within financing activities	14,342	16,526	19,137	11,676
Total	18,039	19,934	22,998	13,367

33. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Property, plant and equipment	1,177	4,743	9,658	11,412

34. RELATED PARTY TRANSACTIONS

The directors of the Company are of the view that the following parties/companies are related parties that had material transactions or balances with the Group during the Relevant Periods.

(1) Name and relationship of related parties

Name of related parties	Relationship with the Group and the Company
Jiangsu Lile Packaging Technology Co., Ltd.	An associate of the Company
Sun Yan'an	Chief executive director and the controlling shareholder

(2) Significant related parties' transactions

The following transactions were carried out with related parties during the Relevant Periods:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Purchase of goods from an associate	–	–	6,212	2,750	5,989
Advance to the controlling shareholder	–	1,889	1,351	1,200	1,907
Recovery of advance to the controlling shareholder	–	1,200	1,200	992	2,040

(3) Outstanding balances with related parties

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balances relating to trade activities				
Trade and bills payables				
An associate	–	–	2,082	2,767
Balances relating to non-trade activities				
Prepayments, other receivables and other assets				
The controlling shareholder	–	689	839	706

(i) The Group had an outstanding balance due to its associate of RMB2,082,000 and RMB2,767,000 as at 31 December 2024 and 31 August 2025. This balance is unsecured, interest-free and has repayment terms of 60 days.

(ii) The Group had an outstanding balance due from controlling shareholder of RMB689,000 and RMB839,000 and RMB706,000 at 31 December 2023 and 2024 and 31 August 2025. This balance is unsecured, interest-free, has no fixed terms of repayment and will be settled before Listing.

(4) Other transactions with related parties

The Group's shareholder, Mr. Sun Yan'an and his spouse Lin Lan have guaranteed the Group's bank loans of up to RMB118,051,000, RMB83,000,000, RMB80,602,000 and RMB88,300,000 as at 31 December 2022, 2023, and 2024 and 31 August 2025.

The guarantee provided by related parties will be released prior to the Listing.

(5) Compensation of key management personnel of the Group

	Year ended 31 December			Eight months ended 31 August	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,794	2,027	3,312	2,074	2,365
Performance-related bonuses	400	668	733	–	–
Share-based payment compensation	6	32	199	22	402
Pension scheme contributions and social welfare	411	456	559	369	383
Total compensation paid to key management personnel	2,611	3,183	4,803	2,465	3,150

Further details of directors' emoluments are included in note 8 to the Historical Financial Information.

(6) Redemption rights of the Pre-IPO Investors granted by the controlling shareholder

On September 6, 2024, all shareholders (including the Pre-IPO Investors) of the Company entered into a supplemental agreement with the Company pursuant to which, among others, each of the Pre-IPO Investors agreed that the redemption rights granted to relevant Pre-IPO Investors, under which Mr. Sun, the controlling shareholder of the Company shall undertake obligation. See "History, Development and Corporate Structure – Special rights of the Pre-IPO Investors" in this prospectus for further details.

The Company has not provided any form of guarantee in connection with any potential failure of the controlling shareholder to fulfill its obligations relating to the redemption rights granted by the controlling shareholder. Accordingly, no financial liability regarding redemption rights granted by the controlling shareholder was recorded by the Company during Track Record Periods.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each Relevant Periods are as follows:

Financial assets

As at 31 December 2022

	Notes	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortised cost**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in other long-term assets	*18*	–	–	3,366	3,366
Financial assets included in prepayments, other receivables and other assets		–	–	7,292	7,292
Trade and bills receivables	*20*	–	–	310,694	310,694
Financial assets at FVTOCI	*21*	–	56,195	–	56,195
Financial assets at FVTPL	*23*	10,543	–	–	10,543
Restricted cash	*24*	–	–	27	27
Pledged deposits	*24*	–	–	13,940	13,940
Cash and cash equivalents	*24*	–	–	33,201	33,201
Total		10,543	56,195	368,520	435,258

As at 31 December 2023

	Notes	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortised cost**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in other long-term assets	*18*	–	–	3,130	3,130
Financial assets included in prepayments, other receivables and other assets		–	–	9,993	9,993
Trade and bills receivables	*20*	–	–	360,753	360,753
Financial assets at FVTOCI	*21*	–	72,798	–	72,798
Financial assets at FVTPL	*23*	12,096	–	–	12,096
Restricted cash	*24*	–	–	1,014	1,014
Pledged deposits	*24*	–	–	12,380	12,380
Cash and cash equivalents	*24*	–	–	32,343	32,343
Total		12,096	72,798	419,613	504,507

As at 31 December 2024

	Notes	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
		RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in other long-term assets	18	–	–	3,530	3,530
Financial assets included in prepayments, other receivables and other assets		–	–	7,169	7,169
Trade and bills receivables	20	–	–	382,372	382,372
Financial assets at FVTOCI	21	–	47,502	–	47,502
Financial assets at FVTPL	23	11,082	–	–	11,082
Restricted cash	24	–	–	87	87
Pledged deposits	24	–	–	3	3
Cash and cash equivalents	24	–	–	56,776	56,776
Total		11,082	47,502	449,937	508,521

As at 31 August 2025

	Notes	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
		RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in other long-term assets	18	–	–	5,182	5,182
Financial assets included in prepayments, other receivables and other assets		–	–	8,576	8,576
Trade and bills receivables	20	–	–	324,503	324,503
Financial assets at FVTOCI	21	–	45,373	–	45,373
Financial assets at FVTPL	23	51,463	–	–	51,463
Pledged deposits	24	–	–	2	2
Cash and cash equivalents	24	–	–	88,915	88,915
Total		51,463	45,373	427,178	524,014

Financial liabilities

Financial liabilities at amortised cost

		As at 31 December			As at August 31,
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	25	274,938	261,116	249,604	202,846
Financial liabilities included in other payables and accruals	26	4,906	3,034	6,979	9,252
Interest-bearing bank and other borrowings	27	119,649	117,954	120,663	178,348
Total		399,493	382,104	377,246	390,446

For the details of Pre-IPO Investments, please refer to note 28 to this report.

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The management has assessed that the fair values of the Group's financial instruments approximate to their carrying amounts due to the short-term maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL	–	10,543	–	10,543
Financial assets at FVTOCI	–	–	56,195	56,195

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL	–	12,096	–	12,096
Financial assets at FVTOCI	–	–	72,798	72,798

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL	–	11,082	–	11,082
Financial assets at FVTOCI	–	–	47,502	47,502

As at 31 August 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL	–	51,463	–	51,463
Financial assets at FVTOCI	–	–	45,373	45,373

Note: The fair values of the financial assets measured at FVTOCI are determined using the discounted cash flow method and the significant unobservable input was the discount rate. As at 31 December 2022, 2023 and 2024 and 31 August 2025, the discount rate used was 1.40%, 1.35% and 1.40% and 1.40% respectively.

5% increase/decrease in discount rate would result in decrease/increase in fair value of financial assets measured at FVTOCI by RMB11,000, RMB12,000 and RMB10,000 and RMB9,000 respectively.

There were no transfers between level 2 and level 3 during the Relevant Periods.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's policy is to manage its interest cost mainly using fixed rate debts. As at 31 December 2022, 2023 and 2024 and 31 August 2025, none of the Group's interest-bearing borrowings bore interest at floating rates. Accordingly, as at the end of each of the Relevant Periods, the Group did not have any significant exposure to the interest rate risk in the cash flows.

(b) Foreign currency risk

The Group mainly operates in Mainland China with most of the Group's monetary assets, liabilities and transactions principally denominated in RMB. The Group principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB.

The functional currencies of the subsidiaries incorporated in Hong Kong and Thailand are HKD and THB, the Group is exposed to foreign currency risk with respect to transactions denominated in currencies other than HKD and THB.

As at the end of each of the Relevant Periods, the Group did not have any significant exposure to foreign currency risk.

(c) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2022, 2023 and 2024 and 31 August 2025.

The amounts presented are gross carrying amounts for financial assets.

31 December 2022

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	321,981	321,981
Financial assets at FVTOCI	–	–	–	56,195	56,195
Financial assets included in other long-term assets					
– Not yet past due	3,366	–	–	–	3,366

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets					
– Normal**	4,607	–	–	–	4,607
– Doubtful**	–	5,451	13	–	5,464
Pledged deposits					
– Not yet past due	13,940	–	–	–	13,940
Restricted cash					
– Not yet past due	27	–	–	–	27
Cash and cash equivalents					
– Not yet past due	33,201	–	–	–	33,201
Total	55,141	5,451	13	378,176	438,781

31 December 2023

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	373,646	373,646
Financial assets at FVTOCI	–	–	–	72,798	72,798
Financial assets included in other long-term assets					
– Not yet past due	3,130	–	–	–	3,130
Financial assets included in prepayments, other receivables and other assets					
– Normal**	7,495	–	–	–	7,495
– Doubtful**	–	5,081	350	–	5,431
Pledged deposits					
– Not yet past due	12,380	–	–	–	12,380
Restricted cash					
– Not yet past due	1,014	–	–	–	1,014
Cash and cash equivalents					
– Not yet past due	32,343	–	–	–	32,343
Total	56,362	5,081	350	446,444	508,237

31 December 2024

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	396,851	396,851
Financial assets at FVTOCI	–	–	–	47,502	47,502
Financial assets included in other long-term assets					
– Not yet past due	3,530	–	–	–	3,530
Financial assets included in prepayments, other receivables and other assets					
– Normal**	7,215	–	–	–	7,215
– Doubtful**	–	73	1,350	–	1,423
Pledged deposits					
– Not yet past due	3	–	–	–	3
Restricted cash					
– Not yet past due	87	–	–	–	87
Cash and cash equivalents					
– Not yet past due	56,776	–	–	–	56,776
Total	67,611	73	1,350	444,353	513,387

31 August 2025

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	338,641	338,641
Financial assets at FVTOCI	–	–	–	45,373	45,373
Financial assets included in other long-term assets	–	–	–	–	–
– Not yet past due	5,182	–	–	–	5,182
Financial assets included in prepayments, other receivables and other assets					
– Normal**	8,606	–	–	–	8,606
– Doubtful**	–	100	1,350	–	1,450
Pledged deposits					
– Not yet past due	2	–	–	–	2
Cash and cash equivalents					
– Not yet past due	88,915	–	–	–	88,915
Total	102,705	100	1,350	384,014	488,169

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix and exposure to credit risk is disclosed in note 20 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on contractual undiscounted payments, is as follows:

31 December 2022

	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	–	121,196	–	121,196
Trade and bills payables	41,862	233,076	–	274,938
Lease liabilities	–	11,200	9,360	20,560
Financial liabilities included in other payables and accruals	3,738	1,168	–	4,906
Total	45,600	366,640	9,360	421,600

31 December 2023

	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	–	119,058	–	119,058
Trade and bills payables	37,476	223,640	–	261,116
Lease liabilities	–	15,671	12,139	27,810
Financial liabilities included in other payables and accruals	1,847	1,187	–	3,034
Total	39,323	359,556	12,139	411,018

31 December 2024

	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	–	102,959	19,579	122,538
Trade and bills payables	33,226	216,378	–	249,604
Lease liabilities	–	12,105	5,999	18,104
Financial liabilities included in other payables and accruals	800	6,179	–	6,979
Total	34,026	337,621	25,578	397,225

31 August 2025

	On demand	Less than 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	–	180,708	–	180,708
Trade and bills payables	38,458	164,388	–	202,846
Lease liabilities	-	13,468	2,612	16,080
Financial liabilities included in other payables and accruals	1,911	7,341	–	9,252
Total	40,369	365,905	2,612	408,886

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group includes, within debt, interest-bearing bank and other borrowings and lease liabilities.

The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	119,649	117,954	120,663	178,348
Lease liabilities	19,921	26,783	17,251	15,579
Debt	139,570	144,737	137,914	193,927
Total equity	336,248	399,652	430,166	457,412
Gearing ratio	42%	36%	32%	42%

38. EVENTS AFTER THE RELEVANT PERIODS

There are no material subsequent events undertaken by the Company or by the Group after 31 August 2025.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 August 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on our consolidated net tangible assets as of 31 August 2025 as if it had taken place on 31 August 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 31 August 2025 or any future date. It is prepared based on the consolidated net tangible assets attributable to the owners of the Company as at 31 August 2025 as set out in the Accountants' Report of the Group as set out in Appendix I to the prospectus, and adjusted as described below. The unaudited pro forma adjusted statement of consolidated net tangible assets attributable to the owners of the Company does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Consolidated net tangible assets attributable to owners of the Company as at 31 August 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 August 2025**	**Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 August 2025**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 3)*
Based on an Offer Price of HK$9.9 per Share, after a Downward Offer Price Adjustment of 10% . .	405,162	149,616	554,778	6.14	6.94

	Consolidated net tangible assets attributable to owners of the Company as at 31 August 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 August 2025	Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 August 2025	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 3)*
Based on an Offer Price of HK$11.0 per share	405,162	168,606	573,768	6.35	7.18
Based on an Offer Price of HK$14.0 per share	405,162	220,397	625,559	6.92	7.83

Notes:

(1) The consolidated net tangible assets attributable to owners of the Company as at 31 August 2025 is extracted from the Accountants' Report in Appendix I to this prospectus, which is based on the consolidated equity attributable to owners of the Company as of 31 August 2025 of approximately RMB407,920,000 after netting of other intangible assets of RMB2,758,000.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price at the indicative Price of HK$11.0 per Share and HK$14.0 per Share, being the low and high end of the indicative Offer Price range, respectively, and also based on an Offer Price of HK$9.9 per Share after making a Downward Offer Price Adjustment of 10%, after deduction of the underwriting fees and other related expenses payable by the Group (excluding the listing expense that have been charged to profit or loss during the Relevant Periods of approximately RMB13,384,000) and do not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.0 to RMB0.88437. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is calculated based on 90,336,000 Shares in issue immediately following the completion of the Global Offering and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option. For the purpose of the unaudited pro forma adjusted consolidated net tangible assets, the balance stated in Renminbi is converted into Hong Kong dollars at a rate of HK$1 to RMB0.88437. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.

(4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions for the Group entered into subsequent to 31 August 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

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Fax 傳真: +852 2868 4432
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To the Directors of ALSCO Pooling Service Co., Ltd

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of ALSCO Pooling Service Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 August 2025 and related notes as set out on pages IIA-1 to 2 of the prospectus dated 27 February 2026 (the "Prospectus") issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix IIA to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 August 2025 as if the transaction had taken place at 31 August 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 August 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma 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:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

27 February 2026

The estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is set out in "Financial information — Profit estimate for the year ended December 31, 2025" in this prospectus.

(A) PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 (the "**Profit Estimate**") based on the audited consolidated results of our Group for the eight months ended August 31, 2025 and the unaudited consolidated results of our Group for the four months ended December 31, 2025. The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the Accountants' Report as set out in Appendix I to this Prospectus.

Estimated consolidated profit attributable to owners of our Company for the year ended December 31, 2025	Not less than RMB40 million

(B) LETTER FROM THE REPORTING ACCOUNTANTS

The following is the text of a letter, prepared for the inclusion in this prospectus, received from our Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in connection with the estimate of the consolidated profit attributable to owners of our Company for the year ended 31 December 2025.

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

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The Board of Directors
ALSCO Pooling Service Co., Ltd.

China Securities (International) Corporate Finance Company Limited

Dear Sirs,

ALSCO POOLING SERVICE CO., LTD. ("THE COMPANY")

Profit estimate for year ended 31 December 2025

We refer to the estimate of the consolidated profit attributable to equity holders of the Company for the year ended 31 December 2025 ("**the Profit Estimate**") set forth in the section headed "Financial Information" in the prospectus of the Company dated 27 February 2026 ("**the Prospectus**").

Directors' responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as "**the Group**") for the eight months ended 31 August 2025 and the unaudited consolidated results based on the management accounts of the Group for the four months ended 31 December 2025.

The Company's directors are solely responsible for the Profit Estimate.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix IIB of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 27 February 2026, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

(C) LETTER FROM THE SOLE SPONSOR

The following is the text of a letter, prepared for the inclusion in this prospectus, received from China Securities (International) Corporate Finance Company Limited, the Sole Sponsor, in relation to estimate of our consolidated profit attributable to owners of our Company for the year ended December 31, 2025.

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

February 27, 2026

The Directors
ALSCO Pooling Service Co., Ltd.

Dear Sirs,

We refer to the estimate of the consolidated profit attributable to equity holders of ALSCO Pooling Service Co., Ltd. (the "**Company**") for the year ended December 31, 2025 (the "**Profit Estimate**") set forth in the section headed "Financial Information – Profit Estimate for the Year Ended December 31, 2025" in the prospectus of the Company dated February 27, 2026 (the "**Prospectus**").

The Profit Estimate, for which you as the Directors of the Company (the "**Directors**") are solely responsible, has been prepared based on the audited consolidated results of the Group for the eight months ended August 31, 2025 and the unaudited consolidated results based on the management accounts of the Group for the four months ended December 31, 2025.

We have discussed with you the bases made by the Directors as set out in the Part A of Appendix IIB to the Prospectus upon which the Profit Estimate has been made. We have also considered the letter dated February 27, 2026 addressed to you and us from Ernst & Young regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by Ernst & Young, we are of the opinion that the Profit Estimate, for which you as Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
China Securities (International) Corporate Finance Company Limited

Name: Huang Ye
Title: Director

1. TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in the H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, all of which are subject to change and may have retrospective effect.

This discussion does not address any aspects of the PRC or Hong Kong taxation other than income tax, capital tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

A. The PRC Taxation

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "IIT Law"), which was latest amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was latest amended on December 18, 2018, dividends distributed by PRC enterprises are subject to a PRC withholding tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to a withholding tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Notice of SAT on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of the Document Guo Shui Fa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the SAT on June 28, 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the amount which is over withheld will be refunded. For the individual holders of H shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or otherwise, the non-foreign invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

In accordance with the EIT Law effective as at December 29, 2018 and the Implementation Provisions for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) amended and came into effect on April 23, 2019, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The withholding tax may be reduced pursuant to applicable treaties for the avoidance of double taxation. Such income tax for non-resident enterprises are deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《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》國稅函[2008]897號) which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on dividends paid to non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (Guo Shui Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》國稅函[2009]394號) which was issued by the SAT on July 24, 2009 and effective on the same date, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. Pursuant to the Fourth Protocol of the SAT to the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第四議定書》) effective as at December 29, 2015, the abovementioned provisions are not applicable to any arrangement which is primarily made for the purpose of obtaining the above taxation benefits. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Investors who are not PRC residents and reside in countries which have entered into avoidance of double taxation treaties with the PRC are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC has entered into arrangements for the avoidance of double taxation with a number of countries and regions including but not limited to Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (hereinafter referred to as "Notice 36"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT.

According to these regulations, if the holder is a nonresident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a nonresident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, in view of no clear regulations, whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares, there is still uncertainty in the interpretation and application of the above provisions.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "Local Additional Tax"), which shall usually equal to 12% of the VAT payable (if any).

Income tax

Individual Investors

According to the IIT Law and its implementation provisions, gains realized on the sale of equity interests in PRC resident enterprises are subject to the income tax at a rate of 20%.

Pursuant to the Circular of the MOF and SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law and its implementation provisions.

However, on December 31, 2009, the MOF, SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (財稅[2009]167號), which provides that individuals' income from transferring listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for certain shares which are subject to sales limitations as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (財稅[2010]70號). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges. To the knowledge of our Company, in practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation provisions, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place. Such income tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》) effective on October 1, 1998 and amended on January 8, 2011, the Implementation Provisions of Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例實施細則》) effective on October 1, 1988, and the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) issued on June 10, 2021 and effective on July 1, 2022, PRC stamp duty only applies to documents executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC. Upon the Stamp Tax Law of the PRC coming into effect on July 1, 2022, the Provisional Regulations of the PRC on Stamp Duty shall be abolished simultaneously.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

B. Hong Kong Taxation

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by our Company.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of the H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

2. PRINCIPAL TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as “enterprises”) within the territory of the People’s Republic of China are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income within the PRC and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

VAT

According to the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例》) which was promulgated by the State Council on December 13, 1993, and latest amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and latest amended on October 28, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay value-added tax. The tax rate for taxpayers engaging in sale of services shall be 6% and the tax rate for taxpayers engaging in sale of goods shall be 17%, unless otherwise stipulated. With the VAT reforms in the PRC, the rate of VAT has been changed several times.

Pursuant to the Implementation Rules of Pilot Reform for Transition from Business Tax to VAT (《營業稅改徵增值稅試點實施辦法》) which was promulgated on March 23, 2016, and latest amended on March 20, 2019, unless otherwise provided in the implementation rules, taxpayers incurring taxable activities are generally subject to a 6% VAT. The Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and SAT on April 4, 2018 and became effective as of May 1, 2018 adjusted the applicative rate of VAT, and the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (Announcement [2019] No. 14 of the MOF, SAT and GACC), promulgated by MOF, SAT and GACC on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

3. FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the new Regulations of the PRC for Foreign Exchange Control (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Control Regulations") which became effective on April 1, 1996. The Foreign Exchange Control Regulations classifies all international payments and transfers into current account items and capital account items. Most of the current account items are no longer subject to SAFE's approval, while capital account items still are. The Foreign Exchange Control Regulations was subsequently amended on January 14, 1997 and August 1, 2008. The latest amended Foreign Exchange Control Regulations clearly states that the State will not impose any restriction on international payments and transfers under the current account items.

On June 20, 1996, PBOC promulgated the Provision on the Settlement and Sale of and Payment in Foreign Exchange (《結匯、售匯及付匯管理規定》) (the "Settlement Regulations") which became effective on July 1, 1996. The Settlement Regulations abolished all other restrictions on convertibility of foreign exchange under current account items, while retaining the existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), issued by PBOC on July 21, 2005, from the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. The Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of foreign currencies such as U.S. dollar against Renminbi in the interbank foreign exchange market after the closing of the market on each working day, which will be used as the central parity for the transactions of such foreign currency against Renminbi exchange rate on the following working day.

Starting from January 4, 2006, PBOC introduced over-the-counter transactions into the interbank spot foreign exchange market for the purpose of improving the formation mechanism of the central parity of Renminbi exchange rates, and the practice of matching was kept at the same time. In addition to the above, PBOC introduced the market-maker rule to provide liquidity to the foreign exchange market. On July 1, 2014, PBOC further improved the formation mechanism of the RMB exchange rate by authorizing the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD of the current day, which shall be finally decided on the weighted average of the prices of all market makers after excluding the highest and lowest quotations, and announce it at 9:15 a.m. on each working day. On August 11, 2015, PBOC announced to improve the central parity quotations of RMB against the U.S. dollar by authorizing market-makers to provide central parity quotations to the China Foreign Exchange Trading Center with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

On August 5, 2008, the State Council promulgated the revised Foreign Exchange Control Regulations (the "Revised Foreign Exchange Control Regulations"), which has made substantial changes to the foreign exchange supervision system of the PRC. First, the Revised Foreign Exchange Control Regulations have adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. Second, the Revised Foreign Exchange Control Regulations has improved the mechanism for determining the RMB exchange rate based on market supply and demand. Third, the Revised Foreign Exchange Control Regulations has enhanced the monitoring of cross-border foreign currency fund flows. In the event that revenues and costs in connection with international transactions suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the Sate may adopt necessary safeguard or control measures. Fourth, the Revised Foreign Exchange Control Regulations has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

According to relevant PRC laws, PRC enterprises (including foreign-invested enterprises) which need foreign exchange for transactions relating to current account items may, without the approval of SAFE, effect payment for their foreign exchange accounts at the designated foreign exchange banks with the support of valid receipts and proof. Foreign-invested enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting approving the distribution of profits, effect payment from their foreign exchange accounts or convert and pay dividends at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which canceled the approval requirement by the SAFE and its branches for the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing.

On December 26, 2014, the SAFE issued the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), pursuant to which a domestic company shall, within 15 working days from the date of the end of its overseas listing issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation; and the proceeds from an overseas listing maybe remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

On February 13, 2015, the SAFE issued the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13), which came into effect on June 1, 2015. The Notice cancels the foreign exchange registration approval under domestic direct investment and foreign exchange registration approval under overseas direct investment, and requires the banks to review and carry out foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment directly. SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Notice of the SAFE on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of the SAFE in due time in accordance with international revenue and expenditure situations.

PRC LAW AND REGULATIONS

PRC Legal System

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "Constitution") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC Government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "Legislation Law"), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of larger cities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the comparatively larger cities may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the comparatively larger cities within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its standing committee, and to annul any autonomous regulations or separate regulations which have been approved by its standing committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "Supreme People's Court") has the power to give general interpretations on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and department rules promulgated by them. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC Judicial System

Under the Constitution and the PRC Law on the Organization of the People's Courts (《中華人民共和國人民法院組織法》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts, military courts and other special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts are organized into civil, criminal, administrative, supervision and enforcement divisions. The intermediate people's courts are organized into divisions similar to those of the primary people's courts, and are entitled to organize other courts as needed such as the intellectual property division.

The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the power to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The people's courts apply a two-tier appellate system. A party may appeal against a judgment or order of a local people's court to the people's court at the next higher level. The second judgments or orders given at the next higher level are final. The first judgments or orders of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at a higher level finds an error in a judgment or an order which has been given in any people's court at a lower level, or the presiding judge of a people's court finds an error in a judgment which has been given in the court over which he presides, the case may then be retried according to the judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "Civil Procedure Law") sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, and shall not violate the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same.

There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling.

A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

The Company Law, Overseas Listing Trial Measures and Guidance for Articles of Association

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (2023 Amendment) (《中華人民共和國公司法(2023修正)》) which was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest amendment of which was implemented on July 1, 2024.

- The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to Securities Law of the PRC, came into effect on March 31, 2023, and were applicable to the direct and indirect overseas share subscription and listing of domestic companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidance for Articles of Association**") which was latest amended and came into effect on December 15, 2023 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of our Company, the summary of which is set out in the section entitled "Summary of the Articles of Association of the Company" in Appendix V to this prospectus.

Set out below is a summary of the major provisions of the PRC Company Law and the Overseas Listing Trial Measures applicable to our Company.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its debts for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is provided by law that the joint stock limited company shall not be a contributor that undertakes joint and several liabilities for the debts of the invested companies, such provisions shall apply accordingly.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

If a promoter does not contribute in accordance with the shares subscribed for by it or if the actual value of the non-monetary property contributed as capital is significantly less than the shares subscribed for, the other promoters shall be jointly and severally liable with it to the extent of the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' general meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Registered Shares

Under the Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with valuated non-monetary property that may be valued in monetary term and may be transferred in accordance with the law, such as physical items, intellectual property rights, land-use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations. Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, the shares issued by a company shall be registered shares. A joint stock company shall maintain a register of shareholders to be kept at the company, stating the following matters:

- the name and domicile of each shareholder;
- the type of shares subscribed by each shareholder and the number of shares;
- the serial numbers of the share certificate, if issued in paper form; and
- the date on which each shareholder acquired the shares.

Increase of Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. In the case of the issue of shares without par value, more than half of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a document. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' general meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law, the shareholders' general meeting exercises the following principal functions:

- to elect and change directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's profit distribution plan and loss recovery plan;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and change of company form;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual general meetings are required to be held once every year. Under the Company Law, an extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;

- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;

- whenever the board of directors deems necessary;

- when the supervisory committee proposes; or

- other circumstances as provided for in the articles of association.

Under the Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the general meeting of shareholders convened by the board of supervisors or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a general meeting of shareholders is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company;(vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed in shareholders' general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to decide on the setup of the company's internal management organization;
- to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offense of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence; If he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or

- a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidance for Articles of Association.

Supervisory Committee

Under the PRC Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory board, in place of a supervisory committee or supervisor. Otherwise, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The supervisory committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory committee are elected with approval of more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the chairman of the supervisory committee is incapable of performing or not performing his duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the vice chairman of the supervisory committee is incapable of performing or not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the supervisory committee shall be passed by more than half of all the supervisors.

The supervisory committee exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' general meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting under this law;
- to initiate proposals for resolutions to shareholders' general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors.

The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorized by the board of directors. The manager attends board meetings.

According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits. Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager.

Directors, supervisors and senior management are prohibited from:

- misappropriating company property or funds;
- depositing the company's capital into accounts under his/her own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- taking commissions from the transactions between the company and any other person into his/her own pocket;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' general meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: i) after reporting to the board of directors or the shareholders' general meeting and a resolution by the board of directors or the shareholders' general meeting in accordance with the articles of association of the company has been passed; or ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books.

Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting, board of directors or supervisory committee in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, board of directors or the supervisory committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the general meeting of shareholders.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following:

(i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' general meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders' general meeting if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders' general meeting in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and

- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within five working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 Revision) (《中華人民共和國證券法(2019修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within three working days from the date of occurrence and announcement of the relevant matters.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by

PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations mainly deal with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The PRC Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

The "Full Liquidity"

According to the CSRC Pilot Program for the Deepening Reforms on Overseas Listing Systems and the "Full Liquidity" of H Shares (《中國證監會深化境外上市制度改革開展H股「全流通」試點》) issued by the CSRC on December 29, 2017 and the Reply to the Press by the CSRC Spokesperson, Chang Depeng Regarding the Implementation of the "Full Liquidity" Pilot Program of H Shares (《中國證監會新聞發言人常德鵬就開展H股「全流通」試點相關事宜答記者問》) issued by the CSRC on December 29, 2017, and as approved by the State Council, the CSRC carried out the "Full Liquidity" Pilot Program of H-share Listed Companies, which required enterprises involved in the pilot program to perform some procedures and meet the following four basic conditions: (1) to fulfill the relevant legal provisions and policy requirements of foreign investment access, state-owned assets management, state security and industrial policy. (2) their respective industries are in line with the development concept of innovative, coordinated, green, open and sharing, the development direction of the industrial policy of the state, as well as the national strategy of serving the real economy and supporting the "One Belt, One Road" construction, they also have to be high-quality enterprises. (3) the equity structures of existing shares are relatively simple and their respective market value will be not less than HK$1 billion. (4) the corporate governance is standard, the internal decision-making procedures are in compliance with the laws, which can adequately protect shareholders' rights of knowledge, participation and voting.

According to the Guidance of Applying "Full Liquidity" for Domestic Unlisted Shares of H Shares Company (《H股公司境內未上市股份申請「全流通」業務指引》) issued by the CSRC on November 14, 2019 and the Reply to the Press by the CSRC Spokesperson Regarding the Fully Implementation of the "Full Liquidity" Reform of H Shares (《中國證監會新聞發言人就全面推開H股「全流通」改革答記者問》) issued by the CSRC on November 15, 2019, H Shares company can apply for "full liquidity" alone or together with refinance application. Unlisted domestic joint stock limited companies can apply for "full liquidity" together with IPO application. Once approved by the CSRC, shareholders of domestic unlisted shares shall change shares registration according to relevant business rules of the CSDC, as well as relevant rules of shares registration and shares listing on the Hong Kong market, and shall disclose information lawfully.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (2017 Amendment) (《中華人民共和國仲裁法(2017修正)》) (the "Arbitration Law") was passed by SCNPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000 and was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排(2021)》). In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

Judicial judgment and its enforcement

According to the Arrangement of the Supreme People's Court between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (《最高人民法院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 "Arrangement") promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of PRC and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of Mainland China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of Mainland China or the court of the Hong Kong Special Administrative Region in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of Mainland China or the court of the Hong Kong Special Administrative Region to recognized and enforce the final judgment made in Mainland China or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 18, 2019, the PRC Supreme Court and the Hong Kong government signed 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 "New Arrangement"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement came into effect on January 29, 2024.

OVERVIEW

This Appendix contains the summary of the principal provisions of the Articles of Association. The Articles of Association of the Company shall take effect on the date of the H Shares being listed on the Stock Exchange. The main purpose of this appendix is to provide an overview of the Company's Articles of Association for potential investors, so it may not contain all the information that is important.

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in accordance with the principles of open, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the Shares it/he/she subscribes for.

INCREASE AND REDUCTION OF CAPITAL AND BUYBACK OF SHARES

Increase and Reduction of Shares

Based on its operation and development needs, in accordance with the relevant laws and regulations, and subject to the separate resolutions of the shareholders' meeting, the Company may increase its capital by any of the following ways:

(i) public issuance of shares;

(ii) non-public issuance of shares;

(iii) distribution of bonus shares to existing Shareholders;

(iv) conversion of capital reserve into share capital;

(v) other means permitted by applicable laws, administrative regulations and approved by the CSRC, the securities management authority of the place where the Company's shares are listed, and other relevant regulatory authorities.

The Company may reduce its registered capital. The reduction of registered capital shall comply with the procedures stipulated in the PRC Company Law, the Listing Rules and other relevant regulations as well as the Articles of Association.

Repurchase of Shares

The Company shall buy back its shares in accordance with the provisions of laws, administrative regulations, departmental rules, the Listing Rules and the Articles of Association under the following circumstances:

(i) reduction of the Company's registered capital;

(ii) mergers with another Company holding shares of the Company;

(iii) use of shares for employee shareholding scheme or equity incentives;

(iv) Shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to purchase their shares;

(v) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) where it is necessary for the Company to preserve its value and Shareholders' interest;

(vii) other situations where the Company can buy back its shares in accordance with laws, administrative regulations, departmental rules, normative documents, the Listing Rules, and other securities regulatory rules of the place where the shares of the Company are listed.

The Company shall not buy back its shares, except in one of the above circumstances.

Where the Company purchases its shares under the circumstances set forth in items (i) and (ii) above, it shall be resolved at a shareholder's meeting. Where the Company purchases its shares under the circumstances set forth in items (iii), (v) and (vi) above, subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, a resolution thereon may, be resolved at a Board meeting that is attended by more than two-thirds of the Directors according to the authorization of the shareholders' meeting.

Upon the purchase of its shares by the Company pursuant to the above provisions, under the circumstance set forth in item (i), such shares shall be cancelled within 10 days from the day of purchase; under the circumstances set forth in items (ii) and (iv), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (iii), (v) and (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.

With respect to overseas listed shares, if laws, administrative regulations or the securities regulatory authority where the Company's shares are listed have other provisions on matters related to the repurchase of shares, such provisions shall prevail.

The Company may purchase its own shares by the centralized trading or by any other means recognized by the laws, administrative regulations, the CSRC and the stock exchange(s) of the place where the shares of the Company are listed, and shall comply with the applicable laws, administrative regulations, departmental regulations and securities regulatory rules of the place where the Company's shares are listed.

Transfer of Shares

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

Directors, Supervisors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The above personnel shall not transfer the shares of the Company held by them within six months after the expiry of their term of office. If the above personnel leave their posts before the expiration of their terms, they shall continue to comply with the aforementioned restrictive provisions during the term confirmed when they took office and within six months after the expiration of their terms. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded. If the securities regulatory authority where the Company's shares are listed have other provisions on matters related to the restrictions on the transfer, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of members with the evidence provided by the securities registration authority. The register of members shall be sufficient evidence of the holding of the shares of the Company by the Shareholders. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other distributions in proportion to the shares they hold;

(ii) to request, convene, hold, attend or appoint a proxy to attend general meetings and exercise the corresponding voting rights in accordance with laws;

(iii) to supervise, present suggestions on or make inquiries about the operations of the Company;

(iv) to transfer, gift or pledge the shares it holds in accordance with laws, administrative regulations, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;

(v) to inspect the Articles of Association, register of members, record of bondholders, minutes of general meetings, resolutions of Board meetings, resolutions of meetings of the Supervisory Committee and the financial reports;

(vi) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion with the number of shares held by them;

(vii) to require the Company to purchase their shares in the event of objection to the resolutions of the general meeting on merger or division of the Company;

(viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

If the procedure for convening a shareholders' meeting or a Board meeting, or the voting method used in such a meeting, violates any law, administrative regulations or the Articles of Association, or if any resolution adopted includes content that violates the Articles of Association, shareholders may, within 60 days from the date of adopting the resolution, request the people's court to annul it, except in cases where there are only minor defects in the procedure for convening the meeting or the voting method used in the meeting, which had no material impact on the resolution.

Shareholders that were not notified to attend a shareholders' meeting may request the people's court to annul a resolution adopted at the meeting within 60 days from the date when they became aware or should have been aware of the adoption of the resolution; if the right to annul is not exercised within one year from the date of adopting the resolution, the right to annul shall be extinguished.

Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws, administrative regulations, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;

(ii) to pay capital contribution as per the shares subscribed for and the method of subscription;

(iii) not to return shares unless prescribed otherwise in laws and regulations;

(iv) not to abuse shareholders' rights to impair the interests of the Company or other shareholders; not to abuse the independent status of legal person or shareholders' limited liabilities to impair the interests of the creditors of the Company;

(v) to assume other obligations prescribed by the laws, administrative regulations, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and thereby cause loss on the Company or other Shareholders shall be liable for loss compensation according to the laws. Where Shareholders of the Company abuse the Company's position as an independent legal person and the limited liabilities of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.

General Provisions for Shareholders' Meeting

The shareholders' meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws:

(i) to elect and replace Directors or Supervisors and to determine matters relating to the remuneration of the Directors or Supervisors;

(ii) to consider and approve the reports of the Board;

(iii) to consider and approve the reports of the Supervisory Committee;

(iv) to consider and approve the profit distribution plan and loss recovery plans of the Company;

(v) to resolve on the increase or reduction of the registered capital of the Company;

(vi) to resolve on the issue of corporate bonds the issuance of any kind of shares, warrants and other securities, and listing schemes;

(vii) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;

(viii) to amend the Articles of Association;

(ix) to resolve on the appointment and dismissal of accounting firms by the Company;

(x) to consider the Company's connected transactions (except for connected transactions with holding subsidiaries) with an aggregate amount exceeding 25% of the Company's latest audited net assets (including this amount) in a single transaction or within 12 consecutive months;

(xi) to consider the Company's investment, purchase or sale of major assets or other major asset disposal with a total amount exceeding 25% of the Company's latest audited net assets (including this number) in a single transaction or within 12 consecutive months;

(xii) to consider the guarantees, financial assistance, transactions and connected transactions that are subject to the review of the shareholders' meeting as stipulated in the laws, administrative regulations, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(xiii) to consider share incentive scheme that shall be reviewed by the shareholders' meeting as stipulated in the laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(xiv) to consider other matters to be resolved by the shareholders' meeting as required by laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The following provision of external guarantees by the Company is subject to the consideration and approval of the general meeting:

(i) any guarantee provided to shareholders, controllers, and their related parties;

(ii) any guarantee required by applicable laws, regulations, normative documents, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, and internal policies to be submitted to the shareholders' meeting for approval.

The Company shall convene an interim shareholders' meeting within two months from the date of occurrence of any of the following circumstances:

(i) where the number of directors is less than two thirds of the number as provided for by laws or the Articles of Association;

(ii) when the uncovered loss of the Company reaches one-third of its total share capital;

(iii) upon written request(s) by Shareholder(s) individually or collectively holding 10% or above of the shares of the Company;

(iv) when the Board deems it necessary;

(v) when the Supervisory Committee proposes such a meeting be held;

(vi) other circumstances required by the laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Summoning of Shareholders' Meetings

A shareholders' meeting shall be convened by the Board. The publication of shareholders' meeting notices (including supplementary notices) shall comply with relevant laws, regulations and securities regulatory rules of the place where the shares of the Company are listed.

The Supervisory Committee shall have the right to propose to the Board in writing to convene an interim shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an interim general meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an interim general meeting, it shall give a notice convening such meeting within five days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the Supervisory Committee. If the Board does not agree to convene an interim general meeting or fails to give a response within 10 days after the receipt of the proposal, the Supervisory Committee may convene and preside over such meeting on its own.

Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the Board to convene an interim shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations, the Listing Rules and the Articles of Association, give a written response on whether or not it agrees to convene such an interim shareholders' meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an interim general meeting, it shall give a notice convening such meeting within five days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant Shareholders. If the Board does not agree to convene an interim general meeting or fails to give a response within 10 days after the receipt of the proposal, the Shareholders that hold, individually or collectively, 10% or more of the shares of the Company may propose to the Supervisory Committee to convene an interim shareholders' meeting. If the Supervisory Committee agrees to convene an interim shareholders' meeting, it shall give a notice convening such meeting within five days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant Shareholders. If the Supervisory Committee fails to give the notice convening such meeting within the period specified herein above, it shall be deemed to have failed to convene and preside over such meeting. The Shareholders that hold, individually or collectively, 10% or more of the shares in the Company for 90 days or more consecutively may convene and preside over such meeting on their own. Before the announcement of the shareholders' meeting resolution, the total shareholding ratio of the Shareholders convening the shareholders' meeting shall not be less than 10%.

The independent directors shall have the right to propose to the Board to convene an interim shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations, the Listing Rules and the Articles of Association, give a written response on whether or not it agrees to convene such an interim general meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an interim general meeting, it shall give a notice convening such meeting within five days after it has so resolved. If the Board does not agree to convene the interim shareholders' meeting, it shall give the reasons and notify all Shareholders in an appropriate manner.

Where the Supervisory Committee or the Shareholder(s) convene a shareholders' meeting on its or their own, the board and the secretary to the Board shall provide assistance. The Board will provide the register of members as of the date of the share registration.

Any necessary expenses incurred in connection with the convening and holding of the shareholders' meeting by the Supervisory Committee or the shareholder(s) on its or their own shall be borne by the Company.

Proposal and Notice of Shareholders' Meetings

The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Board, the Supervisory Committee or Shareholders that hold, individually or collectively, 1% or more of the shares of the Company shall have the right to propose resolutions. Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company may submit ad hoc proposals in writing to the convener 10 days before the convening of the shareholders' meeting. The convener shall give a supplemental notice of the shareholders' meeting within two days upon receipt of the proposals and announce the contents of the ad hoc proposals.

The convener shall notify all Shareholders by announcement 21 days before the annual shareholders' meeting (excluding the day of the notice and the meeting), and the convener shall notify all Shareholders by announcement 15 days or 10 working days (whichever is longer) before the interim shareholders' meeting (excluding the day of the notice and the meeting).

A notice of a shareholders' meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) matters and proposals submitted to the meeting for consideration;

(iii) a prominent written statement that all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(iv) the name and telephone number of the regular contact person for the meeting;

(v) voting time and voting procedures online or by other means;

(vi) the record date of registration of shareholders entitled to attend the shareholders' meeting;

(vii) other contents stipulated by laws, regulations, normative documents, the Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

Convening of Shareholders' Meetings

All shareholders registered on the share right registration date or their proxies shall be entitled to attend the shareholders' meetings and exercise voting rights in accordance with relevant laws, regulations, the Listing Rules and the Articles of Association. Shareholder may attend the general meeting in person, or appoint a proxy to attend or vote on behalf of such Shareholder.

Individual Shareholders attending the meeting in person shall present his or her identity card or other valid license or certificate or stock account card that can prove his or her identity.

Proxies appointed to attend the meeting shall present valid proof of their identities and the power of attorney from the appointing shareholder.

Shareholder that is a legal person shall attend the meeting by its legal representative or by proxies appointed by it. If a legal representative attends the meeting, he/she shall present a copy of the corporate shareholder's business license (with official seal), his/her identity card, a valid certificate proving his/her qualifications as a legal representative, and a securities account card.

Where the meeting is attended by proxy, he/she shall present his/her identity card and written power of attorney issued by the legal representative of the corporate shareholder unit in accordance with the law (except where the shareholder is a Recognized Clearing House (or its nominees) as defined in the relevant regulations in force from time to time under Hong Kong law or the securities regulatory rules of the place where the Company's shares are listed).

Where such Shareholder is a Recognized Clearing House (or its nominees), it may authorize one or more persons or company representatives as it thinks fit to act as its representative(s) at shareholders' meeting and creditor meeting. However, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and be signed by the person authorized by the Recognized Clearing House. The person(s) so authorized will be entitled to exercise rights on behalf of the Recognized Clearing House (or its nominees) (without being required to present share certificate, notarised authorization and/or further evidence of formal authorization) and must enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such person was an individual shareholder of the Company.

The power of attorney issued by a Shareholder to appoint a proxy to attend any shareholders' meeting shall contain the following:

(i) name of the proxy and the number of shares represented by the proxy;

(ii) whether there are voting rights;

(iii) instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of shareholders' meeting;

(iv) the date of issuance and term of validity of the power of attorney;

(v) the signature (or seal) of the shareholder. In the case of a corporate shareholder, the seal of the legal person shall be affixed. In the case of a partnership enterprise shareholder, the seal of the partnership enterprise shall be affixed and the executing partner shall stamp or sign.

If the Shareholder does not give specific instructions on authorizing a proxy to attend the shareholders' meeting, the power of attorney shall state whether the proxy may vote as he/she thinks fit. If the power of attorney is sign by other personnel authorized by consignor, the power of attorney for authorized signature or other authorization documents should be certified by a notary. The power of attorney or other authorization documents upon notarized shall, together with the power of attorney for voting, be placed at the domicile of the Company or such other location as specified in the notice of the meeting. If the consignor is a legal person, its legal representative or any person authorized by resolutions of the Board or other decision-making institutions shall attend the shareholders' meeting on behalf of the consignor.

All Directors, Supervisors and secretary of the Board shall attend shareholders' meetings of the Company, and the general manager and other senior management shall attend the meeting as non-voting participants. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend the meeting through the internet, video, telephone or other means with equivalent effect.

A shareholders' meeting shall be presided over by chairman of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A shareholders' meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors. A shareholders' meeting convened by Shareholders shall be presided over by a representative elected by convener(s). Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the host of the meeting and continue the meeting.

Voting of Shareholders' Meetings

Resolutions of a shareholders' meeting are divided into ordinary resolutions and special resolutions. Ordinary resolutions of a shareholders' meeting shall be passed by votes representing more than half of the voting rights held by Shareholders (including proxies thereof) attending the shareholders' meeting. Special resolutions of a shareholders' meeting shall be passed by votes representing more than two-thirds of voting rights held by Shareholders (including proxies thereof) attending the shareholders' meeting.

The following matters shall be passed by ordinary resolutions at a shareholders' meeting:

(i) work reports of the Board and the Supervisory Committee;

(ii) profit distribution plans and plans for recovery of losses formulated by the Board;

(iii) appointment and dismissal of members of the board of directors and non-employee representatives of the board of supervisors, as well as their remuneration and payment methods;

(iv) annual reports of the Company;

(v) engagement and dismissal of accounting firms;

(vi) changes in the use of proceeds;

(vii) to consider the Company's related party transactions (except for related party transactions with holding subsidiaries) with an aggregate amount exceeding 25% of the Company's latest audited net assets (including this amount) in a single transaction or within 12 consecutive months;

(viii) to consider the Company's investment, purchase or sale of major assets or other major asset disposal with a total amount exceeding 25% of the Company's latest audited net assets (including this number) in a single transaction or within 12 consecutive months;

(ix) matters other than those required by the laws, administrative regulations, departmental rules, normative documents, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be passed by special resolution.

The following matters shall be passed by special resolutions at a general meeting:

(i) increase or reduction of registered capital of the Company;

(ii) the issuance of corporate bonds, any kind of shares, warrants and other securities, and listing schemes;

(iii) division, spin-off, merger, dissolution and liquidation of the Company;

(iv) the amendment of the Articles of Association;

(v) the purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;

(vi) to consider share incentive scheme that shall be reviewed by the shareholders' meeting as stipulated in the laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(vii) other matters as required by the laws, administrative regulations, departmental rules, normative documents, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies thereof) have the right to exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote. The shares of the Company held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' meeting.

Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by the shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted.

When a connected transaction is considered at a shareholders' meeting, the related Shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Announcement of resolutions of the shareholders' meeting shall fully disclose the voting of non-related Shareholders.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person may not serve as a Director of the Company in case of any of the following circumstances:

(i) the person is without civil conduct capacity or with limited civil conduct capacity;

(ii) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation, two years have not elapsed since the probation period was completed;

(iii) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(iv) the person who is a former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to any violation of the law, and where the person was personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order;

(v) the person identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts;

(vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;

(vii) other contents stipulated by laws, administrative regulations, departmental rules, the Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

Directors shall be elected or replaced at the shareholders' meeting. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms. Subject to compliance with relevant laws and administrative regulations, the shareholders' meeting may depose any director whose term has not expired by ordinary resolution.

The term of office of a director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected director assumes the office.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. Relevant information shall be disclosed by the Board within two days. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement, the resigned Directors shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director assumes the office.

Board of Directors

The Company has established a Board which shall be accountable to the shareholders' meetings. The Board shall comprise nine Directors, with one chairman.

The Board shall exercise the following duties and powers:

(i) to convene shareholders' meetings and report its work to the shareholders' meetings;

(ii) to implement the resolutions of the shareholders' meetings;

(iii) to formulate business operation plans and investment plans of the Company;

(iv) to review the Company's annual financial budget plan and final account plan;

(v) to formulate the profit distribution plans and plans for recovery of losses of the Company;

(vi) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vii) to draft plans for major acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change in the form of the Company;

(viii) to determine on matters such as the Company's external investment, entrusted wealth management, acquisition and sale of assets, asset mortgage, external guarantee matters, and connected transactions within the scope of authority stipulated by laws, regulations, Listing Rules, and Articles of Association, or authorized by the shareholders' meeting,;

(ix) to determine the internal management structure of the Company;

(x) to determine the appointment or dismissal of the manager of the Company or secretary to the Board and decide on their remuneration, rewards and penalties; and based on the nomination of the manager, to determine the appointment or dismissal of the senior management including chief financial officer of the Company and determine their remuneration, rewards and penalties;

(xi) to formulate the basic management system of the Company;

(xii) to formulate proposals for any amendment of the Articles of Association;

(xiii) to formulate the Company's share incentive plans and revise the approved share incentive plan;

(xiv) to manage the information disclosure of the Company;

(xv) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(xvi) to listen to work reports of the manager of the Company and review his/her work;

(xvii) other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Board shall have one chairman. The chairman of the Board shall be elected by more than half of all the directors. The chairman of the Board shall exercise the following duties and powers:

(i) to convene and preside over Board meetings, and to preside over shareholders' meetings;

(ii) to sign important documents of the Board;

(iii) other duties and powers granted by laws, administrative regulations, departmental regulations, the Articles of Association or resolutions of the Board.

Where the chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by a Director jointly elected by more than half of the Directors.

The Board shall hold at least four meetings per year, approximately once a quarter, which shall be convened by the chairman and all Directors and Supervisors shall be notified in writing 14 days before the meeting.

The Board shall convene at least four meetings per year, approximately once a quarter, and all Directors and Supervisors shall be notified in writing of each meeting 14 days prior to the meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the Supervisory Committee, more than half of the independent directors may propose to convene an interim Board meeting. The chairman of the Board shall convene and preside over the interim meeting within 10 days from the receipt of the proposal. The Board shall notify all Directors and Supervisors in writing three days before convening the interim meeting of the Board.

The quorum of a Board meeting shall consist of more than one half of all Directors. A resolution of the Board shall be passed by more than half of all Directors. When voting on the resolutions of the Board, each Director shall have one vote.

Where a Director has any related relationship with the enterprise involved in the matter to be decided at the meeting, he/she shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. Such a Board meeting may be held only if more than one half of the Directors without a related relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than one half of the Directors without a related relationship. If the number of non-related Directors in presence is less than three persons, the matter shall be submitted to the shareholders' meeting for consideration.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. Where a Director does not attend a Board meeting and does not appointed a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right at the meeting. Independent directors cannot authorize non-independent directors to attend and vote on their behalf.

MANAGERS AND OTHER SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The Company's general manager, chief financial officer, secretary to the Board and other senior management designated by the Board are the senior management of the Company.

The circumstances of disqualification for Directors prescribed in the Articles of Association shall also be applicable to senior management.

The general manager shall serve for a term of three years and may serve consecutive terms if re-appointed.

The general manager shall report to the Board and exercise the following duties and powers:

(i) to take charge of the production, operation and management of the Company, organize the implementation of the Board, and report to the Board;

(ii) to organize the implementation annual business plans and investment plans of the Company;

(iii) to draft the plans for establishment of the internal management organization of the Company;

(iv) to draft the basic management system of the Company;

(v) to formulate the rules and regulations of the Company;

(vi) to propose to the Board the appointment or dismissal of the chief financial officer and other senior management personnel except the secretary of the Board of the Company;

(vii) to determine the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board;

(viii) other duties and powers as may be conferred by the Articles of Association or by the Board.

The Company shall have a secretary to the Board, who is responsible for preparing for shareholders' meeting and Board meetings, maintaining documents and managing Shareholders' information, as well as handling information disclosure matters.

SUPERVISORY COMMITTEE

Supervisors

The circumstances of disqualification for Directors prescribed in the Articles of Association shall be applicable to Supervisors. Directors, the general manager, other senior management and their spouses and immediate family members shall not concurrently serve as Supervisors.

Supervisors shall comply with laws, administrative regulations and the Articles of Association and shall assume the duties of honesty and due diligence towards the Company.

Supervisors shall not receive brides or other illegal income in abuse of the position or authority, or embezzle the company assets. A Supervisor shall serve for a term of three years and may serve consecutive terms if re-appointed upon expiry of a term.

Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Supervisor, or in the event that the resignation of the Supervisor during his/her term of office results in the number of members of the Supervisory Committee falling below the statutory minimum requirement, such Supervisor shall continue to perform his/her duties as a Supervisor in accordance with the laws, administrative regulations and the Articles of Association until the newly elected Supervisor assumes the office.

Supervisory Committee

The Company shall have a Supervisory Committee. The Supervisory Committee comprises three Supervisors. It shall have one chairman, who shall be elected by more than half of all the Supervisors. The chairman of the Supervisory Committee shall convene and preside over Supervisory Committee meetings. Where the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the Supervisory Committee meetings shall be convened or presided over by a Supervisor jointly elected by more than half of the Supervisors.

The Supervisory Committee shall include two representatives of Shareholders and one employee representatives of the Company. The employee representatives of the Board of Supervisors shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically.

The Supervisory Committee shall exercise the following duties and powers:

(i) to check the financial condition of the Company;

(ii) to monitor the performance of duties in the Company by Directors and senior management and propose dismissal of Directors and senior management who have violated laws, administrative regulations, departmental regulations, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or the resolutions of shareholders' meetings;

(iii) to require Directors and the senior management to make corrections if their conduct has damaged the interests of the Company;

(iv) to propose the convening of interim shareholders' meetings and, in the event that the Board fails to perform the obligations to convene and preside over the shareholders' meetings in accordance with PRC Company Law, to convene and preside over the shareholders' meetings;

(v) to propose proposals to the general meetings;

(vi) to file lawsuit against Directors and senior management in accordance with the PRC Company Law;

(vii) in case of any irregularity identified in the operations of the Company, investigations may be conducted, and if necessary, professional institutions such as accounting firms and law firms may be engaged to assist in their work at the expense of the Company;

(viii) Other authorities prescribed in laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Supervisory Committee shall convene at least one meeting every six months. Supervisors may propose to convene an interim meeting. Resolutions of the Supervisory Committee shall be passed by more than half of the Supervisors.

THE LEGAL REPRESENTATIVE

The legal representative of the Company shall be the director or manager who performs the Company's affairs on behalf of the Company, and the legal representative shall be elected by more than half of all directors.

Where a director or manager serving as the legal representative resigns, it is deemed to have resigned as the legal representative at the same time. Within 30 days from the date of resignation of a director or manager who serves as the legal representative, the Company shall convene a board of directors to elect a new legal representative in accordance with the provisions of this charter.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant PRC authorities. The Company shall prepare a financial accounting report at the end of each fiscal year and have it audited by an accounting firm in accordance with relevant laws.

The Company shall report and disclose its annual reports and interim reports in accordance with securities regulatory rules of the place where the shares of the Company are listed.

The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit distribution

When distributing after-tax profits of the year, the Company shall set aside 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision. Subject to a resolution passed at a shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund. Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of statutory reserve funds, shall be distributed to Shareholders in proportion to their shareholdings. Where the shareholders' meeting distributes its profits before recovery of losses and appropriation of statutory reserve funds to the shareholders in breach of the provisions of the preceding provision, Shareholders must refund to the Company the profits distributed in violation of the provisions. No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. When using the reserve fund to cover its losses, any discretionary reserve fund and statutory reserve fund shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with laws. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

The Company may distribute profits in the form of cash, shares or in any other manner permitted by laws and regulations.

Internal audit

The Company implements an internal audit system, equips with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board. The head of audit shall be accountable and report to the Board.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law, the Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of the Shareholders' Meeting. The Board shall not appoint accounting firm before the approval of the Shareholders' Meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation.

An accounting firm proposing to resign shall state at the Shareholders' Meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall make a public announcement through a newspaper or the National Enterprise Credit Information Publicity System within 30 days. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall make a public announcement through a newspaper or the National Enterprise Credit Information Publicity System within 30 days.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall make a public announcement through a newspaper of the Company's registered address or the National Enterprise Credit Information Publicity System within 30 days. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

The registered capital of the Company after the reduction shall not be less than the statutory minimum amount.

By a special resolution of the Shareholders' Meeting, the Company may reduce the registered capital in accordance with the proportion of shares held by shareholders.

Where there is a merger or division of the Company, the Company shall, in accordance with the laws, apply for change in its registration with the company registration authority for any changes of its registered information caused thereby. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

Where there is an increase or reduction in the registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

(i) the business term stipulated in the Articles of Association expires or other cause of dissolution provided in the Articles of Association;

(ii) a resolution on dissolution is passed by shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders' interests, Shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company.

With regard to the occurrence of the situation described in item (i) and (ii) above, if assets have not yet been distributed to shareholders, the Company may continue to exist by amending the Articles of Association. Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of Shareholders representing two-thirds or above of the voting rights present at the shareholders' meetings.

Where the Company is dissolved pursuant to item (i), (ii), (iv) or (v) above, it shall establish a liquidation committee within 15 days as of the dissolution circumstance arises, and the liquidation shall be thereby started. The liquidation committee shall comprise Directors or those determined by the general meeting. If the liquidation committee is not duly set up, the creditors may plead the people's court to designate related persons to form a liquidation committee to carry out the liquidation.

As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and shall make a public announcement through a newspaper of the Company's registered address or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by general meeting or the people's court. The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding article.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the people's court for bankruptcy. After the people's court accepts the bankruptcy application, the liquidation committee shall hand over liquidation affairs to the administrator designated by the people's court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for de-registration of the Company and announce the termination of the Company. Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) after amendments are made to the PRC Company Law or other relevant laws, administrative regulations, departmental regulations, normative documents and the Listing Rules, any term contained in the Articles of Association become inconsistent with the said amendments;

(ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

(iii) the Shareholders' Meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on December 12, 2016 under the laws of the PRC and was converted into a joint stock company with limited liability on November 1, 2024. As of the Latest Practicable Date, the registered share capital of our Company was RMB70,000,000.

Our Company has established a place of business in Hong Kong at 46/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on November 27, 2024. Mr. Ng Tung Ching Raphael has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure" in this prospectus, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

The list of our subsidiaries is set out in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. Save as disclosed below and in "History, Development and Corporate Structure" in this prospectus, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

On September 11 2025, Findmee Europe B.V. our indirectly wholly owned subsidiary, was established in Netherlands with registered capital of 100,000 Euros.

4. Resolutions of Our Shareholders

Pursuant to the general meeting of our Shareholders held on November 8, 2024, the following resolutions, among others, were passed by our Shareholders:

(a) the Global Offering has been approved and the Board has been authorized to apply for the Listing of our H Shares on the Stock Exchange as well as to approve matters in relation to the Global Offering;

(b) the issue by our Company of H Shares with a nominal value of RMB1.00 each up to 26,833,500 H Shares in total (assuming the Over-allotment Option is fully exercised) and such H Shares be listed on the Hong Kong Stock Exchange;

(c) subject to the completion of filing with CSRC, upon completion of the Global Offering, 70,000,000 Unlisted Shares will be converted into H Shares on a one-for-one basis;

(d) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and Listing of the H Shares;

(e) the Board has been authorized to revise, sign, and complete the applications submitted to the relevant government authorities, regulatory authorities in relation to the Global Offering;

(f) subject to the completion of the Global Offering, the granting of a general mandate to the Board to allot, issue and deal with Shares at any time within a period up to the date of the conclusion of the first annual general meeting following the Global Offering and Listing or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier. The number of Shares to be issued shall not exceed 20% of the number of the total number of Shares in issue (excluding treasury shares) as at the date of the resolution granting the general mandate, and for such purposes and to such persons to handle approvals and filings of the CSRC and other relevant government authorization in respect of the aforesaid additional allotment, issue and dealing with Shares in accordance with the relevant laws and regulations; and

(g) the Board has been authorized to revise and amend the Articles of Association, which shall become effective on the Listing Date, in accordance with the changes in relevant laws, regulations and regulatory documents, the requirements and recommendations of the relevant regulatory authorities and the actual situation of the Listing.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

5. Summary of Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) the Hong Kong underwriting agreement dated February 25, 2026 entered into among our Company, Sun Yan'an (孫延安), Suzhou Anhua Investment Co., Ltd. (蘇州安華投資有限公司), China Securities (International) Corporate Finance Company Limited, DBS Asia Capital Limited, China Sunrise Securities (International) Limited, ABCI Securities Company Limited, CMB International Capital Limited, Futu Securities International (Hong Kong) Limited, Livermore Holdings Limited, SPDB International Capital Limited, TFI Securities and Futures Limited and TradeGo Markets Limited, details of which are set out in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement" in this prospectus.

6. Intellectual Property Rights

(a) Trademarks

As of August 31, 2025, we have registered the following trademarks, which we consider to be or may be material to our business:

No.	Owner	Registration Number	Place of Registration	Trademark	Class	Expiry Date
1 . . .	Our Company	57819486	PRC	箱管管	42	January 27, 2032
2 . . .	Our Company	57819460	PRC	箱管管	39	January 27, 2032
3 . . .	Our Company	57817423	PRC	箱管管	36	January 27, 2032
4 . . .	Our Company	57809879	PRC	箱管管	35	February 6, 2032
5 . . .	Our Company	53382435	PRC	箱当当	35	November 20, 2031
6 . . .	Our Company	53380745	PRC	箱当当	39	September 6, 2031
7 . . .	Our Company	53361629	PRC	箱当当	35	October 27, 2032
8 . . .	Our Company	42258785	PRC	箱当当	39	August 6, 2030
9 . . .	Our Company	39986373A	PRC	Alphard	39	April 6, 2030
10 . .	Our Company	39983007	PRC	优乐赛	39	March 20, 2030
11 . .	Our Company	39983007	PRC	优乐赛	35	March 20, 2030
12 . .	Our Company	39978549	PRC	JETBox	39	July 20, 2030
13 . .	Our Company	39975449	PRC	JITBox	39	July 20, 2030
14 . .	Our Company	39968388A	PRC	ALSCO	39	April 27, 2030
15 . .	Our Company	39968001	PRC	Combi	39	March 20, 2030
16 . .	Our Company	30280734	PRC	优乐赛	6	February 6, 2029
17 . .	Our Company	30280734	PRC	优乐赛	20	February 6, 2029

No.	Owner	Registration Number	Place of Registration	Trademark	Class	Expiry Date
18 . .	Our Company	4795107	PRC	ALSCO	20	February 20, 2029
19 . .	Our Company	4795106	PRC	ALSCO	12	June 6, 2028
20 . .	Our Company	4795105	PRC	ALSCO	7	June 6, 2028
21 . .	Our Company	4795100	PRC	ALSCO	6	June 6, 2028
22 . .	Angu Lianyungang	44755404	PRC	AG	20	November 27, 2030
23 . .	Angu Lianyungang	44755404	PRC	AG	6	November 27, 2030
24 . .	Suzhou Youpule	30276577	PRC	优普乐	20	February 6, 2029
25 . .	Suzhou Youpule	30276577	PRC	优普乐	6	February 6, 2029
26 . .	Suzhou Sprint	18944067	PRC	sprinter	39	February 27, 2027
27 . .	Our Company	76589019	PRC	ALSCO Total Logistics Solutions	39	August 27, 2034
28. .	Our Company	306594418	Hong Kong	ALSCO Total Logistics Solutions	6	June 25, 2034
29. .	Our Company	306594418	Hong Kong	ALSCO Total Logistics Solutions	20	June 25, 2034
30. .	Our Company	306594418	Hong Kong	ALSCO Total Logistics Solutions	35	June 25, 2034
31. .	Our Company	306594418	Hong Kong	ALSCO Total Logistics Solutions	39	June 25, 2034

(b) Patents

As of the August 31, 2025, we have registered the following patents which we consider to be or may be material to our Group's business:

No.	Patent	Category	Patentee(s)	Patent Number	Place of Registration	Date of Application
1. . .	A Container Corner Welding Tool Clamp (一種集裝箱房箱角焊接工裝夾具)	Invention	Angu Lianyungang	ZL202410249112.4	PRC	March 5, 2024

No.	Patent	Category	Patentee(s)	Patent Number	Place of Registration	Date of Application
2. . .	A Special Storage and Transportation Box for Ultra-large New Energy Automobile Battery Pack (一種超大型新能源汽車電池包專用儲運箱)	Utility Model	Our Company	ZL202420263037.2	PRC	February 3, 2024
3. . .	A Vehicle Body-in-white Universal Circulation Transport Apparatus (一種汽車白車身通用循環運輸器具)	Utility Model	Our Company	ZL202323614218.X	PRC	December 28, 2023
4. . .	A Universal Packaging Box for New Energy Blade Battery (新能源刀片電池的通用包裝箱)	Utility Model	Our Company	ZL202323384451.3	PRC	December 12, 2023
5. . .	A Novel Stacked Transport Frame (一種新型堆疊式運車架)	Utility Model	Our Company	ZL202322132258.4	PRC	August 9, 2023
6. . .	An Ultra-large Heavy-duty Enclosure (一種超大型重載圍板箱)	Utility Model	Our Company	ZL202320953345.3	PRC	April 25, 2023
7. . .	A New Energy Cell Removable Liner Packaging Tray (一種新能源電芯可拆卸內襯包裝托盤)	Utility Model	Our Company	ZL202223219067.3	PRC	December 2, 2022
8. . .	A Double-layer Blister Bottom Cover Enclosure (一種雙層吸塑底蓋圍板箱)	Utility Model	Our Company	ZL202123355788.2	PRC	December 29, 2021

No.	Patent	Category	Patentee(s)	Patent Number	Place of Registration	Date of Application
9. . .	Battery Module Tray and Battery Module Packaging Box (電池模組托盤和電池模組包裝箱)	Utility Model	Our Company	ZL202120374399.5	PRC	February 18, 2021
10 . .	Battery Module Tray and Battery Module Packaging Box (電池模組托盤和電池模組包裝箱)	Utility Model	Our Company	ZL202020355695.6	PRC	March 19, 2020
11 . .	An Adjustable Multi-layer Transport Rack (一種可調節多層運輸料架)	Utility Model	Angu Lianyungang	ZL202323452538.X	PRC	December 18, 2023
12 . .	An Outdoor Portable Lift Carrier (一種戶外便攜式升降搬運車)	Utility Model	Angu Lianyungang	ZL202122782779.5	PRC	November 15, 2021
13 . .	A Combined Logistics Box with Anti-skid Function (一種具有防滑功能的組合物流箱)	Utility Model	Angu Lianyungang	ZL202122574378.0	PRC	October 25, 2021
14 . .	A Multi-layer Buffered Electric Transport Vehicle Frame (一種多層緩衝的電動搬運車車架)	Utility Model	Angu Lianyungang	ZL202122434851.5	PRC	October 9, 2021
15 . .	A Detachable combined logistics box (一種可拆卸組合物流箱)	Utility Model	Angu Lianyungang	ZL201822032161.5	PRC	December 5, 2018
16 . .	A Detachable circulation box (一種可拆分式循環箱)	Utility Model	Angu Lianyungang	ZL201821656649.9	PRC	October 12, 2018
17 . .	A Car Stator and Rotor Matched Transportation Protection Device (一種汽車定轉子配套運輸保護裝置)	Utility Model	Chongqing Asike	ZL202321789068.3	PRC	July 7, 2023

No.	Patent	Category	Patentee(s)	Patent Number	Place of Registration	Date of Application
18 . .	A Cyclic Cell Transport Packaging Box (一種循環型電芯運輸包裝箱)	Utility Model	Chongqing Asike	ZL202321758273.3	PRC	July 5, 2023
19 . .	A Car Battery Pack Transportation and Positioning Device (一種汽車電池包運輸定位裝置)	Utility Model	Chongqing Asike	ZL202321717729.1	PRC	July 3, 2023
20 . .	A Battery Pack Rack (一種電池包料架)	Utility Model	Chongqing Asike	ZL202321714155.2	PRC	June 30, 2023
21 . .	A Vehicle Battery Pack Transfer Rack (一種汽車電池包轉運料架)	Utility Model	Chongqing Asike	ZL202321714108.8	PRC	June 30, 2023
22 . .	An Adjustable Transport Package Cell Package Box (一種可調式運輸包裝電芯封裝盒)	Utility Model	Fuzhou Asike	ZL202121485320.2	PRC	July 1, 2021
23 . .	A Fixing Device for Glass Packaging Box (一種玻璃包裝箱的固定裝置)	Utility Model	Fuzhou Asike	ZL202121100799.3	PRC	May 21, 2021
24 . .	A Recyclable Combined Ring Glass Packaging Box (一種可循環組合式環玻璃包裝箱)	Utility Model	Fuzhou Asike	ZL202121100838.X	PRC	May 21, 2021
25 . .	A Novel Logistics Enclosure (一種新型物流圍板箱)	Utility Model	Fuzhou Asike	ZL202020591682.9	PRC	April 20, 2020
26 . .	A tray (一種托盤)	Invention	Our Company	ZL201710165140.8	PRC	March 20, 2017

No.	Patent	Category	Patentee(s)	Patent Number	Place of Registration	Date of Application
27 . .	Integrated Method for Integrally Forming Steel Tube-type Blister Pallet (內包鋼管式吸塑棧板一體成型方法)	Invention	Our Company	ZL201310260739.1	PRC	June 27, 2013
28 . .	Stackable Box (可堆疊箱)	Invention	Our Company	ZL201010511044.2	PRC	October 19, 2010
29 . .	Seesaw-type Linkage Loading Device (蹺蹺板式聯動裝載裝置)	Invention	Our Company	ZL201010511045.7	PRC	October 19, 2010
30 . .	A Special Storage And Transportation Box For Ultra-Large New Energy Automobile Battery Pack (一種超大型新能源汽車電池包專用儲運箱)	Utility Model	Our Company	ZL202420263037.2	PRC	February 3, 2024
31 . .	A Vehicle Body-In-White Universal Circulation Transport Apparatus (一種汽車白車身通用循環運輸器具)	Utility Model	Our Company	ZL202323614218.X	PRC	December 28, 2023
32 . .	An Universal Packaging Box for New Energy Blade Battery (新能源刀片電池的通用包裝箱)	Utility Model	Our Company	ZL202323384451.3	PRC	December 12, 2023
33 . .	An Apparatus Linkage Pressing Mechanism (一種器具聯動壓緊機)	Invention	Our Company	ZL202111563622.1	PRC	December 20, 2021

No.	Patent	Category	Patentee(s)	Patent Number	Place of Registration	Date of Application
34 . .	A Transport Rack For Preventing Battery Combustion (一種防止電池燃燒的運輸架)	Utility Model	Angu Lianyungang	ZL202420294176.1	PRC	February 18, 2024
35 . .	A Battery Pack Transport Box (一種電池包運輸箱)	Utility Model	Angu Lianyungang	ZL202420294266.0	PRC	February 18, 2024
36 . .	An End-door Containment Structure and Foldable Container (一種端門收容結構及可折疊的集裝箱)	Invention	Our Company	ZL201910350153.1	PRC	April 28, 2019
37 . .	An End-door Flipping Containment Mechanism and Foldable Container (一種端門翻轉收容機構及可折疊的集裝箱)	Invention	Our Company	ZL201910350789.6	PRC	April 28, 2019
38 . .	A Packaging Box for New Energy Battery Modules on Roller Conveyor Line (新能源電池模組的輥道線包裝箱)	Utility Model	Our Company	ZL202323647200.X	PRC	December 29, 2023
39 . .	An Automatic Punching Equipment for Containers (一種集裝箱自動打孔設備)	Invention	Angu Lianyungang	ZL202411407031.9	PRC	October 10, 2024
40 . .	An Adjustable Skylight Glass Frame (一種可調節天窗玻璃架)	Utility Model	Angu Lianyungang	ZL202421590530.1	PRC	July 8, 2024

Notes:

(1) The utility models set out in this form are valid for ten years from the date of application.

(2) The inventions set out in this form are valid for 20 years from the date of application.

(c) Copyrights

As of the August 31, 2025, we have registered the following copyrights which we consider to be or may be material to our Group's business:

No.	Name of Copyright	Registration Number	Type	Registered Owner	Registration Date
1 .	Cartoon Character of Xiangguanguan (箱管管卡通IP形象)	國作登字-2022-F-10201396	Work	Our Company	September 22, 2022
2 .	Xiangguanguan Operation Platform V1.0 (箱管管運營平台 V1.0)	2023SR1100887	Software	Our Company	September 19, 2023
3 .	ALsco Return Box Optimization System Software V1.0 (ALsco 返箱優化系統軟件 V1.0)	2020SR1229035	Software	Our Company	October 19, 2020
4 .	ALSCO Logistics Management Platform V1.0 (ALSCO 物流管理平台V1.0)	2020SR1268775	Software	Our Company	December 23, 2020
5 .	Xiangdangdang Packaging Sharing and Rental Platform Software V1.0 (箱當當包裝共享租賃平台軟件 V1.0)	2021SR0239727	Software	Our Company	February 9, 2021
6 .	ALSCO Pallet Positioning & Management System Software V1.0 (優樂賽托盤定位管理系統軟件 V1.0)	2021SR1129120	Software	Our Company	July 30, 2021

No.	Name of Copyright	Registration Number	Type	Registered Owner	Registration Date
7 .	Youpule Xiangdangdang Packaging Sharing and Rental Software V1.0 (優普樂箱當當包裝共享租賃軟件V1.0)	2020SR0664040	Software	Suzhou Youpule	June 22, 2020
8 .	SylinkAPP V1.0 (賽鏈SylinkAPP V1.0)	2021SR1181531	Software	Suzhou Youpule	August 10, 2021

(d) Domain Names

As of the August 31, 2025, we have registered the following domain names which we consider to be or may be material to our Group's business:

No.	Owner	Domain Name	Date of registration	Expiry Date
1	Our Company	boxdd.cn	November 26, 2019	November 26, 2029
2	Our Company	smartlinx.ltd	January 28, 2019	January 28, 2029
3	Our Company	anwood.com.cn	March 1, 2001	March 1, 2033
4	Our Company	alsco-tls.com	January 7, 2019	January 7, 2029
5	Our Company	alsco-logi.com	April 25, 2019	April 25, 2029
6	Our Company	eachpackaging.com	August 31, 2023	August 31, 2033
7	Our Company	eachpallet.com	August 31, 2023	August 31, 2033
8	Our Company	eachlogistics.com	August 31, 2023	August 31, 2033
9	Angu Lianyungang	alsco.com.cn	March 21, 2005	March 21, 2026
10 . . .	Suzhou Youpule	xddbox.cn	November 26, 2019	November 26, 2029
11 . . .	Suzhou Youpule	ddbox.asia	November 26, 2019	November 26, 2029
12 . . .	Suzhou Youpule	sailian.net	July 26, 2021	July 26, 2031

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed below, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), so far as our Directors are aware, none of our Directors, Supervisors and chief executive of our Company has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong 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 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 Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

			As of the Latest Practicable Date			Following the completion of the Global Offering(2)		
Name	Our Company/ associated corporation	Position	Capacity/ nature of interest	Number of Unlisted Shares(1)	Approximate percentage of shareholding in our total share capital	Number of Shares(1)	Description of Shares	Approximate percentage of shareholding in our total share capital
Mr. Sun Yan'an (孫延安) . . .	Our Company	Chairman of our Board and executive Director	Beneficial owner	36,093,750	51.56%	36,093,750	H Shares	39.96%
	Our Company		Interest in controlled corporations(3)	3,318,924	4.74%	3,318,924	H Shares	3.67%
Mr. Wang Yue (汪玥)	Our Company	Executive Director	Beneficial owner	4,921,875	7.03%	4,921,875	H Shares	5.45%
	Our Company		Interest in controlled corporations(4)	1,050,000	1.50%	1,050,000	H Shares	1.16%
Dr. Fang Dianjun (房殿軍) . . .	Our Company	Non-executive Director	Beneficial owner	492,188	0.70%	492,188	H Shares	0.54%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the assumption that (i) the Over-Allotment Option is not exercised, (ii) a total of 67,317,705 Unlisted Shares will be converted into H Shares, with 2,682,295 to be remained as Unlisted Shares, and (iii) the total number of the Shares in issue will be 90,336,000 immediately upon completion of the Global Offering.

(3) As of the Latest Practicable Date, Suzhou Anhua was owned as to 90% by Mr. Sun. As such, under the SFO, Mr. Sun is deemed to be interested in 3,318,924 Shares held by Suzhou Anhua.

(4) As of the Latest Practicable Date, Mr. Wang Yue was the sole general partner of Suzhou Sailing. As such, under the SFO, Mr. Wang Yue is deemed to be interested in 1,050,000 Shares held by Suzhou Sailing.

2. Substantial Shareholders

Save as disclosed below and in "Substantial Shareholders" in this prospectus, our Directors are not aware of any other person, not being a Director, Supervisor or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the Global Offering, would fall to be disclosed to our Company under the provisions of Divisions 2 an 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.

Interests in other members of our Group

Name of our subsidiary	Name of interested party	Capacity/ Nature of interest	Approximate percentage of shareholding
Chongqing Asike	Mr. Zhu Chuanwei (祝傳偉)	Beneficial owner	35%
Dalian Anhua	Mr. Miao Chunlin (苗春林)	Beneficial owner	40%
Qingdao Asike	Mr. Xie Yong (解勇)	Beneficial owner	28%
Qingdao Asike	Mr. Wang Yanhui (王延輝)	Beneficial owner	12%
Anhui Asike	Mr. Gong Caofei (龔曹飛)	Beneficial owner	49%
Fuzhou Asike	Mr. Luo Yuqiang (羅育強)	Beneficial owner	49%

3. Service Contracts

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Each of our Supervisors has entered into a service contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

Save as disclosed in this prospectus, none of the Directors or Supervisors has or is proposed to have a service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors and Supervisors

Save as disclosed in "Directors, Supervisors and Senior Management" in this prospectus and Note 8 to the Accountants' Report in Appendix I to this prospectus for the remuneration of Directors and Supervisors in the three financial years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, none of our Directors or Supervisors received other remunerations or benefits in kind from us.

5. Disclaimers

Save as disclosed in this prospectus:

(a) save as disclosed in this prospectus, none of our Directors, Supervisors or any of the parties listed in "Qualifications of Experts" of this Appendix is:

   (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, 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 Company; or

   (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "Qualification of Experts" of this Appendix:

   (i) is interested legally or beneficially in any shares in any member of our Group; or

   (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(c) none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and

(d) so far as is known to our Directors, none of our Directors or Supervisors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers or five largest suppliers in each year/period during the Track Record Period of our Group.

EMPLOYEE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivize them to further promote our development, Suzhou Sailing was established in the PRC as our Employee Incentive Platform. For further details of Suzhou Sailing, see "History, Development and Corporate Structure — Employee Incentive Platform" in this prospectus. We have adopted the Employee Incentive Scheme on November 5, 2024. Under the Employee Incentive Scheme, Eligible Participants are granted with partnership interest in Suzhou Sailing (the "**Awards**"). Save for the disclosure requirements, the Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of options or share awards by our Company to subscribe for the Shares after the Listing. Given the underlying Shares under the Employee Incentive Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the Awards under the Employee Incentive Scheme. As of the Latest Practicable Date, Suzhou Sailing held 1.50% of the total share capital of our Company.

The following is a summary of the principal terms of the Employee Incentive Scheme:

1. Purpose

The purpose of the Employee Incentive Scheme is to (a) provide our Company with a flexible means of attracting, remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants (as defined below); (b) align the interests of Eligible Participants with those of our Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in our Company and become Shareholders; and (c) encourage Eligible Participants to contribute to the long-term growth, performance and profits of our Company and to enhance the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole.

2. Eligible Participants

Persons eligible to participate in the Employee Incentive Scheme are the employees of our Company (the "**Eligible Participants**").

3. Subscription Price

The grantees made an aggregate capital contribution of RMB9 million into Suzhou Sailing, which in turn subscribed for 1.50% of the total share capital of our Company at the consideration of RMB9 million.

4. Term

Subject to any early termination as determined by our Board, the Employee Incentive Scheme shall be valid and effective for 10 years commencing on the adoption date of the scheme.

5. Scheme Administration

The chairman of our Board has been authorized by the Board to appoint members of the administrative committee, which shall act as the administrator of the Employee Incentive Scheme, and shall be responsible for, among others:

- determining the list of grantees and the corresponding incentive interests and subscription price; and

- maintaining the registers of grantees, the documentation and record maintenance of the Employee Incentive Scheme, and to manage other relevant day-to-day matters, in accordance with this Employee Incentive Scheme.

6. Rights and Restrictions as Attached to the Awards

The Awards are subject to a lock-up period of one year from the Listing Date, which may be extended due to the requirements under the applicable laws, rules and regulations. During such lock-up period, the grantees shall not, without the written consent of the administrative committee dispose of their Awards in any form, directly or indirectly, including but not limited to transferring among grantees or creating any encumbrances on the partnership interest.

After the expiration of such lock-up period, a grantee may apply with the administrative committee in writing for the disposal of part or all of the underlying Shares corresponding to the Awards granted to such grantee. The administrative committee shall arrange for the sales of the underlying Shares in accordance with the terms of the Employee Incentive Scheme, and remit the proceeds (net of any relevant tax and expenses) to the grantee by way of targeted capital reduction of the relevant partnership interests in Suzhou Sailing held by such grantee.

7. Details of the Grantees

As of the Latest Practicable Date, (i) Mr. Wang Yue was the sole general partner of Suzhou Sailing, and (ii) Suzhou Sailing held 1.50% of the total share capital of our Company. All partnership interests in Suzhou Sailing have been subscribed by and fully paid up by the grantees. Suzhou Sailing is in the process of applying for the change in the business registration information. See "History, Development and Corporate Structure — Employee Incentive Scheme" in this prospectus for further details.

Details of the Awards granted to Directors, Supervisors and senior management of our Company under the Employee Incentive Scheme are set out below:

Name	Position	Approximate partnership interests in Suzhou Sailing	Approximate number of underlying Shares corresponding to the Awards[1]
Wang Yue	Executive Director	11.67%	122,535
Hong Lijun	Supervisor	6.67%	70,035
Yan Shuai	Supervisor	6.67%	70,035
Zhang Xin	Supervisor	1.67%	17,535
Xiang Yang	Executive Director, secretary of our Board, head of strategic investment and joint company secretary of our Company	6.67%	70,035
Zhu Meiling	Chief financial officer	6.67%	70,035
Chen Li	Financial Manager	1.67%	17,535
Chai Xinxin	Project Management Director	10.00%	105,000
Han Xue	Director of Asset Procurement Department	3.33%	34,965
Dai Jing	Vice President	6.67%	70,035
Zhang Jian	Executive Vice President	6.67%	70,035
Zhang Shoubing	After-sales service Representative	5.00%	52,500
Jin Changhu	Director	1.67%	17,535
Shen Jian	Project Manager	1.67%	17,535
Zhang Yan	Deputy Chief Financial Officer	1.67%	17,535

Name	Position	Approximate partnership interests in Suzhou Sailing	Approximate number of underlying Shares corresponding to the Awards[(1)]
Wang Jiaqi	Director of Information Systems	3.33%	34,965
Xie Yi	Vice President of Japan and Korea Business Department	6.67%	70,035
Lin Jie	Marketing Specialist	1.67%	17,535
Zhou Manman	Sales Manager	1.66%	17,430
Ning Chunqing	Sales Director	1.66%	17,430
Zhan Yuegong	General Manager	1.66%	17,430
Zheng Yun	Sales Assistant Manager	1.66%	17,430
Yao Xuping	Human Resources Manager	1.66%	17,430
Li Feng	Project General Manager	1.66%	17,430
Total	–	100%	1,050,000

Notes:

(1) For illustrating the indirect interests of the grantees in the Shares, the number of Shares are presented and calculated by multiplying their respective percentage of limited partnership interests in Suzhou Sailing by the total number of Shares held by Suzhou Sailing.

(2) Any discrepancies between totals and sums of amounts and percentage figures listed herein are due to rounding adjustments.

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 under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is 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 condition, taken as a whole.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. And the Sole Sponsor will receive a fee of HK$4,850,000 to act as a sponsor to our Company in connection with the Global Offering.

4. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualification of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this prospectus are as follows:

Name	Qualification
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO)
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Commerce & Finance Law Offices	Company's PRC Legal Advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent Industry Consultant

6. Consents of Experts

Each of the experts as referred to "Other Information — 5. Qualifications of Experts" in this Appendix has given, and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their inclusion of certificates, letters, opinions or reports and the references to their names included herein in the form and context in which they are respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, please see "Taxation and Foreign Exchange" in Appendix III to this prospectus.

(2) Consultation with professional advisors

Potential investors in the Global Offering are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the CMIs, the Underwriters, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in the financial or trading position of our Company since August 31, 2025 (being the date to which the latest audited consolidated financial statements of our Company were prepared).

9. Promoters

The promoters of our Company comprised all of the nineteen then Shareholders as of October 25, 2024 before our conversion into a joint stock limited liability company.

No.	Name
1	Mr. Sun Yan'an
2	Mr. Wang Yue
3	Suzhou Emerging Industry
4	Suzhou Anhua
5	Shanghai Qianjin
6	Yuandian Zhengze
7	Mr. Zhu Zhizhou

No.	Name
8	Mr. Sun Wenhong
9	Suzhou Union
10	Suqian International Development
11	Yancheng Fusion Base
12	Hangzhou Jintou
13	Suzhou Industry Investment
14	Suzhou Sailing
15	Suzhou Shihu
16	Changzhou Shuguang
17	Dr. Fang Dianjun
18	Suzhou Science and Technology
19	Ms. Yu Yue

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

10. Restrictions on Repurchase

For details, see "Summary of Articles of Association of the Company — Increase and Reduction of Capital and Buyback of Shares — Repurchase of shares" in Appendix V to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all 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.

12. Bilingual Prospectus

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as disclosed in this prospectus:

(a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue founder, management or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) our Company is not presently listed on any stock exchange or traded on any trading system; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of the material contract referred to in "Statutory and General Information — Further Information about the Business of Our Company — 5. Summary of material contract" in Appendix VI to this prospectus; and

(ii) the written consents referred to in "Statutory and General Information — Other Information — 6. Consents of experts" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.anwood.com.cn** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025;

(d) the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix IIA to this prospectus;

(e) the letters from Ernst & Young and the Sole Sponsor relating to the profit estimate of our Group for the year ended December 31, 2025, the text of which is set out in Appendix IIB to this prospectus;

(f) the Frost & Sullivan Report;

(g) the PRC legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(h) the material contract referred to in "Statutory and General Information — Further Information about the Business of Our Company — 5. Summary of material contract" in Appendix VI to this prospectus;

(i) the service contracts referred to in "Statutory and General Information — Further Information about Our Directors, Supervisors and Substantial Shareholders — 3. Service contracts" in Appendix VI to this prospectus;

(j) the written consents referred to in "Statutory and General Information — Other Information — 6. Consents of experts" in Appendix VI to this prospectus; and

(k) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with unofficial English translations thereof.

蘇州優樂賽共享服務股份有限公司
ALSCO Pooling Service Co., Ltd.