An* [REDACTED] *in our H Shares involves a high degree of risk. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an* [REDACTED] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your* [REDACTED]*. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business largely depends on our customers' spending on and demand for our temperature-control supply chain services and related products.

The success of our business largely depends on the number and size of service agreements and orders from our customers, primarily including biopharmaceutical companies, commercial pharmaceutical and medical device companies, as well as their appointed contract service organizations. Over the past several years, we have benefited from increasing demand for our temperature-control supply chain services, driven by the rising demand for biologics such as antibodies and vaccines, and the growing adoption of next-generation therapies including bispecific antibodies, CGTs and ADCs. According to Frost & Sullivan, the global temperature-control supply chain market for the pharmaceutical and life science industry increased from US$20.7 billion in 2020 to US$31.3 billion in 2025, at a CAGR of 8.7% and it is expected to reach US$45.1 billion by 2030, at a CAGR of 7.3% from 2026 to 2030. The corresponding market in China increased from RMB18.8 billion in 2020 to RMB28.0 billion in 2025, at a CAGR of 8.3%, and it is expected to reach RMB43.4 billion by 2030, at a CAGR of 8.9% from 2026 to 2030. For details on the industry trend, see "Industry Overview." Any slowdown or reversal in these trends may adversely affect the demand for our services and related products and, consequently, our business operations and financial performance.

In addition, our customers' procurement decisions may be affected by a variety of factors, including their financial condition, project timelines, R&D and commercialization strategies, budget allocation and internal procurement policies. Any reduction in customer orders or delay in project implementation due to such factors may materially and adversely affect our business and results of operations.

If we fail to meet our customers' evolving needs, our customers may not continue to purchase our services.

Our service offerings cover the entire medical product lifecycle, from pre-clinical research and clinical trials to post-approval commercial distribution. The services we provide generally have stringent requirements for temperature control, safety and transport stability. In particular, in rendering our integrated temperature-control supply chain services, we provide services for the biological samples and drugs for clinical trials which are highly sensitive to temperature fluctuations. Due to the nature of these products, any temperature deviation during transportation or storage could cause damage, leading to failure of these products. Such failures may not only cause direct economic losses but may also result in clinical trial failures for our customers, potentially triggering disputes and the termination of cooperation agreements. Our continuing success depends in part on our ability to continually innovate in response to intense market competition and evolving customer demand and expectations. We may not be able to successfully address evolving customer demand, and our existing technology infrastructure and network may not be adaptable enough to accommodate new demand and expectations. Any failure on our part to respond swiftly and effectively to changes in market competition or customer demand may materially and adversely affect our business, financial condition and results of operations.

Our operational results largely depend on our ability to implement robust quality management systems and our ability to attract and retain new customers and enhance engagement with existing customers by providing distinctive and premium services in a cost-effective manner. We have established a comprehensive quality management system, built in alignment with the requirements of WHO GDP and GMP, and is certified under the ISO 9001 quality management system. However, we cannot assure you that we will always be able to deliver quality services that meet our customers' evolving needs. Any failure of our quality control systems or failure of delivering quality services may lead to, among other consequences, project delays or suspensions, compensation claims, and damage to our reputation. In particular, in the course of providing our temperature-control supply chain services, any failure to maintain the required temperature range or other prescribed storage or transportation conditions for biological samples, clinical trial drugs or other temperature-sensitive products may result in the loss of or damage to such goods. Where such loss of or damage is caused by our fault, we may be subject to compensation claims, contractual liabilities, customer disputes and, in serious cases, termination or non-renewal of customer engagements. We cannot assure you that incidents resulting in material liability for loss of or damage to goods caused by our fault in the provision of temperature-control supply chain services will not occur in the future. Any such incidents could materially and adversely affect our business, financial condition and results of operations. In addition, we could be liable for the costs incurred by our customers as a result of such failure, and we also may be subject to liability, which could be material if any of the pharmaceutical products we stored or transported caused illness or death. Furthermore, if customers do not perceive our services and solutions to be distinctive and premium, we may not be able to attract and retain customers or increase their use of our services and solutions. The occurrence of any of the foregoing may negatively impact our brand and reputation and otherwise have a material adverse effect on us.

Changes in the laws and regulations in the upstream pharmaceutical and life science industries may adversely affect our financial performance and results of operations.

We provide temperature-control supply chain services for clinical trials and commercial medical products. Consequently, our business operations and financial performance are subject to the risk of adverse changes in laws, regulations and policies governing the pharmaceutical and life science industries. The pharmaceutical and life science industries are subject to extensive and evolving government regulations and supervision. Changes in government regulations or in practices relating to the pharmaceutical and life science industries, including reform of the drug approval process and clinical trials in relevant jurisdictions, could decrease demand for the services we provide, and compliance with new regulations may result in additional costs. Key areas of regulatory change that could materially impact us include policies related to drug approval processes, clinical trial management, animal testing, and evolving industry standards. These changes could affect our customers' development timelines, operational costs, and geographic focus, thereby influencing the demand for our services and products. For example, shifts in clinical trial regulations may alter the volume of biological sample shipments, while updates to industry standards may require us to make significant capital investments in equipment, documentation systems, or facility upgrades to maintain compliance. Failure to anticipate, adapt to, or comply with the regulatory changes on a timely and cost-effective basis may disrupt our business operations, harm relationships with key customers, and ultimately have a material adverse effect on our business, financial condition and results of operations.

We are reliant on technologies in our business operations, and failure to continue to improve our technology could harm our business operations, reputation and prospects.

Our customers require specialized, temperature and time-sensitive, and customized supply chain services to support their evolving needs. There can be no assurance that we will be able to timely adjust and update our SOP system to improve our technology capabilities and develop new technologies to meet the future needs of our business. If we are unable to maintain, improve and effectively utilize our technologies or to realize the expected results from our R&D investment, our business, financial condition and results of operations, could be materially and adversely affected. Any problem with the functionality and effectiveness of our software or platforms could also result in unanticipated system disruptions, slower response times, impaired user experiences, delays in reporting accurate operating information among other things. In addition, enhancing our technology infrastructure requires significant investment of time and financial and managerial resources. If our technology investments are unsuccessful, our business could suffer and we may be unable to recover the resources we commit to such initiatives.

We have also continued to advance our packaging and temperature-control technologies. However, we cannot assure you that our development efforts will enable us to successfully develop new technologies, or otherwise apply such new technologies into our product development or application scenario expansion as expected. Furthermore, industry standards may be transformed by emerging technologies. These innovations could affect customer expectations and operational benchmarks. If we fail to timely integrate these emerging technologies into our service offerings or keep pace with industry technological advancements, we may experience decline in our service competitiveness, which could in turn harm our business operations, reputation and prospects.

Competition may intensify as the industry grows and attracts more market entrants.

The global pharmaceutical and life science market experienced steady growth, benefiting the growth of the markets for temperature-control supply chain services and the sales of temperature-control products. However, the evolving industry may attract an influx of new entrants, including established supply chain service providers from other sectors as well as new start-ups. These entrants may possess significant financial resources, advanced technologies or innovative business models. Increased competition could require us to adjust pricing, enhance technological capabilities or expand service offerings, potentially resulting in substantial costs that may not generate the anticipated returns.

Furthermore, certain of our current and potential competitors may have broader services or network coverage, stronger brand recognition, greater capital resources and longer operational histories than we do. In addition, our competitors may reduce their prices to gain business, and such reductions may limit our ability to maintain or increase our prices and operating margins or achieve growth of our business. We may not be able to successfully compete against current or future competitors, and such competitive pressures may have a material and adverse effect on our business, financial condition and results of operations. As we diversify our service offerings and further expand our customer base, we may face competition from existing or new players in new business that we choose to expand. In addition, existing players in an adjacent or sub-markets may choose to leverage their existing infrastructure and expand their services to serve our customers. If these players succeed in doing so, our market share may suffer and our business and financial performance may be significantly and adversely affected.

We are subject to a variety of risks associated with global operations and expansion.

Our success depends upon our ability to expand in our existing overseas markets and enter into new markets. In Chinese Mainland, we have established three clinical depots and one biorepository in Shanghai, Beijing, and Guangzhou, and over 130 operational sites across major cities in China including over 40 regional operational centers. We have also established regional operational centers in North America, Europe, Australia, and Southeast Asia. Our global service network covers more than 70 countries and regions. As part of our global strategy, we are upgrading selected overseas locations into clinical depots, expanding regional operational centers and sites, and working with reliable local partners to provide integrated, end-to-end supply chain solutions for global clinical trials, therefore enabling faster trial execution and broader patient access worldwide. To further promote our brand and generate demand for our services and products in international markets, we expect to spend on marketing and promotion. However, we may fail to anticipate competitive conditions in new markets that are different from those in our existing markets. These competitive conditions may make it challenging for us to operate effectively in these markets. If our expansion efforts in existing and new markets are unsuccessful, our profitability and prospects would be materially and adversely affected. We are exposed to other risks associated with international operations, including, among others: (i) changes in a specific country or region's political and cultural climate or economic condition; (ii) foreign investment restrictions under applicable local laws; (iii) our ability to develop and maintain relationships with customers, suppliers and

other local stakeholders; (iv) economic instability and inflation, recession, foreign currency exchange rate or interest rate fluctuations; (v) our ability to effectively manage and coordinate our employees across different geographic locations; (vi) our ability to comply with different regulatory requirements; (vii) variations and changes in laws and regulations applicable to our operations in different jurisdictions; (viii) trade restrictions, sanctions, political changes, tariffs, regulation of import and export of goods and disruptions in financial markets and (ix) our ability to obtain and renew licenses and other governmental authorizations that may be needed in international locations to support operations. Our profitability and ability to implement business strategies, maintain market share and compete successfully in all major markets we operate may be compromised if we are unable to manage the foregoing and other risks related to regional or global operations successfully.

Our success depends on our ability to retain our management team and to attract, retain and motivate other key personnel.

Our future success is significantly dependent upon the continued service of our management team, including Mr. JU Jibing, our chairman of the board, executive director and general manager, Mr. XU Yufei, our executive director, deputy general manager, board secretary and joint company secretary, Mr. LIU Chaojun, our executive director and deputy general manager, Ms. CHEN Lu, our executive director and chief financial officer, and Dr. GUO Yunlong, our R&D director, and other key personnel with experiences in clinical management, temperature-control logistics as well as expertise in temperature-control materials. If we lose the service of any management member or key personnel, we may face difficulties in finding suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and growth. Furthermore, as we expect to continue to deepen and broaden our service offerings across the clinical trial supply chain, we will need to continue attracting and retaining experienced management and key personnel. Competition for talents with required background and experiences is intense, and the availability of suitable and qualified candidates could be limited. Competition for these individuals could cause us to offer higher compensation and other benefits in order to attract and retain them. We may be unable to attract or retain the personnel required to achieve our business objectives and failure to do so could severely disrupt our business and growth.

We may be subject to risks relating to investments in other entities, strategic alliances or joint ventures, and strategic acquisitions.

We had acquired or made strategic investments in companies that complement and synergize with our business operations. We are subject to the risk that the acquired businesses may not integrates with our existing businesses smoothly or it may not develop as we anticipated. We also face risks that the companies in which we invest may make business, financial or management decisions with which we do not agree, and over which we do not have control, or that the majority shareholders, or the management, of the companies may take risks or otherwise act in a manner that does not serve our interests. Any of those above may adversely affect our business and results of operations.

Furthermore, we may consider strategic investments or acquisitions of targets with complementary technologies or synergistic customer bases, enabling us to further enhance our service capabilities. Strategic investments or acquisitions involve numerous risks, including but not limited to: (i) inability of the acquired technologies, products or businesses to achieve anticipated revenue growth, profitability, cost savings, operational efficiency, or strategic synergies; (ii) inability to successfully integrate the products, services and personnel of the businesses which we may acquire into our operations or to realize any synergies from the acquisitions; (iii) unidentified or unanticipated liabilities or risks in the businesses which we may acquire; (iv) diversion of management attention and other resources; (v) impact on our financial results, such as change of valuation, occurrence of goodwill impairment charges and amortization expenses for intangible assets; (vi) the potential issuance of dilutive equity securities; and (vii) potential write-offs of acquired assets or investments. In addition, we may not be able to identify attractive acquisition opportunities, or make acquisitions on attractive terms or obtain financing necessary to complete and support such acquisitions. We cannot assure you that any of such acquisitions will result in long-term benefits to us or that we will be able to effectively manage the integration and growth of our operations.

If we fail to effectively manage our future growth and implement our development plans, our business prospects may be adversely affected.

We experienced revenue growth during the Track Record Period. In 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, our revenue was RMB614.2 million, RMB654.5 million, RMB727.6 million, RMB236.8 million and RMB256.4 million, respectively. However, future revenue growth may strain our operational and management resources. Scaling up our service capabilities while maintaining consistent service quality and brand reputation, which requires robust management systems and processes. Failure to efficiently allocate resources, recruit and retain qualified personnel, or maintain operational effectiveness could affect our ability to meet growing consumer demand or respond to market dynamics.

Moreover, our historical performance may not be indicative of our future performance. The sustainability of our growth depends on a number of factors, many of which are beyond our control, including evolving demand, competition, regulatory evolvement and changes in economic conditions. If we are not able to effectively manage our business growth and further expand our operations as needed, we may not be able to successfully implement the strategies necessary to further our business prospects on schedule or within our budget. Additionally, in developing our business strategies, we make certain assumptions including, but not limited to, those related to customer demand and preferences, competition landscape and the economy in China and globally; and actual market, economic and other conditions may be different from our assumptions. Any failure to manage our future growth effectively and effectively respond to changes in market dynamics may adversely affect our business operations and prospects.

Furthermore, expansion into new geographic markets and new service network present operating and marketing challenges that are different from those we currently face in our existing markets and service network. Customers in new markets and service network are likely to be unfamiliar with our brands and services and we may need to build or increase our brand awareness in the relevant markets and service network by increasing investments in advertising and promotional activities. As our markets and service network expand, our marketing expenditures are expected to grow accordingly, which could affect our profit margin in new markets and thereby impact the overall profitability of our operations. Additionally, our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management systems on a timely basis and to expand, train, motivate and manage our workforce. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects.

Our results of operations and financial condition may be adversely affected by the recoverability of our trade receivables.

Our trade receivables primarily represent the receivables from customers of our temperature-control supply chain services and sales of temperature control products. As of December 31, 2023, 2024, 2025 and April 30, 2026, our trade receivables, net of loss allowance were RMB157.9 million, RMB192.3 million, RMB226.1 million and RMB263.8 million, respectively. Our trading terms with some of our customers are on credit. We generally grant a credit period of 10 to 90 days to our customers. See "Financial Information—Discussion of Certain Selected Items from the Consolidated Statements of Financial Position— Trade and Other Receivables" for more details on our trade receivables. Credit risk for trade receivables arises when our customers default on their contractual obligations resulting in our financial losses. We cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, neither can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn has a material adverse effect on our business operations and financial condition.

We are exposed to risks in connection with our investment in wealth management products.

During the Track Record Period, we purchased negotiable certificate of deposits from banks and structured deposits and wealth management products from banks. Accordingly, we recorded (i) the non-current portion of certificate of deposits of RMB81.7 million, RMB84.2 million, nil and nil; (ii) the current portion of certificate of deposits of nil, nil, RMB86.6 million and RMB54.5 million, and (iii) structured deposits and wealth management products of nil, RMB1.4 million, RMB5.8 million and RMB436.7 million, respectively, as of December 31, 2023, 2024, 2025 and April 30, 2026. We may continue to invest in these and other wealth management products when we believe that we have sufficient cash and the potential investment returns are reasonable. We have put in place certain internal control procedures for reducing risks in relation to these investments. However, we cannot assure you that these procedures will be effective and adequate. We cannot assure you that we will not experience losses with respect to these investments in the future or that such losses or other potentially negative impact will not have a material adverse effect on our business and financial condition.

We face potential risks associated with the engagement of third-party service providers.

Our intercity and international logistics services are primarily provided by industry-standard third-party service providers, such as airlines, railway operators, and licensed trucking companies, who undertake the long-haul logistics, as well as other service providers such as customs agents. Therefore, the performance of such service providers will impact our overall service quality. In addition, the market for third-party logistics services is fragmented with a large number of service providers, and it can be difficult to find reliable partners whose performance and reliability meet our standards at the scale our operations require. Decreased availability or increased costs of key logistics services, could impact our cost of operations, our profitability, as well as our cash flows.

Furthermore, to address pickup and delivery needs in remote regions not covered by our self-operated network, we source independent delivery service providers through a third-party human resource platform. These delivery service providers are not our employees and we pay them for their services via the human resource platform for streamlined and centralized management. Since these delivery service providers are not directly employed by us, our control over them is more limited as compared to our own employees. If any delivery service provider fails to operate or perform their duties in accordance with our protocols, policies and business guidelines, our market reputation, brand image and results of operations could be materially and adversely affected. If we fail to maintain the collaborative relationships with our service providers with favorable terms, our ability to serve our customers will be limited, which may negatively impact our business and operations. If we are unable to secure sufficient third-party services to meet our commitments to our customers or provide our services on competitive terms, our customers could shift their business to our competitors or other third-party service providers, temporarily or permanently, and our operating results could be materially and adversely affected.

Any disruption to the operation of our clinical depots, operational centers and operational sites could have a material adverse effect on our business, financial condition and results of operations.

As of the Latest Practicable Date, we had established three clinical depots and one biorepository in Shanghai, Beijing, and Guangzhou, and over 130 operational sites including over 40 regional operational centers in major cities in China. These facilities are equipped to support the storage, pre-processing, cross-docking, temporary staging, and pickup/delivery operations for clinical drugs and other products. The nature of these products demands stringent temperature controls and stable environmental conditions. Any failure or disruption in temperature control, power supply, refrigeration systems, or security protocols at our clinical depots and operational centers and sites could compromise the integrity and efficacy of the drugs and biological samples stored therein. Such disruptions may arise from natural disasters or other unforeseen catastrophic events, including but not limited to power outages, water shortages, storms, fires, environmental pollution, earthquakes, terrorist attacks, wars, or changes in governmental land use planning affecting these facilities. Furthermore, we may not be able to identify suitable replacement facilities that meet our requirements in a timely manner, should any of the foregoing occur.

Our results of operations could be negatively impacted by our inability to obtain fuel or raw materials in a timely and cost-effective manner.

We offer temperature-control logistics services as part of our supply chain services. As of April 30, 2026, we owned and operated 384 vehicles. Therefore, fuel costs and tolls account for a portion of our costs. In addition, we also purchased raw materials for the production of our VIPs and PCM packs. The prices for these fuel and raw materials are subject to volatility attributable to a number of factors that may be beyond our control, such as inflation, general economic conditions, demand from other industries for the same materials, the availability of complementary and substitute materials, and local and national regulatory requirements. Any significant increases in our cost of fuel or raw materials may increase our cost of sales and negatively affect our profit margin and, more generally, our business, financial condition and results of operations.

Any failure to obtain or renew these approvals, licenses and permits may adversely affect our business and results of operations.

Pursuant to the relevant laws and regulations, we are required to obtain and maintain various approvals, licenses, permits and certificates from relevant authorities to operate our business, mainly including road transportation operation licenses and medical device operation license or filings. Failure to obtain, maintain or renew any of these in a timely manner may lead to operational disruptions, which could adversely affect our business. In addition, as the regulatory environment governing our operations continues to evolve, compliance requirements may become increasingly onerous. Any non-compliance may expose us to penalties, require us to incur additional costs and management resources to rectify deficiencies, and result in negative publicity. These factors may adversely affect our business, financial condition and results of operations.

Any disruption of our current facility could restrict our ordinary business operations and materially and adversely affect our results of operations and financial condition.

Our production facility is located at our headquarters in Shanghai, where we have established dedicated production lines for VIPs and PCM packs. Our facilities may be harmed or rendered inoperable by physical damage from fires, floods, earthquakes, typhoons, power outages, mechanical breakdowns, telecommunications failures, loss of licenses, certifications and permits, changes in governmental planning for the land underlying the facilities, and the regulatory development, many of which are beyond our control. Any substantial interruption in the development and manufacturing operations at our current facility could result in our inability to satisfy customer demand, or even lead to our failure to fulfill contractual obligations, which could in turn materially and adversely affect our business, results of operations and financial condition.

We are subject to risks associated with Outbound Investment Rule that could have a negative impact on our future ability to access to capital.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Outbound Investment Rule**"), which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Outbound Investment Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Outbound Investment Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us.

As advised by our legal advisor as to International Sanctions laws, we are not a "Covered Foreign Person" as defined in the Outbound Investment Rule because we do not engage in any "covered activities" which would make this [**REDACTED**] fall within the scope of the definition of "prohibited" or "notifiable" transactions under the Outbound Investment Rule. As such, our Directors are of the view that the Outbound Investment Rule would not have a material impact on our business operations or our ability to raise capital. However, there is no assurance that the Treasury will take the same view as ours.

Based on (i) the review of the memorandum on the Outbound Investment Rule prepared by the Company's legal advisor as to International Sanctions laws, which provides that the Company is not a "Covered Foreign Person" engaged in one of the "covered activities" and the final rule shall be inapplicable to the Group's business and the [**REDACTED**], and (ii) the due diligence with the Company on the Outbound Investment Rule, nothing has come to the attention of the Joint Sponsors to cause them to disagree with the aforementioned view of the Directors.

We are subject to risks associated with export controls laws and regulations.

We provide temperature-control supply chain services for clinical trials and commercial medical products and in-house developed and manufactured temperature-control equipment to customers in different regions. As such, we may face risks associated with export controls regimes. The U.S. export control framework is established under federal law, primarily through the Export Administration Regulations ("**EAR**"), which are administered by the Bureau of Industry and Security ("**BIS**") within the Department of Commerce. The EAR regulates the export, reexport, and transfer of commercial, dual-use, and certain military items, including hardware, software, and technology.

Depending on the nature of the item, destination country, end-use, and end-user, prior authorization from BIS may be required for transactions involving items subject to the EAR. BIS maintains several restricted-party lists, including a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"), which designates foreign entities such as companies, research institutions, government and private organizations, and individuals for enhanced trade restrictions. Listed parties are generally restricted from accessing U.S.-origin goods, software, and technology, as well as items containing controlled U.S.-origin content and certain foreign-made products derived from designated U.S. technology or equipment. According to the EAR, providing services are not subject to the EAR jurisdiction unless such services provisions involve the export, reexport, disclosure, or transfer of items (including technology and software) that is subject to the EAR, or such services could trigger additional restrictions on U.S. persons subject to EAR Part 744.6.

When we provide temperature-control supply chain services, we operate solely as a logistics service provider and not as an exporter of goods. Our services are limited to the provision of temperature-control supply chain services for clinical trials and commercial medical products. Even though we are not an exporter under the EAR, we require our customers to provide the relevant export or import licenses (if any) and to comply with all applicable export control laws and regulations in accordance with our agreements. Our Directors are advised by our legal advisor as to International Sanctions laws that the provision of temperature-control supply chain services is not subject to the EAR, and therefore U.S. export control restrictions does not have a material adverse impact on our Group.

Furthermore, our temperature-control products are not subject to the EAR since (i) our products were produced and manufactured in the PRC and therefore are not U.S.-origin items; (ii) our products were not in the U.S.; (iii) no U.S.-origin items were incorporated into or bundled with our products, such that the *De Minimis* Rules are inapplicable; and (iv) our products do not fall within the product scope as required under the FDP Rules. Our Directors are advised by our legal advisor as to International Sanctions laws that sales of our temperature-control products is not subject to the EAR, and therefore U.S. export control restrictions does not have a material adverse impact on our Group.

Based on (i) the review of the memorandum on International Sanctions laws prepared by the Company's legal advisor as to International Sanctions laws, which provides that the Group has not engaged in any unauthorised transaction from the perspective of U.S. export control since 2019 up to the Latest Practicable Date, and (ii) the due diligence with the Company on U.S. export control restrictions, nothing has come to the attention of the Joint Sponsors to cause them to disagree with the aforementioned view of the Directors.

During the Track Record Period, we conducted limited procurement of supplies from certain E.U. suppliers, representing less than 0.1% of our total revenue during the same period. Our legal advisor as to International Sanctions laws has advised that such procurement should not give rise to risks under E.U. export controls, as the items procured did not fall within the E.U. export control list and are not subject to export control restrictions. In addition, we have

already sourced PRC suppliers as replacements. As such, our Directors, as advised by our legal advisor as to International Sanctions laws, are of the view that our procurement activities from E.U. during the Track Record Period should not give rise to any material risks under E.U. export controls.

Based on (i) the review of the memorandum on the International Sanctions laws prepared by the Company's legal advisor as to International Sanctions laws; and (ii) the due diligence with the Company on E.U. export control restrictions, nothing has come to the attention of the Joint Sponsors to cause them to disagree with the aforementioned view of the Directors.

Changes in tariff and cross-border trade policies and international trade barriers, export control restrictions or the escalation of trade tensions, may adversely affect our business.

Recent international trade disputes and the uncertainties created by such disputes may disrupt the transnational flow of goods and services and significantly undermine the stability of the global and Chinese economy, thereby harming our business. Changes to trade policies, treaties and tariffs in the jurisdictions in which we operate or are contemplating operating, or the perception that these changes could occur, could adversely affect cross-border operations, our financial condition and results of operations. We may face an inability to meet customers' demand, or experience an increase in our operating costs, which may lead to in a decrease in our profits.

There is currently significant uncertainty about the future relationship between China and certain other countries, such as the United States, with respect to trade policies, treaties, government regulations and tariffs. Ongoing trade tensions, particularly between the United States and China, have resulted in higher tariffs, export controls, and other restrictions. These trade restrictions are expected to reduce trade volumes, cross-border investment, technological exchange, and other economic activities between major economies, and have a material adverse effect on global economic conditions and the stability of global financial and stock markets. Further governmental action related to tariffs or international trade policies, or additional tax or other regulatory changes of international trade industry in the future could occur, which could adversely impact our business, results of operations, financial condition and prospects. While we are not directly impacted by these tariffs as customs duties are contractually borne by our customers under the international trade terms we adopt, an escalation in tariff levels or expansion in scope may reduce the cross-border shipping demand of our customers, and in turn, adversely affect our operations and financial performance.

We may become subject to risks associated with the BIOSECURE Act.

Changes in U.S. laws, regulations and policies applicable to China-based participants in the pharmaceutical and biotechnology supply chain may adversely affect our business, results of operations, financial condition and prospects. In December 2025, the United States has passed legislation, namely the BIOSECURE Act (the "**BIOSECURE Act**"), to prohibit U.S. federal executive agencies from procuring or obtaining biotechnology equipment or service produced or provided by a "biotechnology company of concern" (the "**BCC**"), or entering into

or renewing a contract, loan, or grant with an entity that uses such biotechnology service or equipment. On October 9, 2025, the U.S. Senate passed a revised version of the BIOSECURE Act as an amendment to the National Defense Authorization Act ("**NDAA**") for the year of 2026. The final version of the NDAA containing this legislative language was passed by the Senate and House of Representatives and signed into law by President Trump on December 18, 2025. The Act prohibits the U.S. Government from procuring or obtaining biotechnology equipment or services produced or provided by a BCC; entering into, extending, or renewing government contracts with an entity that directly or indirectly (e.g., via a subcontractor) uses biotechnology equipment or services from a BCC in performance of that federal contract; and/or issuing grants or loans to purchase, obtain, or use biotechnology equipment or services produced by a BCC. The Act also prohibits U.S. government loan and grant recipients from using federal loan or grant money to enter into contracts with entities that use equipment from BCCs in the performance of any federal prime contract or subcontract. Companies designated as a BCC include those that are identified on the U.S. Department of Defense's annual List of Chinese Military Companies, and the U.S. Government also has the ability to designate entities as BCCs through a separate designation process. As advised by our legal advisor as to International Sanctions laws, neither we nor our customers have been or are likely to be designated as a BCC during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material adverse changes in sales, order volume, selling prices, financial performance, or received customer requests for order cancellations or renegotiation of sales terms as a result of the BIOSECURE Act. Our Directors, as advised by our legal advisor as to International Sanctions laws, are of the view that the risk of our operations being materially affected by the BIOSECURE Act was limited, primarily because (i) our revenue generated from customers in the U.S. during the Track Record Period was immaterial, and (ii) we have not been named as a BCC as of the Latest Practicable Date. In 2023, 2024, 2025 and for the four months ended April 30, 2026, our revenue generated from customers in the U.S. amounted to RMB13.4 million, RMB29.3 million, RMB19.4 million and RMB7.3 million, respectively, accounting for 2.2%, 4.5%, 2.7% and 2.8% of our revenue during the same respective periods. We will continue to monitor the development of the BIOSECURE Act, including relevant government lists and regulatory updates, through our legal department. However, we cannot assure you that we will not be adversely affected by increasing trade tensions between the United States and China or by adverse changes in U.S. laws, regulations and policies applicable to China-based participants in the pharmaceutical and biotechnology supply chain. If our customers reduce or suspend their engagement with China-based service providers, delay, reduce or cancel orders, impose additional compliance and due diligence requirements on us, or shift part of their logistics and supply chain demand to other service providers or jurisdictions, our business, financial condition and results of operations may be affected.

Based on (i) the review of the memorandum on the International Sanctions laws prepared by the Company's legal advisor as to the International Sanctions laws; and (ii) the due diligence with the Company on the BIOSECURE Act, nothing has come to the attention of the Joint Sponsors to cause them to disagree with the aforementioned view of the Directors.

We may become subject to legal or administrative proceedings and claims during the ordinary course of our business.

From time to time, we may be involved in legal or administrative proceedings and claims in our ordinary course of business, including matters relating to contracts, employment, intellectual property, antitrust and environmental issues. If we fail in defending ourselves against any such claims, we may be subject to substantial damages to compensate the claimants. Any claims, disputes or legal proceedings initiated by us, or brought against us, with or without merit, may result in substantial costs and diversion of resources and may materially harm our reputation. Furthermore, some claims may arise from defective supplies provided by our suppliers, who may not be able to indemnify us in a timely manner or at all. Any of these events may materially and adversely affect our business, financial condition and results of operations.

We may be subject to potential product liability claims, product recalls and other risks related to our business operations.

Our products were primarily temperature-control packaging items, such as VIP parcels and containers, as well as temperature-control materials, mainly including VIPs and PCMs. We may be subject to product liability claims if our products have quality issues. Any such claims may include allegations of defects in design, component failure, negligence or strict liability. Any serious failures or defects could cause us to withdraw or recall products, and subject us to product liabilities, which may damage our brand name and may have an adverse effect on our business, financial condition, results of operations and prospects. Moreover, lawsuits arising from product liabilities or other adverse events, regardless of their merit or eventual outcome, may materially and adversely affect our business, financial condition and results of operations.

We may require additional financing to support our further developments or adapt to changes in business conditions, but we may not be able to obtain additional financing on favorable terms or at all.

We may require additional financing for future growth and development of our business. If our financing is insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity and have a material adverse effect on our business, financial condition and results of operations.

We are subject to various risks relating to third-party payment.

Historically, certain of our customers (individually or collectively, the "**Relevant Customer(s)**") settled their payments through the accounts of third parties (the "**Arrangements**"). In 2023, 2024, 2025 and for the four months ended April 30, 2026, the number of Relevant Customers was 80, 29, 33 and nil, respectively, and the aggregate amount of payment made under the Arrangements was RMB0.5 million, RMB0.2 million, RMB0.2 million and nil, respectively, representing 0.08%, 0.04%, 0.03% and nil of the revenue for the same periods, respectively. No individual Relevant Customer had made a material contribution to our revenue during the Track Record Period. We may be subject to various risks relating to the Arrangements during the Track Record Period, such as (i) possible claims from third-party payers designated by Relevant Customers for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payers designated by Relevant Customers and (ii) potential risks arising from our limited understanding of the source and use of funds by third-party payers designated by Relevant Customers. In the event of any claims from third-party payers designated by Relevant Customers or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us to demand return of the relevant payment or for violation or noncompliance of laws and regulations, we may need to allocate additional financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payment for the products that we sold, which could adversely affect our business, financial condition, results of operations and prospects. See "Business — Customers — Third Party Payment Arrangements" for details.

We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

Our success depends on our ability to hire, train and retain our employees. Any deterioration in labor relations with our employees could lead to labor disputes, which may disrupt our production and operations. Despite our efforts to provide a safe working environment to avoid occupational injuries, we may still face liability claims, negative publicity and government investigations related to workplace safety or employee injuries. Such incidents could result in a deterioration of our labor relations with employees and damage our reputation. Additionally, with the growth of the economy, employee benefits are expected to increase. Any significant increase in labor costs could adversely affect our profitability, business and financial performance.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance and housing provident funds. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, employers who fail to make adequate payments as required by the local competent authorities may be ordered to make up the payments within a prescribed time limit and may be further subject to late payment fees, fines and/or other penalties. During the Track Record Period and up to the Latest Practicable Date, we had not received any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. Any new laws and regulations, or more stringent interpretation and implementation of existing and new laws and regulations may lead to extra employee benefit plan costs, which may adversely affect our results of operations and financial condition.

Our legal right to certain of our owned and leased properties may be challenged.

As of the Latest Practicable Date, we had not obtained title certificate for one property we owned with an aggregate gross floor area of approximately 1,757 sq.m. We paid the considerations in full for acquiring such property, and the relevant title certificate is currently in progress. We plan to use the property for office and storage purposes. As advised by our PRC Legal Advisor, under applicable PRC laws and regulations, the ownership of real property is established upon registration. Accordingly, until the title certificate is obtained, we are not considered to have full legal title to such property, and our property rights to occupy, use, benefit from, transfer, lease, pledge or otherwise dispose of the property may be subject to limitations or third-party challenges.

There might be defects in the leasehold interest of certain of our leased properties. As of the Latest Practicable Date, certain of our leased properties (the "**Relevant Properties**") had the following title defects: (i) certain lessors had not provided valid title certificates; (ii) certain properties were located on collectively-owned lands (集體土地), and the lessors had not provided evidence of completing the procedural requirements for leasing such land; and (iii) the actual usage of certain properties was inconsistent with the usage stated in the relevant title certificates. The gross floor area of such Relevant Properties accounted for less than 10% of our total leased properties as of the Latest Practicable Date. As advised by our PRC Legal Advisor, it is the responsibility of the lessors to obtain valid title certificates, ensure consistency between the actual and permitted use of the properties, and complete the necessary procedural requirements for leasing lands with specific usages. However, we, as the lessee, are subject to uncertainty in the event of third-party claims or regulatory challenges. In the worst-case scenario, if the lessors are found to lack the requisite rights to lease such properties, the relevant lease agreements may be deemed invalid, and we may be required to vacate the affected properties and relocate to alternative premises.

We are also subject to other risks related to our leased properties. As of the Latest Practicable Date, we had not yet completed the registration of the lease contracts that we entered into within the prescribed time pursuant to the applicable PRC laws and regulations. We cannot assure you that lessors of the aforementioned and future leased properties will agree to cooperate with us to complete the registration in a timely manner. As advised by our PRC Legal Advisor, failure to complete the lease registration will not affect the validity of the lease agreements according to PRC law, but we may be imposed with a maximum penalty of RMB10,000 for each non-registered lease if we fail to complete the registration of any of our lease agreements after we are requested to do so by the competent PRC government authorities and may be subject to a maximum penalty of RMB1.22 million in total. We cannot assure you that we will not be subject to any penalties arising from the non-registration of our lease agreements and any disputes arising out of our leased properties in the future. See "Business — Properties — Leased Properties" for details.

Our insurance coverage may be insufficient to cover our potential liabilities or losses.

Pursuant to PRC regulations, we provide social insurance for our employees based in China. In addition, we maintain commercial insurance coverage, to mitigate potential losses arising from transportation incidents, workplace injuries, product defects, property damage and third-party claims. See "Business—Insurance" for details. Our insurances may not provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs, which could have an adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. We may, from time to time, be subject to legal proceedings and claims relating to the intellectual property rights. There could also be existing patents of which we are not aware that our services or products may inadvertently infringe. We cannot assure you that holders of patents purportedly relating to some aspects of our technology platform or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. Further, the application and interpretation of the patent laws and the procedures and standards for granting patents in the jurisdictions where we operate are still evolving, and we cannot assure you that the relevant courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses, and may be forced to divert management's time and other resources from our business and operations to defend against these third-party infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and may materially disrupt our business operations by restricting or prohibiting our use of the intellectual property in question.

Security breaches and attacks against our system and network, and any failure to protect confidential and proprietary information, could damage our reputation and adversely affect our business, financial condition and results of operations.

Our internal computer systems and IT infrastructure may be subject to cyberattacks, unauthorized access and disruptions. A successful breach or prolonged system outage could disrupt business operations, and incur additional costs to repair. We manage confidential information, including technological know-how, commercial and financial records, order tracking records, certain information of employees, suppliers and customers and their designated contacts, and the information of other business partners during our daily operations. A significant outage from hacking, phishing, malware, power failures or cyberattacks could undermine our ability to operate, while we continuously assess potential threats and respond to such threats through appropriate measures. Our data redundancy and disaster recovery plans may not be sufficient to prevent losses. In addition, we cannot ensure that our efforts can

prevent employees, contractors and IT vendors from misusing, leaking, falsifying, or losing data, intentionally or accidentally, which may result in breach of confidential information. External parties may also exploit system vulnerabilities or use deceptive tactics to access confidential information, thereby damaging market trust in our brand.

Where the information systems and IT infrastructures that we rely on did not operate normally and we failed to fix such malfunction timely and effectively, it may trigger a material data breach or system failure that might lead to regulatory actions, legal claims or reputational harm. Failure to address these risks could adversely affect our business, financial condition and results of operations.

Laws and regulations with respect to cybersecurity and data protection are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws and regulations could expose us to negative publicity, legal proceedings, suspension or disruption of operations, or otherwise harm our business.

We are subject to various PRC cybersecurity, data security and personal information protection laws and regulations. See "Regulatory Overview — Applicable Laws and Regulations to our Business in the PRC — Regulations on Information Security and Data Privacy" for details.

During the Track Record Period, we have not been identified as a critical information infrastructure operator, nor have we been subjected to cybersecurity reviews or related investigations. We have also not received any inquiries, notifications, warnings, or sanctions from members of the cybersecurity review mechanism regarding the conduct or potential conduct of cybersecurity reviews. Our legal advisor as to PRC data compliance laws made a telephone inquiry to the China Cybersecurity Review, Certification and Market Regulation Big Data Center. Based on relevant laws and the telephone consultation, our legal advisor as to PRC data compliance laws believes that [**REDACTED**] in Hong Kong does not constitute [**REDACTED**] abroad. The possibility that our [**REDACTED**] in Hong Kong and our data processing activities affect or may affect national security is relatively low, so we are not required to proactively apply for a cybersecurity review. However, we cannot guarantee that we will not be subject to a cybersecurity review initiated by Chinese regulatory authorities ex officio. If we are subject to a cybersecurity review or investigation by Chinese regulatory authorities in the future, we will need to cooperate with the review or investigation. Failure to complete the cybersecurity review process in a timely manner or any other non-compliance with relevant laws and regulations may result in fines or other penalties, which could have a material adverse effect on our business, financial condition, or operating results.

Besides, while as advised by our legal advisor as to PRC data compliance laws, during the Track Record Period, we had complied with applicable Chinese laws and regulations related to cybersecurity and data protection in all material aspects, such laws and regulations as well as their interpretation and application are still uncertain and evolving. There can be no assurance that such laws and regulations will not change, or will not be interpreted or implemented in ways that negatively affect us, which may subject us to investigations and inspections by governmental authorities, and we cannot assure you that our practices will always fully comply with all applicable rules and regulatory requirements in the future.

Negative publicity, including negative internet postings, about us, our brand, management, brand partners and product offerings may have a material adverse effect on our business and reputation.

We believe our brand image and corporate reputation are critical to enhancing our competitiveness and maintaining business growth. Many factors, some of which are beyond our control, may negatively impact our brand image and corporate reputation if not properly managed. Any actual or perceived deterioration of our service quality, which is based on an array of factors, could subject us to damages such as loss of important customers. Any negative publicity against us, our solutions and services, operations, directors, senior management, employees, business partners or our peers could adversely affect customer perception of our brand, cause damages to our corporate reputation and result in decreased demand for our solutions and services. If we are unable to promote our brand image and protect our corporate reputation, we may not be able to maintain and grow our customer base, and our business and growth prospects may be adversely affected.

We received government grants and preferential tax treatment during the Track Record Period. Any significant reduction of government grants, termination of preferential tax treatment or change in the relevant policies may adversely affect our financial performance and results of operations.

In 2023, 2024, 2025 and for the four months ended April 30, 2026, we recognized government grants of RMB4.5 million, RMB7.1 million, RMB3.9 million and RMB3.3 million, respectively. Not all of those grants and subsidies are recurring in nature. Meanwhile, during the Track Record Period, one of our subsidiaries enjoyed preferential EIT tax rate of 15% as it was qualified high and new technology enterprises. See Note 7 to the Accountants' Report included in Appendix I to this document for details. Preferential tax treatments and other incentives granted to us by PRC governmental authorities 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.

We may incur impairment losses with respect to our goodwill in the future, which may materially and adversely affect our business, financial condition and results of operations.

We recorded goodwill of RMB13.8 million, RMB13.8 million, RMB13.8 million and RMB13.8 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. During the Track Record Period, we did not recognize impairment losses with respect to our goodwill. We cannot assure you that we will not recognize such impairment losses in the future. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires us to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Moreover, an economic downturn affecting our sectors could necessitate a re-evaluation of the carrying value of goodwill. Should any such impairments be recognized, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to environmental protection and health and safety laws and regulations.

Our operations are subject to national, provincial and local laws with respect to environmental protection, health and safety. During the Track Record Period, our production lines were primarily used for the manufacturing of VIPs and PCM packs. As the production of VIPs and PCM packs will generate wastewater, chemical contaminant, and waste gas, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at or in the vicinity of our manufacturing facilities during the process of our operations. As the requirements imposed by environmental protection and health and safety laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations.

Our financial and operating performance may be adversely affected by public health issues, adverse weather conditions, natural disasters and other catastrophes.

Our business is subject to risks related to outbreaks of public health issues or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. In the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure lengthy interruptions in our service, reputational harm, breaches of data security and loss of critical data, any of which could adversely affect our business, operating results and financial condition.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies in the countries and regions where we operate may impact our business, financial condition and results of operations.

During the Track Record Period, we generated a substantial portion of our revenue from China. In addition, we operate our businesses in a number of other geographic markets globally. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Our operations span across various geographic markets, each with its unique legal system. We acknowledge the inherent uncertainties within the legal frameworks of some of the markets we operate. Newly enacted laws and regulations may not comprehensively address all facets of economic activities in these markets. The interpretation and enforcement of such laws and regulations are often subject to future implementations, and their applicability to our business operations remains unsettled. Given that local administrative and court authorities are empowered to interpret and implement statutory provisions and contractual terms, it can be challenging to predict the outcomes of administrative and court proceedings, and to ascertain the extent of legal protection we possess in these markets. It is also worth noting that local courts may exercise discretion in refusing to enforce foreign or arbitration awards. These uncertainties could potentially impact our understanding of legal requirements and our capacity to enforce our contractual rights or claims. Moreover, these regulatory uncertainties may be leveraged through unmerited or frivolous legal actions, claims concerning third party conduct, or threats aimed at extracting payments or benefits from us.

Additionally, many of the legal systems in our operational markets are influenced by their respective government policies and internal rules. Some of these policies and rules may not be published promptly or at all, and could have retroactive effects. There are instances where key regulatory definitions are ambiguous, imprecise, or absent, or where regulatory interpretations diverge from court interpretations in analogous cases. Consequently, we may inadvertently violate certain policies or rules, only becoming aware of such violations after the fact. Furthermore, administrative and court proceedings in some of our markets may be prolonged, leading to significant costs and diversion of resources and management attention.

We recognize the possibility of new laws and regulations being adopted or interpreted as applicable to us in our geographic markets and elsewhere, which could impact our businesses and operations. The industries in which we operate may face increased scrutiny and regulation, necessitating the allocation of additional legal and other resources to comply with these regulations. Changes in existing laws or regulations, or the introduction of new laws and regulations in our markets, could potentially impede the growth of the industry where we operate and affect our business, financial condition, and operational results.

Our operations are subject to tax laws and regulations in jurisdictions where we operate.

We are subject to periodic examinations on fulfillment of our tax obligation under the tax laws and regulations by the applicable tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by the applicable 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.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the EIT Law and its implementation rules and Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號), a 10% withholding tax is normally applicable to dividends paid to non-PRC resident enterprise holders of H Shares, and any gains from the transfer of H Shares by such holders may also be subject to 10% PRC income tax.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, and Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《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》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號), dividends paid to non-PRC resident individual holders are generally subject to a 10% withholding tax, or 20% for holders in jurisdictions without a tax treaty with the PRC. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from 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 [1998] No. 61) (財稅[1998]61號), gains of individuals from the transfer of listed shares may be exempt from individual income tax, and as of the Latest Practicable Date, no provision has expressly required the collection of individual income tax from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your [**REDACTED**] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

We are subject to the currency exchange control system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. 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.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to 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.

Fluctuations in the value of the Renminbi and other currencies may have an adverse effect on your [REDACTED].

During the Track Record Period, a substantial portion of our revenue and expenditures were denominated in Renminbi, while the net [**REDACTED**] from the [**REDACTED**] will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [**REDACTED**] from the [**REDACTED**]. 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 subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar, U.S. dollar and Euros would affect our financial results in a foreign currency terms without giving effect to any underlying change in our business or results of operations.

It may be difficult to effect service of process upon us or our Directors or officers named in this document or to enforce foreign court judgments against them.

We are a company incorporated under the laws of China, and a substantial majority of our assets are located in China. In addition, a majority of our Directors and senior management reside within China, and the assets of our Directors and senior management are likely to be located within China. As a result, it may be difficult for you to effect service of process China. Moreover, China does not have treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards. On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into 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) which seeks to establish a bilateral legal mechanism with further clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and Chinese Mainland, based on criteria other than a written choice of court agreement. However, outcomes of any applications to recognize and enforce such judgments and arbitral awards in Chinese Mainland will be subject to further adjudication by PRC courts in accordance with PRC laws.

RISKS RELATING TO THE [REDACTED]

There has been no prior public [REDACTED] market for our H Shares, an active trading market for our H Shares may not develop, and their trading price may fluctuate significantly.

Prior to the [**REDACTED**], there was no public market for our H Shares. The [**REDACTED**] for our H Shares to the public will be the result of negotiations, and the [**REDACTED**] may differ significantly from the market price of the H Shares following the [**REDACTED**]. We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of [**REDACTED**]. The price and trading volume of our H Shares may be volatile, due to general market conditions and the performance of peer companies, and other factors specific to our business.

We cannot assure you when, whether and in what form or size we will pay dividends in the future.

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, cash flows and financial position, and other factors as it may deem relevant at such time. Furthermore, under the PRC law and regulations, the payment of dividends may be subject to certain limitations. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution, and subject to approval at our Shareholders' meeting.

You will incur immediate and significant dilution if the [REDACTED] 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 [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

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

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

Our Controlling Shareholders may have substantial influence over us and their interests may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders may have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [**REDACTED**], our Controlling Shareholders will be entitled to exercise approximately [**REDACTED**]% of the voting rights of our Company. This ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of our Company and might reduce the price of our H Shares. These events may occur even if they are opposed by our other Shareholders. It is possible that our Controlling Shareholders may take actions or make decisions that conflict with the best interests of our other Shareholders.

We cannot assure you of the accuracy or completeness of certain industry facts, statistics, and forecasts that were obtained from government publications contained in this document.

The information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors, employees, agents or advisers or any other person or party involved in the [**REDACTED**], and no representation is given as to its accuracy.

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

There has been and there may be press and media coverage regarding us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the [**REDACTED**] or us. 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 conflict with, the information contained in this document, we disclaim responsibility for them. You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong in making your [**REDACTED**] decision regarding our H Shares. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].