An* [REDACTED] *in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this Document, including our consolidated financial statements and related notes, before you decide to* [REDACTED] *our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the* [REDACTED] *of our H Shares could decline and you may lose all or part of your* [REDACTED]. *This Document also contains forward-looking 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 AND INDUSTRY

Failure to maintain, protect and enhance our ChaPanda brand would limit our ability to expand or retain our consumer base, which would materially and adversely affect our business, financial condition and results of operations.

The recognition of our ChaPanda brand among consumers helps us manage our consumer acquisition costs and contributes to the growth and success of our business. Accordingly, maintaining, protecting and enhancing the recognition of our brand is critical to our business and market position. Failing that, our brand value and image will be undermined, and our businesses and results of operations may be materially and adversely affected. While we are expanding our scale and enlarging our geographical coverage, it will become more difficult for us to maintain quality and consistency of products and services, and we cannot assure you that consumers' trust in our brand will not decline.

Many factors, some of which are beyond our control, are important to maintaining, protecting and enhancing our brand, such as the following:

- maintaining the quality and attractiveness of our products;
- developing, launching or improving products that satisfy our consumers' needs;
- providing an enjoyable consumer experience;
- increasing brand awareness through marketing and brand promotion activities;
- maintaining good relationships and retaining favorable terms with our franchisees, suppliers, service providers and other business partners;
- ensuring compliance with relevant laws and regulations;

- competing effectively against existing and future competitors; and

- preserving our reputation and goodwill generally and in the event of any negative publicity regarding our products, services and data security, or other issues affecting us or China's food and beverage industry in general.

Any events that will harm our reputation, such as liability claims, litigation, consumers' complaints, illegal activities conducted in ChaPanda stores or other negative publicity regarding ChaPanda stores, or any unlawful acts by other market participants as a result of using our brand illegally, may have a negative effect on our brand. In particular, our brand value may be affected by risks inherently associated with our franchise business model. For example, the wrongdoings of our individual franchisees may have a negative impact on consumers' perception of our brand and our overall brand value. Meanwhile, the poor performance of any franchised store or any negative publicity in relation to franchised stores relating to our products, IPs, operations and other business partners, even without merits, could materially and adversely affect consumer perceptions of our brand and result in decreased demand for our products. In addition, any public perception that we, or other industry participants, do not provide satisfactory products or services to consumers, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain consumers, and our business, financial condition and results of operations may be materially and adversely affected. We cannot assure that we will not receive any material consumer complaints or that no one will utilize our brand illegally, which could cause a material adverse effect on our future operations. Any damage to our reputation or brand may result in adverse impact on our business, financial condition and results of operations.

Our business is highly dependent on consumer taste, preferences and perceptions, as well as consumers' discretionary spending. We may not be able to respond to market dynamics and consumer preferences effectively, or at all.

The growth of the freshly-made tea shop market in China is affected by consumer taste, preferences and perceptions. Since our revenue is mainly generated from the sale of goods and equipment primarily to franchised stores as well as the royalty and franchising income received from our franchisees, any shift in consumer preferences, or a decrease or slowdown in the growth of freshly-made tea drinks consumption in China, would harm our business.

To respond to fluctuating market trends and evolving consumer taste, demand and preferences, we have continuously devoted significant resources to developing new products and improving existing products. However, there is no guarantee that we will always be able to effectively respond to market development and successfully identify, develop and promote new or improved products in the changing market, or that our new products will always be favored by consumers and commercially successful. There might be lack of consumer acceptance or reduced consumer demand for our products for many reasons, such as the increase in product price due to raw materials costs, changes in our membership program, or decreased demand for our existing products as our competitors introduce new products. If any of the foregoing risks materialized, our business, financial condition and results of operations could be adversely affected.

In particular, our sales could be impacted by changes in consumer preferences due to dietary concerns, such as preferences regarding calories and sugar consumption. We offer a variety of options to consumers, including products without additional sugar and reduced calories; however, unfavorable publicity regarding the health effects of sugar or other compounds present in our products, whether accurate or not, or negative publicity or litigation arising from certain health risks, could significantly reduce the demand for our products and could materially harm our business and results of operations.

To a large extent, our success also depends on consumers' discretionary spending, which is influenced by macroeconomic conditions. For instance, in the event that the youth unemployment rate in China increased, the discretionary spending of the consumers of our tea drinks might be adversely affected given the target consumers of our tea drinks typically range between 18 to 35 years old. Any material decrease in the amount of consumers' discretionary spending in China may have a material adverse effect on our business, results of operations and financial condition.

The industry in which we operate is highly competitive. We are faced with increasingly intense competition with other leading players within China's freshly-made tea shop industry.

The freshly-made tea shop industry in China is highly competitive. In 2023, the market size of China's freshly-made tea shop market was RMB247.3 billion, with the top five players collectively accounting for approximately 40.0% of the market share in terms of retail sales value, according to Frost & Sullivan. Our ChaPanda brand ranked third with a market share of approximately 6.8%. We are faced with intense competition with other leading players in various aspects of our business, including product innovation, product quality, consumer experience as well as consumer acquisition and retention. The competition may be increasingly intense in the future due to the growing number of freshly-made tea shop brands and the lack of clear differentiation in product offerings, pricing and other key aspects among these brands. The proximity of freshly-made tea shops under different brands in adjacent areas also contributes to heightened competition. According to Frost & Sullivan, the distance between ChaPanda stores and the tea shops of other leading players in the surrounding areas generally range from 0.1km to 5km.

We may fail to effectively compete against, or may be outperformed by the other leading players. For example, if we are unable to maintain the quality and attractiveness of our products, develop and launch new products that address our consumers' evolving demands, continuously optimize our consumer experience, or continue to enhance brand awareness, among other things, consumers may choose to switch from our products and services to those provided by the other leading players, which may have a material adverse impact on our results of operations, financial condition and business prospects. Additionally, our store expansion plan is closely linked to the local consumer demands. If our target market has been saturated by existing market players, we may face challenges to find prime locations for our stores, potentially limiting expansion into potential markets and affecting our market share in such areas. The intensifying competition for desirable locations may also result in increased operational costs or compromises in store visibility and accessibility. While we have implemented measures to mitigate the risk of cannibalization and established an extensive reserve of store locations, there is no guarantee of the effectiveness of these measures. Even if we are able to remain competitive against the other leading players, we may incur a significant amount of additional costs, which could result in a reduced level of profitability for our business.

Our recent rapid growth may not be indicative of our future growth, and we may not be able to sustain our growth rate in the future.

Since our first store was launched in 2008 in Chengdu, Sichuan, we had achieved rapid growth with 7,927 ChaPanda stores in China as of the Latest Practicable Date. Our historical growth rate may not be sustainable or indicative of our future growth rate, and in future periods, our growth could be slower than we expect or decline. We believe that continued growth in our revenue and the retail sales value of ChaPanda stores, as well as our ability to improve margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks, and difficulties described elsewhere in this "Risk Factors" section. We cannot provide assurance that we will be able to successfully manage any such challenges or risks to our future growth. Any of these factors could cause our revenue growth to slow down or decline and may adversely affect our margins and profitability.

Our ChaPanda store network consists primarily of franchised stores that are operated by third parties. Our results of operations are significantly subject to the performance of the franchised stores. We cannot control and may not be able to effectively monitor the operations of these stores or maintain our current relationships with the franchisees.

We primarily operate the ChaPanda store network through a franchise model. Hence, our business operation depends on the success of, and cooperation with, our franchisees. We are subject to a number of risks relating to our franchise business model, each of which may have an material and adverse impact on our ability to collect fees from franchisees, our brand image, our business and results of operations. In particular, these risks include the following, among others:

- *Control over franchisees*. While we actively manage the key aspects of each store, our franchisees are responsible for the day-to-day operation of their stores. As a result, the ultimate success and quality of a franchised store rest with the franchisees to a large extent. We cannot ensure that our franchisees will stay in compliance with our internal requirements at all times. If our franchisees do not perform their obligations pursuant to their franchise agreements with us or our internal policies or guidelines, including, but not limited to, obtaining the relevant operating permits or complying with the applicable laws and regulations, or if our franchisees do not successfully operate stores pursuant to our standards, or project an image inconsistent with our brand and values, our brand image and reputation could be harmed, which in turn could hurt our business and operating results.

- *Our franchisees' ability to operate stores.* The success of the ChaPanda store network depends on the willingness and ability of our franchisees to remain aligned with us on commercial, operating and promoting strategies and standards, which may be capital-intensive and may only be beneficial in the long term. There is no guarantee that our franchisees will share our vision, and they may refuse to take actions that are only beneficial in the long term.

- *Revenue generated from the operation of franchised stores.* Because our revenue is mainly derived from the sale of goods and equipment and royalty and franchising income with respect to our franchisees, our financial performance is highly dependent on the business performance of individual ChaPanda stores. If our franchisees do not experience sales growth, our revenue and margins could be negatively affected. Also, if sales decline for our franchisees, their financial results may deteriorate, which could result in, among other things, store closures or delayed or reduced payments to us.

- *Termination of partnerships with our franchisees.* Franchisees may choose to terminate partnerships with us due to various reasons, many of which are out of our control. For instance, during the renewal process of franchise agreements, our franchisees may find the existing or renewed terms in the franchise agreements less favorable than they expect. In addition, they may also find it difficult to meet our internal quality standard. In the event that a large number of franchisees decide to terminate partnerships with us, there is no guarantee that we can find new franchisees to operate existing franchised stores in a timely manner, or at terms favorable to us, or at all, which may adversely affect our business operation and financial results.

If any of our franchisees defaults under our agreements with them or commits wrongdoing, such franchisee may not be in a position to sufficiently compensate us for losses which we have suffered as a result of such defaults or wrongdoings. While we ultimately can take action to terminate our franchisees that do not comply with the terms of our franchise agreements or commit wrongdoing, we may not be able to identify problems and make timely responses and, as a result, our brand image and reputation may suffer, which may have a material adverse effect on our results of operations.

Failure to maintain the quality, safety and hygiene standards of our products could have a material and adverse effect on our reputation, financial condition and results of operations.

Quality, safety and hygiene standards of our products are vital to our reputation and success. Maintaining consistent quality in food safety standards, to a large extent, depends on the effectiveness of our quality assurance system, which, in turn, depends on multiple factors, such as the design of our quality control system and the ability to ensure our employees, franchisees and other third parties who are involved in the operation comply with those quality assurance policies and guidelines. Instances or reports, whether true or not, of food-safety issues, such as food- or beverage-borne illnesses, adulteration, contamination or mislabeling, either during packaging, transportation, storing or preparation, employee hygiene and cleanliness failures, or improper employee conduct, have in the past severely injured the reputations of companies in the food and beverage sectors. Any report linking us to such instances could severely hurt our sales and could possibly lead to product liability claims, litigation and/or temporary store closures. In addition, instances of food or beverage safety issues, even those involving solely the stores of competitors or of suppliers, could cause negative publicity about us or the freshly-made tea shop industry in general and adversely affect our sales on a regional or national basis. A decrease in consumer traffic as a result food safety concerns or negative publicity, or as a result of a temporary closure of ChaPanda stores, product recalls or food or beverage safety claims or litigation, could materially harm our business and results of operations.

We have implemented internal policies and guidelines for quality control and food safety throughout the ChaPanda store network. For details, see "Business—Food Safety and Quality Control." Nevertheless, we cannot assure that our quality control and food safety control will remain effective at all times, and we cannot assure that we can discover any flaw in our quality control and food safety control. We may fail to ensure that our franchisees, employees and other third parties involved in our operations, such as suppliers and third-party logistic service providers, adhere to our internal policy and guidelines. There have been, and may continue to be, negative incidents and publicity regarding food safety issues in ChaPanda stores. Due to these incidents, we may become subject to public scrutiny, mainly relating to the safety and quality of our food products. From time to time, criticisms, complaints and negative media coverage, regardless of their veracity, may result in negative publicity, which could result in government inquiry or harm to our reputation and brand, and may adversely affect our business and prospects. Failure to discover or prevent any food contamination may adversely affect the quality of the products that we sell, might lead to liability claims and penalties and fines from relevant authorities, as well as less consumer traffic in ChaPanda stores. There are no assurances that we will not receive any food contamination claims and relevant administrative punishments in the future. Any of these events may cause material damages to our reputation, financial condition and results of operations.

Our future growth depends on our ability to successfully expand our ChaPanda store network. Our new stores may not be able to successfully enter into new markets and achieve satisfying store performance.

We generated substantially all of our revenue from the sale of goods and equipment to franchised stores as well as the royalty and franchising income charged to our franchisees. Therefore, our future growth depends on the ability to introduce new franchisees, expand our ChaPanda store network and achieve store profitability. The expansion of ChaPanda store network may significantly increase the demand towards our management and operation, technology, employees and other resources. The planned expansion also requires us to maintain stable quality of raw material supplying and good relationships with the franchisees, so that our ChaPanda brand would not be affected by any actual or perceptible deterioration in the quality of our products or service.

We may not be able to maintain the historical expansion rate for various reasons, many of which are out of our control. For instance, our future success largely relies on our abilities to attract new franchisees who operate stores or attract existing franchisees for store expansion. Meanwhile, in the event that there was any delay or failure in the expansion of new stores, our development strategy, expected financial position and results of operations may be materially and adversely affected. Generally, it takes approximately 60 to 100 days to complete the entire process from selecting new franchisees to opening new stores. The actual timing of store opening is also subject to the time for the franchisees to obtain requisite pre-opening approvals, licenses and certificates. Any delay in new stores opening and/or closures of the existing stores will affect the number of stores, the operation days, as well as our results of operations. Therefore, the number and timing of opening of new stores has already, and may continue to have, a material effect on our profitability.

Our store expansion within established geographical markets, where we already have a presence, may inadvertently lead to internal competition among ChaPanda stores. The proximity of new store locations to existing ones may divert consumer traffic, posing a potential impact on the sales performance of the existing stores. In addition, we may face intense competition from industry competitors while selecting sites for new stores. While we have implemented measures such as protective distance from existing stores and thorough market research to ensure adequate market demand for new stores to mitigate the risk of cannibalization and established an extensive reserve of store locations, there is no guarantee of the effectiveness of these measures. Consumers' demand for our products and services may not be as strong as we expect to support our rapid business growth, which may result in over-expansion of our store network. Our continuous success is also dependent on our ability to recruit, train and retain qualified management, administrative, sales and marketing personnel, especially during the time of expanding into new markets. We also have to continuously manage our relationship with suppliers and other customers.

All of the above require extra attention and effort from our management and a significant amount of additional expenditures. Even if we manage to open more stores as planned, it would typically take a certain amount of time for the new stores to break even, or achieve results similar to existing stores. Our results of operations and profitability may fluctuate depending on the development strategies and progresses of new ChaPanda stores.

Even if our revenue and the retail sales value of ChaPanda stores continue to grow, we expect that our growth may slow for a number of reasons, such as if there is a slow-down in the growth of demand of our products or an increase in market competition. Having previously experienced rapid expansion, we are now poised to embrace a period of more stable and deliberate growth. This transition is primarily rooted in our successful establishment of a nationwide store network. We plan to penetrate into untapped cities while steadily increasing store coverage in cities where we had established presence. Consequently, it is important to note that future growth rate may differ from our historical rapid expansion, possibly showing a more measured pace. If our growth rate decline or if we fail to continue to grow our revenue or improve margins, our business, financial condition and results of operations as well as

[**REDACTED**] perceptions of our business and prospects may be adversely affected and the [**REDACTED**] of our Shares could decline. You should not rely on our historical rate of growth as an indication of our future performance.

We and ChaPanda stores require various approvals, licenses and permits to operate our business and the loss or failure to obtain or renew any or all of these approvals, licenses and permits could materially and adversely affect our business and results of operations.

In accordance with the laws and regulations of the PRC, we and our franchisees are required to maintain various approvals, licenses and permits to operate our business and ChaPanda stores in the PRC, respectively. From time to time, we may be required to make additional efforts to follow the laws and regulations in relation to necessary approvals, licenses and permits. These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, the applicable laws and regulations in relation to food safety, hygiene, environmental protection and fire safety. They are also subject to examinations or verifications by relevant authorities and are valid only for a fixed period of time subject to renewal and accreditation. See also "Business—Legal Proceedings and Non-Compliance—Compliance Status of Franchised Stores and Self-operated Stores."

Complying with government regulations may require substantial expenses, and any noncompliance may expose us to liability. In case of any noncompliance, we may have to incur significant expenses and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which may materially and adversely affect our business and financial performance. Meanwhile, pursuant to the franchise agreements between our franchisees and us, our franchisees are responsible for the validity and effectiveness of the required licenses and permits for operating their franchised stores, and the noncompliance in this regard may cause penalties, such as temporary closure, for related franchised stores until they regain compliance. If a large number of franchised stores are subject to such penalties or temporary closure, our operational results and financial performance may be negatively impacted.

We and our franchisees may experience difficulties, delays or failures in obtaining the necessary approvals, licenses and permits for new stores. In addition, there can be no assurance that we or our franchisees will be able to obtain or renew all of the approvals, licenses and permits required for existing business operations in a timely manner or at all. If any of these occurs, our ongoing business could be interrupted and our expansion plan may be delayed.

From time to time we may develop new brands, new products and store formats, evaluate and potentially explore new business opportunities, enter into new markets, and consummate strategic investments or acquisitions, which, if unsuccessful, may adversely affect our operation and financial results.

We continually evaluate the potentials of new business initiatives or new markets. For example, we plan to expand into overseas markets with a priority on the Southeast Asia market. The overseas markets in which we plan to enter in the future may have different competitive conditions, regulatory and compliance requirements, consumer tastes and discretionary spending patterns than the markets in China. As a result, new stores to be opened in overseas markets may not be as successful as ChaPanda stores opened in China. Specifically, due to lower consumer familiarity with our brand in overseas markets, differences in consumer tastes or spending patterns or other reasons, store sales outside China may take longer to, or may never, ramp up and reach expected sales and profit levels, thereby affecting our overall growth and profitability. To build brand awareness in overseas markets, we may need to make greater investments in advertising and promotional activity than we originally planned or than we need to for opening new stores in China, which could negatively impact the profitability of our operations in those overseas markets.

We seek and will continue to explore opportunities to grow our business, especially in establishing different brands and developing different products and store formats. For example, we launched our first self-operated coffee shop under the brand "Coffree" (咖灰) in Chengdu, China in January 2024, through which we mainly offer to consumers coffee, bagel, hamburger and other bakery items. However, our exploration of new business opportunities may not be successful due to various reasons such as lack of customer acceptance, inefficiency in operations and unsuccessful branding strategies. Additionally, to complement our business and strengthen our market-leading position, we may form strategic alliances or make strategic investments and acquisitions from time to time. We may experience difficulties in integrating our operations with the newly invested or acquired businesses, implementing our strategies or achieving expected levels of net revenues, profitability, productivity or other benefits. As a result, we cannot assure you that our initiatives in exploring new business opportunities, enter into new markets, investments or acquisitions will benefit our business operations, generate sufficient revenue to offset the associated costs, or otherwise result in the intended benefits.

We rely on third-party suppliers and other business partners to provide raw materials and services to us. The loss of any of these suppliers or other business partners, or any significant interruption in their operations, may negatively impact our business.

We rely on our third-party suppliers and other business partners to operate our business. For details of how we cooperate with our suppliers, see "Business—Supply Chain Management." Hence, our results of operations would be materially and adversely affected if our cooperation with them has been interrupted, discontinued or otherwise deteriorated due to many factors, including, but not limited to, any interruptions to their operations, any failure of our suppliers to accommodate our fast growing business scale, any termination or suspension of our supply arrangements, any change in cooperation terms, or any disputes with our third-party suppliers or other business partners.

For example, a significant interruption in the operations of the third-party logistic service providers that we cooperate with could impact the operation of our sales of goods. Interruptions or failures in the third-party logistics services due to unforeseen events, such as inclement weather, natural disasters or transportation disruptions, could prevent the timely or successful delivery of raw materials and ingredients. If our raw materials and ingredients are not delivered to stores on time and in proper condition, there may be a shortage of our products, in which case our business and reputation may be adversely affected. Furthermore, a significant interruption in the operations of our raw material suppliers could cause a shortage of raw materials at ChaPanda stores. Our current agreements with our suppliers generally do not prohibit them from working with our competitors. Our competitors may be more effective in providing incentives to our suppliers to prioritize their orders in case of short supply. We cannot assure you that we would be able to find alternative suppliers on commercially reasonable terms, or a timely basis, or at all. If we could not solve the impact of the interruptions of operations of our third-party suppliers or other business partners, our business operations and financial results may be materially and adversely affected.

Our success depends on a stable and adequate supply of quality raw materials, which is subject to risk of shortage, unsatisfactory quality and fluctuations in the cost.

The principal raw materials for our products include dairy products, tea leaves, sugar, fresh fruits, fruit juices and packaging materials. In 2021, 2022 and 2023, our cost of goods, primarily including materials and ingredients for the production of tea drinks, and packaging materials, amounted to RMB2,031.8 million, RMB2,604.2 million and RMB3,527.2 million, respectively, accounting for approximately 55.8%, 61.5% and 61.8%, respectively, of total revenue over the same periods. As a result, our costs depend on our ability to source quality key raw materials at competitive prices. We generally enter into one-year supply agreements with pre-determined quantity and price terms. If we are unable to obtain raw materials in the quantities, of a quality or at a price that we require, our quality of products and profit margins may be adversely affected. Raw materials used in our products are subject to price volatility caused by external conditions, such as market supply and demand, changes in governmental policies and natural disasters. We and ChaPanda stores typically are not able to immediately pass raw material price increases on to our consumers from unforeseen changes in price of raw materials that may have an adverse effect on our profitability and results of operations.

In addition, if a large number of our current suppliers decide to terminate business relationships with us, or if the raw materials supplied by our current suppliers fail to meet our standards, or if our current supplies of raw materials are interrupted for any reason, qualified suppliers may not be readily available and we may not be able to easily switch to other suppliers in a timely fashion, which may materially and adversely affect our business and financial results.

We may incur significant costs in connection with our marketing and promotional efforts, and if some marketing campaigns are not as effective as expected, our results of operations may be negatively impacted.

Our operating results are affected by our brand marketing efforts and advertising activities. To promote our brand recognition and increase our brand value, we had invested in the ChaPanda brand with comprehensive branding and marketing initiatives during the Track Record Period. We utilize tailored and creative branding and marketing strategies through different channels and platforms, such as holding online marketing campaigns, crossover collaborations and social media marketing campaigns, which have achieved positive results. For a detailed discussion of our branding and marketing activities, see "Business—Branding and Marketing" in this Document. In 2021, 2022 and 2023, the distribution and selling expenses amounted to RMB19.1 million, RMB60.7 million and RMB131.0 million, respectively. Going forward, we will continue to adopt such strategies to enhance our reputation.

As marketing trends in China are evolving, we may continue to explore new sales channels to keep pace with industry developments and consumer preferences. With our continued efforts in this regard, we expect our operational and marketing expenses may keep increasing. In addition, our crossover collaborations with third-party partners may fail or not achieve expected results. If any of the foregoing risks becomes materialized, our businesses and results of operations may be materially and adversely affected.

Any unexpected or prolonged disruption to our warehouse operations could adversely affect our business.

As of December 31, 2023, our system included 21 multi-temperature warehouses, comprising 20 central hubs and one pre-positioned hub, which together encompassed an area of approximately 80,000 square meters. In the event that there is any unexpected and prolonged disruption in the supply of utilities, such as water or electricity, or access to the premises, such as because of fire, and we cannot restore the affected warehouse, or relocate to another suitable location promptly with well-equipped facilities, our business operations will be materially and adversely interrupted, which in turn will affect our results of operations. However, we cannot assure you that our prevention measures are effective and sufficient. If any of our warehouses experiences a material incident or the prevention measures are not adequately implemented in the future, we may lose the raw materials stored therein, incur significant costs and expenses to restore or to relocate such warehouses, and/or be determined by the relevant authorities to be in violation of applicable laws and regulations and subject to relevant administrative penalties. If such an incident causes damages to other third parties, we may also be required to compensate if we are determined to be partially or fully responsible for such incident. Under such circumstances, our business operation, results of operations and financial condition may be adversely affected.

If we incur any material equipment breakdown, such as the equipment failure for temperature or humidity control for a prolonged period of time, the quality of the raw materials stored in the relevant warehousing spaces may be compromised. We may have to discard them and absorb the relevant costs. In addition, repairing or adding equipment and machinery for our warehouses may be expensive and time consuming.

We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our franchisees, employees or other third parties.

We may be exposed to fraud, bribery or other misconduct committed by our employees, franchisees, 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. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery and other misconduct involving our employees, suppliers, franchisees and other third parties that had a material and adverse impact on our business and results of operations. We may be unable to prevent, detect or deter all such instances of misconduct committed by our franchisees, employees or other third parties. As store employees may need to handle cash in daily operations, there might be fraud, theft or other misconduct with respect to cash management that could subject us and our franchisees to financial losses. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business and results of operations.

If we fail to manage our inventories effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our inventories are mostly finished goods, representing materials and ingredients used to produce tea drinks in stores, which require us to manage our inventories effectively. We depend on our demand forecasts for various kinds of goods to make purchase decisions and to manage our inventories. Such demand, however, can change significantly between the time inventories are ordered and the date by which we hope to sell it. Demand may be affected by seasonality, new product launches, pricing and discounts, product defects, changes in consumer spending patterns, changes in consumer tastes and other factors, and our consumers may not purchase products in the quantities that we expect. In addition, as we develop and market a new product, we may not be successful in establishing stable and favorable supplier relationships or accurately forecasting demand. The acquisition of certain types of inventories may require significant lead time and prepayment and they may not be returnable.

Furthermore, as we plan to continue expanding our product offerings, we expect to include a wider variety of materials and ingredients in our inventory, which will make it more challenging for us to manage our inventory and logistics effectively. We cannot guarantee that our inventory levels will be able to meet the demands of consumers, which may adversely affect our sales. We also cannot guarantee that all of our inventory can be consumed within its shelf life. If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory value, and significant inventory write-offs. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply quality materials and ingredients in a timely manner, we may experience inventory shortages, which might result in diminished brand loyalty and lost revenue, any of which could harm our results of operations, financial condition and liquidity.

Any significant changes in food safety regulations and related policies could affect our business.

The industry we operate shall comply with the laws and regulations of food safety in China. Such regulations set out the safety standards for food and food additives, packaging and containers, the information required to be disclosed on packaging, and the regulations on food operating and siting and sale of food. In recent years, the Chinese government has been stepping up its supervision on food safety. According to the newly amended Food Safety Law of the People's Republic of China and the Regulations for the Implementation of the Food Safety Law of the People's Republic of China, food manufacturers and operators should act in accordance with laws, regulations and food safety standards to engage in production and operating activities, establish a sound food safety management system and take effective measures to prevent and control food safety risks, so as to ensure the food safety. In accordance with Measures for the Supervision and Administration of the Safety of Food Offered through Online Catering Services, online catering service providers shall have their own physical venues and have obtained the food operation licenses according to the law. Failure to comply with the laws and regulations of food safety in China may result in corrective actions ordered by regulatory authorities, fines, confiscation of the proceeds, suspension of business operation as ordered, revocation of operation permits, and in extreme cases, criminal liability. Despite our current compliance with existing laws and regulations of food safety, if the Chinese government makes further changes to its regulations on food safety, our production, sale and distribution costs may increase, and we may not be able to successfully pass the additional costs on externally, which will have adverse impacts on our business, financial condition and development prospects.

Our product sales and business operation is subject to seasonal fluctuations.

We experience seasonal fluctuations during our ordinary course of business and the operation of ChaPanda stores, in particular with respect to the supply of raw materials. During the Track Record Period, we typically had higher consumer traffic from May to September in each year due to hot weather. Going forward, we expect our financial condition and results of operations within a year may continue to fluctuate and our historical quarterly results may not be comparable to future quarters.

We are subject to risks in relation to leased properties.

Our warehousing facilities, self-operated stores, office spaces and almost all of franchised ChaPanda stores are located on leased premises. Therefore, we are subject to a number of risks in relation to the leased properties in the ordinary course of the businesses of ours and our franchisees, including but not limited to the following:

- There might be defects in the leasehold interest of our leased properties. For instance, certain lessors fail to provide the ownership certificates for our leased properties, hence we cannot ensure that they have the rights or authorizations to lease such properties to us. In these cases, the relevant lease agreements might be deemed invalid and unenforceable in accordance with the relevant laws and regulations, and we might incur additional costs and resources to relocate relevant properties into new locations. In addition, certain of our lease agreements have not been registered and filed with the relevant land and real estate administration bureaus in the PRC. The relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. See "Business—Properties—Leased Properties."

- Because the lease agreements for ChaPanda stores generally have short lease terms, the ability to renew existing lease agreements at reasonable commercial terms is crucial to the stores' continuous operations and profitability, especially for those in locations with high volume of consumer traffic. At the end of each lease term, we and our franchisees may not be able to negotiate an extension of the lease with the landlord and may therefore be forced to vacate the leased premises and move to a less favorable location.

- We and our franchisees may also be exposed to risks of unexpected early lease termination at the request of the lessors or other reasons out of our control, and the relevant stores need to be temporarily closed if we and our franchisees are not able to identify suitable premises on acceptable terms to relocate in a timely manner.

Due to the above reasons, we and our franchisees may need to find alternative locations for ChaPanda stores with equal or similar commercial attractiveness as the original locations, and at commercially favorable terms in a timely manner. Failure to do so would have adverse impacts on the operation of such stores and our results of operations.

We may not be successful in promoting our membership program and our ability to track and analyze consumer and transaction data from such program may be limited.

As part of our growth strategy, our ChaPanda membership program allows our consumers to accumulate Panda points and access a variety of membership privileges. Consumers who choose to subscribe for such membership will be eligible for certain exclusive offers, benefits and services.

We have limited experience in operating such membership program, and we cannot predict with certainty the rate or extent to which our consumers will subscribe for such membership program. There is no assurance that our membership program will be successfully implemented or sustainable, nor can we assure you that the program will be effective in retaining existing consumers or increase their purchase frequency and that the program will not adversely affect the volume and frequency of purchases by consumers who do not become members.

Illegal actions or misconduct, or any failure by third-party business partners to provide satisfactory products or services could materially and adversely affect our business, reputation, financial condition and results of operations.

Our reputation and operation may be harmed by illegal or unsatisfactory actions taken or unsatisfactory performance by third-party business partners. In the event that we become subject to claims caused by actions taken or unsatisfactory performance by our third-party business partners, we may attempt to seek compensation from them. However, such compensation may be limited. If no claim can be asserted against a third-party business partner, or amounts that we claim cannot be fully recovered from the third-party business partner, we may be required to bear such losses and compensation at our own cost. This could have a material and adverse effect on our business, financial condition and results of operations.

If our relationships with various third-party online platforms are interrupted or discontinued, our business and results of operations may be materially and adversely affected.

We cooperate with various third-party online platforms, including leading online delivery platforms, social media platforms and mobile payment platforms.

ChaPanda stores collaborate with third-party online delivery platforms, which currently include Meituan and Ele.me, to fulfill online orders from consumers. In 2021, 2022 and 2023, the total retail sales value generated from these third-party online delivery platforms amounted to RMB6.1 billion, RMB8.4 billion and RMB10.0 billion, respectively. During the same periods, the total sales volume of these third-party online delivery platforms amounted to 354.3 million cups, 482.6 million cups and 569.1 million cups, respectively. Since our agreements with third-party online delivery platforms are non-exclusive, and considering the dynamic nature and competition in China's online delivery market, we have confidence in our ability to explore and engage with new online delivery platforms to fulfill online orders for ChaPanda stores. As a result, we believe that we do not have a material reliance on any specific third-party online delivery platform. Nevertheless, any disruption in the delivery service provided by these online delivery platforms or issues with order accuracy or quality control during the delivery process may decrease consumers' satisfaction with our products, and thus may adversely affect our reputation and the store performance of ChaPanda stores.

We collaborate with influencers and key opinion leaders ("KOLs") on social commerce platforms, such as Douyin, and adopt new forms of marketing approaches, such as live streaming and short-form videos featuring our brand and products, to reach a broader potential consumer base, engage interactions with targeted consumers, and enhance brand recognition. These online platforms enable us to reach, acquire and interact with consumers, and engage innovative online marketing and branding campaigns. Our accounts on these online platforms release appealing and engaging content to promote our products and member activities from time to time. As we access consumer base through a diverse array of mainstream social media platforms, such as Weibo, Weixin, Xiaohongshu, Douyin, Bilibili and Kuaishou, we believe that we do not have a material reliance on any particular social medial platforms to launch our marketing campaigns.

We also allow consumers to purchase products at ChaPanda stores through mobile payment platforms, including Weixin Pay, Alipay and Union Pay. Our collaboration with multiple payment platforms and the similarity of their services ensure that we do not have a material reliance on any particular platform.

If we fail to establish our presence on more online channels, or if we are not able to renew our cooperative relationships with the existing online channels in a timely manner, on reasonable commercial terms or at all, our competitiveness of acquiring consumers through online channels at a relatively low cost and our ability to provide online services to our consumers may be compromised, and our sales and brand visibility may be adversely affected. If our cooperation with the online channels is discontinued, our business strategy may fail, which in turn, may materially and adversely affect our long-term development plans.

We rely on limited third-party delivery platforms to carry out delivery services for online orders.

A large portion of our orders are fulfilled through third-party online delivery platforms. The percentage of ChaPanda stores who fulfilled online orders through collaboration with third-party online delivery platforms increased from 91.8% in January 2021 to 95.9% in December 2023. We currently have a limited number of delivery service providers, mainly consisting of two leading third-party delivery platforms in China. Hence, risks in relation to our collaboration with these service providers, such as interruption to their business operations, termination or suspension of our cooperation, disputes or deterioration with respect to our relationships, or adverse changes in key contractual terms such as increased fee rate, could result in delayed delivery of our tea drinks, increased costs, or other negative impacts on our business and results of operations.

There can be no assurance that we can continue or extend relationships with these delivery platforms on terms acceptable to us, or that we will be able to establish relationships with new delivery service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with partnered delivery platforms or to engage additional delivery service providers, it may delay our planned business expansion.

Counterfeit stores may significantly harm our reputation and brand image and divert potential consumers.

Our established brand recognition has attracted imitators who operate counterfeit stores that utilize our trademarks and imitate our products without our authorization. Counterfeit stores may divert potential consumers from ChaPanda stores. More importantly, counterfeit or substandard products sold in counterfeit stores may significantly harm our reputation and brand image, including the perceived quality and reliability of our products.

Any unauthorized use of our trademarks and imitation of our products could adversely affect our brand name and reputation, thereby causing a decline in our financial performance, reduction in our market share as well as an increase in the amount of resources we need to devote to detection and prosecution of unauthorized use of our trademarks or imitation of our products. We have adopted certain measures to crack down on counterfeit stores, such as increasing surveillance and conducting inspections of suspected counterfeit stores based on leads from internal and external whistleblowers, coordinating with relevant governmental authorities to execute targeted raids and seize counterfeit products, bringing intellectual property infringement actions to the court, among others. However, we cannot assure you that any of our measures will provide effective prevention for unauthorized third-party use of our trademarks or imitation of our products which could adversely affect our reputation, results of operations and financial condition.

Our success depends on the continuing efforts of our senior management team. If we fail to hire, train, retain or motivate our senior management, our business may suffer.

We depend on our senior management for our operations. The expertise, industry experience and contributions of our senior management are crucial to our success. If any members of our senior management are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all. As a result, our business may be disrupted, our management quality may deteriorate and our results of operations may be materially and adversely affected. In addition, if any member of our senior management team joins a competitor or forms a competing business, we may lose trade secrets and business know-how as a result. Competition for experienced management in our industry is intense, and the pool of qualified candidates is limited. We may not be able to retain the services of our senior management or attract and retain additional high quality senior management in the future.

Our limited insurance coverage may expose us to losses, which may have a material adverse effect on our reputation, business, financial condition and results of operations.

We have purchased property insurance policies which comprehensively covered major business interruptions and accidental loss, such as fire, water and malicious damage.

Although we require our franchisees to obtain the requisite insurance coverage through our franchisees management, we cannot guarantee that our franchisees will adhere to such requirements. In particular, there are inherent risks of accidents or injuries in stores. In the future, we may be unable to renew our insurance policies or obtain new insurance policies without increases in cost or decreases in coverage levels. We may also encounter disputes with insurance providers regarding payments of claims that we believe are covered under our policies. Furthermore, if we are held liable for amounts and claims exceeding the limits of our insurance coverage or outside the scope of our insurance coverage, our reputation, business, financial condition and results of operations may be materially and adversely affected.

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

Our financial and operating performance may be adversely affected by epidemics, adverse weather conditions, natural disasters and other catastrophes, particularly in locations where we operate a large number of stores. For instance, our business could be materially and adversely affected by the outbreak of swine influenza, avian influenza, severe acute respiratory syndrome or epidemics. Since ChaPanda stores are currently located in various locations in China, if any of such event occurs, our ability to operate our business may be restricted. As a result, we may have to incur substantial additional expenses and our financial and operating performance may be adversely affected.

We may not be able to adequately protect our intellectual property, which could adversely affect our business and operations.

The success of our business depends in part upon our continued ability to use our brands, trade names and trademarks to increase brand awareness and to further develop our products. The unauthorized reproduction of our trademarks could diminish the value of our ChaPanda brand and its market acceptance, competitive advantages or goodwill. In addition, we consider our proprietary information systems and operational system to be key components of our competitive advantage and our growth strategy.

Monitoring and preventing the unauthorized use of our intellectual property is difficult. The measures we take to protect our brand, trade names, trademarks and other intellectual property rights may not be adequate to prevent their unauthorized use by third parties. If we are unable to adequately protect our ChaPanda brand, trade names, trademarks and other intellectual property rights, we may lose these rights and our business may suffer materially.

We may also be subject to claims for infringement, invalidity, or indemnification relating to third parties' intellectual property rights. Regardless of their merits, such third-party claims may be time-consuming and costly to defend, divert management attention and resources, or require us to enter into licensing agreements, which may not be available on commercially reasonable terms, or at all.

We may experience significant liability claims or complaints from consumers, or adverse publicity involving our products, our services or ChaPanda stores.

We face an inherent risk of liability claims or complaints from our consumers. We also face an inherent risk in the freshly-made tea shops industry of food contamination and related consumer complaints, regulatory investigations or liability claims. We take these complaints seriously and endeavor to reduce such complaints by implementing various remedial measures, such as strengthening the management of franchised stores. Nevertheless, we cannot assure you that we can successfully prevent or address all consumer complaints in a timely manner or at all.

Any complaints or claims against us, even if meritless and/or unsuccessful, may divert management attention and other resources from our business and adversely affect our business and operations. Consumers may lose confidence in us and our brand, which may adversely affect our business and results of operations. Furthermore, negative publicity including but not limited to negative online reviews on social media and crowd-sourced review platforms, industry findings or media reports related to food quality, safety, public health concerns, illness or injury, whether or not accurate, and whether or not concerning our products, can adversely affect our business, results of operations and reputation.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have a material and adverse impact on our business, reputation and liquidity position.

As of December 31, 2021, 2022 and 2023, we recorded contract liabilities of RMB303.0 million, RMB314.1 million and RMB324.2 million, respectively, which mainly represent payment received in advance from franchised stores related to the sale of goods and equipment and the royalty and franchising income. For details, see "Financial Information—Discussion of Certain Key Items from Our Consolidated Statements of Financial Position—Contract Liabilities."

If we fail to provide satisfactory products to our consumers in time, we may not be able to honor our obligations in respect of our contract liabilities, which may have a material and adverse impact on our business, reputation and liquidity position.

There are uncertainties about the recoverability of our deferred tax assets, which may affect our financial condition in the future.

As of December 31, 2021, 2022 and 2023, our deferred tax assets amounted to RMB74.9 million, RMB66.5 million and RMB83.4 million, respectively. Our deferred tax assets arise from the deductible temporary differences between (i) the carrying amounts of assets and liabilities from financial reporting purposes and (ii) the tax base of such assets and liabilities as well as unused tax losses and unused tax credits. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such recognition requires significant judgment on the tax treatment of certain transactions and assessment on the probability of whether adequate future taxable profits will be available for the deferred tax assets to be recovered. Therefore, there are uncertainties regarding the recoverability of our deferred tax assets and to what extent they may affect our financial condition in the future.

We are exposed to credit risk attributable to trade and other receivables, deposits and prepayments.

During the Track Record Period, our trade and other receivables, deposits and prepayments primarily consisted of outstanding amounts from franchised stores, amounts due from third-party purchasers in relation to packaging materials, prepayments for construction in progress, prepayments to suppliers for purchase of goods and equipment, lease deposits and prepayments to third parties in relation to the purchase of materials and ingredients. The carrying amount of our trade and other receivables, deposits and prepayments was RMB112.0 million, RMB66.4 million and RMB62.9 million as of December 31, 2021, 2022 and 2023, respectively. We performed impairment assessment under expected credit loss ("ECL") model for our credit risk exposure during the Track Record Period, assessed the ECL were insignificant and recorded no impairment loss for financial assets (including trade and other receivables, bank balances, amounts due from related parties/subsidiaries, and wealth management products issued by banks). For details, see "Financial Information—Discussion of Certain Key Items from our Consolidated Statements of Financial Position—Trade and Other Receivables, Deposits and Prepayments" in this Document and Note 32 to the Accountants' Report included in Appendix I to this Document. In the event that the probability of default and our credit risk exposure increases, we may incur impairment losses and our results of operations and financial condition could be materially and adversely affected.

We are exposed to changes in the fair value of our financial assets measured at fair value though profit or loss ("FVTPL").

Our results of operations are affected by changes in the fair value of our financial assets measured at FVTPL. As of December 31, 2021, 2022 and 2023, our financial assets measured at FVTPL were RMB387.7 million, RMB772.8 million and RMB1,391.6 million, respectively. In 2021, 2022 and 2023, the amount of gain on fair value change of financial assets at FVTPL recognized was RMB11.4 million, RMB18.8 million and RMB29.1 million, respectively.

Fair values of financial assets measured at FVTPL are determined based on quoted value provided by financial institutions. Factors beyond our control can significantly influence and cause adverse changes to these market-observable data we use and thereby affect the fair value of such financial assets. These factors include, but are not limited to, general economic condition, changes in market interest rates and stability of the capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our results of operation and financial condition.

Fair value change in our redeemable shares with other preferential rights and the uncertainty in the related valuation techniques may materially affect our financial position and results of operations.

Our financial position and results of operations may be adversely affected by the changes in the fair value in our redeemable shares with other preferential rights and the uncertainties in the related valuation techniques. Our redeemable shares with other preferential rights, recognized as our financial liabilities, are measured at fair value being determined based on unobservable inputs using valuation techniques. As of December 31, 2021, 2022 and 2023, our redeemable shares with other preferential rights amounted to nil, nil and RMB1,021 million, respectively. In 2021, 2022 and 2023, we recorded loss on fair value change of redeemable shares with other preferential rights of nil, nil and RMB75.8 million, respectively. For details, see Notes 26 and 32(c) to the Accountants' Report included in Appendix I to this Document.

Judgement and estimation are required in establishing the relevant valuation techniques and inputs, which are unobservable and inherently involve a certain degree of uncertainty. Changes in assumptions relating to these factors could result in the material adjustments to the fair value of the redeemable shares with other preferential rights, which may in turn have a material adverse effect on our financial position and results of operations.

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

During the Track Record Period, share-based payments were made to certain key management personnel pursuant to the share award agreements for incentive purposes. The fair value of the awarded shares at the grant date with reference to the valuer's valuation was charged as share-based compensation expenses and recognized in profit or loss for the period during which the awarded shares were granted, as all awarded shares under the share award agreements were immediately vested on the grant date. To further incentivize our directors, senior management and key employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares with respect to such share-based payment 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 performance.

Developments in the labor market, increases in labor costs or any possible labor unrest may adversely affect our business and results of operations.

Our business requires a substantial number of personnel. Any failure to retain stable and dedicated labor by us may lead to disruption to our business operations. Although we have not experienced any labor shortage to date, we have observed an overall tightening and increasingly competitive labor market. We have experienced, and expect to continue to experience, increases in labor costs due to increases in salary, social benefits and employee headcount. We compete with other companies in our industry and labor-intensive industries for labor, and we may not be able to offer competitive remuneration and benefits compared to them. If we are unable to manage and control our labor costs, our business and results of operations may be materially and adversely affected.

We are subject to various risks relating to Third-party Payment Arrangement.

During the Track Record Period, certain of our franchisees (individual or collectively, the "Relevant Customer(s)") settled their payments with us through the accounts of third parties designated by these Relevant Customers (the "Third-party Payment Arrangement"). In 2021, 2022 and the four months ended April 30, 2023, the aggregate amount of payment from designated third parties to our Group was RMB1,384.3 million, RMB1,507.1 million and RMB520.6 million, respectively, representing approximately 32.2%, 31.4% and 27.2% of the total payments received from all customers, respectively. Our Group had ceased the Third-party Payment Arrangement by April 30, 2023.

We were subject to various risks relating to such Third-party Payment Arrangement during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payors. In the event of any claims from third-party payors 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 will have to spend significant 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 and services that we provided. For details, see "Business—Risk Management and Internal Control—Third-party Payment Arrangement."

There are risks related to the payment methods through third party channels.

Consumers may purchase products at ChaPanda stores using a variety of payment methods through third-party payment channels, including Weixin Pay, Alipay and Union Pay, and there are certain risks in relation to the foregoing payment methods, including but not limited to the following:

- the service fees paid to payment service providers may increase over time;
- there might be incidents of fraud, security breaches and other illegal activities in those payment methods; and
- there might be fines, increased expenses or the loss of ability to use payment methods if ChaPanda stores fail to comply with rules, regulations and requirements governing electronic funds transfers.

In addition, we do not have control over the security measures of third-party online payment platform service providers. Security breaches of the online payment platforms could result in litigation and possible liability for failing to secure confidential user information and could damage our reputation. Any leak of confidential information, breach of network security or other misappropriation or misuse of personal information could cause interruptions in the business operation of ChaPanda stores and subject them to increased costs, litigation and other liabilities, which could negatively affect our financial and operating results and damage our reputation.

We, our Directors, management, franchisees and employees may be subject to litigation and regulatory investigations and proceedings, such as claims in relation to food safety, commercial, labor, employment, antitrust or securities matters, and may not always be successful in defending ourselves against such claims or proceedings.

We face potential liability, expenses for legal claims and harm due to our business nature. For example, consumers could assert legal claims against us in connection with personal injuries related to food poisoning. The PRC government, media outlets and public advocacy groups have been increasingly focused on consumer protection in recent years. See "Regulation—Regulation on Product Quality and Consumer Protection." Sale of defective food and beverages may expose us to liabilities associated with consumer protection laws. Sellers are generally responsible for compensation on consumers' loss even if the contamination of food is not caused by the sellers. Thus, we may also be held liable if our franchisees, suppliers or other business partners fail to comply with applicable food-safety related rules and regulations. Though we can ask the responsible parties for indemnity after that, our reputation could still be adversely affected. In addition, our Directors, management, franchisees and employees may from time to time be subject to litigation and regulatory investigations and proceedings or otherwise face potential liability and expense in relation to food safety, commercial, labor, employment, antitrust or securities matters, which could adversely affect our reputation and results of operations.

After we become a [**REDACTED**] company, we may face additional exposure to claims and lawsuits. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims, which could harm our business, financial condition and results of operations.

We require a significant amount of capital to fund our operations and respond to business opportunities. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition and prospects may be materially and adversely affected.

Taking into account cash generated from operating activities and the estimated net [**REDACTED**] we expect to receive from the [**REDACTED**], our Directors are of the view that we will have available sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this Document. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. There can be no assurance that we can obtain additional funds on terms acceptable to us, or at all. In addition, our ability to raise additional funds in the future is subject to a variety of uncertainties, including, but not limited to:

- our future financial condition, results of operations and cash flows;
- general market conditions for capital raising and debt financing activities; and
- economic, political and other conditions in China and elsewhere.

Furthermore, if we raise additional funds through equity or equity-linked financings, your equity interest in us may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition and prospects may be materially and adversely affected.

Our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate intellectual property rights held by third parties. We may be subject to legal proceedings and claims relating to the intellectual property rights of others in the future. There could also be existing intellectual property of which we are not aware that our products may inadvertently infringe. 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 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 and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

We may be required to pay the outstanding amount of contributions of social insurance and housing provident funds and subject to late payments and fines imposed by relevant governmental authorities.

During the Track Record Period, there were certain noncompliance incidents in relation to social insurance and housing provident funds as follows: (i) we had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. In 2021, 2022 and 2023, we made provisions of approximately RMB11.9 million, RMB14.4 million and RMB20.0 million, respectively; (ii) we engaged a third-party human resource agency to pay social insurance and housing provident funds for a small number of employees. For the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. For the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the PRC courts for compulsory enforcement if the payment is not made within such time limit. We might be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities if the third-party human resource agency failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by competent PRC authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees.

As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. As of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy. The maximum potential penalties that we may be subject to for the shortfall for social insurance during the Track Record Period would be approximately RMB102.9 million. As advised by our PRC Legal Advisor, based on the interviews with the relevant competent local governmental authorities, in accordance with the existing applicable laws, regulations and policies, the likelihood that we would be subject to administrative penalties for the shortfall of social insurance and housing provident funds is remote. For details of these noncompliance incidents, see "Business—Legal Proceedings and Non-compliance." We cannot assure you that the relevant governmental authorities will not require us to pay the outstanding amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. If we are otherwise subject to investigations related to noncompliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

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

Our business processes subject us to risks inherent to handling and protecting a large volume of data, especially consumers' personal data. In particular, we face a number of challenges relating to data security and privacy, including but not limited to:

- 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;

- 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

- 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 our members' personal information may not always be sufficient or effective. Any improper handling of our consumers' personal information as a result of any misconduct by our employees or any information leakage due to external factors, such as unauthorized access to our consumer 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 also "Regulatory Overview—Regulations on Cyber Security, Information Security, Privacy and Data Protection" and "Business—User Privacy and Data Security—Cybersecurity Review" 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.

RISKS RELATING TO DOING BUSINESS IN THE PRC

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 [**REDACTED**] 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 [**REDACTED**] from the [**REDACTED**] 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 Sichuan Province, 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 food and beverage market 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.

You should assess the legal protections you are entitled to under legal system in China.

The legal system in China is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little precedential value. The laws and regulations in China is subject to further revisions or interpretations from time to time. New laws, regulations, guidelines and interpretations that are promulgated in the future may affect the rights and obligations of the parties involved. Therefore, you should assess the legal protections you are entitled to under legal system in China.

[**REDACTED**] ***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. The majority of our Directors, Supervisors and senior management reside within the PRC. The assets of these 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 Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [**REDACTED**] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong 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 [**REDACTED**]**.**

During the Track Record Period, substantially all 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 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.

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.

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. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, 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.

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

During the Track Record Period, some of our subsidiaries were entitled to preferential income tax rates pursuant to the relevant tax regulations. For example, during the Track Record Period, certain entities within our Group enjoyed preferential EIT tax rate of 15% as they were engaged in "the Encouraged Industries in the Western Region." For details, see Note 9 to the Accountants' Report included in Appendix I to this Document. 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.

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 [**REDACTED**] in our H Shares.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and the liquidity and* [REDACTED] *of our H Shares may be volatile.

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

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

The [**REDACTED**] 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, China, 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 mainland China that have listed their securities in Hong Kong may affect the volatility in the price of and [**REDACTED**] volumes for our H Shares. A number of mainland China-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 mainland China-based companies listed in

Hong Kong and consequently may impact the [**REDACTED**] performance of our H Shares. Pursuant to the applicable PRC law, within the 12 months following the [**REDACTED**], all existing Shareholders (including the Pre-[**REDACTED**] Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the [**REDACTED**] and [**REDACTED**] volume of the H Shares in the short term following the [**REDACTED**] may be significantly affected. These factors may significantly affect the [**REDACTED**] 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 [**REDACTED**] ***of our H Shares and our ability to raise additional capital in the future.***

The [**REDACTED**] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the 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 [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

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

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 the completion of the [**REDACTED**], without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**], our Controlling Shareholders will control approximately [**REDACTED**]% of the voting power at our general meetings. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. 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 [**REDACTED**] of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our other PRC operating subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. The calculation of our distributable profits under PRC GAAP differs in certain respects from the calculation under IFRS. In addition, as stipulated by our Articles, distributable profits are recognized as our net profit determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our Company and our PRC operating subsidiaries may not be able to pay a dividend in a given year if our Company or our PRC operating subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS. See "Financial Information—Dividends" and Note 12 to the Accountants' Report included in Appendix I to this Document for details of our dividend policy and dividend payment.

There can be no assurance that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial condition, cash requirements and availability and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting. 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 statistics contained in this Document are derived from a third-party report and publicly available official sources.

This Document, particularly the section headed "Industry Overview," contains information and statistics relating to the freshly-made tea shop market in China. Such information and statistics have been derived from various official government and other publications and from a third-party report commissioned by us. However, we cannot guarantee the quality or reliability of such source materials. Information and statistics from official government sources have not been independently verified by us or any other parties involved in the [**REDACTED**] and no representation is given as to their accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire Document carefully and should not rely on any information contained in press articles or other media regarding us and the **[REDACTED].**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [**REDACTED**]. There may be additional media coverage regarding us, our business, our industry and the [**REDACTED**] subsequent to the date of this Document but prior to the completion of the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [**REDACTED**] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it, and you should not rely on such information.