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Hongxing Coldchain (Hunan) Co., Ltd.
紅星冷鏈(湖南)股份有限公司

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

Stock Code: 01641

Global Offering

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

建银国际 CCB International

ABCI 農銀國際

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

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Global Offering

Number of Offer Shares under the Global Offering	**:**	**23,263,000 H Shares**
Number of Hong Kong Offer Shares	**:**	**2,326,500 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**20,936,500 H Shares (subject to reallocation)**
Offer Price	**:**	**HK$12.26 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.0 per H Share**
Stock code	**:**	**01641**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Joint Bookrunners and Joint Lead Managers (in alphabetical order)

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

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display—1. Documents Delivered to the Registrar of Companies in Hong Kong" in Appendix VI has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK$12.26 per Offer Share. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK$12.26 per Hong Kong Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%.

The Overall Coordinators (for themselves and on behalf the Underwriters), may, with consent of our Company, reduce the number of Hong Kong Offer Shares and/or the Offer Price below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the Offer Price will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **http://www.hnhxld.com** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, please refer to the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Overall Coordinators (for themselves and on behalf the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Further details of such circumstances are set out in the section headed "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination." It is important that you refer to that section for further details.

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

ATTENTION

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

This prospectus is available at the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **http://www.hnhxld.com**.

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

December 31, 2025

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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

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

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, December 31, 2025 to 11:30 a.m. on Thursday, January 8, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, January 8, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

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

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

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

Your application through the **HK eIPO White Form** service or the HKSCC EIPO channel must be for a minimum of 500 Hong Kong Offer Shares and in one of the numbers set out in the table. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the HKSCC EIPO channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment
	HK$		HK$		HK$		HK$
500	6,191.83	6,000	74,301.86	40,000	495,345.69	400,000	4,953,456.85
1,000	12,383.64	7,000	86,685.50	45,000	557,263.90	500,000	6,191,821.06
1,500	18,575.47	8,000	99,069.14	50,000	619,182.10	600,000	7,430,185.25
2,000	24,767.29	9,000	111,452.78	60,000	743,018.52	700,000	8,668,549.46
2,500	30,959.11	10,000	123,836.42	70,000	866,854.95	800,000	9,906,913.68
3,000	37,150.93	15,000	185,754.64	80,000	990,691.37	900,000	11,145,277.89
3,500	43,342.74	20,000	247,672.84	90,000	1,114,527.79	1,000,000	12,383,642.10
4,000	49,534.56	25,000	309,591.06	100,000	1,238,364.21	1,163,000[(1)]	14,402,175.77
4,500	55,726.39	30,000	371,509.26	200,000	2,476,728.42		
5,000	61,918.21	35,000	433,427.47	300,000	3,715,092.64		

(1) Maximum number of Hong Kong Offer Shares you may apply and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

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

If there is any change in the following expected timetable, we will issue an announcement in Hong Kong on the respective websites of the Company at ***http://www.hnhxld.com*** *and the Stock Exchange at* ***www.hkexnews.hk****.*

Hong Kong Public Offering commences . . . . 9:00 a.m. on Wednesday, December 31, 2025

Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website **www.hkeipo.hk**[Note 2] . . . . 11:30 a.m. on Thursday, January 8, 2026

Application lists for the Hong Kong Public Offering open[Note 3] . . . . 11:45 a.m. on Thursday, January 8, 2026

Latest time to give **electronic application instructions** to HKSCC[Note 4] . . . . 12:00 noon on Thursday, January 8, 2026

Latest time for completing payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) . . . . 12:00 noon on Thursday, January 8, 2026

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

Application lists for the Hong Kong Public Offering close[Note 3] . . . . 12:00 noon on Thursday, January 8, 2026

Announcement of level of indications of interest in the International Offering, the level of applications of the Hong Kong Public Offering and the basis of allocations of the Hong Kong Offer Shares to be published on our Company's website at **http://www.hnhxld.com** and the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** on or before . . . . on or before 11:00 p.m. on Monday, January 12, 2026

Announcement of results of allocations in the Hong Kong Public Offering to be available through a variety of channels including:

(1) in the announcement to be posted on our Company's website at **http://www.hnhxld.com** and the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** on or before . . . . 11:00 p.m. on Monday, January 12, 2026

(2) from the "Allotment Results" page at the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function on a 24-hour basis from . . . . 11:00 p.m. on Monday, January 12, 2026 to 12:00 midnight on Sunday, January 18, 2026

(3) from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . Tuesday, January 13, 2026 to Friday, January 16, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

Dispatch of H Share certificates or deposit of H Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or about(Notes 6 to 8) . . . . Monday, January 12, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund cheques in respect of wholly or partially unsuccessful applications and wholly or partially successful applications in case the final Offer Price is less than the maximum Offer Price paid for the applications pursuant to the Hong Kong Public Offering on or before(Notes 7 to 10) . . . . Tuesday, January 13, 2026

Dealings in H Shares on the Hong Kong Stock Exchange expected to commence at 9:00 a.m. on . . . . Tuesday, January 13, 2026

The application for the Hong Kong Offer Shares will commence on Wednesday, December 31, 2025 through Thursday, January 8, 2026, being longer than normal market practice of three and a half days. Investors should be aware that the dealings in H Shares on the Stock Exchange are expected to commence on Tuesday, January 13, 2026.

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(1) All times and dates refer to Hong Kong local time, except as otherwise stated. Details of the structures of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

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

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

(4) Applicants who apply for the Hong Kong Offer Shares through the HKSCC EIPO channel should refer to the section headed "How to Apply for Hong Kong Offer Shares—A. Applications for Hong Kong Offer Shares—2. Application Channels" in this prospectus.

(5) H Share certificates for the Hong Kong Offer Shares are expected to be issued on Monday, January 12, 2026 but will only become valid evidence of title at 8:00 a.m. on Tuesday, January 13, 2026 provided that (a) the Global Offering has become unconditional in all respects; and (b) none of the Underwriting Agreements has been terminated in accordance with its terms.

(6) Applicants who have applied through the **HK eIPO White Form** service for 1,000,000 Hong Kong Offer Shares or more and have provided all information required on their application instructions may collect their H Share certificates (where applicable) personally from our H Share Registrar, Tricor Investor Services Limited, from 9:00 a.m. to 1:00 p.m. on Tuesday, January 13, 2026 or any other day as announced by us as the date of dispatch of H Share certificates. Individuals who are eligible for personal collection must not authorize any other person(s) to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorised representative(s) bearing a letter of authorisation from such corporation(s) stamped with the corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our H Share Registrar.

(7) Uncollected H Share certificates (if any) will be despatched by ordinary post at the applicant's own risk to the address specified in the relevant application instructions. For further information, applicants should refer to the section headed "How to Apply for Hong Kong Offer Shares—D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus.

(8) **HK eIPO White Form** e-Auto Refund payment instructions will be despatched in respect of wholly or partially unsuccessful applications. Applicants may be required to pay the Offer Price of HK$12.26 per Offer Share at the time of application (subject to application channels), plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%, but will be refunded the surplus application monies (subject to application channels), without interest, as provided in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus. If you apply through the **HK eIPO White Form** service by paying the application monies through a single bank account, you may have **HK eIPO White Form** e-Auto Refund payment instructions (if any) despatched to your application payment bank account. If you apply through the **HK eIPO White Form** service by paying the application monies through multiple bank accounts, you may have refund cheque(s) sent to the address specified in your application instructions to the designated website at **www.hkeipo.hk** in favour of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post and at your own risk. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant provided by you. Part of your identification document number, or, if you are joint applicants, part of the identification document number of the first-named applicant provided by you may be printed on your refund cheque, if any. Such data may also be transferred to a third party for refund purposes. Your banker may require verification of your identification document number before encashment of your refund cheque, if any. Inaccurate completion of your identification document number may lead to a delay in encashment of, or may invalidate, your refund cheque.

(9) H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of their H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares", respectively.

CONTENTS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of marketing, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their respective directors or any other person or party involved in the Global Offering.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus, including our financial statements and the accompanying notes, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks of investing in the Offer Shares are set forth in the section headed "Risk Factors." You should read that carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a frozen food storage services and frozen food space leasing services provider, headquartered in Changsha, Hunan province, in which we primarily provide frozen food storage services. Since our establishment in 2006, we have developed a business model that combines frozen food storage facilities with frozen food space leasing, enabling us to connect wholesalers and retailers within the frozen food supply chain. For our frozen food storage services, we provide frozen food storage capacity, related warehouse management services such as goods sorting, categorization and packaging, inventory counting and tracking, inbound and outbound recording, as well as fire safety and environmental risk management, to frozen food wholesalers and retailers, who pay frozen food storage service fees to us. For our frozen food space leasing services, we primarily lease out trading space to frozen food wholesalers and retailers for frozen food trading. We charge our space leasing customers rental fees for trading space leasing, including monthly trading space rental fees and monthly premium, depending primarily on the specific location of the trading space.

Our self-owned frozen food storage facilities in Changsha offer a total designed storage capacity of over one million cubic meters, or over 230,000 tonnes of usable storage capacity, across two bases for frozen food wholesalers and retailers, with utilization rates over 88.0% during the Track Record Period and serving over 700 customers as of June 30, 2025. For our frozen food space leasing services, we leased out spaces spanning over 36,000 square meters primarily as trading space to frozen food wholesalers and retailers at occupancy rate over 94.0% during the Track Record Period, serving as a central hub for the frozen food industry in Hunan province.

China's frozen food cold chain service market consists of frozen food logistics service market, frozen food processing service market, and frozen food space leasing service market, which accounted for 34.1%, 65.3%, and 0.6% of the overall frozen food cold chain service market in terms of revenue in 2024, respectively, according to the CIC Report. Meanwhile, frozen food logistics, processing, and space leasing service market in Hunan province consists of 37.1%, 62.5% and 0.4% of Hunan province's frozen food cold chain service market. Frozen food logistics services market consists of frozen food storage service market and frozen food transportation service market, which accounted for 20.8% and 79.2% of the frozen food logistics services market in terms of revenue in 2024. With respect to the frozen food storage service market, we are the largest frozen food storage service provider in both Central China and Hunan province in terms of revenue in 2024 with a market share of 2.6% in Central China and 13.6% in Hunan province, respectively, and we captured a market share of 0.7% in China, according to the same source. With respect to the frozen food space leasing service market, we are the second largest provider in Central China with a market share of 8.8% and first in Hunan province with a market share of 54.7%, respectively, and we captured a market share of 1.9% in China, in terms of revenue in 2024, according to the same source.

Our financial performance demonstrates stable growth and strong profitability. We generated revenue of RMB236.7 million, RMB201.8 million, RMB233.6 million, RMB112.3 million and RMB118.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, with a gross profit margin of 50.1%, 57.7%, 52.8%, 54.2% and 53.3% during the same periods, respectively. Our net profit was RMB79.1 million, RMB75.3 million, RMB82.9 million, RMB41.3

million and RMB39.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, which translates to a net profit margin of 33.4%, 37.3%, 35.5%, 36.7% and 33.6% for the same periods, respectively.

MARKET OPPORTUNITY

We operate solely in Hunan province. The rising consumer demand for high-quality frozen food products, coupled with the growing awareness of the vital role that cold chain services play in maintaining food quality within the supply chain, has spurred substantial growth in China's cold chain industry. China's frozen food storage service market has also shown consistent expansion, reaching a market size of RMB25.6 billion in 2024 at a CAGR of 4.2% from 2020 to 2024, which is expected to reach RMB35.1 billion in 2029, at a CAGR of 6.5% from 2025 to 2029. China's frozen food space leasing service industry has experienced steady growth, with its market size in terms of revenue expected to be increased from RMB2.2 billion in 2024 to RMB2.9 billion in 2029 with a CAGR of 6.0% from 2025 to 2029.

Both the frozen food storage service market and the frozen food space leasing service market remain regionalized in China. In 2024, the top five players in China's frozen food storage market captured a total market share of 10.4% in terms of revenue, where we capture a market share of 0.7%. Meanwhile, in 2024, the top five players in China's frozen food space leasing service market captured a total market share of 33.6% in terms of revenue, where we capture a market share of 1.9%. In the frozen food storage service market we ranked first in both Central China and Hunan province by revenue in 2024, respectively. In the frozen food space leasing service sector, we ranked second in Central China and first in Hunan province, as measured by revenue in 2024. The fragmented industry landscape presents substantial opportunities for further consolidation and growth within the industries. Our frozen food storage services provide frozen food wholesalers and retailers with a consistently stable low-temperature environment, while our frozen food space leasing services connect upstream frozen food wholesalers with downstream retailers and consumers.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success: (1) comprehensive, synergistic frozen food storage services and frozen food space leasing services, (2) cold chain service matrix, which integrates loading and unloading services, trunk line logistics, and other value-added services into a full-service cold chain ecosystem in collaboration with various business partners, and allows us to offer customers a complete cold chain solution, see "Business—Competitive Strengths—Cold chain service matrix," (3) technological infrastructure with automation technology, and (4) visionary and experienced management team steering steady growth.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (1) expand and enhance our service offerings, (2) invest in AI technology to empower our operations and customers, (3) pursue strategic acquisitions and partnerships to enhance industry integration, and (4) expand our market reach.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily included frozen food wholesalers and retailers who utilized our frozen food storage services and/or leased our trading space. Our revenue generated from the five largest customers in each year/period during the Track Record Period was RMB21.2 million, RMB17.8 million, RMB19.0 million and RMB8.8 million, respectively, accounting for 9.0%, 8.7%, 8.1% and 7.5% of our total revenue for the respective year/period. In the same periods, our revenue generated from the largest customer in each year/period during the Track Record Period was RMB5.6 million, RMB5.7 million, RMB6.9 million and RMB3.4 million for the respective year/period, accounting for 2.4%, 2.8%, 3.0% and 2.9% of our total revenue for the respective year/period, respectively. See "Business—Customers" for details. During the Track Record Period, all of our top five customers with whom we transacted are located in Changsha, Hunan province, with the exception of one customer.

During the Track Record Period, our suppliers primarily consisted of utility suppliers for electricity and water, as well as loading and unloading service providers. Purchases from our five largest suppliers in each year/period during the Track Record Period was RMB38.0 million, RMB33.9 million, RMB37.2 million and RMB15.8 million, respectively, accounting for 78.1%, 89.2%, 86.4% and 90.6% of our total purchases for the respective year/period. In the same year/period, purchases from our largest supplier in each year/period during the Track Record Period was RMB20.1 million, RMB20.6 million, RMB20.7 million and RMB9.0 million for the respective year/period, accounting for 41.2%, 54.1%, 48.1% and 51.5% of our total purchases for the respective year/period, respectively. See "Business—Suppliers" for details.

SUMMARY KEY OPERATING DATA

The following tables set forth summary of our key operating data for frozen food storage business and frozen food space leasing business during the Track Record Period.

Frozen Food Storage

The following table sets forth certain information of our frozen food storage business during the Track Record Period.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Southern frozen food storage base					
Total usable storage capacity *(tonnes)*	130,352	130,352	206,594	191,966	206,594
Storage capacity purchased by customers *(tonnes)*	128,869	129,077	186,916	186,814	182,247
Storage capacity utilization rate *(%)*(1)	98.9%	99.0%	90.5%	97.3%	88.2%
Average annual frozen food storage fee per customer *(RMB in thousands)*(2)	208	212	202	206	211
Average monthly frozen food storage fee per tonne *(RMB)*(2)	79.4	79.3	66.9	62.7	70.7
Number of frozen food storage customers	589	579	741	683	734
Average storage capacity purchased by customers *(tonnes)*(4)	219	223	252	274	248
Renewal rate *(%)*(3)	97.9%	92.4%	92.9%	92.9%	90.6%
Average daily frozen storage fee *(RMB in thousands)*	336	336	410	386	427
Average daily frozen storage fee per tonne *(RMB)*	2.61	2.61	2.19	2.07	2.34
Northern frozen food storage base					
Total usable storage capacity *(tonnes)*	24,000	24,000	24,000	24,000	24,000
Storage capacity purchased by customers *(tonnes)*	20,400	16,473	16,267	18,021	11,011
Storage capacity utilization rate *(%)*(1)	85.0%	68.6%	67.8%	75.1%	45.9%
Average annual frozen food storage fee per customer *(RMB in thousands)*(2)	52	101	150	207	337
Average monthly frozen food storage fee per tonne *(RMB)*(2)	59.5	50.8	51.5	49.8	58.7
Number of frozen food storage customers	279	99	67	52	23
Average storage capacity purchased by customers *(tonnes)*(4)	73	166	243	347	479
Renewal rate *(%)*(3)	56.5%	21.9%	58.6%	48.5%	29.9%
Average daily frozen storage fee *(RMB in thousands)*	40	28	27	30	21
Average daily frozen storage fee per tonne *(RMB)*	1.96	1.67	1.69	1.64	1.94

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Total					
Total usable storage capacity *(tonnes)*	154,352	154,352	230,594	215,966	230,594
Total storage capacity purchased by customers *(tonnes)*	149,269	145,550	203,183	204,835	193,258
Total storage capacity utilization rate *(%)*[(1)]	96.7%	94.3%	88.1%	94.8%	83.8%
Total average daily frozen storage fee *(RMB in thousands)*	376	364	437	415	449
Average daily frozen storage fee per tonne *(RMB)*	2.52	2.50	2.15	2.03	2.32

(1) Calculated by dividing storage capacity purchased by customers as of a given date by the total storage capacity as of that date.

(2) Calculated by dividing the revenue generated from the frozen food storage services in a given period by the storage capacity purchased by customers during that period, and then divided by 12 months.

(3) Calculated by dividing the number of frozen food storage customers who renewed their agreements with us with revenue contribution in a given period by the total number of frozen food storage customers with revenue contribution in the previous period.

The new facilities constructed under the Phase V Expansion Project comprises warehouse G and warehouse H, which were completed in January and August 2024, respectively, after which we began to recognize their depreciation as cost of sales, respectively. The total storage capacity utilization rate for our two bases decreased during the Track Record Period, primarily due to (1) the commissioning of warehouse H of the new facilities under the Phase V Expansion Project since August 2024 (see "Business—Our Frozen Food Storage and Frozen Food Space Leasing Business—Frozen Food Storage Services" for details), and (2) the termination of storage services by certain customers in 2025 for their own reasons. The key operating metrics of our southern frozen food storage base generally exceeded those of our northern frozen food storage base during the Track Record Period, primarily because (1) we have a longer operating history for our southern frozen food storage base compared to the northern frozen food storage base, (2) our southern frozen food storage base occupies a prime location within Changsha's major frozen food storage industrial cluster, which is a strategic advantage developed through years of operation in the region, (3) our southern frozen food storage base is close to the transportation hub with immediate access to major transportation lines. Specifically, our southern frozen food storage base reaches the city ring expressway in about ten minutes and connects to the Beijing-Hong Kong-Macao Expressway in about ten minutes, enabling rapid integration into national freight system, and (4) the facilities at our southern frozen food storage base incorporate technologies including fully automated temperature control, remote mobile operation of refrigeration systems, and unmanned operations. Unmanned operations were enabled through the integration of our warehouse management system and transport management system. Key automated processes include automated stacker cranes that autonomously store and retrieve goods, and a continuous loop conveyor system that seamlessly transports items throughout the facility.

The total usable storage capacity of our southern frozen food storage base increased from 130,352 tonnes as of December 31, 2023 to 206,594 tonnes as of December 31, 2024, as we completed the construction of the frozen food storage warehouses under the Phase V Expansion Project at our southern base by August 2024. See "Business—Automation Technology and Information Network." As a result, the storage capacity purchased by customers of our southern base also increased from 129,077 tonnes as of December 31, 2023 to 186,916 tonnes as of December 31, 2024. The storage capacity utilization rate decreased from 99.0% as of December 31, 2023 to 90.5% as of December 31, 2024, as we were in the process of ramping up our storage capacity. The average monthly frozen food storage fee decreased from RMB79.3 per tonne in 2023 to RMB66.9 per tonne in 2024, since we were attracting and bringing in new customers at strategically lower price.

The storage capacity purchased by customers of our northern frozen food storage base decreased from 20,400 tonnes as of December 31, 2022 to 16,473 tonnes as of December 31, 2023, primarily due to the completion of certain covid-related one-off contracts in 2022 in which we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic. The number of frozen food storage customers of our northern base also decreased from 279 as of December 31, 2022 to 99 as of December 31, 2023 and the renewal rate decreased from 56.5% in 2022 to 21.9% in 2023, primarily because we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic in 2022, leading to a temporary customer boom in 2022, which did not last to 2023. The storage capacity purchased by customers of our northern frozen food storage base further decreased to 16,267 tonnes as of December 31, 2024, primarily due to the decrease in the number of frozen food storage customers from 99 as of December 31, 2023 to 67 as of December 31, 2024, as we strategically focused on key account customers who had large frozen food storage demand amid the intense market competition. The storage capacity purchased by customers of our northern food storage base further decreased to 11,011 tonnes as of June 30, 2025, primarily due to the decrease in the number of frozen food storage customers from 67 as of December 31, 2024 to 23 as of June 30, 2025, primarily because of the intensified market competition and adverse macroeconomic conditions. We also strategically focused on customers with larger storage capacity, in which the average storage purchased by customers increased from 242.8 tonnes as of December 31, 2024 to 478.7 tonnes as of June 30, 2025. As a result of the foregoing, the overall performance of our northern base deteriorated during the Track Record Period. See "Business—Our Frozen Food Storage and Frozen Food Space Leasing Business."

Historically, we operated the business in sales of frozen food products as part of our frozen food storage services. We terminated such business in 2022 to narrow our focus on our core business lines. See "Business—Our Frozen Food Storage and Frozen Food Space Leasing Business—Frozen Food Storage Services—Sales of Frozen Food Products."

Frozen Food Space Leasing

The following table sets forth certain information of the trading space leasing for our frozen food space leasing services during the Track Record Period.

	As of/For the year ended December 31,			As of/For the six months ended June 30,	
	2022	2023	2024	2024	2025
Gross floor area of total trading space *(square meters)*	30,431	30,431	30,431	30,341	30,431
Gross floor area of rented trading space *(square meters)*	28,631	29,204	29,326	29,112	28,643
Trading space occupancy rate *(%)*(1)	94.1%	96.0%	96.4%	95.7%	94.1%
Average monthly total rental fee per square meter for trading space *(RMB)*(2)	87.0	80.4	88.6	93.2	92.2
Number of space leasing customers	692	698	764	697	739
Renewal rate *(%)*(3)	95.6%	93.4%	92.6%	92.6%	90.2%

(1) Calculated by dividing the gross floor area of rented trading space as of a given date by the gross floor area of total trading space as of that date.

(2) Calculated by dividing the revenue generated from the trading space leasing in a given period by the gross floor area of rented trading space as of the end of that period, and then divided by 12 months. The calculation of the average monthly total rental fee per square meter for trading space takes into account both the monthly trading space rental fees and the premium charged.

(3) Calculated by dividing the number of space leasing customers who renewed their trading space leases with us with revenue contribution in a given period by the total number of space leasing customers with revenue contribution in the previous period.

During the Track Record Period, the occupancy rate remained over 94.0% and the renewal rate remained over 90.0%, underscoring the strong appeal and effective utilization of our trading space. The renewal rate slightly decreased during the Track Record Period, as we strategically focused on key account customers amid the intense market competition. The average monthly total rental fee per square meter for trading space decreased in 2023, primarily because we granted a one-month rent waiver for our customers amid the COVID-19 pandemic. Our renewal rate in the southern frozen food storage base decreased from 97.9% in 2022 to 92.4% in 2024, primarily due to COVID-19 pandemic related disruptions, which impacted the operational continuity of certain small-scale tenants. Despite this challenge, our storage capacity utilization rate remained high, increasing slightly from 98.9% in 2022 to 99.0% in 2023, underscoring our sustained strong operational performance in a dynamic market environment.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary of our financial information for the Track Record Period, and should be read together with the consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, including the accompanying notes and the information set forth in "Financial Information." Our consolidated financial information was prepared in according with the IFRS.

Summary of Consolidated Statements of Profit or Loss

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

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	236,736	100.0	201,760	100.0	233,576	100.0	112,343	100.0	118,048	100.0
Cost of sales	(118,206)	(49.9)	(85,246)	(42.3)	(110,197)	(47.2)	(51,472)	(45.8)	(55,187)	(46.7)
Gross profit	**118,530**	**50.1**	**116,514**	**57.7**	**123,379**	**52.8**	**60,871**	**54.2**	**62,861**	**53.3**
Profit before tax	**104,522**	**44.2**	**100,945**	**50.0**	**111,231**	**47.6**	**55,775**	**49.6**	**53,307**	**45.2**
Income tax expense	(25,410)	(10.7)	(25,633)	(12.7)	(28,351)	(12.1)	(14,510)	(12.9)	(13,624)	(11.5)
Profit for the year/period	**79,112**	**33.4**	**75,312**	**37.3**	**82,880**	**35.5**	**41,265**	**36.7**	**39,683**	**33.6**

Revenue

During the Track Record Period, we generated revenue primarily from frozen food storage services, leasing services and loading services. Our revenue was RMB236.7 million, RMB201.8 million, RMB233.6 million, RMB112.3 million and RMB118.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Frozen food storage services	137,368	58.0	132,813	65.8	160,018	68.5	75,610	67.3	81,188	68.8
Leasing services	39,445	16.7	38,457	19.1	42,379	18.1	21,683	19.3	23,768	20.1
Loading services(1)	26,082	11.0	25,825	12.8	25,805	11.1	12,531	11.2	11,249	9.5
Sales of frozen food products(2)	28,106	11.9	—	—	—	—	—	—	—	—
Others(3)	5,735	2.4	4,665	2.3	5,374	2.3	2,519	2.2	1,843	1.6
Total	**236,736**	**100.0**	**201,760**	**100.0**	**233,576**	**100.0**	**112,343**	**100.0**	**118,048**	**100.0**

(1) Represents loading and unloading services for frozen food products in our frozen food storage warehouses.

(2) Represents frozen food trading business which we ceased operations for strategic reasons in 2022.

(3) Others primarily include miscellaneous income relevant to our primary business operations, such as parking lot service fees from our transportation partners, frozen food storage services customers and frozen food space leasing customers, for the access of parking lot space provided by us, charged primarily as hourly fees, and operation service fees charged to third-party transportation service providers, all in connection with our frozen food storage business. In addition, we also launched frozen food sorting and dispatch services in March 2025 for which we charge fee based on the weight of the frozen food handled, with minimal revenue contribution in the first half of 2025. In connection with our frozen food storage business, our frozen food logistics sorting and dispatch services combine sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations.

Cost of Sales

Our cost of sales was RMB118.2 million, RMB85.2 million, RMB110.2 million, RMB51.5 million and RMB55.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our cost of sales primarily consists of (1) depreciation and amortization of our buildings and machinery, investment properties and leasehold land; (2) employee benefit costs incurred by our frozen food storage services, and, to a much lesser extent, loading and other services; (3) outsourced labor costs, which primarily consist of costs of personnel for loading services; (4) utility costs, which primarily represent such utility costs of electricity, water and gas incurred in providing our frozen food storage services, and, to a much lesser extent, engaging in leasing services business; (5) safety protection costs, which primarily represented the cost provision for maintaining and improving the safety of our facilities in accordance with the PRC regulations; and (6) cost of low-value consumables (such as pipes, lights, switches and shelves). Our cost of sales increased by 7.2% from RMB51.5 million for the six months ended June 30, 2024 to RMB55.2 million for the six months ended June 30, 2025, primarily due to the completion of construction of warehouse H of our frozen food storage facilities under the Phase V Expansion Project in August 2024, which led to the overall increases in relevant depreciation and amortization, employee benefit costs and utility costs, and we were not subject to these costs relating to warehouse H in the six months ended June 30, 2024.

Gross Profit and Gross Profit Margin

Our gross profit was RMB118.5 million, RMB116.5 million, RMB123.4 million, RMB60.9 million and RMB62.9 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, and our gross profit margin was 50.1%, 57.7%, 52.8%, 54.2% and 53.3% for the same periods, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin
	(RMB in thousands, except for percentages)									
							(unaudited)			
Frozen food storage services	83,114	60.5%	82,221	61.9%	87,126	54.4%	41,726	55.2%	43,762	53.9%
Leasing services	22,505	57.1%	21,562	56.1%	25,329	59.8%	13,311	61.4%	15,532	65.3%
Loading services	9,782	37.5%	9,691	37.5%	7,125	27.6%	3,950	31.5%	2,583	23.0%
Sales of frozen food products	138	0.5%	—	—	—	—	—	—	—	—
Others	2,991	52.2%	3,040	65.2%	3,799	70.7%	1,884	74.8%	984	53.4%
Total	**118,530**	**50.1%**	**116,514**	**57.7%**	**123,379**	**52.8%**	**60,871**	**54.2%**	**62,861**	**53.3%**

Our gross profit decreased by 1.7% from RMB118.5 million for 2022 and RMB116.5 million for 2023, respectively, which was relatively stable across the periods. Our gross profit margin increased from 50.1% for 2022 to 57.7% for 2023, primarily due to the termination of sales of frozen food products business in 2022, which had a much lower profit margin than our other business lines.

- ***Frozen food storage services***. The gross profit margin of our frozen food storage service increased from 60.5% for 2022 to 61.9% for 2023, primarily due to (1) the decreases in relevant employee benefit costs and cost of low-value consumables, as a result of our efforts to improve operating efficiency; and (2) the relative low gross profit margin of certain one-off covid-related contracts at our northern frozen food storage base completed in 2022, under which we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic.

- ***Leasing services***. The gross profit margin of our leasing services decreased from 57.1% for 2022 to 56.1% for 2023, primarily due to the grant of rent concession in early 2023. We granted a one-month and one-off rent concession of RMB2.6 million for trading space units to certain frozen food space leasing customers in light of the COVID-19 pandemic to alleviate their burdens. See "—COVID-19 Pandemic."

- ***Loading services***. The gross profit margin of our loading services remained stabled at 37.5% and 37.5% for 2022 and 2023, respectively.

Our gross profit margin decreased from 57.7% for 2023 to 52.8% for 2024, primarily due to the decreases in gross profit margin of frozen food storage services business and loading services, partially offset by the increase in gross profit margin of leasing services business.

- ***Frozen food storage services***. The gross profit margin of our frozen food storage services decreased from 61.9% for 2023 to 54.4% for 2024, despite the increase in gross profit over the same periods due to the completion and commencement of operations under the Phase V Expansion Project over the course of 2024, as we were in the process of ramping up such new facilities, which led to increased costs, including depreciation and amortization of the buildings, equipment and machinery for providing frozen food storage services, such as refrigeration systems, frozen food storage doors, and employee benefit costs. Specifically, we completed the construction of warehouses G and H in January and August 2024, respectively, after which we began to recognize their depreciation as cost of sales. In addition, we set a lower unit price in 2024 in consideration of the demand of our customers and to optimize the utilization of our facilities, as demonstrated by a lower average monthly frozen food storage fee of our southern frozen food storage base of RMB66.9 per tonne for 2024, compared with that at RMB79.3 per tonne for 2023.

- ***Leasing services***. The gross profit margin of our leasing services increased from 56.1% for 2023 to 59.8% for 2024, primarily due to the increase in revenue due to the cessation of rent concession as discussed above.

- ***Loading services***. The gross profit margin of our loading services decreased from 37.5% for 2023 to 27.6% for 2024, as we were in the process of ramping up our new facilities under the Phase V Expansion Project, which led to a higher level of relevant costs, such as employee benefit expenses for additional employees responsible for loading services at our new facilities, and depreciation and amortization of our self-owned machinery and devices used for providing loading services, such as forklifts.

Our gross profit margin decreased from 54.2% for the six months ended June 30, 2024 to 53.3% for the six months ended June 30, 2025, primarily due to the decreases in the gross profit margin of loading services and frozen food storage services, partially offset by the increase in gross profit margin of leasing services, for the reasons discussed below.

- ***Frozen food storage services***. Our gross profit from frozen food storage services increased by 4.9% from RMB41.7 million for the six months ended June 30, 2024 to RMB43.8 million for the six months ended June 30, 2025, primarily due to the completion of construction and commencement of operations of warehouses G and H of our frozen food storage facilities under the Phase V Expansion Project in January and August 2024, respectively, and subsequent growth of operations. Specifically, we offered a service fee discount in the six months ended June 30, 2024 to attract customers to these facilities, and we charged normal storage fees without such discount in 2025, with our average monthly frozen food storage fee per tonne at our southern frozen food storage base increasing from RMB62.7 in the six months ended June 30, 2024 to RMB70.7 in the six months ended June 30, 2025. Despite such service fee increase, the gross profit margin of our frozen food storage services decreased slightly from 55.2% for the six months ended June 30, 2024 to 53.9% for the six months ended June 30, 2025, primarily due to the increase in the depreciation of our frozen food storage facilities under the Phase V Expansion Project, which increased our costs of sales for frozen food storage service and, as a result, led to a decrease in gross profit margin of the same. We began to recognize depreciation expenses for our new facilities constructed in the Phase V Expansion Project under our cost of sales over the course of 2024, depending on their utilization status, which resulted in a gradual increase of corresponding depreciation expenses from 2024 to 2025. Specifically, the depreciation and amortization of our frozen food storage services attributable to the frozen food storage facilities under the Phase V Expansion Project increased from RMB3.6 million for the six months ended June 30, 2024, which related to warehouse G only, to RMB10.2 million for the six months ended June 30, 2025, which related to both warehouses G and H.

- ***Leasing services***. Our gross profit from leasing services increased by 16.7% from RMB13.3 million for the six months ended June 30, 2024 to RMB15.5 million for the six months ended June 30, 2025, along with an increase in gross profit margin of the same from 61.4% to 65.3% for the same periods, driven primarily by the revenue increase of the same, as we upgraded part of our trading space units during 2024 and charged a one-time advance from lessees in connection with such upgrades in late 2024, for which the corresponding revenue would be recognized over the course of 2025. As of December 31, 2024, such one-time advance from lessees to be recognized over the course of 2025 amounted to RMB4.0 million, and we did not recognize revenue associated with similar advance from lessees in 2024.

- ***Loading services***. Our gross profit from loading services decreased by 34.6% from RMB4.0 million for the six months ended June 30, 2024 to RMB2.6 million for the six months ended June 30, 2025, along with a decrease in gross profit margin of the same from 31.5% to 23.0% for the same periods, primarily due to (1) the decrease in revenue of the same, with a decrease in service volume for our loading services from over 338,300 tonnes for the six months ended June 30, 2024 and over 315,800 tonnes for the six months ended June 30, 2025; and (2) the relatively stable cost of sales for our loading services over the same periods, as the decrease in the outsourced labor costs in line with the decrease in our service volume was offset by the increase in the employee benefit costs, as a result of the change in bonus timing and calculation method for the employees of our loading department in 2025.

The gross profit margin of other services was 52.2%, 65.2%, 70.7%, 74.8% and 53.4% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Specifically, the decrease in gross profit margin of other services from the six months ended June 30, 2024 to the six months ended June 30, 2025 was primarily due to (1) our frozen food sorting and dispatch services, which we launched in March 2025, demanding upfront investment that temporarily compressed our gross profit margin, such as labor costs, and requiring time to grow; and (2) the decrease of transaction handling fees that we charged to certain leasing service customers for their request to assign lease agreements, primarily due to the decrease in the number of relevant assignment transactions.

Net Profit and Net Profit Margin

We had net profit of RMB79.1 million, RMB75.3 million, RMB82.9 million, RMB41.3 million and RMB39.7 million for 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, and net profit margin of 33.4%, 37.3%, 35.5%, 36.7% and 33.6% for the same periods, respectively. Our net profit margin increased in 2023 and then decreased in 2024, in line with the trend of our gross profit margin across the same periods.

Summary of Consolidated Statement of Financial Positions

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	772,677	1,159,233	1,134,724	1,067,552
Total current assets	161,930	129,871	77,229	154,424
Total current liabilities	66,333	223,257	134,943	151,677
Net current assets/(liabilities)	95,597	(93,386)	(57,714)	2,747
Total assets less current liabilities	868,274	1,065,847	1,077,010	1,070,299
Total non-current liabilities	32,057	184,318	252,601	246,207
Net assets	**836,217**	**881,529**	**824,409**	**824,092**

We recorded net current liabilities of RMB93.4 million as of December 31, 2023, compared with net current assets of RMB95.6 million as of December 31, 2022. The change was primarily due to an increase in the current portion of other payables and accruals from RMB57.2 million as of December 31, 2022 to RMB209.8 million as of December 31, 2023, mainly as a result of the increase in payable for purchase of property, plant and equipment for our Phase V Expansion Project. Our net current liabilities then decreased to RMB57.7 million as of December 31, 2024, primarily due to a decrease in the current portion of other payables and accruals from RMB209.8 million as of December 31, 2023 to RMB114.0 million as of December 31, 2024, mainly as a result of the decrease in payable for purchase of property, plant and equipment. We recorded net current assets of RMB2.7 million as of June 30, 2025, primarily due to the increase in the current portion of prepayments, deposits and other receivables representing the increase in the current potion of certificate of deposits, and the decrease in the current portion of other payables and accruals.

Our net assets increased from RMB836.2 million as of December 31, 2022 to RMB881.5 million as of December 31, 2023, primarily due to profit for the year of 2023 of RMB75.3 million, partially adjusted by dividends declared of RMB30.0 million for the same period. Our net assets decreased to RMB824.4 million as of December 31, 2024, primarily due to profit for the year of 2024 of RMB82.9 million, partially adjusted by dividends declared of RMB140.0 million for the same period. Our net assets decreased slightly to RMB824.1 million as of June 30, 2025, primarily due to dividends declared of RMB40.0 million, partially adjusted by profit for the period of RMB39.7 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated cash flow statements for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Net cash from operating activities	314,843	113,927	139,364	50,667	75,552
Net cash used in investing activities	(192,962)	(239,866)	(72,588)	(65,882)	(16,630)
Net cash (used in)/from financing activities	(117,086)	125,055	(86,905)	45,406	(16,705)
Net increase/(decrease) in cash and cash equivalents	4,795	(884)	(20,129)	30,191	42,217
Cash and cash equivalents at the beginning of the period	52,239	57,034	56,150	56,150	36,021
Cash and cash equivalents at the end of the period	57,034	56,150	36,021	86,341	78,238

See "Financial Information—Liquidity and Capital Resources—Cash Flows" for detailed discussion on our cash flows and fluctuations during the Track Record Period.

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the dates or for the periods indicated.

	As of/For the year ended December 31,			As of/For the six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Gross profit margin (%)	50.1	57.7	52.8	54.2	53.3
Net profit margin (%)	33.4	37.3	35.5	36.7	33.6
Current ratio[(1)] (times)	2.4	0.6	0.6	/	1.0

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

See "Financial Information—Key Financial Ratios" for details.

OUR CONTROLLING SHAREHOLDERS AND SHAREHOLDING STRUCTURE

During the Track Record Period and as of the Latest Practicable Date, our Company was controlled by Hongxing Shiye, which is our direct Controlling Shareholder controls 58.25% of the total issued share capital of our Company and is wholly controlled by Hongxing Center. Hongxing Shiye also acts as general partner of each of Hongri Jingming and Hongri Mingsheng, which controls 8.06% and 4.66% of the total issued share capital of our Company respectively and are the shareholding platforms of our early shareholders, business partners and employees of our Company. As such, our Controlling Shareholders include Hongxing Shiye, Hongri Jingming, Hongri Mingsheng and Hongxing Center, which collectively controls 70.97% of the total issued share capital of our Company. Upon the completion of the Global Offering, our Controlling Shareholders will collectively control 54.17% of the total issued share capital of our Company. See “History, Development and Corporate Structure” and “Relationship with Our Controlling Shareholders” for more details.

RISKS AND CHALLENGES

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Our business and the Global Offering involve certain risks, which are set out in the section headed “Risk Factors” in this prospectus. Some of the major risk factors that we face include: (1) service disruption of our frozen food storage warehouses or frozen food space leasing that may adversely affect our business operations; (2) intense competition in the industries where we operate, and any failure to compete effectively could adversely affect our customer base, profitability and market share; (3) reduction of our customers’ expenditure in third-party frozen food storage services; (4) our failure to meet evolving customer demands and expectations, as well as our ability to attract and retain customers; (5) our substantial capital expenditures, which may not generate returns or achieve intended economic benefits in the short term, or at all; (6) our failure to obtain and maintain the requisite licenses and approvals required in the jurisdiction where we operate; (7) our relatively limited geographical focus; and (8) our failure to control costs. As different investors may have different interpretations and criteria when determining the significance of a risk, you should carefully read the “Risk Factors” section in its entirety before you decide to invest in our Shares.

WAIVERS AND EXEMPTIONS

See “Waivers from Strict Compliance with the Listing Rules” for details.

LISTING EXPENSES

We did not record any listing expenses in connection with the Global Offering for 2022, 2023 and 2024, and we recorded listing expenses of RMB0.5 million for the six months ended June 30, 2025. We expect to incur a total of approximately RMB29.8 million (HK$32.9 million) of listing expenses in connection with the Global Offering, representing approximately 11.5% of the gross proceeds from the Global Offering at the Offer Price of HK$12.26, including (1) underwriting commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately RMB8.6 million (HK$9.5 million), and (2) non-underwriting related expenses of approximately RMB21.2 million (HK$23.4 million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB13.0 million (HK$14.3 million), and (ii) sponsor fee and other fees and expenses of approximately RMB8.2 million (HK$9.1 million). Approximately RMB2.5 million (HK$2.8 million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB27.3 million (HK$30.1 million) is expected to be deducted from equity. The listing expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

GLOBAL OFFERING STATISTICS

All statistics in this table are based on the assumption that the Global Offering has been completed and 23,263,000 Offer Shares are issued pursuant to the Global Offering.

	Based on the Offer Price of HK$12.26 per Offer Share
Market capitalization of our Shares[(1)]	HK$1,204.7 million
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company as of June 30, 2025 per Share[(2)]	HK$11.82

(1) The calculation of market capitalization is based on 98,263,000 total issued Shares immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share as of June 30, 2025 is calculated after making the adjustments referred to in Appendix II and on the basis of 98,263,000 total Shares in issue immediately upon the completion of the Global Offering.

DIVIDENDS

In 2022, 2023, 2024 and the six months ended June 30, 2025, our Company declared cash dividends of RMB30.0 million, RMB30.0 million, RMB140.0 million and RMB40.0 million, respectively, all of which had been paid in full. Pursuant to our then effective articles of association which provided for our dividend policy in the relevant periods, to the extent that our Company was profitable for the relevant year and after deducting statutory and surplus reserves, we were required to distribute annual cash dividends of no less than 10% of our distributable profits for such year, provided that we did not have major investment plans or significant cash expenditures. We completed our Phase V Expansion Project in 2024, which relieved our short-term capital needs other than those already budgeted for, and based on our evaluations of our recent profitability and the relatively low level of cash dividends in 2022 and 2023, we increased our dividend distribution in 2024 to provide reasonable returns to our Shareholders. See Note 11 to the Accountants' Report included in Appendix I to this prospectus for details.

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, which shall become effective on the Listing Date, we will not have a formal dividend policy that provides for any pre-determined dividend payout ratio. We may adopt cash, shares or a combination of cash and shares for profit distribution. When the conditions for cash dividends are met, cash dividends shall take precedence over share dividends. In principle, we should conduct at least one profit distribution per year. Our Board of Directors may propose interim dividends and special dividends based on our profitability and capital requirements, which would have to be submitted to our shareholders' meeting for approval. If we make a profit in the previous fiscal year and our accumulative distributable profits are positive, provided that our capital requirements for ordinary business operations are met, we shall distribute cash dividends.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, will be approximately HK$252.3 million, based on the Offer Price of HK$12.26.

We intend to use the net proceeds of the Global Offering for the following purposes:

(1) approximately 57.5% of the net proceeds, or HK$145.1 million, to construct a new processing plant and new frozen food storage warehouses with processing equipment and systems for frozen food processing services for our customers over the next four years;

(2) approximately 12.8% of the net proceeds, or HK$32.2 million, to upgrade equipment, IT infrastructure, and software utilized in our existing business, including investing in AI technology to empower our operations and customers;

(3) approximately 19.7% of the net proceeds, or HK$49.7 million, to pursue strategic acquisitions and partnerships to enhance our industry integration and strengthen our position throughout the cold chain ecosystem in the next four years;

(4) approximately 10.0% of the net proceeds, or HK$25.2 million, for working capital and other general corporate purposes.

See "Future Plans and Use of Proceeds" for further information relating to our future plans and use of proceeds from the Global Offering.

COVID-19 PANDEMIC

We granted a one-month and one-off rent concession of RMB2.6 million for trading space units to certain frozen food space leasing customers in light of the COVID-19 pandemic to alleviate their burdens. Despite the negative impact of one-off rent concession, our Directors are of the view that the COVID-19 pandemic did not have a material adverse impact on our business operations and financial performance as (1) we maintained relatively high utilization rate for our frozen food storage bases and relatively high occupancy rate for our frozen food space leasing services in 2022 and 2023, (2) the total rent concessions we provided to customers in early 2023 only amounted to RMB2.6 million, and (3) the COVID-19 pandemic brought certain positive impact on our business operations and financial performance, primarily because we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic in 2022.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

We expect to record decreased net profit primarily contributed from our frozen food storage services and loading services segments in 2025 compared to 2024. Specifically,

- we anticipate a year-over-year decline in gross profit margin for frozen food storage services in 2025 compared to 2024, primarily because (1) we expect to record increased depreciation and amortization, labor costs, and interest costs on project construction loans in connection with ramping up our new facilities under the Phase V Expansion Project in 2025 compared to 2024, and (2) we have implemented targeted commercial incentives to maintain customer relationships with our key account customers in 2025;

- we anticipate a year-over-year decline in gross profit margin for loading services in 2025 compared to 2024, primarily because we expect to record increased depreciation and amortization and labor costs for loading services in connection with ramping up our new facilities under the Phase V Expansion Project in 2025 compared to 2024.

- we anticipate a year-over-year decline in gross profit margin for others in 2025 compared to 2024, primarily because we launched frozen food sorting and dispatch services in March 2025. This new operation demands substantial upfront investment and requires time to build revenue. While the initial investment temporarily compressed our gross profit margin, it represents a strategic growth initiative. Our frozen food logistics sorting and dispatch services combine sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations. For instance, we enable e-commerce businesses to outsource bulk frozen food orders processing, including precision sorting, insulated packaging, and direct-to-consumer shipping. This represents a transformative expansion of our capabilities, filling a gap in our previous service portfolio.

In July, August and September, 2025, our operations and financial position remained relatively stable, as compared to the six months ended June 30, 2025. For our southern frozen food storage base, our average monthly frozen food storage fee per tonne remained relatively stable, amounted to RMB71.5, RMB71.0 and RMB68.9 in July, August and September, 2025, as compared to the six months ended June 30, 2025. Our storage capacity utilization rate of our southern frozen food storage base was 89.3%, 89.3% and 88.6% in July, August and September, 2025, which remained stable, as compared to the six months ended June 30, 2025. For our northern frozen food storage base, our average monthly frozen food storage fee per tonne was higher than that of the six months ended June 30, 2025, amounted to RMB61.0, RMB60.7 and RMB58.8 in July, August and September, 2025. Our storage capacity utilization rate of our northern frozen food storage base was 37.1%, 37.8% and 38.0% in July, August and September, 2025. We have experienced decreased storage capacity utilization rates at our northern frozen food storage base from July to September 2025, as compared to the six months ended June 30, 2025, primarily because certain of our customers exited storage spaces following the cessation of their own businesses which had been underperforming. In July, August and September, 2025, the trading space occupancy rate of our frozen food space leasing services was 94.1%, 94.1% and 93.5%, respectively. In the same periods, average monthly total rental fee per square meter for trading space amounted to RMB92.0, RMB92.0 and RMB92.0, respectively.

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since June 30, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

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

"Accountants' Report"	the accountants' report for three years ended December 31, 2024 prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix IV to this prospectus
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CAC"	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
"CAGR"	compound annual growth rate
"Capital Market Intermediary(ies)" or "CMI(s)"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this prospectus, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CIC" or "China Insights Consultancy"	China Insights Industry Consultancy Limited, a consulting firm that provides market research and analysis
"CIC Report"	a commissioned industry report prepared by CIC
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Company", "our Company" or "the Company"	Hongxing Coldchain (Hunan) Co., Ltd. (紅星冷鏈(湖南)股份有限公司), a joint stock company established in the PRC with limited liability on December 9, 2019, or, where the context requires (as the case may be), its predecessor, Hunan Hongxing Frozen Food Co., Ltd. (湖南紅星冷凍食品有限公司), a company established in the PRC with limited liability on August 30, 2006
"Company Law" or "PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Hongxing Shiye, Hongri Jingming, Hongri Mingsheng and Hongxing Center
"Conversion of Unlisted Shares into H shares"	the conversion of 1,303,464 Unlisted Shares into H Shares on a one-for-one basis upon the completion of Global Offering, as described in further detail in "Share Capital"
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSDC (Hong Kong)"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FINI"	Fast Interface for New Issuance, a new digital platform through which IPO market participants and regulators can manage the end-to-end settlement process for new listings in Hong Kong
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "we", or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited

"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider as designated by our Company as specified in the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 2,326,500 H Shares initially being offered by the Company for subscription under the Hong Kong Public Offering (subject to reallocation as described in "Structure of the Global Offering")
"Hong Kong Public Offering"	the offer by the Company of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions described in "Structure of the Global Offering—The Hong Kong Public Offering"
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in "Underwriting—Hong Kong Underwriters"

"Hong Kong Underwriting Agreement"	the underwriting agreement dated December 30, 2025 relating to the Hong Kong Public Offering entered into among the Joint Sponsors, the Overall Coordinators, Hong Kong Underwriters, our Company and the Controlling Shareholders, as further described in "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering"
"Hongri Jingming"	Changsha Hongri Jingming Equity Investment Partnership (Limited Partnership) (長沙紅日景明股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 30, 2014 and is a Controlling Shareholder
"Hongri Mingsheng"	Changsha Hongri Mingsheng Enterprise Management Partnership (Limited Partnership) (長沙紅日明升企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 13, 2018 and is a Controlling Shareholder
"Hongxing Beisheng"	Hunan Hongxing Beisheng Frozen Food Co., Ltd. (湖南紅星北盛冷凍食品有限公司), a limited liability company established in the PRC on June 12, 2012 and a subsidiary of our Company
"Hongxing Center"	Changsha Hongxing Investment Management Center (長沙紅星投資經營管理中心), a collective-owned entity established in the PRC in June 13, 2011 and is a Controlling Shareholder
"Hongxing Shiye"	Hongxing Shiye Industrial Group Co., Ltd. (紅星實業集團有限公司), a limited liability company established in the PRC on April 9, 1993 and is a Controlling Shareholder
"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
"International Offer Shares"	the 20,936,500 H Shares being initially offered for subscription at the Offer Price under the International Offering, subject to reallocation as described under "Structure of the Global Offering"
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, in each case on and subject to the terms and conditions described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering

"International Underwriting Agreement"	the underwriting agreement relating to the International Offering and expected to be entered into by, among others, the Joint Sponsors, the Overall Coordinators, the International Underwriters, our Company and the Controlling Shareholders on or about January 8, 2026, as further described in "Underwriting—Underwriting Arrangements and Expenses—International Offering"
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering"
"Joint Sponsors"	CCB International Capital Limited and ABCI Capital Limited
"Latest Practicable Date"	December 21, 2025, being the latest practicable date for ascertaining certain information in this prospectus before its publication
"Listing"	the listing of the H Shares on the Main Board
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about Tuesday, January 13, 2026, on which the H Shares are listed and on which dealings in the H Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Offer Price"	the price per Offer Share of HK$12.26 (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in "Structure of the Global Offering"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares
"Overall Coordinator(s)"	CCB International Capital Limited and ABCI Capital Limited
"PRC Legal Advisor"	Qiyuan Law Firm, being the legal advisor to the Company as to the PRC laws
"Regulation S"	Regulation S under the U.S. Securities Act

"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation (國家税務總局)
"SCNPC"	Standing Committee of the National People's Congress, the permanent body of the National People's Congress of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each
"Shareholder(s)"	holder(s) of our Share(s)
"Sponsor-Overall Coordinator" or "Sponsor-OC"	CCB International Capital Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period consisting of the three years ended December 31, 2024 and the six months ended June 30, 2025
"Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法), promulgated by the CSRC on February 17, 2023
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or the "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.0 each, which are not listed on any stock exchange

"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"%"	Percent

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

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

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

This glossary contains certain technical terms used in this prospectus in connection with our Company and our business. Such terms and their meanings may not correspond to standard industry definitions or usage.

"AI"	artificial intelligence, the science of researching and developing theories, methods, technologies, and application systems that simulate and extend human intelligence
"AGV"	automated guided vehicle
"big data"	large and diverse data sets able to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information assets under new processing model for greater decision-making power, insight and processing optimization capabilities
"Central China"	for the purpose of discussing cold chain services in China in this prospectus only, Central China includes Hunan, Shanxi, Henan, Anhui, Hubei, and Jiangxi
"cold chain"	a supply chain that maintains a constant temperature, typically for perishable food and temperature-sensitive pharmaceuticals
"Eastern China"	for the purpose of discussing cold chain services in China in this prospectus only, Eastern China includes Beijing, Tianjin, Hebei, Shandong, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, and Hainan
"EV"	electric vehicle
"IoT"	internet of things, the network of physical devices with information-sensing capabilities such as two-dimensional code reading, radio frequency identification, infrared sensors, global positioning systems and laser scanners to realize intelligent identification, positioning, tracking, monitoring and management
"ISO"	International Organization for Standardization
"ISO 14001"	an international standard for environmental management system released by ISO
"ISO 22000"	an international standard that specifies the requirements for a food safety management system released by ISO
"ISO 45001"	an international standard that specifies requirements for an occupational health and safety management system released by ISO
"KWh"	kilowatt-hours, a unit of electric energy, 1 kWh=1,000 Wh
"Northeastern China"	for the purpose of discussing cold chain services in China in this prospectus only, Northeastern China includes Liaoning, Jilin, and Heilongjiang
"PV power"	photovoltaic power generated from photovoltaic solar panels

"SA8000 certification"	a social certification program that provides a framework for organizations to conduct business in a way that is fair and decent for workers and to demonstrate their adherence to the highest social standards
"usable storage capacity"	calculated in weight by taking into account the floor layout and building structure such as the varying sizes of access ways or utility conduits and the estimated weight capacity per square meter of such usable area
"Western China"	for the purpose of discussing cold chain services in China in this prospectus only, Western China includes Chongqing, Sichuan, Yunnan, Guizhou, Guangxi, Tibet, Shaanxi, Gansu, Ningxia, Qinghai, Xinjiang, and Inner Mongolia

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

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

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

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and

- certain statements in the sections headed "Risk Factors," "Industry Overview," "Regulatory Overview," "Business," "Financial Information," "Relationship with Our Controlling Shareholders" and "Future Plans and Use of Proceeds" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

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

An investment in our H Shares may involve significant risks. Potential investors should read and consider carefully all the information set out in this prospectus, and, in particular, should evaluate the following risks and uncertainties before deciding to make any investment in our H Shares. You should pay particular attention to the fact that we primarily conduct our operations in China, the legal and regulatory environment of which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties listed below could have a material adverse effect on our business, results of operations, financial condition or on the trading price of our H Shares, and could cause you to lose all or part of your investment. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements."

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (1) risks relating to our business and industry, (2) risks relating to doing business in the jurisdiction where we operate, and (3) risks relating to the Global Offering.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Any service disruption of our frozen food storage warehouses or frozen food space leasing may adversely affect our business operations.

Our daily operations heavily rely on the orderly performance of our frozen food storage warehouses and frozen food space leasing. Any service disruption due to a failure in our temperature-controlled frozen food storage facilities, under-capacity during peak volume periods, force majeure events, third-party sabotage, employee delinquency or strike, governmental inspections of properties or governmental orders that mandate any service halt or temporary or permanent shutdown could adversely impact our business operations. As of the Latest Practicable Date, we operated two frozen food storage bases in Changsha, Hunan province, with a total designed storage capacity of over one million cubic meters, or over 230,000 tonnes of usable storage capacity. We apply temperature control systems at our storage warehouses, which is designed to maintain precise storage conditions at minus 18°C or below. However, if any significant breakdowns, especially concerning temperature controls, were to occur over an extended period to our storage warehouses, it may lead to the deterioration of frozen food products, causing significant losses to our customers. Any of the foregoing events may result in operational interruptions, customer complaints and reputational damage.

Competition in the industries where we operate is intense, and any failure to compete effectively could adversely affect our customer base, profitability and market share.

We primarily compete with frozen food storage services and frozen food space leasing services providers for our business. Both markets are characterized by intense competition. In China's frozen food storage service market, the top five players accounted for 10.4% of the market share in 2024, with over 2,000 players in total. Meanwhile, the top five players in China's frozen food space leasing service market collectively held market share of 33.6% in terms of revenue in 2024, with a total of over 500 players participating. At the same time, due to the constraints of cold chain transportation range, the immobility of warehouses as real estate facilities, and food freshness requirements, the industries where we operate are regionalized. As a result, competitions are largely confined to local areas, creating a competitive environment that can be vulnerable to disruption. In addition to multiple existing market players, there may be new entrants emerging in each of the industries where we operate, and may then reduce the attractiveness of our storage warehouses and space leasing services to customers. We compete with them based on a number of factors, such as service quality, price, business model, operational capabilities and cost control. If we cannot adjust our operating strategies and take effective countermeasures in a timely manner in response to market changes, our business growth rate may slow down, and our market share and profitability may decline.

Any significant increase in competition may have a material adverse effect on our revenue and profitability as well as on our business and prospects. For example, an industry leading food cold chain company founded in 2020 and headquartered in Hong Kong is poised to enter the Changsha market, and is expected to bring 21% additional frozen food stalls in Changsha and 17% in Hunan Province, as well as 12% additional frozen food storage capacity in Changsha and 9% in Hunan province, in the next two years. Given that the additional supply from this new entrant is likely to consolidate some fragmented stalls and frozen food storage capacity with less competitive service offerings, the net addition of new supply in the market may be less than this figure. We cannot assure you that we will be able to continuously distinguish our services from those of our competitors, to preserve and improve our relationships with various stakeholders in China's frozen food product industry, or to increase or even maintain our existing market share. The entry of new competitors, especially those with strong operating capabilities, will compel us to continuously strengthen the quality of our services in the long-term competition, while in the short run, we may lose market share or need to adjust our selling prices, and our financial condition and results of operations may deteriorate if we fail to compete effectively.

Certain of our potential competitors may have greater resources, longer operating histories, larger customer bases and greater brand recognition than us. They may be acquired by, receive investment from or enter into strategic relationships with, established and well-financed companies or investors that could help enhance such competitors' competitiveness. Some of our competitors may adopt more aggressive pricing policies than we do. Accordingly, if we cannot effectively control our costs to remain competitive, our market share and revenue may decline. We may not be able to compete successfully against current or future competitors, and competitive pressures may have a material and adverse effect on our business, financial condition and results of operations.

If our customers reduce their expenditure in third-party frozen food storage services, our business, financial condition and results of operations may be adversely affected.

Our business strategies are partially based on the assumption that the trend toward outsourcing of frozen storage of frozen food products will continue. Third-party providers like us are generally able to provide frozen food storage services more efficiently than otherwise could be provided "in-house," primarily as a result of our temperature-controlled warehouses, expertise and cost efficiency. However, many factors could cause a trend reversal. For example, our customers may see risks in relying on third-party service providers, or they may begin to define these activities as within their own core competencies and decide to perform frozen food storage services themselves. If our customers are able to improve the cost structure of their in-house frozen food storage activities, we may not be able to provide our customers with an attractive alternative for their frozen food storage needs. If our customers in-source significant aspects of their frozen food storage operations, or if potential new customers decide to continue to perform their own frozen food storage activities, our business, results of operations and financial condition may be materially adversely affected.

Our continuing success depends in significant part on our ability to meet evolving customer demands and expectations, as well as our ability to attract and retain customers.

Our continuing success depends in significant part on our ability to continually innovate in response to intense market competition and evolving customer demands and expectations. We may not be able to successfully address evolving customer demands, and our existing frozen food storage warehouses and frozen food space leasing services may not be adaptable enough to accommodate new demands and expectations. We may not be able to respond to challenges swiftly and effectively due to numerous factors, some of which are beyond our control. In addition, innovations may not succeed or integrate well with our existing business operations, and even if integrated, may not function as expected or may not be able to enhance our operational efficiency and competitiveness, or reduce our operational costs. Any failure on our part to respond swiftly and effectively to changes in market competition or customer demands may materially and adversely affect our business, financial condition and results of operations.

Our success also depends in part on our ability to attract and retain new customers and enhance engagement with existing customers by providing distinctive and premium services in a cost-effective manner. We believe that our distinctive and premium services and nimble responses to evolving customer demands have been critical in promoting our services and brand recognition, which in turn drive customer growth and engagement. While we currently believe we can achieve further growth through, among other things, further expansion of our customer base, we may not be able to effectively and successfully implement our plans and realize our goals. If customers do not perceive our services to be distinctive and premium, we may not be able to attract and retain customers and increase their use of our services. Any of the aforementioned failures could materially and adversely affect our business, financial condition and results of operations.

Our business involves substantial capital expenditures, which may not generate returns or achieve intended economic benefits in the short term, or at all.

Our business involves substantial capital expenditures, including expenditures on purchases of properties, as well as construction of warehouses, among others. For instance, we plan to construct a new processing plant and new frozen food storage warehouses with processing equipment and systems for frozen food processing services for our customers over the next four years. See "Future Plans and Use of Proceeds" for details. Substantial capital expenditures are associated with certain inherent risks. The amount and timing of capital expenditures depend on various factors, including, among other things, the projected growth in our customer base, trading space occupation rate and storage capacity utilization rate. We must estimate our future customer base, trading space occupation rate and storage capacity utilization rate, and make capital commitments for properties and other assets based on these projections years before they are actually needed. Missing our projections could result in too much or too little capacity relative to our actual storage volume.

We have historically funded our capital expenditures primarily with cash generated from our operating activities, and proceeds from external debts and other fundraising activities. We cannot assure you that these sources of financing will be sufficient to fund our expansion plans. Our access to external funding is subject to various factors that are beyond our control, including market conditions, government approval, credit supply and interest rates. If we are unable to secure sufficient external funds to finance our capital investments, our business, financial condition and results of operations could be materially and adversely affected. Even if we have sufficient funding, assets that best suit our needs may not be available at reasonable prices, or at all. Moreover, actual costs of our capital projects may exceed our original budgets. Due to project delays, cost overruns, market fluctuations or other unexpected circumstances, we may not be able to achieve the intended economic benefits or maintain commercial viability of these projects, which in turn may materially and adversely affect our business, results of operations, financial condition and growth prospects.

Our northern frozen food storage base recorded net losses in the past, and our improvement initiatives may not return it to or sustain profitability.

We incurred net losses in our northern frozen food storage base in 2023 and the six months ended June 30, 2025. The primary drivers were a consistently lower storage capacity utilization rate and a deteriorated renewal rate. In response, we have initiated measures to enhance performance, including intensifying business development, elevating customer service, and integrating supply chain partners. However, these initiatives may not succeed. We may fail to attract enough new customers, our service enhancements may not meet market expectations, or our ecosystem strategy may not attract customers. Additionally, these efforts involve costs and may not achieve the desired return. Failure to improve performance could result in continued losses, which would materially and adversely affect our financial condition.

If we fail to obtain and maintain the requisite licenses and approvals required in the jurisdiction where we operate, our business, results of operations and financial condition may be materially and adversely affected.

We are required to obtain and maintain the requisite licenses and approvals for our business in China. We cannot assure you that we can successfully update or renew the licenses required for our business in a timely manner or that these licenses are sufficient to conduct all of our present or future businesses. Any failure to obtain or renew any approvals, licenses, permits or certificates necessary for our operations and construction of our frozen food storage warehouses and frozen food space leasing services, such as construction work commencement permit, environmental protection inspection and fire safety approvals, may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities ceasing our operations, and may include corrective measures requiring capital expenditure or remedial actions. For instance, in 2022, one of our subsidiaries, Hongxing Beisheng, was subject to an administrative penalty of a one-off fine of RMB5,100, for failing to maintain fire protection facilities and equipment in good condition, primarily because we fail to maintain regular inspections for our fire protection facilities and equipment. Specifically, several emergency exit signs on the second floor of the dormitory building were damaged, and the fire alarm control panel registered a fault. Such administrative penalty was not in relation to the Affect Buildings and the Affected Car Parking Spaces with title defects. Hongxing Beisheng promptly paid the fine and took corrective action to address the issue, with no further penalties or actions from the relevant authorities.

The interpretation and implementation of existing and future laws, regulations and policies governing our business activities may change from time to time. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in the jurisdiction where we operate our business, we may be subject to various penalties, such as the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

Our operation has relatively limited geographical focus, and our historical results of operations and financial performance may not be indicative of our future growth.

We generated revenue of RMB236.7 million, RMB201.8 million, RMB233.6 million, RMB112.3 million and RMB118.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, with a gross profit margin of 50.1%, 57.7%, 52.8%, 54.2% and 53.3%, during the same periods, respectively. Our net profit was RMB79.1 million, RMB75.3 million, RMB82.9 million, RMB41.3 million and RMB39.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, which translates to a net profit margin of 33.4%, 37.3%, 35.5%, 36.7% and 33.6% for the same periods, respectively. However, our historical results of operations and financial performance may not be indicative of future growth.

During the Track Record Period and up to the Latest Practicable Date, we primarily operated our business in Changsha, Hunan province, with relatively limited geographical focus. Despite the regional nature of cold chain logistics service industry, the geographical limitation of our operation may increase the vulnerability of our operation to local economic downturns, policy changes, or regulatory shifts in the area where we operate. In addition, our business development may also be limited by the industry growth potential of the market where we operate, if our growth strategy is not as effective as expected. As the market and our business evolve, we may modify our operations and services and expand our outreach to other cities and provinces. These changes may not achieve expected results and may have a material and adverse impact on our results of operations and financial condition. Our expenses may grow faster than our revenue, and our expenses may increase or may be greater than we expected. We cannot assure you that we will be able to achieve similar results as we did in the past or at all. Rather than relying on our historical operating and financial results to evaluate us, you should consider our business prospects in light of the risks and difficulties we may encounter as a company operating in emerging markets and dynamic industries, including, among other factors, (1) macroeconomic and other factors that affect China's cold chain logistics service market, (2) our ability to expand our customer base and to retain our existing customers, (3) our ability to maintain and expand our frozen food storage and space leasing business, (4) our ability to manage and further improve operational efficiency, and (5) our ability to execute acquisitions and investments, as well as successful integration. We may not be able to successfully address these or other challenges, which could adversely impact our business, results of operations and financial condition.

Our long-term growth and competitiveness are highly dependent on our ability to control costs.

Our ability to ensure effective cost-control measures could have a direct impact on our business. As such, in order to maintain competitive pricing and enhance our profit margins, we must continually exert greater control over our costs than our competitors. We have adopted various cost-control measures, and will continue to add new ones as necessary and appropriate. However, the measures we have adopted or will adopt in the future may not be as effective as expected. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 our gross profit was RMB118.5 million, RMB116.5 million, RMB123.4 million, RMB60.9 million and RMB62.9 million, respectively, representing a gross profit margin of 50.1%, 57.7%, 52.8%, 54.2% and 53.3% in the same periods, respectively. If we are not able to effectively control our costs, our profitability and cash flow may be adversely affected.

We incurred net current liabilities in the past.

We recorded net current liabilities of RMB93.4 million as of December 31, 2023, compared with net current assets of RMB95.6 million as of December 31, 2022. The change was primarily due to an increase in the current portion of other payables and accruals from RMB57.2 million as of December 31, 2022 to RMB209.8 million as of December 31, 2023, mainly as a result of the increase in payable for purchase of property, plant and equipment. Our net current liabilities then decreased to RMB57.7 million as of December 31, 2024, primarily due to a decrease in the current portion of other payables and accruals from RMB209.8 million as of December 31, 2023 to RMB114.0 million as of December 31, 2024, mainly as a result of the decrease in payable for purchase of property, plant and equipment. We recorded net current asset of RMB2.7 million as of June 30, 2025. If we have significant net current liabilities again in the future, our working capital for purposes of our operations may be subject to constraints, which may materially and adversely affect our business, results of operations and financial condition.

Overall tightening of the labor market, increases in labor costs or any possible labor unrest may adversely affect our business, financial condition and results of operations as we operate in a labor-intensive industry.

We operate in a labor-intensive industry. Our business requires a substantial number of staff, and we compete with other companies in the same industry and other labor-intensive industries for labor, and we may not be able to offer competitive remuneration and benefits compared to them. Our employee benefit costs amounted to RMB23.9 million, RMB22.3 million, RMB26.9 million, RMB12.5 million and RMB13.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 20.2%, 26.1%, 24.4%, 24.2% and 23.5% of our cost of sales in the same years, respectively. Any failure to retain stable, competent and dedicated labor may lead to disruption to, or delay in, our services provided to customers. 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 market salary, benefit level and/or our headcount. If we are unable to manage and control our labor costs, our business, financial condition and results of operations may be materially and adversely affected.

If we are unable to attract, retain and motivate key individuals, our business, results of operations and financial condition would be materially and adversely affected.

Attracting and retaining key individuals, such as key management and qualified executives, are critical to our business. The competition for highly skilled employees in our industry is increasingly intense. Changes in our management team would also disrupt our business. Our management and senior leadership team has significant industry experience, which makes them instrumental to our success. See "Directors and Senior Management." Changes in our management team may occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit qualified replacement. In addition, changes in the interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our changing workforce needs. See "Regulatory Overview—Regulations on Employment and Social Welfare." Our employee recruitment and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If our compensation programs and/or workplace culture cease to be viewed as competitive, our ability to attract, retain and motivate key individuals would be weakened, which would in turn materially and adversely affect our business, results of operations and financial condition.

Changes or slowdown in China's cold chain logistics service industry could negatively affect our business and growth prospects.

We serve customers in China's cold chain logistics service industry. As such, our business and growth are affected by the viability and prospects of China's cold chain logistics service industry. According to CIC, the frozen food cold chain service market in Central China is expected to expand at a CAGR of 8.5% from 2025 to 2029 . However, development of China's cold chain logistics service industry is affected by a number of factors, most of which are beyond our control. Changes or slowdown in China's cold chain logistics service industry could materially and adversely affect our growth and profitability.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations.

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

In addition, we may acquire additional assets or businesses that are complementary to our existing businesses. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing businesses, which in turn could adversely affect our business. Acquired assets or businesses may not generate the financial or results of operations we expect. Furthermore, acquisitions could result in the use of substantial amounts of cash, dilutive issuances of equity securities, incurrence of debt, incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our services. The recent trade controversy between the United States and China led to implementation of heightened tariffs on certain products of the two countries, which may negatively affect the business of our frozen food space leasing customers. For instance, there might be fewer imported products such as meat products from the United States for our customers in the short term, which may in turn reduce transaction value for our frozen food space leasing services.

In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control may disrupt our business operations, all of which could adversely affect our business, results of operations, financial condition and prospects. In particular, COVID-19 has materially and adversely affected the Chinese and global economy. There remain uncertainties about the dynamic of the COVID-19 pandemic, which may have potential continuing impacts in the future if the pandemic and the resulting disruption were to extend over a prolonged period. In addition, if our facilities or their surrounding areas suffers persistently unfavorable weather conditions, our facilities may come to a halt as a result of serious interruption to the constant electricity supplies. In the event of such incidents happening, our business, results of operations and financial condition could be adversely affected.

Failure to obtain or maintain any of the government grants or preferential tax treatments could adversely affect our business, results of operations and financial condition.

During the Track Record Period, government grants recognized under other income and gains primarily represent incentives from local governments for the purpose of compensation on contribution to the local economy and purchases of items of property, plant and equipment. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 the government grants was RMB4.2 million, RMB2.2 million, RMB3.6 million, RMB2.3 million and RMB1.5 million, respectively. The PRC governmental authorities may decide to reduce or cancel such government grants or preferential tax treatment, or require us to repay part or all of the government grants we previously received, which could adversely affect our business, results of operations and financial condition. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatment that may become available to us in the future, and such failure could adversely affect our business, results of operations and financial condition.

We cannot guarantee that our growth strategies will be successfully implemented or bring about outcomes as we expected.

We continue to execute a number of strategies to expand our business. See "Future Plans and Use of Proceeds" for details. However, expanding our business involves risks and challenges. These business initiatives are new and evolving, some of which may prove unsuccessful. For instance, we may not generate sufficient revenue and cash flow to offset the substantial upfront capital expenditures for construction work and initial operational costs in relation to the new processing plant and frozen food storage warehouses, and upgrading equipment and IT infrastructure. Such initial investments typically include construction, renovation, labor, equipment, and regulatory compliance expenses. It may also take a longer time than expected for us to successfully execute these strategies, and we may not have sufficient experience in executing these new business initiatives effectively. We cannot assure you that any of these new business initiatives will achieve our expected market acceptance and generate desired outcome. If our efforts fail to enhance our customer engagement and retention, we may not be able to maintain or increase our revenues or recover any associated costs, and our business, results of operations and financial condition may be materially and adversely affected.

Our insurance coverage may not be sufficient to cover all losses associated with our business operations.

We maintain various insurance policies to safeguard against risks and unexpected events in relation to our business operations, such as motor vehicle and non-motor vehicle liability insurance. We do not maintain warehouse insurance, business interruption insurance, key-man insurance or terrorist attack insurance, which is generally not uncommon in industry practices. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss, or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding our brand, Directors, employees, or services, whether warranted or not.

We believe that maintaining and enhancing our brand is of significant importance to the success of our business. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot assure you that these activities are and will be successful or that we can achieve the brand promotion effect we expect. In addition, negative publicity about our brand, Directors, employees, or services, whether warranted or not, may adversely affect our brand, reputation and business. Certain of such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control.

Our information technology and software systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

We rely on our information technology and software systems to effectively manage various customers' data, warehousing and operation data, and financial and human resources data. Any significant failure in our information technology and software systems could result in errors, processing inefficiencies and loss of customers, or lead to loss or leakage of confidential information. We collect and store sensitive personal information such as identification information, business licenses and personal credit information for the purpose of our business needs. The security of such information is of paramount importance. Any security and privacy breaches on customer information may damage our customer relations and our reputation and may expose us to legal liability. Our information technology and software systems may be subject to damage or interruption, primarily due to unexpected emergency circumstances beyond our control, including power outages, fire, natural disasters, systems failures, security breaches, unauthorized access to our information systems, hackings intended to cause malfunctions, loss or corruption of data, software, hardware or other computer equipment, intentional or inadvertent transmission of computer viruses and other similar events. We may also encounter problems when upgrading our systems, which could disrupt our operations and adversely affect our results of operations.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. We cannot assure you that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations and financial condition.

The property valuation report may differ from prices that can be achieved.

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, applicable capitalization rates, expected maintenance costs, competitive strengths and their physical condition. There can be no assurance that the relevant properties can continue to be leased out at the same or higher market rates which the property valuations were based on. New property valuations may also become necessary to reflect any findings or facts discovered or which occurred after the date of valuation.

The market values of the properties when completed may therefore differ from the values as determined by the independent valuer. As of November 30, 2025, the total market value of our properties was approximately RMB1,502.9 million. However, the values of the properties, as determined by the independent valuer, are not an indication of, and do not guarantee, a sale price at that value at present or in the future. As such, the price at which we may sell a property may be lower than its value as determined by the independent valuer.

We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.

Companies operating in China are required to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. In addition, the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated on July 31, 2025 and effective from September 1, 2025, provides that any arrangement between an employer and an employee, or any undertaking by an employee, to waive the employer's obligation to pay social insurance contributions will be void. Pursuant to this judicial interpretation, employees are entitled to terminate their employment contracts and claim economic compensation from the employer on such grounds. Should we fail to make social insurance contributions as required by law, or enter into any private agreement with an employee to waive such contributions, or accept any undertaking from an employee in this regard, we may face claims from employees for contract termination and economic compensation. During the Track Record Period and up to the Latest Practicable Date, we did not make adequate contributions to the social insurance and housing provident fund with respect to certain of our employees, as required by the relevant PRC laws and regulations, primarily due to the oversight and lack of comprehensive understanding by the responsible staff of the relevant local regulations. We estimate that the shortfall of social insurance and housing provident fund contributions for 2022, 2023, 2024 and the six months ended June 30, 2025 was approximately RMB5.5 million, RMB4.8 million, RMB4.9 million and RMB1.6 million, respectively, which we believe would not have a material adverse effect on our business. Moreover, considering that (1) we have obtained confirmations from the relevant competent government authorities, confirming that no administrative penalty was imposed on us in relation to our social insurance and housing provident fund contributions during the Track Record Period; (2) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty in relation to social insurance and housing provident fund contributions, and we had not received any notice from relevant competent government authorities regarding any claim for inadequate contributions of our current and former employees, nor any notifications from the relevant competent government authorities requiring us to pay the shortfalls; (3) we were not aware of any material employee complaints or claims with respect to inadequate social insurance and/or housing provident fund contributions; and (4) we undertake that, in the event that competent government authorities require us to make contributions within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner; our PRC Legal Advisor is of the view that the likelihood is remote that we would be required by the relevant competent government authorities, on an overall basis, to pay the entire shortfall for social insurance and housing provident fund contributions or that we would be subject to material administrative penalties due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period, assuming no significant changes in current applicable laws, regulations and policies, as well as the implementation and supervision requirements of local governments. As a result, we did not make any provisions in connection with the foregoing incident during the Track Record Period.

As advised by our PRC Legal Advisor, if the competent PRC government authority determines that the social insurance contributions we made for our employees violate the requirements under the relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a stipulated period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions were due. In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. The maximum potential penalties for which we may be liable in connection with the inadequate contributions to the social insurance would be approximately RMB13.3 million. We cannot assure that the relevant local government authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under national laws and regulations. In addition, we may incur additional expenses to comply with such laws and regulations promulgated by the PRC government or relevant local authorities.

We have not obtained building ownership certificates for certain buildings or parking spaces. As a result, we may face the risks of not being able to dispose of, transfer or mortgage such buildings and spaces.

During the Track Record Period and up to the Latest Practicable Date, all of our frozen food storage warehouses and our premises for frozen food space leasing business were located in Changsha, Hunan province, China. As of the Latest Practicable Date, we owned two properties with an aggregate gross floor area of approximately 404,368.96 square meters in China. During the Track Record Period, we did not obtain the building ownership certificates for certain buildings in Changsha, Hunan province (the "**Affected Buildings**") with the aggregate gross floor area of approximately 16,201.42 square meters located in our southern frozen food storage base. We did not obtain the building ownership certificates during the Track Record Period primarily because the road where the Affected Buildings are located was under construction by the local government with the road name undetermined. The Affected Buildings were used primarily as frozen food storage warehouses, dispatch centers, and security booths. For details, see "Business — Properties." In addition, we have not obtained building ownership certificates for our underground car parking spaces (the "Affected Car Parking Spaces") with an aggregate gross floor area of approximately 29,446.21 square meters. We may face the risks of not being able to dispose of, transfer or mortgage the Affected Car Parking Spaces in accordance with relevant PRC laws and regulations. See "Business—Properties" for details.

We may be subject to fines for failing to register the lease agreement of leased property.

We enter into lease agreements with customers of our leasing services business, which primarily consist of lessees of our trading space units. During the Track Record Period, the lease agreements entered between our Company and our lessees had not been registered with the relevant government authorities. For details, see "Business—Properties." According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. For details, see "Business — Properties." However, we cannot assure you that the relevant PRC authorities will not amend or revise existing laws, rules and regulations in respect of leasing of properties to require additional approvals, licenses or permits, or impose stricter requirements on the properties that we lease to others. In the event that we cannot meet such stricter requirements in a timely and adequate manner, our business, results of operations and financial condition may be adversely affected.

We are exposed to concentration risk of reliance on our major suppliers.

During the Track Record Period, our suppliers primarily consisted of utility suppliers of electricity, water and gas, as well as loading and unloading service providers. Purchases from our five largest suppliers in each year/period during the Track Record Period was RMB38.0 million, RMB33.9 million, RMB37.2 million and RMB15.8 million, respectively, accounting for 78.1%, 89.2%, 86.4% and 90.6% of our total purchases for the respective year/period. In the same years, purchases from our largest supplier in each year/period during the Track Record Period was RMB20.1 million, RMB20.6 million, RMB20.7 million and RMB9.0 million, respectively, accounting for 41.2%, 54.1%, 48.1% and 51.5% of our total purchases for the respective year/period.

Our reliance on these major suppliers subjects us to concentration risk from these suppliers. We cannot assure you that we will be able to maintain our relationships with our major suppliers in the future. Any material adverse change to the operation, financial performance or financial condition of our major suppliers may result in material adverse impact on their business with us. For example, if the supply of loading and unloading services is disrupted or delayed, there can be no assurance that we will be able to find new supplier offering a comparable level of service quality and supply capacity on comparable commercial terms within a reasonable time period, or at all. Should any of these occur, our business, financial condition, results of operations and profitability may be adversely affected.

We rely on constant and reliable power supply of electricity, water and gas to support our business activities.

Our business operations require significant and constant power supply of electricity, water and gas, which is currently provided by local electricity, water and gas suppliers. Our reliance on such supplies will further increase as we expand our business. See "Business—Environmental, Social and Governance—Environmental Management" for details of our reliance on electricity, water and gas supplies. Any disruption to and shortage of such power supply or increase in the cost of such power supply may adversely affect our business operation, increasing our utility costs, and therefore adversely affect our business and results of operations.

Our electricity supply is primarily sourced from the State Grid, which accounted for over 85% of the total power consumed by our frozen food storage facilities in 2024. In 2022, 2023, 2024 and the six months ended June 30, 2025, we purchased electricity of 29.7 million kWh, 28.7 million kWh, 32.2 million kWh and 13.9 million kWh, for each periods, respectively. Our water supply is fully dependent on municipal sources. In 2022, 2023, 2024 and the six months ended June 30, 2025, our water usage was 290,278 tonnes, 230,535 tonnes, 224,316 tonnes and 115,208 tonnes, for each period, respectively. Our gas supply is fully dependent on one single supplier. In 2022, 2023, 2024 and the six months ended June 30, 2025, our gas consumption was 149,572 cubic meters, 82,313 cubic meters, 124,162 cubic meters and 43,203 cubic meters, for each periods, respectively.

Fluctuating electricity, water and gas prices and interruptions of power supplies may reduce our profitability. Utility costs represent a sizable cost to our business. To the extent that we fail to transfer such costs to our customers, our profitability may be adversely affected. The cost of electricity, water and gas can fluctuate to different degrees and is subject to many economic and political factors that are beyond our control. In the event of a significant rise in the prices of power supplies, our related costs may increase and our gross profit may decrease if we are unable to adopt any effective cost control measures or pass on the rising cost to our customers.

We may not be able to prevent unauthorized use of, or other forms of infringement on, our intellectual property, which could harm our business and competitive position.

We regard our trademarks, domain names, trade secrets and other intellectual property as critical to our business. We rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary rights. However, we may not be able to register, maintain and enforce our intellectual property rights in a timely manner, or at all, under relevant laws and regulations. Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Policing any unauthorized use of, or other forms of infringement on, our intellectual property is difficult and costly, and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We cannot provide any assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims from third parties, which may materially and adversely affect our business, financial condition and results of operations.

We depend on our ability to effectively develop and maintain intellectual property rights relating to our business. However, third parties may claim that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold, whether such claims are valid or otherwise. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. The validity, enforceability and scope of protection of intellectual property rights, particularly within China, are still evolving. As we face increasing competition and as litigation becomes a more commonly pursued method for resolving commercial disputes in China, we face a higher risk of being the subject of intellectual property infringement claims.

There is no assurance that we could continue maintaining our corporate culture.

Since our inception, our corporate culture has been defined by our mission, vision and values, and we believe that our culture has been critical to our success. In particular, our corporate culture has helped us serve our customers, attract, retain and motivate employees, and create value for our Shareholders. We face a number of challenges that may affect our ability to maintain our corporate culture, such as:

- competitive pressures to move in directions that may divert us from our mission and values;
- the continued challenges of an ever-changing business environment;

- potential pressure from the public markets to focus on short-term results instead of long-term value creation; and
- the increasing need to develop expertise in new areas of business that affect us.

If we are not able to maintain our corporate culture or if our culture fails to deliver the long-term results we expect to achieve, our business, results of operations and financial condition may be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

The economic and social conditions in China could affect our business, results of operations, financial conditions and prospects.

During the Track Record Period, substantially all of our revenue was derived from our businesses in China. Accordingly, our business, financial condition, results of operations and prospects are, to a material extent, subject to economic, political and legal developments in China. In particular, factors such as consumer, corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business.

The PRC economy has experienced significant growth over the past decades since the implementation of China's reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. If the business environment in China changes, our business in China may also be affected.

The evolution of the legal system of the jurisdiction where we operate could affect our business, financial condition and results of operations and our investors could be affected as a result.

We are based in China and our business in China are governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. As the legal system in China continues to develop, laws and regulations may continue to evolve and be subject to interpretation. As these laws and regulations are continually evolving in response to changing economic and other conditions, we cannot foresee how these laws, rules and regulations will be interpreted and enforced, which may affect the legal protections and remedies that are available to us and our investors.

Government control of currency conversion and restrictions on the remittance of RMB into and out of China could limit our ability to utilize our revenues effectively, to pay dividends and other obligations, and affect the value of our H Shares.

The remittance of currency in and out of China is subject to various laws and regulations. Substantially all of our revenues and expenses are denominated in Renminbi, and the net proceeds from the Global Offering and any dividends we pay on our H Shares will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the Global Offering, we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from SAFE. Foreign exchange transactions under our capital account are subject to foreign exchange controls under relevant regulations and require SAFE's approval. These limitations could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the net proceeds from the Global Offering are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these proceeds into onshore Renminbi. If we cannot convert the net proceeds into onshore Renminbi in a timely manner, our ability to deploy these proceeds efficiently may be affected as we will not be able to invest these proceeds on Renminbi denominated assets onshore or deploy them in uses onshore where Renminbi is required. All of these factors could affect our business, results of operations, financial condition and prospects.

Fluctuations in exchange rates of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies could affect our results of operations and the value of your investment.

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in China's and international political and economic conditions. The proceeds from the Global Offering will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against U.S. dollar, Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our proceeds from the Global Offering. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our H Shares in foreign currencies. We have not utilized, and may not in the future utilize, any instrument to reduce our foreign currency risk exposure. All of these factors could affect our business, results of operations, financial condition and prospects, and could affect the value of, and dividends payable on, our H Shares in foreign currency terms.

We may be subject to the approval or other requirements of the China Securities Regulatory Commission or other PRC governmental authorities in connection with future security activities.

On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities (關於依法從嚴打擊證券違法活動的意見) (the "July 6 Opinion"), which called for the enhanced administration and supervision of overseas-listed China-based companies, proposed to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities. The July 6 Opinion aims to achieve this by establishing a regulatory system and revising the existing rules for overseas listings of Chinese entities and affiliates including potential extraterritorial application of Chinese securities laws.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "Overseas Listing Trial Measures") and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities. Pursuant to the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. In addition, according to the Overseas Listing Trial Measures, any future share issuance or listing after this Offering will also be subject to filing procedures of CSRC and we are also required to report certain material matters to CSRC after this Offering. Any failure to continue to be compliant to the relevant requirements after the Offering would subject us to administrative penalties by CSRC which could harm our reputation and may adversely affect our results of operations and financial condition.

We cannot guarantee that new rules or regulations promulgated in the future pursuant to the July 6 Opinion and any other related PRC rules and regulations will not impose any additional requirement on us or otherwise tightening the regulations on us. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial conditions. Furthermore, any uncertainty and/or negative publicity regarding such an approval, filing or other requirements may also have a material adverse effect on the price of our H Shares.

Investors of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares ("Non-Chinese Resident Individual Holders"), are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知(國稅函[2011]348號)) dated June 28, 2011 and issued by the SAT, the tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. See "Regulatory Overview—Regulations on Taxation." In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the "Individual Income Tax Law") and its implementation regulations, Non-Chinese 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 Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-mainland China resident individual holders on the transfer of shares in mainland China resident enterprises listed on overseas stock exchanges. To the best of our knowledge, the Chinese tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "EIT Law") and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between the China and the jurisdiction in which the non-Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897) (關於中國居民企業向境外H股非居民企業股東派發股息代扣繳企業所得稅有關問題的通知(國稅函[2008]897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-Chinese resident enterprise holders of H Shares (including HKSCC Nominees). Non-Chinese 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 Chinese 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 Chinese tax authorities' approval. See "Regulatory Overview—Regulations on Taxation." If such tax is collected in the future, the value of such non-Chinese resident enterprise holders' investments in H Shares may be materially and adversely affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our

Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

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

It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors, supervisors and senior management residing in China.

We are a company incorporated under the laws of China, and substantially all of our assets are located in China. In addition, all of our Directors, supervisors and senior management reside within mainland China. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People's Republic of China as well as other applicable laws, regulations and interpretations. It would generally require you to commit more time and economic cost. On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2006 Arrangement"). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement") and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect.

RISKS RELATING TO THE GLOBAL OFFERING

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

Prior to the Global Offering, there has been no public market for our H Shares. The Offer Price for our H Shares was the result of negotiations between us, the Overall Coordinators and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our H Shares following the Global Offering. We have applied for listing of, and permission to deal in, our H Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the Global Offering or that the market price of our H Shares will not decline following the Global Offering. Furthermore, the market price and trading volume of our H Shares may be volatile. The following factors may affect the trading volume and market price of our H Shares:

- actual or anticipated fluctuations in our operating performance and revenue;
- our failure to execute our strategies;
- an unexpected business interruption resulting from operational breakdowns, natural disasters, or major changes in our key personnel or senior management;
- adverse market reaction to any indebtedness that we may incur or securities that we may issue in the future;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our products;
- inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties' intellectual property rights;
- the operating and stock price performance of other companies in our industry, and other events or factors beyond our control; and
- the release of lock-up or other transfer restrictions on our outstanding H Shares or sales or perceived sales of H Shares by us or other Shareholders.

Moreover, the capital market has from time to time experienced significant price and trading volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. These broad market and industry fluctuations may have a material and adverse effect on the market price and trading volume of our H Shares.

An active and liquid trading market for our H Shares may not develop.

Prior to the Global Offering, our H Shares were not traded on any other market. We cannot assure you that an active and liquid trading market for our H Shares will be developed or be maintained after the Global Offering. Liquid and active trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our H Shares could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our H Shares, you could lose a substantial part or all of your investment in our H Shares.

Since there will be a gap of several days between pricing and trading of our H Shares, holders of our H Shares are subject to the risk that the price of our H Shares could fall during the period before trading of our H Shares begins.

The application for the Offer Shares will commence on Wednesday, December 31, 2025 through Thursday, January 8, 2026, being longer than normal market practice of three and a half days. Investors may not be able to sell or otherwise deal in our H Shares until the commencement of trading. Accordingly, holders of our H Shares are subject to the risk that the price of our H Shares could fall before trading begins, as a result of unfavorable market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

Because the Offer Price of our H Shares is substantially higher than the consolidated net tangible book value per share, purchasers in the Global Offering may experience immediate dilution.

As the Offer Price of our H Shares is higher than the consolidated net tangible assets per share immediately prior to the Global Offering, purchasers of our H Shares in the Global Offering will experience an immediate dilution in pro forma adjusted consolidated net tangible assets. Our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per share of their shares. See Appendix II to this prospectus for details.

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

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur could all cause a decline in the market price of our H Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future offerings, could also materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate. Future sales of a significant number of our H Shares by our Controlling Shareholders or other existing shareholders in the public market after the Global Offering, or the perception that these sales could occur, could cause the market price of our H Shares to decline and could materially impair our future ability to raise capital through offerings of our H Shares. We cannot assure you that our Controlling Shareholders, or other existing shareholders will not dispose of H Shares held by them or that we will not issue H Shares upon the expiration of restrictions set out above.

We may not be able to pay any dividends on our H Shares.

We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. 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. See "Financial Information—Dividends" for details.

If securities or industry analysts do not publish research reports about us, or if they adversely change their recommendations regarding our H Shares, the market price and trading volume of our H Shares may decline.

The trading market of our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume of our H Shares to decline.

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

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. The words "anticipate," "believe," "could," "potential," "continue," "expect," "intend," "may," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors, supervisors and senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this prospectus. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

The industry data and forecasts in this prospectus obtained from official government sources have not been independently verified.

This prospectus includes industry data and forecasts extracted from various official government sources. The information from official government sources has not been independently verified by us or any other parties involved in the Global Offering, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the Global Offering and no representation is given as to its accuracy.

We may need additional capital, and the sale and issue of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

Notwithstanding our current cash and cash equivalents and the net proceeds from the Global Offering, we may require additional cash resources to finance our continued growth or other future developments. We cannot assure you that financing will be available in the amounts or on terms acceptable to us, if at all. If we fail to raise additional funds, we may need to sell and issue additional equity securities, which could result in additional dilution to our Shareholders.

You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles and other media regarding us and the Global Offering.

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

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RELATION TO PRESENCE OF MANAGEMENT IN HONG KONG

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

Since the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors of our Company ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- *Authorized representatives:* we have appointed Ms. XU Qunying (許群英) and Ms. ZHAN Liling (詹麗玲) as the authorized representatives ("Authorized Representatives") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. See "Directors and Senior Management" for more information about our Authorized Representatives;

- *Joint company secretaries:* in addition to the appointment of the Authorized Representatives, Ms. CHONG Wan Kai (莊運啟), one of our joint company secretaries and a Hong Kong resident, will, among other things, act as our Company's additional channel of communication with the Stock Exchange and be able to answer enquiries from the Stock Exchange. Ms. CHONG Wan Kai will maintain contact with our Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary;

- *Directors:* to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Pursuant to Rule 3.20 of the Listing Rules, each Director has provided their contact information (including their mobile phone numbers, office phone numbers, e-mail addresses, and fax numbers (if available)) to the Stock Exchange and to the Authorized Representatives and will inform the Stock Exchange promptly if there are any changes to the contact of the Directors. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

- *Compliance advisor:* we have appointed Altus Capital Limited as our compliance advisor (the "Compliance Advisor") upon listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

- *Hong Kong legal advisor:* we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable: (1) a member of The Hong Kong Chartered Governance Institute; (2) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (3) a certified public accountant (as defined in the Professional Accountants Ordinance). In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing "relevant experience," the Stock Exchange will consider the individual's: length of employment with the issuer and other issuers and the roles he/she played; familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code and Mergers and Share Buy-backs; relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and professional qualifications in other jurisdictions.

We have appointed Ms. ZHAN Liling (詹麗玲) as our joint company secretary. Our Group's key operations and principal business activities are conducted outside of Hong Kong. We believe that the company secretary role requires a person to be deeply familiar with our operations, and to be able to cultivate strong relationships with both the Board and the management. It would be in the best interests of our Company and our corporate governance to have as its joint company secretary a person such as Ms. Zhan. As the vice director of the securities and legal department of our Company, Ms. Zhan is deeply familiar with our operations and is able to cultivate strong relationships with both the Board and the management. Meanwhile, she has extensive experience in legal and corporate governance matters. However, Ms. Zhan presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules. Accordingly, we have appointed Ms. CHONG Wan Kai as the other joint company secretary, working closely with Ms. Zhan. Ms. Chong is a chartered secretary, a chartered governance professional and an associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI), and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. For further information regarding the qualifications of Ms. Zhan and Ms. Chong, see "Directors and Senior Management."

Although Ms. Zhan does not possess the specified qualification required by Rule 3.28 of the Listing Rules, our Directors believe that considering her past experience in the legal and corporate governance related affairs, her intimate knowledge of our Company and operations and her ability to cultivate strong relationships with both the Board and the management, she is capable of discharging the functions of a joint company secretary with the assistance of Ms. Chong. They will be jointly discharging the duties and responsibilities of a company secretary. Ms. Chong will be assisting Ms. Zhan in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Zhan will also be assisted by (1) the compliance advisor of our Company for the first full financial year starting from the Listing Date, particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal advisor of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Ms. Zhan will endeavor to attend relevant trainings and familiarize herself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange. In addition, Ms. Zhan is familiar with and has a thorough understanding of the operations of our internal corporate governance, business and finance. Therefore, we believe that the appointment of Ms. Zhan as a joint company secretary is in our Company's and the Shareholders' best interests and beneficial to our corporate governance.

Our Company will further ensure that Ms. Zhan has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules.

Based on the foregoing, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Zhan may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of a three-year period on the condition that Ms. Chong, as a joint company secretary of our Company, will work closely with, and provide assistance to, Ms. Zhan in the discharge of her duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Chong ceases to provide assistance to Ms. Zhan as the joint company secretary or if there are material breaches of the Listing Rules by us.

Prior to the end of the three-year period, the qualifications and experience of Ms. Zhan and the need for on-going assistance of Ms. Chong will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Zhan, having benefited from the assistance of Ms. Chong for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Rule 3.28 Note 2 of the Listing Rules so that a further waiver will not be necessary. In the event that Ms. Zhan has obtained relevant experience under Rule 3.28 of the Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement would no longer be necessary for us.

DIRECTORS' RESPONSIBILITY STATEMENT

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

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their respective directors, officers, agents, employees or advisers or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as at any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering," and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares".

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or about January 8, 2026. The International Offering is expected to be fully underwritten by the International Underwriters, subject to the terms and conditions of the International Underwriting Agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us. See "Underwriting" for further details on the Underwriters and the underwriting arrangements.

CSRC FILING

The CSRC accepted the Company's filing application and issued the Notice of Completion of Filing on September 23, 2025 for the Global Offering, the Conversion of Unlisted Shares into H Shares and the making of the application to list our H Shares on the Stock Exchange.

RESTRICTIONS ON OFFER AND SALE OF THE H SHARES

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

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

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering and the Conversion of Unlisted Shares into H Shares.

No part of our share capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on the Stock Exchange or any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on our H Share register of members in order to enable them to be traded on the Stock Exchange.

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

COMMENCEMENT OF DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. in Hong Kong on Tuesday, January 13, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m., Tuesday, January 13, 2026. The H Shares will be traded in board lots of 500 H Shares each, the stock code of the H Shares will be 01641.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements and how such arrangements will affect your rights and interests as such arrangements may affect their rights and interests.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing to, purchasing, holding or disposing of, and/or dealing in the H Shares (or exercising rights attached thereto). None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their respective directors, agents, employees or advisers or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription to, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, the H Shares or exercising any rights attached to them.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Our principal register of members will be maintained by us at our head office in the PRC.

Dealings in the H Shares registered in our H Share register of members will be subject to the Hong Kong stamp duty. See "Statutory and General Information—D. Other Information—10. Taxation of Holders of H Shares" in Appendix V to this prospectus. Investors should seek professional tax advice for further details of Hong Kong stamp duty.

Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our H Share register of members in Hong Kong, by ordinary post, at the Shareholders' risk in Hong Kong dollars.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all. Unless indicated otherwise, (1) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.05500 to US$1.00, being the PBOC rate prevailing on the Latest Practicable Date, (2) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.90675 to HK$1.00, being the PBOC rate prevailing on the Latest Practicable Date, and (3) the translation between U.S. dollars and Hong Kong dollars were made at a rate of US$1.00 to HK$7.78053, calculated based on the PBOC rate prevailing on the Latest Practicable Date.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. However, the translated English names of the PRC and foreign national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the names in their original languages shall prevail.

ROUNDING

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

DIRECTORS

Name	Position	Address	Nationality
Executive Directors and Non-executive Directors			
LUO Yue (羅躍)	Non-executive Director and chairman of the Board of Directors	Wawu Group Hongxing Village Yuhuating Township Yuhua District, Changsha City Hunan Province, the PRC	Chinese
LI Jun (李俊)	Non-executive Director	Room 106, Building C11 Meicun Community No. 489 Shidai Yangguang Avenue Yuhua District, Changsha City Hunan Province, the PRC	Chinese
ZHANG Mingsheng (張明生)	Executive Director	Room 403, Building D-1 New Century Home Furong District, Changsha City Hunan Province, the PRC	Chinese
XU Qunying (許群英)	Executive Director	Room 201, Unit 1, Building 1, Yaxin Huayuan No. 425 Section 3 of Wanjiali Road Yuhua District, Changsha City Hunan Province, the PRC	Chinese
LU Fenfang (陸芬芳)	Non-executive Director	No. 14, Zhangshuwu Community Xiangzhang Road Yuhua District, Changsha City Hunan Province, the PRC	Chinese
ZHANG Zhong (張中)	Non-executive Director	No. 36, Yinjia'an Community Jianshe Road Yuhua District, Changsha City Hunan Province, the PRC	Chinese
Independent Non-executive Directors			
LI Zhenzhu (李珍珠)	Independent non-executive Director	Room 102, Building 15, Phase II, Xiangjiang Yihao Community No. 29 Xinglian Road Kaifu District, Changsha City Hunan Province, the PRC	Chinese
CAI Yanping (蔡艷萍)	Independent non-executive Director	Building C8 Yangguang Yibai New Town North to the westbound of Houzishi Bridge, Yuelu District, Changsha City Hunan Province, the PRC	Chinese
HOW Sze Ming (侯思明)	Independent non-executive Director	Flat A, G/F, BLK 3, Sandalwood Court St Bartes, 9 Yiu Sha Road, Ma On Shan, NT, Hong Kong	Chinese (Hong Kong)

Further information is set out in the section headed "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**CCB International Capital Limited** 12/F Floor, CCB Tower 3 Connaught Road Central Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Sponsor-Overall Coordinator	**CCB International Capital Limited** 12/F Floor, CCB Tower 3 Connaught Road Central Central Hong Kong
Overall Coordinators and Joint Global Coordinators	**CCB International Capital Limited** 12/F Floor, CCB Tower 3 Connaught Road Central Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Joint Bookrunners	**CCB International Capital Limited** 12/F Floor, CCB Tower 3 Connaught Road Central Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	AVICT Global Asset Management Limited Units 6704B-06A, Level 67 International Commerce Centre 1 Austin Road West, Tsim Sha Tsui Hong Kong
	BOCOM International Securities Limited 9/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong
	CEB International Capital Corporation Limited 34/F–35/F, Everbright Centre 108 Gloucester Road Wanchai, Hong Kong

China Industrial Securities International Capital Limited
32/F, Infinitus Plaza, 199 Des Voeux Road Central
Sheung Wan, Hong Kong

CMBC Securities Company Limited
45/F, One Exchange Square, 8 Connaught Place
Central, Hong Kong

Guosen Securities (HK) Brokerage Company, Limited
Suites 3207–3212 on Level 32
One Pacific Place
88 Queensway, Hong Kong

Huafu International Securities Limited
Units 2603–04, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan, Hong Kong

MoneyMore Securities Limited
6/F Malahon Centre, 8–12 Stanley Street, Central,
Hong Kong

Orient Securities (Hong Kong) Limited
28/F-29/F, 100 Queen's Road Central, Central,
Hong Kong

Ruibang Securities Limited
9/F, Sang Woo Building, 227–228 Gloucester Road
Wanchai, Hong Kong

Shanxi Securities International Limited
Unit A, 29/F Tower 1, Admiralty Center
18 Harcourt Road, Admiralty, Hong Kong

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

uSmart Securities Limited
Room 2405–06, 24/F, 308 Central Des Voeux
Sheung Wan, Hong Kong

Yue Xiu Securities Company Limited
Rooms Nos. 4917–4937
49/F, Sun Hung Kai Centre
No.30 Harbour Road
Wanchai
Hong Kong

Zhongtai International Securities Limited
19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Joint Lead Managers

CCB International Capital Limited
12/F Floor, CCB Tower
3 Connaught Road Central
Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

AVICT Global Asset Management Limited
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West, Tsim Sha Tsui
Hong Kong

BOCOM International Securities Limited
9/F, Man Yee Building, 68 Des Voeux Road Central,
Hong Kong

CEB International Capital Corporation Limited
34/F–35/F, Everbright Centre
108 Gloucester Road
Wanchai, Hong Kong

China Industrial Securities International Capital Limited
32/F, Infinitus Plaza, 199 Des Voeux Road Central
Sheung Wan, Hong Kong

CMBC Securities Company Limited
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88 Queensway, Hong Kong

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Units 2603–04, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan, Hong Kong

MoneyMore Securities Limited
6/F Malahon Centre, 8–12 Stanley Street, Central,
Hong Kong

Orient Securities (Hong Kong) Limited
28/F-29/F, 100 Queen's Road Central, Central,
Hong Kong

Ruibang Securities Limited
9/F, Sang Woo Building, 227–228 Gloucester Road
Wanchai, Hong Kong

Shanxi Securities International Limited
Unit A, 29/F Tower 1, Admiralty Center
18 Harcourt Road, Admiralty, Hong Kong

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

uSmart Securities Limited
Room 2405–06, 24/F, 308 Central Des Voeux
Sheung Wan, Hong Kong

Yue Xiu Securities Company Limited
Rooms Nos. 4917–4937
49/F, Sun Hung Kai Centre
No.30 Harbour Road
Wanchai
Hong Kong

Zhongtai International Securities Limited
19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Capital Market Intermediaries

CCB International Capital Limited
12/F Floor, CCB Tower
3 Connaught Road Central
Central
Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
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Principal Place of Business in Hong Kong	Room 1917, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**http://www.hnhxld.com** *(the information contained on the website does not form part of this prospectus)*
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The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by China Insights Consultancy, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged China Insights Consultancy to prepare the CIC Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any of our or their respective directors, senior management, representatives or any other person involved in the Global Offering and no representation is given as to its accuracy.

SOURCES OF INFORMATION

This section includes information from the CIC Report, a report commissioned by us from China Insights Consultancy, as we believe such information imparts a greater understanding of the industry. China Insights Consultancy is a global consulting company and an independent third party. China Insights Consultancy provides market research on a variety of industries, among other services. We have agreed to pay China Insights Consultancy a total of RMB380,000 in fees for its commissioned undertakings, which we believe to be consistent with market rates. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the CIC Report.

In preparing the CIC Report, China Insights Consultancy performed both primary research which involved conducting interviews with leading industry participants and experts and secondary research which involved reviewing company reports, independent research reports and data based on China Insights Consultancy's research database. China Insights Consultancy also assumed that China's economy is likely to maintain its steady growth in the forecast period, China's social, economic and political environment is likely to remain stable in the forecast period.

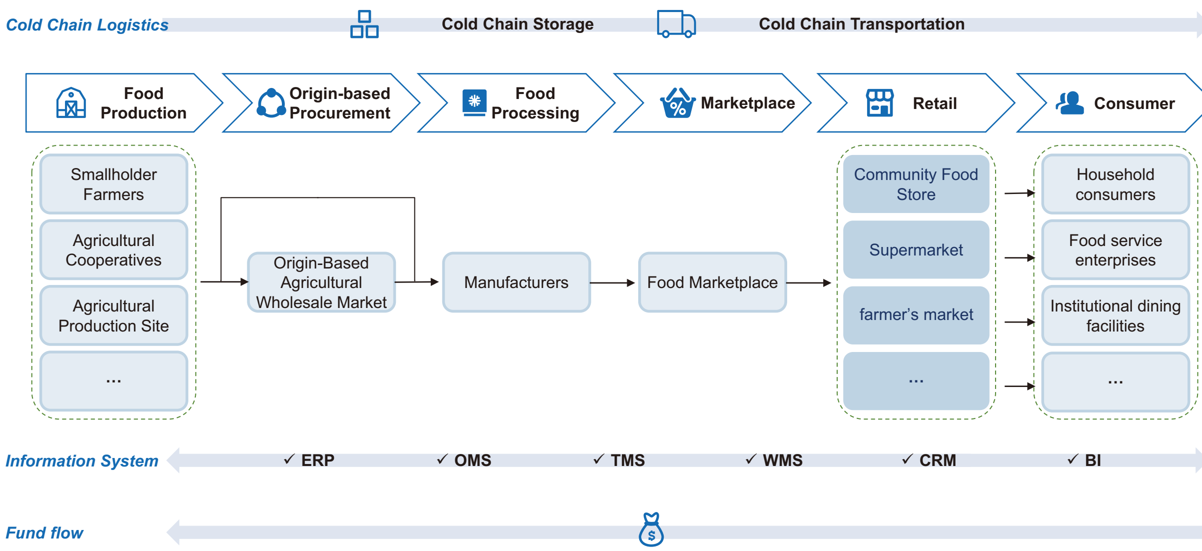
DIRECTORS' CONFIRMATION

After making reasonable inquiries, our Directors confirm that, to the best of their knowledge, there has been no detrimental change in the market information demonstrated in the CIC Report since the date of the report that may qualify, contradict or have an impact on the information in this prospectus.

OVERVIEW OF COLD CHAIN SERVICE MARKET IN CHINA

Cold chain is a supply chain that maintains a constant temperature. Typically, perishable food and temperature-sensitive pharmaceuticals have a high demand for cold chain logistics, with food being the primary source, accounting for over 90% of the demand. Today, people's requirements for food quality are increasingly stringent. However, food production and consumption locations are often distant, and food is typically hard to store and transport due to its long turnover time. The food cold chain runs through the entire process from food production to distribution, ensuring that food remains at a constant temperature during procurement, processing, storage, transportation, trading, distribution, and retail. This helps to maintain the quality and freshness of food during turnover and reduce losses. The main types of food that require cold chain include fruits, vegetables, meat products, seafood, dairy products, and prepared foods.

The Value Chain of Cold Chain Industry



In the cold chain industry value chain, logistics and space leasing service providers play two indispensable roles. As critical enablers of the food cold chain, logistics providers ensure two core functions: preserving products in temperature-controlled environments (cold chain storage) and facilitating safe, efficient transportation to end destinations (cold chain logistics). Marketplaces connect upstream food suppliers with downstream retailers, ensuring the smooth flow of food from producers to consumers and enabling the effective allocation of food resources across the country. The close collaboration between logistics and space leasing providers forms the solid foundation of the food cold chain.

China has a huge trading scale in the food cold chain. As one of the most populous countries in the world, China has a massive demand for food. With the increase in average income levels and the improvement of living standards, the demand for food is steadily rising, especially for fresh, safe, and quality food. At the same time, China's vast territory and diverse climate has resulted in a rich variety of local specialty foods, which need to be traded through the cold chain for nationwide circulation.

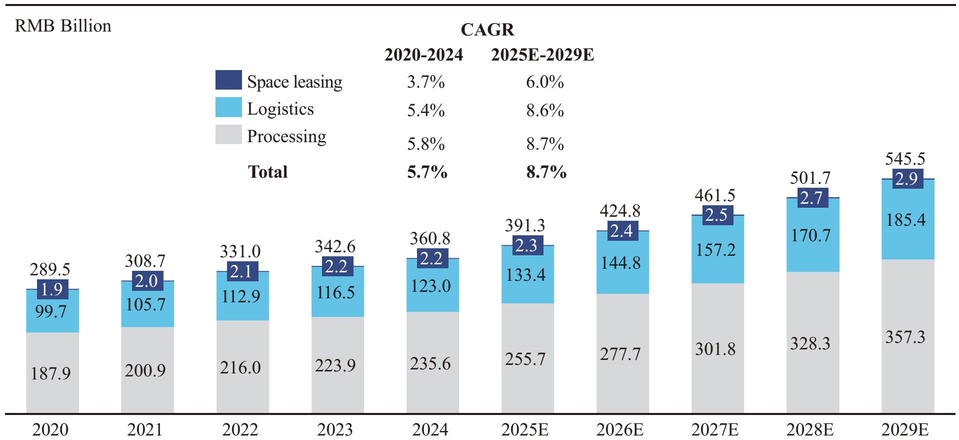
OVERVIEW OF FROZEN FOOD SERVICE MARKET IN CHINA

Based on the required storage temperature, food stored in the cold chain can be divided into chilled and frozen food. The storage temperature for frozen food is typically minus 18°C and below. Such temperature significantly inhibits the growth and reproduction of most bacteria, molds and yeasts, which is crucial for preventing food spoilage. Food that require freezing mainly include meat products, seafood, and prepared foods. Meat products and seafood contain high levels of moisture and perishable components, such as proteins and fats, which are prone to microbial growth at ambient temperatures, leading to rapid spoilage. Freezing can significantly extend the shelf life of these products. Prepared foods, which already require a relatively long shelf life, also need to be frozen for preservation.

The shelf life of frozen food is significantly longer than that of food stored at ambient temperatures, which is of great significance in meeting the diverse dietary needs of people across the country throughout the year. On the one hand, the food distribution chain in China is long, covering great distances and requiring a considerable amount of time. Food is prone to spoilage during this process, and freezing can greatly reduce waste caused by spoilage. On the other hand, freezing allows for more efficient and effective allocation of food resources. For example, it enables seasonal food to be available year-round and makes prepared foods possible. Compared to fresh-chilled food, frozen food has a higher degree of service standardization throughout the supply chain. Leading frozen food service providers can achieve full-chain traceability, thereby providing stronger food safety guarantees.

According to the CIC report, China's frozen food cold chain service market, consisting of logistics, space leasing, and processing service, reached RMB360.8 billion in 2024, and is expected to grow to RMB545.5 billion in 2029, at a CAGR of 8.7% from 2025 to 2029.

China's Frozen Food Cold Chain Service Market, by Revenue, 2020-2029E



Source: National Bureau of Statistics of China, Ministry of Agriculture and Rural Affairs of the People's Republic of China, IMF, CIC Report

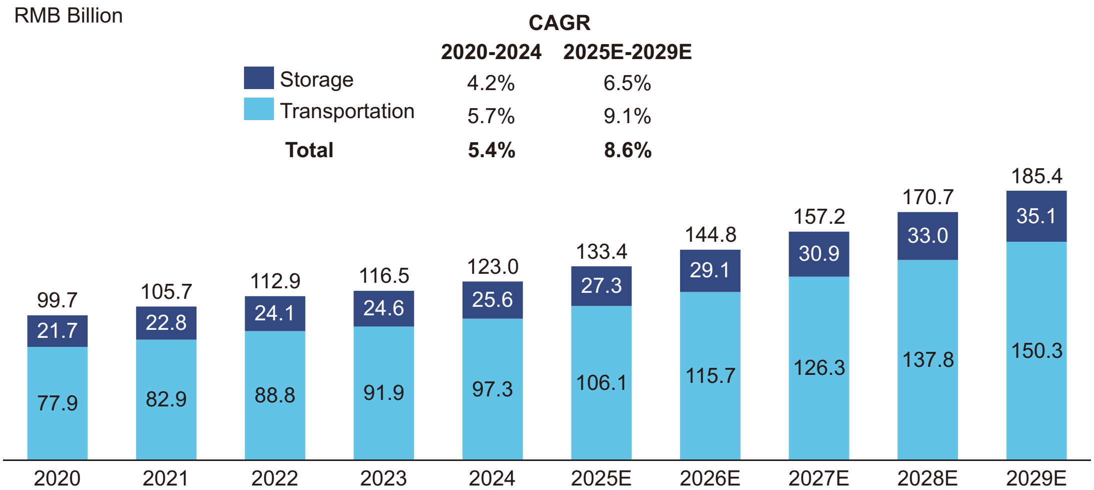
OVERVIEW OF FROZEN FOOD STORAGE SERVICE MARKET IN CHINA

The demand for frozen food logistics is expanding. Today, over 70% of frozen food logistics tasks are undertaken by third-party service providers, which are divided into storage and transportation services, ensuring that food remains at a constant temperature. Specifically, frozen food storage services refer to the temporary storage of food in cold storage facilities, as well as the processes of loading and unloading and inventory management.

Keeping frozen food consistently at minus 18°C or below throughout the whole process is made possible by advancements in frozen food logistics, consisting of two main services, frozen food storage and frozen food transportation. Frozen food storage facilities serve as the backbone of frozen food storage, providing long-term low-temperature environment that maintain proper temperature control before distribution and transportation, and effectively prevent food spoilage and bacterial growth. In addition, frozen food storage facilities enable efficient centralized management, sorting, and distribution of frozen products, helping balancing supply and demand, particularly during seasonal fluctuations or unexpected demand surges. For instance, they allow excess products to be stored during off-peak seasons for release during peak periods.

According to the CIC Report, the market size of frozen food logistics service reached RMB123.0 billion in 2024, among which the frozen food storage service market accounted for RMB25.6 billion. The market of frozen food storage service market is expected to reach RMB35.1 billion in 2029, at a CAGR of 6.5% from 2025 to 2029.

China's Frozen Food Logistics Service Market, by Revenue, 2020-2029E



Source: National Bureau of Statistics of China, IMF, CIC Report

Growth Drivers and Development Trends

Key growth drivers and development trends of the frozen food storage service market in China include the following.

Production-area frozen food storage development. On the supply side, future frozen food storage development in China will focus more on enhancing production-area storage networks and improving their quality standards. Production-area frozen food storage forms the foundation of the food cold chain, playing a crucial role in reducing food loss at source and ensuring product safety. Currently, China's frozen food storage distribution shows a notable imbalance between production and consumption regions. Consumption-oriented areas, particularly in Eastern China, account for approximately 70% of the national frozen food storage capacity, primarily serving distribution needs for nearby end markets. In contrast, production areas in other parts of China hold only about 30% of the national frozen food storage capacity. Moreover, while consumption-area facilities benefit from stronger economic development and higher construction standards, many production-area storage sites remain underdeveloped, often consisting of basic storage cellars built by rural cooperatives or converted from ordinary warehouses, frequently lacking proper temperature control, automation, professional management, and processing capabilities.

E-commerce as a major driver of frozen food sales. On the demand side, the growth of online shopping has made e-commerce a major driver of frozen food sales, consequently increasing demand for frozen food storage. E-commerce platforms typically have specific requirements, including large storage spaces to accommodate bulk purchases, smart operations with automated systems to manage diverse product ranges, integrated facilities that combine storage with processing, inspection and packaging, and certified operations meeting standards such as Hazard Analysis Critical Control Point, or the HACCP, and Good Manufacturing Practice, or the GMP.

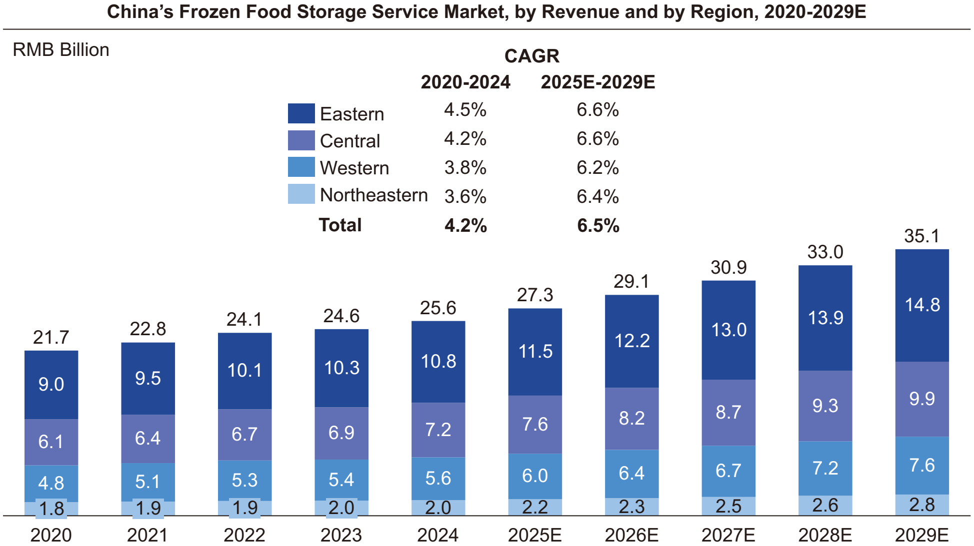
Favorable government policies. Government policies continue to support cold chain development through measures to improve standards, infrastructure and technology adoption. The "14th Five-Year Plan for Cold Chain Logistics Development" in December 2021 provides particularly important guidance, setting development goals for China's cold chain logistics industry on improving infrastructure, enhancing service quality, and strengthening regulatory oversight. These efforts not only boost operational efficiency and customer satisfaction but also create a healthier, more sustainable environment for long-term industry growth. Meanwhile, the Plan promotes a national cold chain network that connects major production regions with 19 urban clusters, which will streamline logistics, reduce transit times and improve efficiency. Within this framework, Central China serves as a critical junction, with Hunan province playing a key role due to its strategic location between eastern and western regions and its importance as a frozen food trading and transportation hub. Hunan province's position at the crossroads of industrial transfer routes and its function as a national frozen food distribution center make it essential to China's cold chain infrastructure.

AI-Powered Innovation. The advancement of AI technologies is reshaping frozen food storage services by enabling greater precision, automation and intelligence. For example, automated temperature control systems ensure accurate climate regulation across distinct storage zones, safeguarding the quality and safety of frozen food products. Meanwhile, the integration of intelligent inventory management systems and warehouse robotics enables real-time monitoring, dynamic scheduling, and streamlined handling of goods. Working in synergy, these technologies significantly improve operational efficiency of cold storage, operational safety, and the responsiveness and reliability of the cold chain network, ultimately advancing the industry's development toward a more intelligent and digitally empowered future.

Market Size of Frozen Food Storage Service Market in China

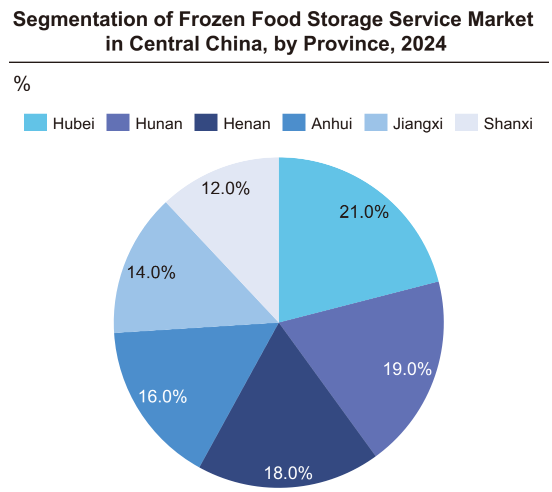
According to the CIC Report, the frozen food storage service market in China grew from RMB21.7 billion in 2020 to RMB25.6 billion in 2024 at a CAGR of 4.2%, which is expected to reach RMB35.1 billion in 2029, at a CAGR of 6.5% from 2025 to 2029. The frozen food storage service market in Central China increased from RMB6.1 billion in 2020 to RMB7.2 billion in 2024 at a CAGR of 4.2%, which is expected to reach RMB9.9 billion in 2029, at a CAGR of 6.6% from 2025 to 2029. The following diagram illustrates the market size of the frozen food storage service market in China by region.

China's Frozen Food Storage Service Market, by Revenue and by Region, 2020-2029E



Source: National Bureau of Statistics of China, IMF, CIC Report

Among the six provinces in Central China, the market share of Hunan province's frozen food storage service market ranks second accounting for 19.0% of Central China's total market share in 2024.



Source: National Bureau of Statistics of China, IMF, CIC Report

Market Challenges of China's Frozen Food Storage Service Market

Intensifying regional competition in frozen food storage services. Frozen food storage services are relatively homogeneous. Therefore, with some national cold chain logistics enterprises are gradually penetrating regional markets by leveraging resource integration and network advantages, regional players are facing intensified competitive pressure. Regional service providers lacking differentiated capabilities or a stable customer base may experience customer attrition and declining warehouse utilization rates, leading to an increasingly tough competitive environment.

Order Fragmentation: The customer base for frozen food storage services is dispersed, with orders characterized by small batches and multiple shipments. Frozen food storage service providers must support high-frequency, time-sensitive picking and outbound processes. Compared to traditional bulk storage, this order pattern places greater demands on warehouse management systems, workforce scheduling, and operational efficiency, often leading to increased workload and higher operating costs. Meanwhile, frozen food delivery must be conducted under strict temperature controls, further intensifying the operational pressure of frequent, short-time shipments.

High Complexity of Inventory Management: Frozen food product categories exhibit highly differentiated cold chain requirements, necessitating tailored temperature controls and environmental management per category. Storage service providers must implement strict zoned storage management to ensure that all products are preserved under optimal temperature conditions, safeguarding food quality and safety. This increases the complexity of daily operations, necessitating multi-temperature cold storage facilities and sophisticated management systems, which in turn heighten the difficulty of inventory auditing and temperature monitoring. The increased complexity of inventory management not only raises equipment investment and maintenance costs but also demands higher operational efficiency.

Competitive Landscape

The frozen food storage service market in China is highly fragmented, characterized by numerous regional players. In 2024, the top five players in China's frozen food storage service market collectively had only 10.4% of the market share, where we capture a market share of 0.7%. Meanwhile, we also ranked first with a market share of 2.6% in Central China and first with a market share of 13.6% in Hunan province, as measured by revenue. The following table shows the ranking of frozen food storage service providers in Central China.

Top Five Players in Central China's Frozen Food Storage Service Market by revenue, 2024

Ranking	Company	Revenue	Market Share
		(RMB in million)	(%)
1	**Our Company**	**~185**	**2.6**
2	VX Logistics Properties	~150	2.1
3	Company E	~140	2.0
4	SF Holding	~110	1.5
5	Company F	~110	1.5
		~695	**9.7**

Source: Interview with Experts, Public Information, CIC Report

Notes:

(1) Company E is a cold-chain logistics services company headquartered in Chongqing and founded in 2011, with a registered capital of approximately RMB100 million. It is an unlisted company.

(2) Company F is a cold-chain logistics services company headquartered in Shandong Province and founded in 2013, with a registered capital of approximately RMB190 million. It is an unlisted company.

Entry Barriers

Entry barriers for the frozen food storage service market in China include the following.

Strategic location storage resources. Premium frozen food storage facilities are typically located in prime areas near urban arterial roads or major transportation hubs to ensure efficient logistics operations. These strategically located facilities are limited and highly valuable, which are critical for frozen food logistics efficiency. Companies possessing such resources gain competitive advantages.

Digital operation capabilities. Digitalization has become a key competitive factor. By adopting IoT, big data and AI technologies, companies can achieve intelligent warehouse operations, including automated inventory management, real-time monitoring and smart alerts, leading to better decision-making, lower management costs and improved operational efficiency.

Comprehensive temperature control systems. Temperature control is the core factor in frozen food storage operations, directly impacting food shelf life and freshness. Companies demand advanced temperature control equipment and systems to monitor and adjust conditions in real-time, along with complete management protocols and contingency plans. Superior temperature control capabilities ensure high-quality services that earn customer trust.

Efficient inventory turnover capabilities. Quality frozen food storage services require excellent inventory management and turnover capabilities that affect both food quality and storage utilization. Companies must have accurate demand forecasting and efficient logistics execution systems. Advanced inventory management technologies enable real-time monitoring and dynamic adjustments to improve turnover rates, reduce inventory costs and enhance competitiveness.

OVERVIEW OF FROZEN FOOD SPACE LEASING SERVICE MARKET IN CHINA

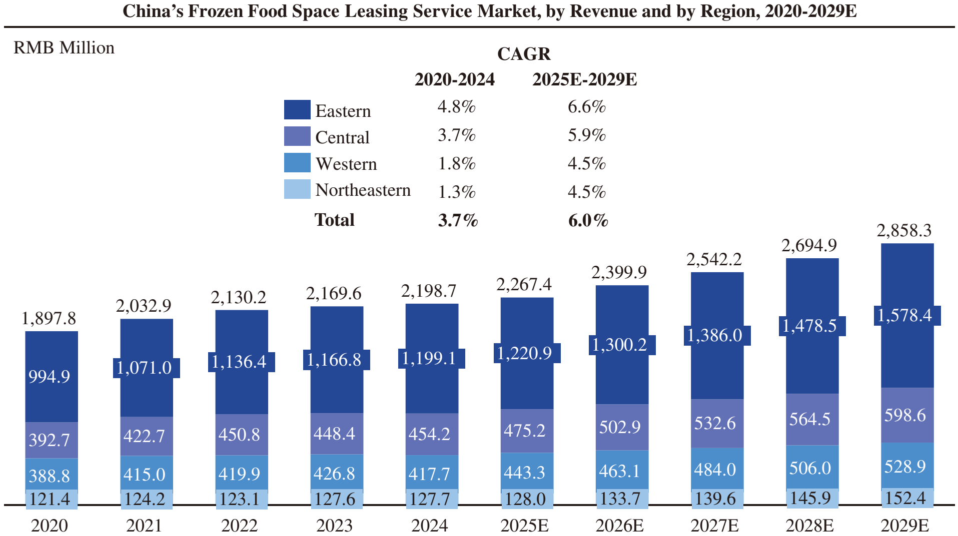
China has a vast number of frozen food wholesalers and retailers that are highly dispersed across the country. Similarly, the downstream customer base is also large and diverse, including wholesalers, retailers, and catering businesses. These customers are highly fragmented, with most being small and medium-sized enterprises. Additionally, the frozen food trading chain is long and multi-layered, leading to poor information flow. As a result, the frozen food supply chain often faces issues of low supply-demand matching efficiency and high transaction costs. For upstream suppliers, the challenge lies in efficiently bringing their products to market. For downstream customers, especially small and medium-sized wholesalers and retailers, it is difficult to access a wide range of frozen food sources directly, and they need to spend significant time and efforts in selecting and comparing products and prices from different suppliers. This information asymmetry and the complexity of the trading chain not only increase transaction costs but also reduce overall efficiency in market circulation.

As a result, there is an urgent need for specialized frozen food marketplace to help simplify the trading chain and improve the efficiency for supply-demand matching. Frozen food marketplace has become a key link in the frozen food supply chain, acting as a bridge between upstream and downstream players. Space leasing service providers typically provide a centralized trading platform where suppliers and customers can conduct direct and efficient transactions. The trading platform connects the production end with the consumption end, efficiently consolidates the fragmented frozen food sources from upstream producers, and sells them to downstream customers through market-oriented methods. In this process, the platform offers a variety of choices for both parties, improves the circulation efficiency of the industry chain, significantly reduces transaction costs, and promotes the efficient development of the frozen food market.

Market Size of Frozen Food Space Leasing Service Market in China

Frozen food space leasing service providers charge merchants operating within the market space leasing fees for selling frozen products. According to CIC, the market size of China's frozen food space leasing service market, in terms of revenue, reached RMB2.2 billion in 2024 and is projected to grow to RMB2.9 billion by 2029, representing a CAGR of 6.0% from 2025 to 2029. In Central China, the market size on a revenue basis was RMB0.5 billion in 2024, accounting for 20.7% of the national total.

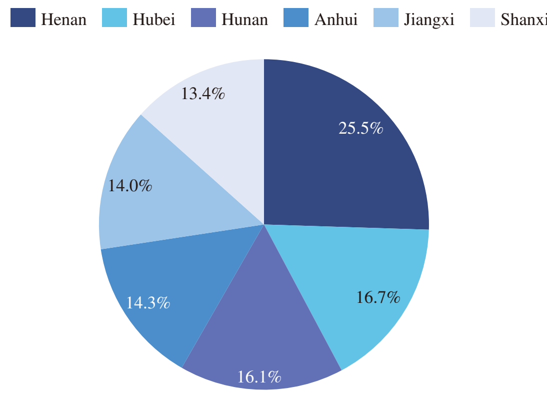
China's Frozen Food Space Leasing Service Market, by Revenue and by Region, 2020-2029E



Source: National Bureau of Statistics of China, Ministry of Agriculture and Rural Affairs of the People's Republic of China, IMF, CIC Report

Among the six provinces in Central China, Hunan province ranked third with its market size of frozen food space leasing service market accounting for 16.1% of Central China in terms of revenue in 2024.

Segmentation of Frozen Food Space Leasing Service Market in Central China, by Revenue and by Province, 2024



Source: National Bureau of Statistics of China, Ministry of Agriculture and Rural Affairs of the People's Republic of China, CIC Report

Growth Drivers and Development Trends

Key growth drivers and development trends of frozen food space leasing service market in China include the following.

Continuous vertical integration of the supply chain. An increasing number of frozen food space leasing service providers are extending their operations from a single business to multiple segments. In this process, frozen food space leasing service providers can reduce their dependence on external suppliers, effectively enhance the flexibility and responsiveness of the supply chain, and significantly boost their market competitiveness while improving operational efficiency. For example, frozen food service companies are not only involved in trading management but also delve into logistics segments such as transportation and storage, achieving full-process control of the supply chain. This ensures the quality and safety of frozen food during transportation, enhances the company's brand reputation, and increases customer satisfaction.

National market expansion. With the continuous improvement of the cold chain logistics system and the construction of regional frozen food storage networks, frozen food space leasing service providers are gradually able to efficiently cover more geographical areas, radiating from core regions to surrounding cities. By scaling up existing cold chain systems, these companies can apply their existing technology and management experience to newly developed markets, ensuring logistics efficiency and product quality in these new markets. Meanwhile, the brand influence and customer resources that frozen food space leasing service providers have accumulated in core regions often provide a solid foundation for their expansion into surrounding cities. This helps them quickly expand their market share, improve the efficiency of inventory allocation in their overall layout, and further enhance their supply chain service capabilities.

Product diversification. As consumer demand becomes more diversified and the rate of eating out increases, the types of frozen food in China are gradually expanding from traditional frozen meat products and seafood to emerging categories such as prepared meals, frozen desserts, and frozen fruits and vegetables, meeting consumer needs in different scenarios, including home cooking, takeout fast food, and festive banquets. In the home cooking scenario, more and more families are choosing frozen food as daily ingredients, which not only saves cooking time but also ensures the freshness of the food. Frozen fruits and vegetables and frozen desserts offer consumers a more diverse range of choices. At the same time, in the context of eating out and takeout, many merchants choose to use frozen food for cooking to meet consumers' needs for convenient and quick meals and to ensure the quality of the dishes.

Digital transformation. The application of digital technology in frozen food space leasing service market in China is becoming increasingly widespread, gradually covering multiple links such as inventory management, order processing, and stall management. Companies use digital platforms to achieve full-process visualization and precise scheduling of the cold chain, covering inventory management, order processing, and stall control. This allows for real-time monitoring of business progress, enhances the transparency and responsiveness of the supply chain, and optimizes operational management efficiency and service capabilities.

Market Challenges of China's Frozen Food Space Leasing Service Market

Fragmented upstream suppliers and downstream customers. In the frozen food space leasing service industry, both upstream suppliers and downstream customers are primarily small and medium-sized enterprises. Downstream customers typically make small, dispersed purchases, which poses significant challenges for frozen food space leasing service providers in terms of supply chain integration. In addition, as transactions are increasingly conducted offline, suppliers lacking digital tools face difficulties in improving transaction efficiency, leading to higher management costs.

Shifting consumer dietary preferences. End consumers' evolving food preferences directly influence the purchasing decisions of frozen food retailers. Consequently, frozen food space leasing service providers must demonstrate agile adaptation to market dynamics through rapid reconfiguration of vendor spaces and optimization of supplier portfolios to preserve competitive edge.

Competitive Landscape

The frozen food space leasing service market in China is highly regionalized, as marketplace for frozen food are still mainly provided within various regions and have not yet formed a nationwide service coverage. In 2024, the top five players in China frozen food space leasing service market collectively had 33.6% of the market share in terms of revenue, where we captured a market share of 1.9%. Meanwhile, we also ranked second in Central China and first in Hunan province, as measured by revenue. The following table shows the ranking of top players in frozen food space leasing service market in Central China.

Top Five Players in Central China's Frozen Food Space Leasing Service Market by Revenue, 2024

Ranking	Company	Revenue	Market Share
		(RMB in million)	(%)
1	Brand A	~45	9.9
2	**Our Company**	**~40**	**8.8**
3	Brand B	~30	6.6
4	Brand C	~25	5.5
5	Brand D	~15	3.3
		~155	**34.1**

Source: Interview with Experts, Public Information, CIC Report

Notes:

(1) Brand A is a frozen food space leasing service brand operated by a company headquartered in Henan Province and founded in 2001, with a registered capital of approximately RMB150 million. It primarily provides a marketplace for vegetables, fruits, seafood and meats. The company is an unlisted company.

(2) Brand B is a frozen food space leasing service brand operated by a company headquartered in Anhui Province and founded in 1992, with a registered capital of approximately RMB300 million. It primarily provides a marketplace for vegetables, fruits, seafood and meats. The company is an unlisted company.

(3) Brand C is a frozen food space leasing service brand operated by a company headquartered in Henan Province and founded in 2010, with a registered capital of approximately RMB570 million. It primarily provides a marketplace for seafoods. The company is an unlisted company.

(4) Brand D is a frozen food space leasing service brand operated by a company headquartered in Hubei Province and founded in 2003, with a registered capital of approximately RMB180 million. It primarily provides a marketplace for seafoods and vegetables. The company is an unlisted company.

Entry Barriers

Entry barriers for frozen food space leasing service market in China include the following.

Efficient channel expansion and sales network development. Frozen food space leasing service providers need to attract a large number of suppliers and buyers to join their platforms, thereby establishing a robust sales system, expanding transaction scale, and enhancing risk resilience. Through efficient channel expansion, they can quickly penetrate target markets, attract more frozen food sellers, and offer consumers a diverse product selection. Additionally, frozen food space leasing service providers must build an extensive and stable sales network to cultivate a strong customer base, increase transaction activity and platform stickiness, and further strengthen market competitiveness.

Stall management and quality control capabilities. Stall management and quality control are critical factors in sustaining consumer trust for frozen food space leasing service providers. They must establish strict quality control systems to ensure proper product display, hygienic sales environment, and appropriate temperature-controlled storage, thereby ensuring frozen food quality and avoiding brand crises caused by quality issues.

Superior customer service capabilities. The frozen food space leasing service market is highly competitive. By providing comprehensive and high-quality customer service, space leasing service providers can earn more positive feedback, build a strong brand reputation, and enhance their market competitiveness. Excellent customer service includes pre-sale consultations, in-process order tracking, and post-sale return and exchange handling. Leading frozen food space leasing service providers can also offer customized services tailored to different customers, improving customer satisfaction and loyalty.

Efficient supply chain integration capabilities. Throughout the frozen food trading supply chain, products must be maintained in specific low-temperature environment. Service providers must implement robust frozen food storage management measures to ensure transportation quality. In addition, given the relatively limited shelf life of frozen foods, they must minimize the time from production to sale to preserve optimal flavor and quality. Leading frozen food space leasing service providers leverage long-term technological expertise and infrastructure development to deliver efficient supply chain integration, enabling low-cost, high-quality storage and more competitive frozen food storage services.

OVERVIEW OF FROZEN FOOD PROCESSING SERVICE MARKET IN CHINA

Frozen food processing represents a critical stage of the frozen food cold chain, during which products are prepared, rapidly frozen to temperatures below -18°C, and packaged under controlled conditions to preserve their safety, nutritional value, and overall quality. This foundational step ensures the food stays properly frozen and does not degrade as it moves throughout the cold chain. Rapid freezing techniques, which is the key to frozen food processing, not only suppress microbial growth but also minimize cellular damage, thereby retaining product freshness and texture.

The effectiveness of this initial phase directly influences the performance of subsequent cold storage, transportation, and distribution stages. Any lapse in temperature control or procedural standards can compromise product integrity, accelerate spoilage, and lead to increased waste. Accordingly, strict compliance with established processing protocols ensures consistent quality and safety across the entire cold chain, reducing economic losses and protecting consumer health.

According to CIC, China's frozen food processing service market increased from RMB187.9 billion in 2020 to RMB235.6 billion in 2024 at a CAGR of 5.8%, and is projected to grow to RMB 357.3 billion by 2029, representing a CAGR of 8.7% from 2025 to 2029. The market size in Hunan Province increased from RMB8.9 billion in 2020 to RMB11.0 billion in 2024 at a CAGR of 5.5%, is projected to grow to RMB18.1 billion in 2029, representing a CAGR of 10.4% from 2025 to 2029.

In 2024, there were over 10,000 market players in China's frozen food processing service market, and the top five players collectively accounted for approximately 10% of the market share in terms of revenue. In 2024, there were approximately over 500 market players in Hunan's frozen food processing service market, and the top five players collectively accounted for approximately 11% of the market share in terms of revenue.

HISTORICAL TRENDS OF PRICES ON MAJOR RAW MATERIAL

To ensure the freshness and quality of frozen food, both frozen food cold storage facilities and trading market places must support the continuous operation of refrigeration systems at extremely low temperatures. This results in significant cooling loads and, consequently, high electricity consumption. As a result, electricity costs represent the largest single cost item in both the frozen food storage service and frozen food market place businesses.

From 2020 to November 2021, electricity prices for industrial and commercial users in Hunan Province were set at fixed rates, ranging from RMB 196.5 to 256.5 per MWh depending on the voltage level. Starting in December 2021, the pricing system was adjusted so that industrial and commercial users began paying electricity fees that reflect changes in overall market costs, instead of fixed government-set rates. Under this new system, users continued to buy electricity through the State Grid Hunan Electric Power Company, but the price could rise or fall with market conditions. At first, the average price was around RMB 450 per MWh. It briefly increased in the second half of 2022, reaching a peak of RMB 609.8 per MWh in January 2023 due to temporary supply shortages and the introduction of a new pricing mechanism that made electricity more expensive during peak hours. Since March 2023, prices have returned to a stable range of RMB 450–500 per MWh. Looking ahead, electricity prices are expected to stay around RMB 450 per MWh between 2025 and 2029, as the balance between supply and demand remains steady.

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

REGULATIONS ON CORPORATION

On December 29, 1993, the SCNPC issued the PRC Company Law (中華人民共和國公司法) (the "Company Law"), which was recently amended by the SCNPC on December 29, 2023 and came into force on July 1, 2024. All companies established in the PRC are subject to the Company Law. The Company Law regulates the establishment, operation, corporate structure, and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares.

General Meeting

According to the Company Law, a shareholders' general meeting of a company limited by shares shall be constituted by all the shareholders. The shareholders' general meeting shall be the authority of the company and shall exercise duties and powers in accordance with the provisions of the Company Law.

A shareholders' general meeting shall be convened once every year. An extraordinary shareholders' general meeting shall be convened within two months in case of the certain events specified in the Company Law.

The Company Law has no specific provisions on the quorum of shareholders to attend the general meeting of shareholders.

Under the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold except the shareholders of classified shares. The company's shares held by the company are not entitled to any voting rights.

Under the Company Law, resolutions of the general meeting shall be passed by more than half of the voting rights held by shareholders (including those represented by the appointed representative) who attend the meeting, with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case shall be passed by at least two-thirds of the voting rights held by the shareholders (including those represented by the appointed representative) who attend the meeting.

The shareholders may entrust a representative to attend the general meeting of shareholders, and the representative shall present a power of attorney issued by the shareholder to the company and exercise voting rights within the authorized scope.

Transfer of Shares

Shares held by a shareholder of a joint stock limited company may be transferred in accordance with relevant laws and regulations. Registered shares shall be transferred by means of endorsement or other means prescribed by laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders of the company. Within 20 days before the general meeting of shareholders or within five days before the record date of dividend distribution determined by the company, the above-mentioned register of shareholders shall not be changed.

Restrictions on Shareholding and Transfer of Shares

Generally, the target investors of H shares offering by domestic companies shall be overseas investors. Where domestic investors subscribe H shares issued by domestic companies, domestic investors shall be in compliance with relevant provisions of the cross-border investment, such as qualified domestic institutional investors ("QDII") and overseas investment filing ("ODI").

Under the Company Law, the shares issued before the public offering shall not be transferred within one year from the date of the stocks of the company are listed and traded on the stock exchange. The directors, supervisors and senior management personnel of the company shall report to the company the shares held by them and their changes, and the shares transferred each year during their term of office shall not exceed 25% of the total shares of the company held by them during their tenure. The above-mentioned personnel shall not transfer their shares of the company within half a year after their resignation. The articles of association may make other restrictive provisions on the transfer of shares held by the directors, supervisors, and management personnel of the company.

Variation of Class Rights

The Company Law has no special provision relating to variation of class rights. However, the Company Law states that the State Council may formulate separate regulations on companies issuing other types of shares which are not provided in the Company Law.

LAWS AND REGULATIONS RELATING TO FOOD OPERATION

Food Safety

On February 28, 2009, the SCNPC promulgated the Food Safety Law of the PRC (中華人民共和國食品安全法) (the "Food Safety Law"), which came into effect on June 1, 2009 and was last revised by the SCNPC on April 29, 2021. On July 20, 2009, the State Council promulgated the Implementing Regulations of the Food Safety Law of the PRC (中華人民共和國食品安全法實施條例) (the "Implementing Regulations of the Food Safety Law"), which was last revised by the State Council on October 11, 2019 and came into effect on December 1, 2019. According to the Food Safety Law and the Implementing Regulations of the Food Safety Law, food producers and operators shall engage in production and operation activities in accordance with laws, regulations and food safety standards, establish a sound food safety management system, and take effective measures to prevent and control food safety risks, so as to ensure food safety.

According to the Food Safety Law, supervision duties related to food safety shall be undertaken by the State Council and its relevant departments. The State Council shall establish a food safety committee. The food safety supervision and administration departments under the State Council shall exercise supervision and administration over food production and operation activities. The health administrative department under the State Council shall organize the implementation of risk monitoring and risk assessment of food safety and shall formulate and issue national food safety standards in concert with the food safety supervision and administration departments under the State Council. The standardization administrative department under the State Council shall provide the reference codes for these national standards. Food safety standards are mandatory standards. No mandatory food standards other than food safety standards shall be formulated. Other relevant departments under the State Council shall carry out relevant food safety work.

Furthermore, the state has established a food safety traceability system. According to the relevant laws and regulations above, food producers and operators shall establish a whole process food safety traceability system, and truthfully record and keep information on procurement inspection, pre-delivery examination, and food sales, among others, in accordance with the requirements, so as to ensure the traceability of food products. The food safety supervision and administration departments under the

State Council shall establish a coordination mechanism for whole-process food safety traceability in collaboration with the agriculture administrative department and other related departments under the State Council.

Food Operation Licensing

On June 15, 2023, the SAMR promulgated the Measures for the Administration of Food Operation Licensing and Record-filing (食品經營許可和備案管理辦法), which came into effect on December 1, 2023. According to the Measures for the Administration of Food Operation Licensing and Record-filing, the SAMR shall be responsible for guiding the national administration of food operation licensing and record-filing. In addition to certain statutory circumstances, anyone that plans to engage in food sales and provide catering services within the territory of the PRC shall obtain a food operation permit in accordance with the law. Whoever sells prepackaged food only shall be filed or record with the local market regulatory department at or above the county level. Food operators engaging in food operation activities at different operation sites shall obtain food operation licenses or make record-filing separately in accordance with the law. An application for a food operation permit shall be filed based on the main business form of the food trader and the category of the business item.

According to the Food Safety Law, the Implementing Regulations of the Food Safety Law, the Measures for the Administration of Food Operation Licensing and Record-filing, the state implements a licensing system for food operation. Enterprises engaging in food sales and catering services shall obtain a license in accordance with the law. The food operation permit is valid for five years. Where the operation conditions of a food operator change and no longer satisfy the requirements for food operation, the food operator shall immediately take corrective measures and shall re-apply for the license in accordance with the law if necessary. Food operators engaging in food operation activities without obtaining a license in accordance with the law may be subject to confiscation of illegal gains, illegally operated food and tools, and facilities and raw materials used for illegal operation. In addition, they may be subject to fines, orders of suspension of production and/or operation, detention and even criminal penalties.

Food Recall System

On March 11, 2015, the China Food and Drug Administration (currently merged into the SAMR) promulgated the Administrative Measures for Food Recall (食品召回管理辦法) (the "Administrative Measures for Recall") which became effective on September 1, 2015 and were amended on October 23, 2020.

According to the Administrative Measures for Recall, where food operators find that the food involved thereby is unsafe, they must immediately suspend the operations, inform relevant food producers and operators to suspend production and operation, inform consumers to stop eating, and take necessary measures to prevent and control food safety risks. Food producers knowing that any food produced and traded thereby is unsafe must voluntarily recall such food. Food producers and operators must faithfully record the name, trademark, specification, production date, batch number, quantity and other contents of unsafe food subject to the suspension of production and operation, recall and disposal. Records must be kept for at least two years.

Where food operators violate the Food Safety Law and the Administrative Measures for Food Recall and do not immediately suspend operation or voluntarily recall unsafe food, follow the prescribed time limit to activate recall procedures, recall unsafe food products in accordance with the recall plan or dispose of unsafe food products, the administration for market regulation shall issue warnings to them and impose fines between RMB10,000 and RMB30,000 on them.

LAWS AND REGULATIONS ON COLD CHAIN

Pursuant to the Opinions of the Central Committee of the Communist Party of China and the State Council on Fully Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization (中共中央、國務院關於全面推進鄉村振興加快農業農村現代化的意見) promulgated by the State Council and came into effect on January 4, 2021, it is encouraged to accelerate the construction of agricultural product storage and preservation cold chain logistics facilities, promote the construction of small-scale storage and preservation cold chain facilities, low-temperature direct sales distribution centers in production areas, and national backbone cold chain logistics bases.

Pursuant to the Notice of General Office of the State Council on Issuing the Development Plan for Cold Chain Logistics during the 14th Five Year Plan Period (國務院辦公廳關於印發〈"十四五"冷鏈物流發展規劃〉的通知), which was promulgated by the General Office of the State Council on November 26, 2021 and came into effect on the same day, it is proposed that developing cold chain logistics is an important measure to ensure the safety of people's food and drug consumption, facilitate the two-way circulation of urban and rural products, and comprehensively promote rural revitalization. Higher development requirements have been put forward for the entire process, link, and scenario of cold chain logistics. At the same time, scientifically feasible guidance plans have been proposed for industry development such as the "first kilometer" and "last kilometer" of cold chain logistics.

Pursuant to the Notice of the State Council on Issuing the Development Plan for Modern Comprehensive Transportation System in the 14th Five Year Plan Period (國務院關於印發"十四五"現代綜合交通運輸體系發展規劃的通知), promulgated by the State Council and effective on December 9, 2021, the functions of national backbone cold chain logistics bases will be strengthened, the cold chain logistics service facilities of comprehensive freight hubs will be improved, the connection of cold chain facilities for different transportation modes will be strengthened, and the shortcomings of centralized equipment and warehousing facilities will be filled.

Pursuant to the Notice on Issuing the Business Development Plan in the 14th Five Year Plan Period (關於印發〈"十四五"商務發展規劃〉的通知), promulgated by the Ministry of Commerce (the "MOFCOM") and effective on June 30, 2021, the state will strengthen the construction of agricultural product supply chains and improve the infrastructure of agricultural product cold chain logistics.

LAWS AND REGULATIONS ON CONSUMER RIGHTS AND BENEFITS

The principal legal provisions for the protection of consumer interests are set out in the PRC Consumer Rights and Interests Protection Law (中華人民共和國消費者權益保護法) (the "Consumer Protection Law"), which was promulgated on October 31, 1993, and came into effect on January 1, 1994, and was subsequently amended in 2009 and 2013. Pursuant to the Consumer Protection Law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage, and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacing or repairing the commodities, mitigating the damages, compensation, and restoring the reputation, and subject the business operators or the responsible individuals to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of customers.

REGULATIONS ON TRANSPORTATION

Regulations relating to Road Transportation Permit

Pursuant to the Regulations on Road Transportation of the PRC (中華人民共和國道路運輸條例), promulgated by the State Council on April 30, 2004 and most recently amended on July 20, 2023, and the Provisions on Administration of Road Freight Transportation and Stations (Sites) (道路貨物運輸及站場管理規定) issued by the Ministry of Transport on June 16, 2005 and most recently amended on

November 10, 2023 (the "Road Freight Provisions"), anyone engaging in the business of operating road freight transportation must obtain a Road Transportation Operation Permit from the local county-level road transportation administrative bureau, and each vehicle used for road freight transportation must have a Road Transportation Certificate (道路運輸證) from the same authority. The transportation administrations at the county level (city divided into districts level for transportation of dangerous goods) are responsible for the issuance of the operating permits for the freight transport operating enterprises and the operating licenses for the freight transport operating vehicles. An enterprise shall conduct freight transportation operation in accordance with the scope specified under its Road Transportation Operation Permit and shall not transfer or rent such permit to others. Pursuant to the Notice of General Office of the Ministry of Transport on Cancelation of the Road Transportation Certificate and the Driver Qualification Certificate for Ordinary Freight Vehicles with a Total Mass of 4.5 Tonnes or Less (交通運輸部辦公廳關於取消總質量4.5噸及以下普通貨運車輛道路運輸證和駕駛員從業資格證的通知) promulgated by the General Office of PRC Ministry of Transport, which took effect on January 1, 2019, local transportation management departments will no longer issue road transportation certificate for ordinary freight vehicles with a total mass of 4.5 tonnes or less since January 1, 2019.

Regulations relating to Cargo Vehicles

On February 29, 2000, the PRC Ministry of Transport promulgated the Regulations on the Road Management of the Running of Over-dimensional Transport Vehicles (超限運輸車輛行駛公路管理規定), and latest amended on August 11, 2021, which stipulates that cargo vehicles running on public roads shall not carry cargo weighing more than the limits prescribed by this regulation and their dimensions shall not exceed those as set forth by the same regulation. Vehicle operators who violate this regulation may be subject to a fine of up to RMB30,000 for each violation. In the event of repeated violations, the regulatory authority may suspend the business operation of the vehicle operator and/or revoke operation license of the relevant vehicle. In the event more than 10% of the total vehicles of any road transportation enterprise are not in compliance with this regulation in any year, such road transportation enterprise shall suspend its business for rectification and its road transportation license may be revoked.

Regulations Relating to Tariff and Export Control

Pursuant to the Regulations on Import and Export Duties of the PRC (中華人民共和國進出口關稅條例) promulgated by State Council on March 7, 1985 and latest amended on March 1,2017, where an enterprise making customs declaration is engaged by a taxpayer to complete customs declaration and make payment of customs duties for and on behalf of the taxpayer violates the provisions and thus causes a shortfall or omission in the collection of customs duties, such enterprise shall assume joint liability together with the taxpayer for payment of the shortfall amount or amount payable and any overdue fine. Where an enterprise making customs declaration is engaged by a taxpayer to complete customs declaration and make payment of customs duties for and on behalf of the taxpayer, the enterprise and the taxpayer shall assume joint liability for payment of customs duties. The Customs Duties Law of the PRC (中華人民共和國關稅法), issued by the SCNPC on April 26, 2024 and effective on December 1, 2024, replaced the Regulations on Import and Export Duties of the PRC. Pursuant to the Customs Duties Law of the PRC, logistics enterprises are withholding obligors for customs duties.

Pursuant to the Export Control Law of the PRC (中華人民共和國出口管制法) issued by SCNPC on October 17, 2020, no organization or individual may provide exporters that are engaged in illegal acts related to export control with services such as agency, freight, delivery, customs declaration, third-party e-commerce transaction platforms and finance services. Where any party is aware that an exporter engages in illegal acts concerning export control but still provides it with aforementioned services, it shall be given a warning, ordered to stop the illegal acts, its illegal gains shall be confiscated, and a fine of not less than three times but not more than five times the illegal turnover shall be imposed on it concurrently if its illegal turnover is more than RMB100,000, or a fine of not less than RMB100,000 but not more than RMB500,000 shall be imposed on it concurrently if there is no illegal turnover or the illegal turnover is less than RMB100,000.

REGULATIONS ON FOREIGN INVESTMENT

Investment activities in the PRC by overseas investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (鼓勵外商投資產業目錄) (the "Encouraged Catalog"), and the Special Administrative Measures (Negative List) for Foreign Investment Access (外商投資準入特別管理措施(負面清單)) (the "Negative List"), which are promulgated and amended from time to time by the MOFCOM and the NDRC, and together with the Foreign Investment Law of PRC (中華人民共和國外商投資法) (the "Foreign Investment Law") and its respective implementation rules and ancillary regulations.

In March 2019, the Foreign Investment Law was promulgated by National People's Congress and came into effect on January 1, 2020, which replaced three then existing laws on foreign investments in China, namely, the Sino-Foreign Equity Joint Venture Enterprise Law of PRC (中華人民共和國中外合資經營企業法), the Sino-Foreign Cooperative Joint Venture Enterprise Law of PRC (中華人民共和國中外合作經營企業法) and the Wholly Foreign-owned Enterprise Law of PRC (中華人民共和國外資企業法). The Foreign Investment Law, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. According to the Foreign Investment Law, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the Negative List, and the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments. To ensure the effective implementation of the Foreign investment Law, the Regulations on Implementing the Foreign Investment Law of PRC (中華人民共和國外商投資法實施條例) (the "Implementation Regulations") was promulgated by State Council on December 2019 and came into effect on January 1, 2020, which further clarifies that the state encourages and promotes foreign investment, protects the lawful rights and interests of overseas investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

The NDRC and the MOFCOM jointly revised and issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (外商投資準入特別管理措施(負面清單)(2024年版)) on September 6, 2024, which came into effect on November 1, 2024, to replace the previous Negative List thereunder (the NDRC and MOFCOM commonly revise the list every one to three years), and the latest update of the Negative List has decreased the total number of foreign investment access-restricted industries from 31 to 29, removing two sectors compared to the previous version. Pursuant to the Foreign Investment Law, the Implementation Regulations and the Negative List, overseas investors shall not make investments in prohibited industries as specified in the Negative List unless certain conditions and contexts are met, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments.

According to the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法) promulgated by the NDRC and the MOFCOM on December 19, 2020 and became effective on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. A foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Regulations relating to Privacy Protection

Pursuant to the PRC Civil Code (中華人民共和國民法典), personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide, or make public personal information of others.

Further, the Ninth Amendment to the Criminal Law of the PRC (中華人民共和國刑法修正案(九)), which was issued by the SCNPC on August 29, 2015, and became effective on November 1, 2015, stipulates that any network service provider that fails to fulfill the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to take corrective measures after the regulatory authorities order them to correct the non-performance, will be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any severe effect due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities; or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of PRC (中華人民共和國個人信息保護法) (the "Personal Information Protection Law") which became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and easy-to-understand language: (i) the name and contact information of the personal information processor; (ii) purpose of processing personal information, processing method, type of personal information processed, and retention period; (iii) methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and (iv) other matters that should be notified as required by laws and administrative regulations. Personal information processors should also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests, and possible security risks, etc., and to prevent unauthorized access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

Where personal information is processed in violation of the provisions of the Personal Information Protection Law, or the processing of personal information fails to fulfill the personal information protection obligations hereunder, the department performing personal information protection duties shall order corrections, give warnings, confiscate illegal gains, and order to suspend or terminate the provision of services by the applications that illegally process personal information; if the personal information processor refuses to make corrections, a fine of not more than RMB1 million shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined not less than RMB10,000 but not more than RMB100,000. For any aforesaid illegal act with serious circumstances, the department performing personal information protection duties at or above the provincial level shall order the personal information processor to make corrections, confiscate the illegal gains, and impose a fine of less than RMB50 million or less than 5% of the previous year's turnover. It can also order the suspension of relevant business or suspend business for rectification, notify the relevant competent authority to revoke the relevant permits or the business license; impose a fine of RMB100,000 up to RMB1 million on the directly responsible person in charge and other directly responsible personnel, and may decide to prohibit them from serving as a director, supervisor, senior manager and person in charge of personal information protection of related companies within a certain period of time.

In recent years, PRC government authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. The Decisions on Protection of Internet Security enacted by the SCNPC (全國人民代表大會常務委員會關於維護互聯網安全的決定) in 2000, as amended on August 27, 2009, provides that, among other things, the following activities conducted through the internet, if constituted a crime according to PRC laws, are subject to criminal punishment: (i) intrusion into a strategically significant computer or system; (ii) intentionally inventing and disseminating destructive programs, such as computer viruses, to attack the computer system and the communications network, thereby damaging the computer system and the communications networks; (iii) violating national regulations, suspending the computer networks or the communication services without authorization, causing the computer network or communication system to fail to operate normally; (iv) leaking state secrets; (v) spreading false commercial information; or (vi) infringing intellectual property rights through internet.

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (中華人民共和國國家安全法), which came into effect on the same day, pursuant to which the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (中華人民共和國網絡安全法) (the "Cybersecurity Law") which become effective as of June 1, 2017, and applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (中華人民共和國數據安全法) (the "Data Security Law") which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility.

On July 6, 2021, the General Office of the CPC Central Committee, and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities in Accordance with the Law (關於依法從嚴打擊證券違法活動的意見). The opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and improve the legislation on data security, cross-border data transmission, and confidential information management.

On September 24, 2024, the State Council announced the Regulations on the Administration of Cyber Data Security (網絡數據安全管理條例) (the "Cyber Data Security Regulations"), which became effective on January 1, 2025. It regulates that Cyber data processors who carry out Cyber data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant state regulations. In addition, the Cyber Data Security Regulations also regulate other specific requirements in respect of the data processing activities conducted by Cyber data processors in the view of personal data protection, important data safety, data cross-broader safety management and obligations of network platform service providers.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (網絡安全審查辦法) (the "Cybersecurity Review Measures") which became effective on February 15,2022. The Cybersecurity Review Measures provides that, among others, (i) critical information infrastructure operators that purchase cyber products and services or network platform operators that engage in data processing activities that affects or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

On July 7,2022, the CAC has promulgated the Measures for the Security Assessment of Cross-border Data Transfer (數據出境安全評估辦法), which takes effect on September 1, 2022, and requires that any data processor providing important data collected and generated during operations within the territory of the PRC or providing personal information that should be subject to security assessment according to the relevant law to an overseas recipient shall apply for cross-border data transfer security assessment.

LAWS AND REGULATIONS ON PRODUCTION SAFETY, ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION REVIEW

Production Safety

According to the Production Safety Law of the PRC (中華人民共和國安全生產法) or the Production Safety Law, which was last amended by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, entities engaged in production and business activities within the PRC shall comply with the Production Safety Law and other laws and regulations related to production safety, and strengthening production safety management. Entities shall establish and improve a production safety responsibility system and production safety rules, improve production safety conditions, and strengthen the standardization of production safety, raise production safety levels, and ensure production safety. The person in charge of a production and operation entity shall be fully responsible for the production safety of the entity. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, depending on the circumstances of the violation, and criminal liability will be pursued if the violation constitutes a crime.

Environmental Protection

According to the Environmental Protection Law of the PRC (中華人民共和國環境保護法) or the Environmental Protection Law, which was last amended by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The state implements a pollutant discharge permit management system in accordance with the law.

According to the Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法), which was last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection of Construction Projects (建設項目環境保護管理條例), which was amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (建設項目竣工環境保護驗收暫行辦法), which was promulgated by the former Ministry of Environmental Protection on November 20, 2017 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the environmental protection competent administrative department of the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are constructed in phases or put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not been carried out or have not passed the acceptance inspection shall not be put into production or use.

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (中華人民共和國固體廢物污染環境防治法) (the "Law of Solid Wastes"), which was last amended on April 29, 2020 by the SCNPC and came into effect on September 1, 2020, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management.

According to the Law of the PRC on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), which was last amended on June 27, 2017 by the SCNPC and came into effective on January 1, 2018, the enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to water bodies, and the enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant discharging permit. Furthermore, environmental impact assessment must be carried out in accordance with the law for newly-formed projects and reconstruction, or extensions projects that directly or indirectly discharge pollutants to water bodies and other installations on water. Water pollution prevention and control facilities should be designed, constructed and put into use at the same time as the main construction of the projects.

According to the Law of the PRC on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), which was last amended by the SCNPC on October 26, 2018 and took effect on the same day, enterprises, institutions and other production and operation units shall, in accordance with the relevant national regulations and monitoring standards, monitor their emissions of industrial waste gases or toxic and hazardous air pollutants listed in the catalog published according to Article 78 of the Law of the PRC on the Prevention and Control of Atmospheric Pollution, and keep the original monitoring records. Enterprises and institutions that emit industrial waste gas or toxic and hazardous air pollutants listed in the above-mentioned catalog, as well as other units that implement administration of pollution discharge permits in accordance with the law, shall obtain a pollutant discharging permit. In addition, enterprises, institutions and other production and operation units constructing projects that have an impact on the atmospheric environment shall carry out environmental impact assessment and make environmental impact assessment documents public in accordance with the law; the units that emit pollutants into the atmosphere must comply with the discharging standard for atmospheric pollutants as well as the requirements on control of the total discharging amount of key atmospheric pollutants.

According to the Regulations on the Administration of Pollution Discharge Permits (排污許可管理條例), which was promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, enterprises, institutions and other production and operation units subject to administration of pollution discharge permits shall discharge pollutants in accordance with the Regulations on the Administration of Pollution Discharge Permits, and shall not discharge pollutants without obtaining a pollutant discharging permit. Environmental protection authorities impose various administrative penalties, such as fines, order to correct, restriction or suspension of production for rectification, and order to cease operation, among others, on individuals or enterprises that violate the Environmental Protection Law.

Fire Safety

According to the Fire Protection Law of the PRC (中華人民共和國消防法), which was last amended by the SCNPC on April 29, 2021 and took effect on the same day, the emergency management department under the State Council and the emergency management department under the local people's governments at or above the county level shall supervise and manage fire protection work. Fire control design and construction of a construction project must comply with national technical standards for fire protection in construction projects.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (建設工程消防設計審查驗收管理暫行規定) which was last amended by the Ministry of Housing and Urban-Rural Development of PRC on August 21, 2023 and officially came into effect on October 30, 2023, fire prevention design review and acceptance should be carried out for special construction projects. With respect to the construction projects other than special construction projects, the fire protection acceptance of construction projects shall be filed with the competent authorities.

Energy Conservation Review

According to the Energy Conservation Law of the PRC (中華人民共和國節約能源法), which was last amended by the SCNPC on October 26, 2018 and came into effect on the same day, the State shall implement an energy conservation assessment and audit system for fixed asset investment projects. For projects which do not meet the compulsory energy conservation standards, the developer shall not commence construction; where the construction is completed, the project shall not be put into production or use. For government investment projects which do not meet the compulsory energy conservation standards, the agency in charge of examination and approval pursuant to the law shall not grant approval for construction. Detailed measures shall be formulated by the department regulating energy conservation under the State Council jointly with other relevant State Council departments.

According to the Measures for the Energy Conservation Review of Fixed Asset Investment Projects (固定資產投資項目節能審查辦法), which was revised by the NDRC on March 28, 2023 and came into effect on June 1, 2023, the review opinions on energy conservation of a fixed asset investment project are an important basis for the commencement of construction, acceptance upon completion as well as operation and management of such project. For a government-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to submitting its feasibility study report for the project. For an enterprise-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to the commencement of construction. For a project which has not undergone the energy conservation review or fails to pass the energy conservation review, the project owner shall not commence construction, or the project shall not be put into production or use if it is already completed.

REGULATIONS RELATING TO LAND AND CONSTRUCTION PROJECTS

Land Grants

Under the Interim Regulations on Assignment and Transfer of the Rights to the Use of the State-Owned Urban Land of the PRC (中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例) promulgated by the State Council on May 19, 1990, last amended on November 29, 2020, and effective on the same date, China adopts a system of assignment and transfer of the right to use state-owned land. The assignment of land use rights may be carried out by agreement, bidding, or auction. The land user shall pay the premium of the land use right to the state, and the state may assign such right to the user for an agreed term. The land user who has obtained the land use right may, within the term of land use, transfer, lease, or mortgage the land use right or use it for other economic activities.

Planning of a Construction Project

Pursuant to the regulations abovementioned and the PRC Urban Real Estate Administration Law (中華人民共和國城市房地產管理法) promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019, and effective on January 1, 2020, an assignment contract shall be signed between the corresponding land administration authority and land users for the assignment of land use rights. The land user is required to pay the land premium as provided in the assignment contract. After the full payment of the land premium, the land user must register with the land administration authority and obtain a land use rights certificate to acquire the land use rights. The land user shall develop, utilize, and operate the land in accordance with the provisions of the assignment contract and the requirements of urban planning.

Pursuant to the Administrative Measures on Planning of Assignment and Transfer of Urban State-owned Land Use Rights (城市國有土地使用權出讓轉讓規劃管理辦法) promulgated by the Ministry of Construction (the predecessor of the Ministry of Housing and Urban-Rural Development) on December 4, 1992, amended on January 26, 2011, and effective on the same date, the land assignee shall apply to the urban planning administrative authority for a construction land planning permit so as to apply for a land use rights certificate. Pursuant to the Law on Urban and Rural Planning Law of the PRC (中華人民共和國城鄉規劃法) promulgated by the SCNPC on October 28, 2007 and last amended on April 23, 2019 and implemented on the same date, a construction project planning permit must be obtained by a construction unit from the relevant competent urban and rural planning authority for the construction of any building, structure, road, pipeline, or other construction project within the planning zone of a city or town.

Pursuant to the Administrative Measures on Construction Permit of Construction Projects (建築工程施工許可管理辦法) promulgated by the Ministry of Construction on October 15, 1999, last amended on March 30, 2021, and effective on the same date, within the territory of China, for the construction, renovation, and decoration of all kinds of buildings and the auxiliary facilities thereof, the installation of supporting lines, pipes and equipment, and the construction of municipal infrastructure projects in cities and towns, the construction unit shall, before starting construction, apply to the housing and urban-rural development administrative department of the people's government at or above the county level where the project is located for a construction permit in accordance with the Administrative Measures on Construction Permit of Construction Projects. For a construction project with an investment amount less than RMB300,000 or with a floor area less than 300 square meters, the construction unit is not required to apply for a construction permit.

According to the Provisions on Inspection and Acceptance upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收規定) promulgated by the Ministry of Housing and Urban-Rural Development on December 2, 2013, and effective on the same date, construction units of all types of buildings and municipal infrastructure projects that are newly built, expanded or rebuilt within the territory of China shall file with the competent construction authority of the local people's government at or above the county level where the project is located within 15 days from the date when the project is completed and passes the acceptance inspection.

REGULATIONS ON LEASING

According to the PRC Civil Code (中華人民共和國民法典), an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (商品房屋租賃管理辦法), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

According to the Interpretation of the Supreme People's Court on Several Issues concerning the Specific Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)), which took effect on January 1, 2021, if the ownership of the leased premises changes during lessee's possession in accordance with the terms of the lease contract, and the lessee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realization of the mortgage right.

On July 14, 2023, the National Fire and Rescue Administration promulgated Administrative Measures for the Administration of Fire Safety in Leased Factory Buildings and Warehouses (for Trial Implementation) (租賃廠房和倉庫消防安全管理辦法(試行)), which clarifies the respective fire safety management responsibilities of the lessor and lessee of the leased plant warehouse, and allows the lessor and lessee to stipulate their respective fire safety management responsibilities through the contract. According to the Administrative Measures for the Administration of Fire Safety in Leased Factory Buildings and Warehouses (for Trial Implementation), the lessor and lessee of a leased factory building or warehouse shall clarify the fire safety responsibilities of all parties concerned in writing, and if they fail to clarify such responsibilities in writing, the lessor shall be responsible for unified management of the common evacuation passages, safety exits, building fire control facilities and fire control engine passages, and the lessee shall be responsible for fire safety of the leased factory building or warehouse.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

According to the Trademark Law of the PRC (中華人民共和國商標法) promulgated by SCNPC on August 23, 1982, most recently amended on April 23, 2019 and effective from November 1,2019, and the Implementation Regulation of the Trademark Law of the PRC (中華人民共和國商標法實施條例) promulgated by the State Council on August 3, 2002, later amended on April 29, 2014 and effective from May 1, 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first apply first register" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement. Where it is difficult to determine the losses of the right holder or the gains derived by the infringer, the compensation amount shall be determined reasonably with reference to the multiples of the licensing fee of the said trademark. For malicious infringement of exclusive rights to use trademarks, in serious cases, the compensation amount shall be determined in accordance with the aforesaid method based on one to five times of the determined amount. The compensation amount shall include reasonable expenses incurred by the right holder to curb the infringement.

Copyright

According to the Copyright Law of the PRC (中華人民共和國著作權法) promulgated by the SCNPC, which was latest amended in November 2020, and its related implementing regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation, and other rights shall be enjoyed by the copyright owners.

Pursuant to the Regulation on Computers Software Protection (計算機軟件保護條例) promulgated by the State Council on June 4, 1991 and latest amended on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (計算機軟件著作權登記辦法) promulgated on February 20, 2002, the National Copyright Administration (國家版權局) is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center (中國版權保護中心) as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Patent

In accordance with the Patent Law of the PRC (中華人民共和國專利法), promulgated by the SCNPC, which was latest amended in October 2020 and became effective on June 1, 2021, and its Implementation Rule, patent is divided in to 3 categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and 10 years, respectively, which all calculated from the date of application.

Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Domain Names

The Measures on Administration of Internet Domain Names (互聯網域名管理辦法) was promulgated by the MIIT in 2017, which adopts "first apply first register" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law (中華人民共和國勞動法), the PRC Labor Contract Law (中華人民共和國勞動合同法) (the "Labor Contract Law") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which was promulgated by the SCNPC on June 29, 2007, became effective on January 1, 2008 and was latest amended on December 29, 2018, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

The Labor Contract Law imposes stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers." Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labor Dispatch (勞務派遣暫行規定) which was promulgated by the Ministry of Human Resources and Social Security on January 24, 2014 and came into effect on March 1, 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance

The PRC Social Insurance Law (中華人民共和國社會保險法) (the "Social Insurance Law") issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance, pay the required contributions within a prescribed time limit and be subject to a late payment fee computed from the due date at the rate of 0.05% per day. If the employer still fails to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

The Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), promulgated by the Supreme People's Court on July 31, 2025 and taking effect on September 1, 2025, regulates issues related to the responsibility of the employer, confirmation of labor relations, service period and non-competition period, termination of labor contract performance, social insurance payment, etc. It explicitly regulates disputes in the field of social insurance, stipulating that if the employer and the employee agree or the employee promises to the employer that they do not need to pay social insurance premiums, the people's court shall determine that the relevant agreement or commitment is invalid. The employee has the right to terminate the labor contract based on this and request the employer to pay economic compensation, and the people's court should support this in accordance with the relevant laws and regulations.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (住房公積金管理條例) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002 and March 24, 2019, enterprises must register with the housing provident fund management centers and open bank accounts for depositing employees' housing provident funds. Employers are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing provident fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing provident fund management center shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

REGULATIONS ON FOREIGN EXCHANGE

Regulations relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (中華人民共和國外匯管理條例), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

The SAFE issued the Circular on Reforming the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) ("SAFE Circular 19") on March 30, 2015, which became effective on June 1, 2015, was partially repealed on December 30, 2019 and was latest amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. The system of willingness-based foreign exchange settlement is adopted for the foreign exchange capital of foreign-invested enterprises. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on

Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) ("SAFE Circular 16"), which was amended on December 4, 2023, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知), which was amended on December 4, 2023, or SAFE Circular 28. SAFE Circular 28 cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知), or SAFE Circular 8, issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

Regulations relating to Stock Incentive Plans

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知) (the "SAFE Circular 7"), promulgated by SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

The income of foreign exchange PRC residents by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), which was promulgated by the State Council and was latest amended in December 2024, collectively referred to as the EIT Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例), which was promulgated by the State Council and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (財政部、稅務總局關於調整增值稅稅率的通知) effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the Company Law, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

According to the Civil Code of the PRC (中華人民共和國民法典), which was promulgated by the National People's Congress on May 28, 2020 and became effective on January 1, 2021, the limitation period for an action to recover a debt (including the recovery of declared dividends) is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Pursuant to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法), which was most recently amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法實施條例), which was most recently amended on December 18,2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

The EIT Law provides that since January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the PRC (the "PRC Securities Law"), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, among others. The PRC Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. China Securities Regulatory Commission (中國證券監督管理委員會) (the "CSRC") is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "Overseas Listing Regulations"). Under the Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (1) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (5) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (1) a change of control thereof, (2) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (3) changes of listing status or transfers of listing segment, and (4) a voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity and data security, among others, and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定), or the Provision on Confidentiality. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the state.

REGULATIONS RELATED TO THE "FULL CIRCULATION" OF H SHARE

"Full circulation" refers to the process of listing and trading on the Stock Exchange the domestically unlisted shares of an H-share listed company. This includes unlisted domestic shares owned by domestic shareholders before the overseas listing, unlisted domestic shares issued additionally after the overseas listing, as well as unlisted shares held by foreign shareholders.

On November 14, 2019, the CSRC announced the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) ("Guidelines for the 'Full Circulation'"), which were amended on August 10, 2023. As outlined in the Guidelines for "Full Circulation," shareholders of domestic unlisted shares have the flexibility to jointly determine the amount and proportion of shares that will be included in the circulation application. This determination should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Subsequently, the H-share listed company corresponding to these shares may be authorized to file for "full circulation" with the CSRC. An unlisted domestic joint stock company may file with the CSRC for "full circulation" at the time of its initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to the Overseas Listing Measures, which came into effect on March 31, 2023, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to authorize the domestic company to submit the conversion application to the CSRC on their behalf.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (the "CSDC") and Shenzhen Stock Exchange (the "SZSE") jointly announced the Measures for Implementation of H-share "Full Circulation" Business (c) (the "Measures for Implementation"). The operations related to the "full circulation" of H-share, including cross-border conversion registration, deposit and holding details maintenance, transaction entrustment, instruction transmission, settlement, management of settlement participants and services of nominal holders, are regulated by the Measures for Implementation. In cases where the Measures for Implementation do not provide specific guidance, procedures shall be followed by referring to other business rules established by the CSDC and China Securities Depository and Clearing (Hong Kong) Company Limited, as well as the SZSE.

OVERVIEW

We are a frozen food storage services and frozen food space leasing services provider, headquartered in Changsha, Hunan province, in which we primarily provide frozen food storage services. Since our establishment in 2006, we have developed a business model that combines frozen food storage facilities with frozen food space leasing, enabling us to connect wholesalers and retailers within the frozen food supply chain.

Our history can be traced back to 2006 when Hongxing Shiye, our Controlling Shareholder, and other early shareholders, established the predecessor of our Company, Hunan Hongxing Frozen Food Co., Ltd. (湖南紅星冷凍食品有限公司), a company incorporated in the PRC with limited liability, and started the business of frozen food storage and frozen food space leasing. In the early 2000s, cold chain service industry in Changsha was in its nascent stage with few market participants engaging in professional frozen food storage and frozen food space leasing business. Leveraging industry foresight and collective expertise of our early shareholders, most of whom were property owners of warehouses, we entered into China's cold chain industry and started the frozen food storage services and frozen food space leasing services in 2008.

On December 9, 2019, we were converted from a limited liability company into a joint stock company with limited liability in accordance with applicable PRC laws and regulations under the name of Hongxing Coldchain (Hunan) Co., Ltd. (紅星冷鏈(湖南)股份有限公司).

During the Track Record Period and as of the Latest Practicable Date, our Company was controlled by Hongxing Shiye, which is our direct Controlling Shareholder that controls 58.25% of the total issued share capital of our Company and is wholly controlled by Hongxing Center. Hongxing Shiye also acts as the sole general partner of each of Hongri Jingming and Hongri Mingsheng, which controls 8.06% and 4.66% of the total issued share capital of our Company, respectively, and are the shareholding platforms of our early shareholders, business partners and employees. As such, our Controlling Shareholders include Hongxing Shiye, Hongri Jingming, Hongri Mingsheng and Hongxing Center, which collectively control 70.97% of the total issued share capital of our Company. Upon the completion of the Global Offering, our Controlling Shareholders will collectively control 54.17% of the total issued share capital of our Company. See "—Our Corporate Development and Major Shareholding Movements during the Track Record Period" and "Relationship with Our Controlling Shareholders" for more details.

BUSINESS MILESTONES

The following table sets forth the key business development milestones of our Group:

Year	Milestones
2006	Our Company was established as a limited liability company in Hunan.
2008	Our phase I* project passed the completion inspection with a usable storage capacity of over 13,000 tonnes. We started to provide frozen food storage services and frozen food space leasing services.
2009	Our phase II* project passed the completion inspection increasing our total usable storage capacity to over 26,000 tonnes.
2011	Our phase III* project passed the completion inspection increasing our total usable storage capacity to over 69,000 tonnes.

Year	Milestones
2016	Our phase IV* project passed the completion inspection increasing our total usable storage capacity to over 130,000 tonnes. The premises for our frozen food space leasing business was upgraded, spanning over 36,000 square meters and served as a central hub for the frozen food industry in the Hunan province.
2017	Our Company was recognized as one of the "Top 100 Cold Chain Warehousing Enterprises in China (全國冷鏈倉儲百強企業)" for 2017 by the China Association of Warehousing and Distribution (中國倉儲與配送協會).
2018	We acquired Hongxing Beisheng increasing our total usable storage capacity to over 154,000 tonnes.
2019	Our Company was converted into a joint stock company with limited liability.
2020	Our Company was recognized as one of the "Top 100 Cold Chain Logistics Enterprises in China (全國冷鏈物流百強企業)," "Five-Star Cold Chain Logistics Enterprise (五星級冷鏈物流企業)" and "AAAA Cold Chain Logistics Enterprise (AAAA冷鏈物流企業)" by the China Federation of Logistics & Purchasing (中國物流與採購聯合會).
2024	Our Phase V Expansion Project passed the completion inspection increasing our total usable storage capacity to over 230,000 tonnes. Our Company was awarded the "First-Class Green Warehouse (Direct Supply Center) (一級綠色倉庫(直供中心))" by the China Association of Warehousing and Distribution. Our Company was recognized as "Hunan Provincial Agricultural Product Commercialization Leading Enterprise" (湖南省農業產業化省級龍頭企業).

* *Our phase I to IV projects are to provide storage and loading services and the trading space leasing services to our customers.*

OUR CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING MOVEMENTS DURING THE TRACK RECORD PERIOD

The following sets forth the corporate history and major shareholding movements of our Company during the Track Record Period and up to the date of this prospectus.

Early History and Establishment of Our Company

Our history can be traced back to October 16, 2006 when Hongxing Shiye and other early shareholders, established the predecessor of our Company, Hunan Hongxing Frozen Food Co., Ltd. through their own funds. In the early 2000s, cold chain service industry in Changsha was in its nascent stage with few market participants engaging in professional frozen food storage and frozen food space leasing business. Leveraging industry foresight and collective expertise of our early shareholders, most of whom were property owners of warehouses, we entered into China's cold chain service industry and achieved steady development since then.

Our initial registered capital was RMB10,000,000 and was collectively owned as follows:

Name of Shareholder	Shareholding percentage
	(%)
Hongxing Shiye	60.00
ZHANG Mingsheng	1.00
Other individual Shareholders[(1)]	39.00
Total	**100.00**

(1) There were 22 early individual shareholders, each held no more than 4% of the equity interest in our Company and was an Independent Third Party. Such shareholders were employees or business partners of our Company.

Registered Capital Increase in 2012

On September 30, 2012, the general meeting of the Company approved the increase of the registered capital of the Company from RMB10.0 million to RMB40.0 million. The increased registered capital was subscribed for by Hongxing Shiye, 22 original individual shareholders and four new individual shareholders. Hongxing Shiye subscribed for RMB18.0 million of the increased registered capital by way of cash contribution (RMB1,280,000) and the contribution of the land use right of a piece of land located in Dongjing Town, Yuhua District, Changsha (RMB16,720,000), the value of which was determined after arm's length negotiations taking into account the valuation report of it by a professional Independent Third Party. The remaining RMB22.0 million increased registered capital was subscribed for by the 26 individual shareholders by way of cash contribution. The relevant cash contribution from Hongxing Shiye and individuals shareholders were fully paid and the relevant industry and commerce registration was completed on October 29, 2012.

2012 Equity Transfer

On September 25, 2012, six independent individual shareholders entered into six separate share transfer agreements, respectively with six independent individuals, who are affiliates to the respective transferors, to transfer an aggregate of 8.75% of the equity interest of our Company at the nominal value of the registered capital corresponding to their respective equity interest of our Company. Meanwhile, Mr. ZHANG Mingsheng also entered into a share transfer agreement with his daughters, Ms. ZHANG Jie and Ms. ZHANG Ying, to transfer his 1% equity interest of our Company at the nominal value of the registered capital corresponding to his 1% equity interest of our Company. After such equity transfers, the shareholding structure of our Company was as follows:

Name of Shareholder	Shareholding percentage
	(%)
Hongxing Shiye	60.00
ZHANG Jie[(1)]	0.50
ZHANG Ying[(1)]	0.50
Other individual Shareholders[(2)]	39.00
Total	**100.00**

Notes:

(1) ZHANG Jie and ZHANG Ying are daughters of Mr. ZHANG Mingsheng.

(2) There were 25 early individual shareholders, each held no more than 4% of the equity interest in our Company and was an Independent Third Party. Such shareholders were employees or business partners of our Company.

2015 Equity Transfer

On November 10, 2015, the then 27 individual shareholders, who were then employees or independent business partners (except for ZHANG Jie and ZHANG Ying, daughters of ZHANG Mingsheng, our executive Director), entered into a share transfer agreement with Hongri Jingming, a limited partnership which is also an shareholding platform controlled by Hongxing Shiye, pursuant to which, the then 27 individual shareholders agreed to transfer part of the equity interests held by them in our Company, which represented an aggregate of 10% of the equity interests in our Company, to Hongri Jingming at nominal value for the purpose of strengthening long-term relationships with our core employees and business partners. The transfer was completed on November 19, 2015. See notes to the chart in "—Our Corporate Structure" for details of the limited partners of Hongri Jingming.

Acquisition of Hongxing Beisheng and Registered Capital Increase in 2018

To strengthen our capability in cold chain services, on June 28, 2018, Hongxing Shiye, Hongri Mingsheng and Hunan Food Industry Co., Ltd. (湖南省食品產業有限責任公司) (previously known as Hunan Food Corporation (湖南省食品總公司) and Hunan Food Company (湖南省食品公司)) ("Hunan Food"), which was an Independent Third Party, entered into a capital increase agreement, pursuant to which, Hongxing Shiye, Hongri Mingsheng and Hunan Food agreed to subscribe for an increased register capital of our Company of RMB4,910,008, RMB 2,406,867, and RMB2,310,592, respectively, at a consideration of RMB70,949,620, RMB34,779,230 and RMB33,388,060, respectively. Such consideration was paid in exchange for their respective equity interests in Hongxing Beisheng. The acquisition of Hongxing Beisheng was completed on June 29, 2018. The consideration was determined after arm's length negotiations taking into account the valuation report of Hongxing Beisheng prepared by a professional Independent Third Party. After the completion of the registered capital increase, Hongxing Beisheng became our wholly-owned subsidiary and the registered capital of our Company was increased from RMB40,000,000 to RMB49,627,467. Hongri Mingsheng is a limited partnership established in the PRC for the purpose of holding investment in Hongxing Beisheng and its general partner is Hongxing Shiye. See notes to the chart in "—Our Corporate Structure" for details of the limited partners of Hongri Mingsheng. After the acquisition of Hongxing Beisheng and registered capital increase, the shareholding structure of our Company was as follows:

Name of Shareholder	Shareholding percentage
	(%)
Hongxing Shiye	58.25
Hongri Jingming[(1)]	8.06
Hunan Food	4.85
Hongri Mingsheng[(1)]	4.66
ZHANG Jie	0.30
ZHANG Ying	0.30
Other individual Shareholders[(2)]	23.58
Total	**100.00**

(1) See notes to the chart in "—Our Corporate Structure" for details of the limited partners of Hongri Mingsheng and Hongri Jingming.

(2) There were 29 other early individual shareholders, each of whom held no more than 3% of the equity interest in our Company and was an Independent Third Party. Such shareholders were then employees or business partners of our Company.

Conversion into a Joint Stock Company with Limited Liability

After a series of capital injections and changes in its shareholding since the establishment of our Company, in December 2019, we were converted into a joint stock company with limited liability. According to the capital verification report prepared by an Independent Third Party auditor, the total net asset value of our Company as of June 30, 2019 was RMB661.3 million, of which (i) RMB75.0 million was converted to Shares with par value of RMB1.0 per Share; and (ii) the remaining amount of approximately RMB586.3 million was converted into capital reserve. The conversion was completed on December 9, 2019. Immediately upon completion of the conversion, the registered capital of our Company was RMB75.0 million divided into 75,000,000 Shares with nominal value of RMB1.0 per Share, which were subscribed by all our then Shareholders in proportion to their respective equity interests in our Company before the conversion, details of which as follows:

Name of Shareholder	**Shareholding percentage**
	(%)
Hongxing Shiye	58.25
Hongri Jingming(1)	8.06
Hunan Food	4.85
Hongri Mingsheng(1)	4.66
ZHANG Mingsheng(2)	0.30
ZHANG Ying(2)	0.30
Other individual Shareholders(3)	23.58
Total	**100.00**

(1) See notes to the chart in "—Our Corporate Structure" for details of the limited partners of Hongri Mingsheng and Hongri Jingming.

(2) Ms. ZHANG Jie transferred all the equity interests she owned in our Company to Mr. ZHANG Mingsheng in November 2019.

(3) There were 29 other early individual shareholders, each of whom held no more than 3% of the equity interest in our Company and was an Independent Third Party. Such shareholders were then employees or business partners of our Company.

Save for the aforementioned, to the best knowledge of our Directors, there had been no other major shareholding changes during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Advisor, the equity transfers and increases in the registered capital in respect of our Company as described above have been completed and settled, and all regulatory approvals, registrations or filings have been granted in accordance with PRC laws and regulations.

OUR SUBSIDIARY

During the Track Record Period and up to the Latest Practicable Date, our Company had only one subsidiary, Hongxing Beisheng, which is our wholly-owned subsidiary and a limited liability company established in the PRC on June 12, 2012. Hongxing Beisheng is primarily engaged in frozen food storage services. During the Track Record Period and up to the Latest Practicable Date, there had been no shareholding changes of Hongxing Beisheng. See "—Acquisition of Hongxing Beisheng and Registered Capital Increase in 2018" for details.

LOCK-UP PERIOD

Pursuant to the PRC Company Law, within the 12 months following the Listing Date, Shares issued by our Company prior to the Global Offering are restricted from trading.

PUBLIC FLOAT

To the best of the Directors' knowledge, among our existing Shareholders, except for (i) Hongxing Shiye, Hongri Mingsheng and Hongri Jingming, each of which is one of our Controlling Shareholders and (ii) our executive Director, Mr. ZHANG Mingsheng, all the other existing shareholders of our Company are not core connected persons of our Company or their close associates pursuant to the Listing Rules, which collectively hold 21,545,832 Shares with nominal value of RMB1.0 each in total, representing 21.93% of the total issued Shares upon the completion of the Global Offering. Among such Shares, 1,303,464 Shares will be converted into H Shares upon the completion of the Global Offering. As a result, taking into account of such conversion Shares and the H Shares to be issued for the Global Offering, an aggregate of 24,566,464 H Shares will count towards the public float of our Company upon the completion of the Global Offering, representing 25.00% of the total issued Shares of our Company upon the completion of the Global Offering.

With respect to the Offer Price of HK$12.26 per Offer Share, the expected market capitalization of the Company's total issued share capital at the time of Listing will be approximately HK$1.2 billion which does not exceed HK$6.0 billion. As the maximum market capitalization of the Company's total issued share capital upon the Listing will not exceed HK$6.0 billion, the Company's expected public float of 25.0% will satisfy the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules in either scenario.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

On the basis that (i) no Offer Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, (ii) all Shares to be issued to the cornerstone investors and all Shares held by existing Shareholders are subject to lock-up undertakings and therefore are excluded for the purpose of satisfying the free float requirement, based on the Offer Price of HK$12.26 per Offer Share, our Company will satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

PREVIOUS PROPOSED A-SHARE LISTING

In March 2020, we entered into a tutoring agreement ("Tutoring Agreement") with a qualified independent sponsor ("A-share Sponsor") to receive its guidance on A-share listing on the Shenzhen Stock Exchange and made a preliminary filing (上市輔導備案) with the CSRC which did not constitute a listing application with the CSRC. The accountant and PRC legal counsel engaged in relation to our previous proposed A-share listing is an independent PRC auditor firm ("A-share Accountant") and our PRC Legal Advisor of the current listing application. We originally planned to make a filing with the Small and Medium-sized Enterprise Board ("SME Board") of the Shenzhen Stock Exchange with a track record period from 2020 to 2022. During the tutoring period in preparation for the A-share listing, we did not encounter any disagreements with the professional parties or the CSRC. However, due to the merger of the SME Board and the main board of the Shenzhen Stock Exchange and its impact on the market condition of A share listing as well as the impact of the ongoing COVID-19 pandemic on the overall business activities and economy, the previous A-share listing application plan was postponed. As our Company remained committed to exploring the possibility of A-share listing at that time, we decided to temporarily suspend the A-share listing process and to pursue our A-share filing in later stage, depending on the development of market conditions. As such, we did not immediately terminate our engagement with relevant professional parties. In August 2024, in view of the overall market condition in the A-share market, the continued uncertain overall A-share vetting process, our Company voluntarily decided not to proceed with the A-share listing. Considering that a listing on the Stock Exchange would provide our Company with an international platform to gain access to foreign capital and to promote the Group to overseas listing, we decided to seek a listing on the Stock Exchange to expedite our listing plan. As a result, in August 2024, we terminated the Tutoring Agreement with the A-share Sponsor. We did not submit any A-share listing application to the CSRC.

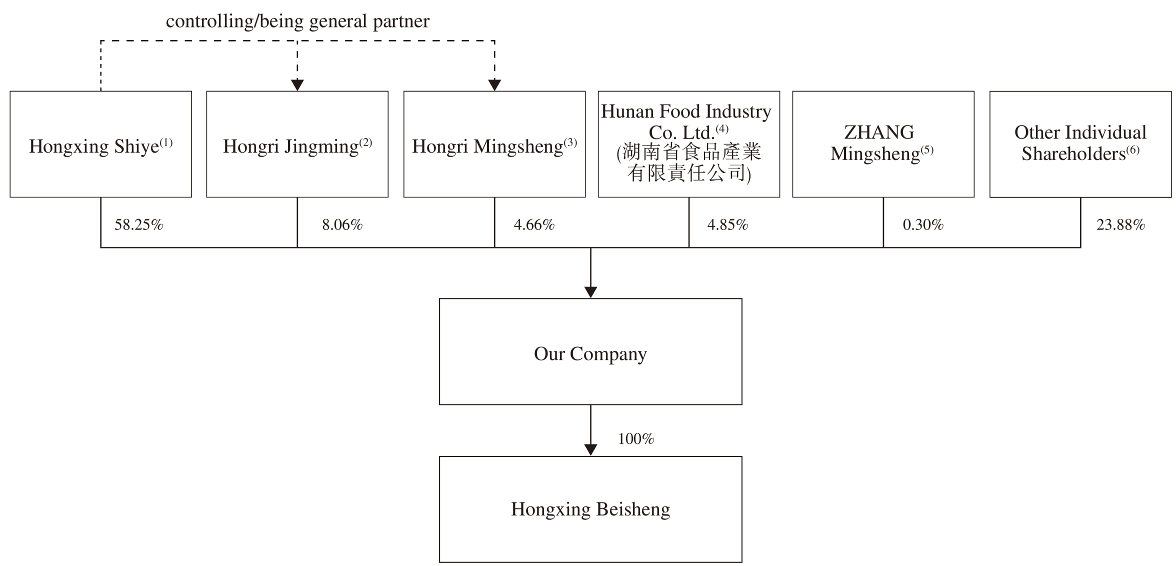
To the best of our Directors' knowledge, in relation to our previous proposed A-share listing, our Directors are not aware of (i) any material findings identified by the A-share Sponsor; (ii) any material comments/issues raised by the CSRC or other regulatory authorities; (iii) any disagreement with or disputes between our Company and the professional parities engaged by us for the previous proposed A-share listing; and (iv) any matters that may affect the Company's suitability for listing on the Stock Exchange or that are required to be or should be brought to the attention of the public investors, the Stock Exchange, any regulators in Hong Kong.

Considering the relatively limited experience of H-share listing, we did not engage the A-share Sponsor and the A-share Accountant for the listing.

The Joint Sponsors have conducted independent due diligence in relation to our previous proposed A-share listing, and they have no material findings and are not aware of (i) any disagreement with or disputes between our Company and the professional parities engaged by the us for the previous proposed A-share listing; and (ii) any matters in relation to our previous proposed A-share listing that should be brought to the attention of the Stock Exchange.

OUR CORPORATE STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Company immediately prior to the completion of the Global Offering:



(1) Hongxing Shiye was wholly owned and controlled by Hongxing Center, which was a collectively owned enterprise owned by over 2,000 Hongxing village residents and was managed by a council committee consisting of resident representatives elected by such residents who will also become members of board of directors of Hongxing Shiye. During the Track Record Period and up to the date of this prospectus, there has been no change in the members of the council committee. See "Relationship with Our Controlling Shareholders" for details.

(2) As of the Latest Practicable Date, the general partner of Hongri Jingming was Hongxing Shiye, our Controlling Shareholders, which held 0.50% limited partnership interests. The limited partners of Hongri Jingming included (i) ZHANG Zhenxing, our deputy general manager, who held 6.00% limited partnership interests, (ii) YANG Zirun, our deputy general manager and general manager of Hongxing Beisheng, who held 2.50% limited partnership interests, and (iii) 43 individuals, each of whom was an Independent Third Party and held less than 7% limited partnership interests.

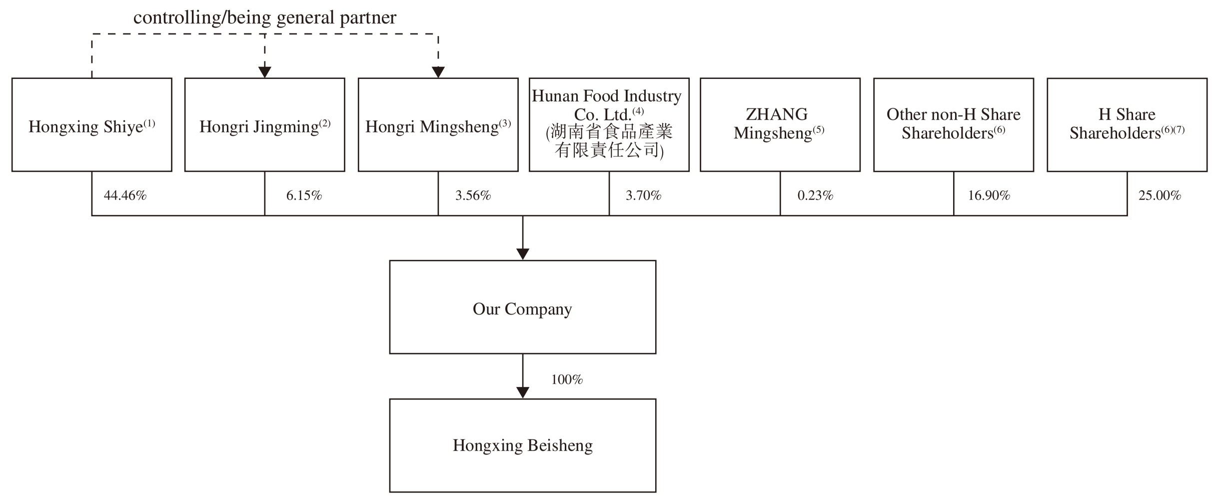
(3) As of the Latest Practicable Date, the general partner of Hongri Mingsheng was Hongxing Shiye, our Controlling Shareholders, which held 0.16% limited partnership interests. The limited partners of Hongri Mingsheng included (i) ZHANG Mingsheng, our executive Director, who held 14.56% limited partnership interests, (ii) YANG Zirun, our deputy general manager and general manager of Hongxing Beisheng, who held 4.16% limited partnership interests and (iii) 21 individuals, each of whom was an Independent Third Party and held less than 15% limited partnership interests.

(4) As of the Latest Practicable Date, Hunan Food was wholly-owned by Hunan Sports Industry Group Co., Ltd. (湖南體育產業集團有限公司), a state-owned enterprise, which is, in turn, wholly-owned by the People's Government of Hunan Province (湖南省人民政府), an Independent Third Party.

(5) As of the Latest Practicable Date, ZHANG Mingsheng, our executive Director, held 0.30% of the shareholding of our Company.

(6) As of the Latest Practicable Date, the 23.88% equity interests in our Company were owned by 30 other individuals. Each such Shareholder was an Independent Third Party, except for ZHANG Ying (owning 0.30% equity interests in our Company), who is an associate of ZHANG Mingsheng. However, as ZHANG Ying is not a core connected person of our Company or any of their respective close associates, the Shares held by her that will be converted into H shares upon the Listing is counted as public float of the Company upon the Listing.

The following diagram illustrates the corporate and shareholding structure of our Company immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares:



(l)–(6): See notes to the corporate chart in "—Our Corporate Structure Immediately Prior to the Global Offering."

(7) Immediately upon the completion of the Global Offering, an aggregate of 1,303,464 Shares held by 10 individual Shareholders will be converted into H Shares. Such Shares collectively represent 1.33% of the total issued Shares of our Company upon the completion of the Global Offering.

(8) To the best of the Directors' knowledge, among our existing Shareholders, except for (i) Hongxing Shiye, Hongri Mingsheng and Hongri Jingming, each of which is one of our Controlling Shareholders and (ii) our executive Director, Mr. ZHANG Mingsheng, all the other existing shareholders of our Company are not core connected persons of our Company or their close associates, which collectively hold 21,545,832 Shares with nominal value of RMB1.0 each in total, representing 21.93% of the total issued Shares upon the completion of the Global Offering. As a result, taking into account of such conversion Shares and the H Shares to be issued for the Global Offering, an aggregate of 24,566,464 H Shares will count towards the public float of our Company upon the completion of the Global Offering, representing 25.00% of the total issued Shares of our Company upon the completion of the Global Offering.

OVERVIEW

We are a frozen food storage services and frozen food space leasing services provider, headquartered in Changsha, Hunan province, in which we primarily provide frozen food storage services. Since our establishment in 2006, we have developed a business model that combines frozen food storage facilities with frozen food space leasing, enabling us to connect wholesalers and retailers within the frozen food supply chain. For our frozen food storage services, we provide frozen food storage capacity, related warehouse management services such as goods sorting, categorization and packaging, inventory counting and tracking, inbound and outbound recording, as well as fire safety and environmental risk management, to frozen food wholesalers and retailers, who pay frozen food storage service fees to us. For our frozen food space leasing services, we primarily lease out trading space to frozen food wholesalers and retailers for frozen food trading. We charge our space leasing customers rental fees for trading space leasing, including monthly trading space rental fees and monthly premium, depending primarily on the specific location of the trading space.

Our self-owned frozen food storage facilities in Changsha offer a total designed storage capacity of over one million cubic meters, or over 230,000 tonnes of usable storage capacity, across two bases for frozen food wholesalers and retailers, with utilization rates over 88.0% during the Track Record Period and serving over 700 customers as of June 30, 2025. For our frozen food space leasing services, we leased out spaces spanning over 36,000 square meters primarily as trading space to frozen food wholesalers and retailers at occupancy rate over 94.0% during the Track Record Period, serving as a central hub for the frozen food industry in Hunan province.

China's frozen food cold chain service market consists of frozen food logistics service market, frozen food processing service market, and frozen food space leasing service market, which accounted for 34.1%, 65.3%, and 0.6% of the overall frozen food cold chain service market in terms of revenue in 2024, respectively, according to the CIC Report. Meanwhile, frozen food logistics, processing, and space leasing service market in Hunan province consists of 37.1%, 62.5% and 0.4% of Hunan province's frozen food cold chain service market. Frozen food logistics services market consists of frozen food storage service market and frozen food transportation service market, which accounted for 20.8% and 79.2% of the frozen food logistics services market in terms of revenue in 2024. With respect to the frozen food storage service market, we are the largest frozen food storage service provider in both Central China and Hunan province in terms of revenue in 2024 with a market share of 2.6% in Central China and 13.6% in Hunan province, respectively, and we captured a market share of 0.7% in China, according to the same source. With respect to the frozen food space leasing service market, we are the second largest provider in Central China with a market share of 8.8% and first in Hunan province with a market share of 54.7%, respectively, and we captured a market share of 1.9% in China, in terms of revenue in 2024, according to the same source.

Our financial performance demonstrates stable growth and strong profitability. We generated revenue of RMB236.7 million, RMB201.8 million, RMB233.6 million, RMB112.3 million and RMB118.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, with a gross profit margin of 50.1%, 57.7%, 52.8%, 54.2% and 53.3% during the same periods, respectively. Our net profit was RMB79.1 million, RMB75.3 million, RMB82.9 million, RMB41.3 million and RMB39.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, which translates to a net profit margin of 33.4%, 37.3%, 35.5%, 36.7% and 33.6% for the same periods, respectively.

MARKET OPPORTUNITY

We operate solely in Hunan province. The rising consumer demand for high-quality frozen food products, coupled with the growing awareness of the vital role that cold chain services play in maintaining food quality within the supply chain, has spurred substantial growth in China's cold chain industry. China's frozen food storage service market has also shown consistent expansion, reaching a market size of RMB25.6 billion in 2024 at a CAGR of 4.2% from 2020 to 2024, which is expected to reach RMB35.1 billion in 2029, at a CAGR of 6.5% from 2025 to 2029. China's frozen food space leasing service industry has experienced steady growth, with its market size in terms of revenue expected to be increased from RMB2.2 billion in 2024 to RMB2.9 billion in 2029 with a CAGR of 6.0% from 2025 to 2029.

Both the frozen food storage service market and the frozen food space leasing service market remain regionalized in China. In 2024, the top five players in China's frozen food storage market captured a total market share of 10.4% in terms of revenue, where we capture a market share of 0.7%. Meanwhile, in 2024, the top five players in China's frozen food space leasing service market captured a total market share of 33.6% in terms of revenue, where we capture a market share of 1.9%. In the frozen food storage service market we ranked first in both Central China and Hunan province by revenue in 2024, respectively. In the frozen food space leasing service sector, we ranked second in Central China and first in Hunan province, as measured by revenue in 2024. The fragmented industry landscape presents substantial opportunities for further consolidation and growth within the industries. Our frozen food storage services provide frozen food wholesalers and retailers with a consistently stable low-temperature environment, while our frozen food space leasing services connect upstream frozen food wholesalers with downstream retailers and consumers.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success.

Comprehensive, Synergistic Frozen Food Storage Services and Frozen Food Space Leasing

Our frozen food storage service is underpinned by our long-standing customer relationship. We operate two frozen food storage bases in Changsha, Hunan province, with a total designed storage capacity of over one million cubic meters, or over 230,000 tonnes of usable storage capacity, as of the Latest Practicable Date. During the Track Record Period, our frozen food storage facilities achieved an average utilization rate of over 88.0%. As of June 30, 2025, we were serving over 700 customers for our frozen food storage service, with operations spanning across Hunan province and eight other provinces nationwide. The average cooperation period of our top 10 customers during the Track Record Period was approximately 14 years. Our customer roster includes some of the most recognized names in the frozen food industry, who have chosen us as their trusted frozen food storage partner.

With nearly two decades of operational experience, we have developed one of the most comprehensive frozen food space leasing services in Hunan province and Central China. Our premises for frozen food space leasing services serve as a central hub for frozen food wholesalers and retailers. This diverse community of merchants creates a vibrant ecosystem where a broad range of frozen food products are available, catering to the needs of buyers ranging from large-scale wholesalers to specialized retailers. The extensive product range and the active participation of various merchants enhance its appeal to end customers, driving business growth for the merchants. This positive cycle has led to consistent success for our trading space leasing, achieving occupancy rate over 94.0% during the Track Record Period.

By providing frozen food storage solutions and space leasing services, we eliminate the need for our customers to seek external partners for these essential services, streamlining their operations and reducing their logistical complexities. Our premises for frozen food space leasing services not only serve as a commercial hub but also function as a vital link in the cold chain ecosystem, ensuring the efficient movement of frozen food products from wholesalers and retailers to end consumers while maintaining optimal quality standards within the supply chain.

Cold Chain Service Matrix

We have developed a full-service cold chain ecosystem in collaboration with various business partners, which integrates loading and unloading services, trunk line logistics, and other value-added services, all under one roof.

We offer loading and unloading services which are supported by experienced personnel and specialized equipment, ensuring efficient loading and unloading while maintaining product integrity. For transportation needs, we collaborate with third-party logistics providers who maintain a fleet of refrigerated vehicles equipped with real-time tracking systems. This allows us to monitor shipments throughout their journey, ensuring temperature control and timely delivery. Our logistics network extends across the nation, enabling us to facilitate the movement of frozen goods from production bases to consumption hubs efficiently.

Beyond basic storage and transportation, we provide a range of value-added services that enhance the quality and safety of our customers' products. These include primarily inventory management consulting services, packaging services, labeling services, and rigorous quality inspections. By offering these comprehensive services, we reduce our customers' need to coordinate with multiple external partners, streamlining their supply chain management and allowing them to focus on their core business activities.

This service matrix creates significant synergies across our operations. The combination of our frozen food storage infrastructure, frozen food space leasing services, and logistics capabilities allows us to offer customers a complete cold chain solution. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, approximately 68.8%, approximately 79.6%, approximately 78.5%, approximately 79.2% and approximately 79.8% of our frozen food storage customers, respectively, also utilized our frozen food space leasing services.

Technological Infrastructure with Automation Technology

Our strong market presence and customer loyalty are underpinned by our technological infrastructure. Our technological edge is evident in construction of the frozen food storage warehouses under the Phase V Expansion Project at our southern base in 2024. Equipped with advanced infrastructure and automation technology, this warehouse sets a new standard for automated frozen food storage in China. It uses automatic conveyor lines, high-bay racks, and stackers to plan storage paths based on product type and weight, significantly enhancing warehousing efficiency. In addition, we apply advanced temperature control systems at our storage warehouses, which maintain precise storage conditions at minus 18°C or below. By leveraging IoT technology, we enable real-time monitoring of frozen food storage environments, ensuring immediate alerts for any temperature deviations. This precision is further supported by our backup power systems, designed to activate promptly during power outages, guaranteeing uninterrupted frozen food storage operations.

The reliability of our technological infrastructure is complemented by our comprehensive emergency response framework. We have developed detailed contingency plans addressing various scenarios such as fires, equipment malfunctions, and natural disasters. Regular drills ensure our team's preparedness, while our risk assessment and prevention measures minimize potential disruptions.

Visionary and Experienced Management Team Steering Steady Growth

Our management team brings extensive experience and profound industry insight to our operations, with many members having dedicated over 15 years to the cold chain industry. Their deep understanding of market dynamics, combined with a forward-looking strategic vision and robust execution capabilities, forms the bedrock of our success. In particular, Mr. Luo Yue, our Chairman, is a notable figure within the industry. As a recipient of prestigious accolades such as the Outstanding

Contribution Award for the Reform and Opening-up of China's Agricultural Product Circulation over the Past 40 Years and the Hunan May Day Labor Medal, Mr. Luo possesses exceptional managerial acumen and industry influence with over 30 years of experience in management.

The management team's expertise in cold chain solutions and market-driven strategies has been instrumental in establishing our position in Hunan province and Central China. Their ability to navigate the fragmented market landscape, forge strategic partnerships, and develop customer-centric services has been crucial to our growth. This specialized knowledge allows us to anticipate industry trends, adapt quickly to regulatory changes, and maintain our competitive edge in the dynamic cold chain sector.

GROWTH STRATEGIES

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

Expand and Enhance Our Service Offerings

To address our customers' evolving demands, we plan to expand into frozen food processing services to drive greater value and market growth. This expansion involves constructing a new processing plant to offer our customers with value-added services, such as cutting, portioning, thawing, quick-freezing, sterilization, and vacuum packaging unprocessed frozen food into semi-finished or finished products ready for distribution. Operating a frozen food processing business does not require specialized expertise beyond an experienced workforce. We believe frozen food processing is a natural extension of our frozen food storage expertise instead of tapping into a new business segment, enabling value-added services such as meat cutting, sterilization, tunnel freezing, sorting and vacuum packaging for our frozen food storage customers to enhance our competitiveness for the frozen food storage business. In China, there are over 10,000 players in 2024, and in Hunan province alone, there are more than 500 players in the same period, reflecting the industry's highly localized and fragmented nature. According to CIC, each player in China has approximately an average of 50 employees, which implies the whole China market has a workforce of over 500 thousand employees, and in Hunan, with the same average number of employees, it implies the whole Hunan market has a workforce of over 25 thousand employees. This large pool of workforce enables our Company to recruit qualified personnel to support our frozen food processing business.

We are pursuing this expansion because it is a natural and strategic extension of our frozen food storage services and frozen food space leasing services, driven by market opportunities. First, the Directors are of the view that our Company is able to capture market demand as among our over 700 frozen food storage customers, many have indicated their need of frozen food processing services. Secondly, the new food processing facilities will be located near our existing storage and trading spaces, allowing the three facilities to operate collaboratively and enhance each other's services. Customers who store unprocessed frozen food in our storage facilities can use our processing services and then distribute the finished goods through our trading spaces. This arrangement simplifies logistics, reduce the need to coordinate with multiple business partners, and ultimately lowers operation costs.

According to the CIC Report, the size of China's frozen food processing market increased from RMB187.9 billion in 2020 to RMB235.6 billion in 2024 at a CAGR of 5.8%, and is projected to grow to RMB357.3 billion by 2029, at a CAGR of 8.7% from 2025 to 2029. The segment represents 65.3% of China's frozen food cold chain service market in 2024. Furthermore, the size of Hunan's frozen food processing market increased from RMB8.9 billion in 2020 to RMB11.0 billion in 2024 at a CAGR of 5.5%, and is projected to reach RMB18.1 billion in 2029, at a CAGR of 10.4% from 2025 to 2029. The segment represents 62.5% of Hunan's frozen food cold chain service market in 2024. Market demand primarily comes from institutional catering providers, restaurants, campus canteens, prepared meal suppliers, and retailers. Due to the large number and widespread distribution of customers, coupled with the strong regional characteristics of frozen food services, the frozen food processing industry is also highly localized and fragmented, with over 10,000 and over 500 players respectively in China and

Hunan in 2024. In China, the top five players in frozen food processing service accounted for approximately 10% of its market share in terms of revenue. In Hunan, the top five players in frozen food processing service accounted for approximately 11% of its market share in terms of revenue in 2024. National and regional competitive landscapes, including those for Hunan province, are similar to those of the unprocessed frozen food storage service markets. Currently, the market is served by a variety of participants, including unprocessed frozen food suppliers, meat slaughterhouses, and cold chain logistics park operators, among others.

To execute this strategy, we plan to construct a new frozen food processing plant and expand our frozen food storage warehouses at our southern base, increasing total usable storage capacity by approximately 8.7%. We plan to finish construction work by the end of 2028. We will deploy processing equipment, such as meat slicers, water bath thawing machines, tunnel freezers, vacuum packaging machines, and sterilization equipment, with full implementation anticipated by the end of 2029.

Invest in AI Technology to Empower Our Operations and Customers

We believe AI technology is transforming the cold chain industry by improving precision, automation, and intelligence. We plan to upgrade our equipment, IT infrastructure, and software to enhance efficiency and reduce manual labor. In addition, we plan to provide customers with digital tools for better operational visibility while recruiting and training staff to support these advancements. Specifically, we plan to recruit two engineers responsible for equipment maintenance, two software engineers responsible for software updates, and 12 technicians for maintaining day-to-day operations.

Our upgrades will primarily include a cloud system that combines on-site and online data storage to securely maintain our frozen food storage records, industrial-grade 5G network and enhanced Wi-Fi across our facilities, AGV forklifts robots for automated storage retrieval and transport, sorting and palletizing machine to enhance storage processing speed, AI-powered cameras and alerts for facial recognition and anomaly detection, and automated data analysis system to track equipment performance, storage level and energy use to improve operational efficiency. To benefit our customers, we plan to develop a mobile app for customers to track order and storage management, and implement live dashboards for monitoring storage conditions and shipment status. By integrating AI technologies, we aim to streamline processes, improve service quality, and drive innovation in the industry.

Pursue Strategic Acquisitions and Partnerships to Enhance Industry Integration

We plan to pursue strategic acquisitions and partnerships to enhance our industry integration and strengthen our position within the cold chain ecosystem. By forming alliances with upstream suppliers such as logistics service providers and downstream partners such as prepared food manufacturers, we will be able to extend our vertical integration capabilities and gain greater control over the supply chain. We plan to select two to three targets with at least ten years of operating history with enterprise value at RMB100 million to RMB200 million within in the next four years. Generally, we intend to acquire majority interests in the targets and we do not expect to expand into new business segments.

Our Directors believe that there are a sufficient number of potential investment or acquisition targets given that there are over 100 targets that meet our selection criteria on the market, as advised by CIC. As of the Latest Practicable Date, we had not identified or pursued any strategic investment or acquisition target, and had not set any definitive investment or acquisition timeframe.

Expand Our Market Reach

To meet growing market demands and expand our customer base, we plan to integrate and expand our logistics resources. We plan to collaborate with local cold chain logistics providers in surrounding areas to create a broader logistics network. By partnering with local providers, we may share resources and information to reduce costs and improve efficiency. We expect such strategic collaboration to enhance our market competitiveness by improving service quality, reducing operational costs, and expanding our market reach.

OUR FROZEN FOOD STORAGE AND FROZEN FOOD SPACE LEASING BUSINESS

We are a frozen food storage services and frozen food space leasing services provider, headquartered in Changsha, Hunan province. Since our establishment in 2006, we have developed a business model that combines frozen food storage facilities with frozen food space leasing, enabling us to connect wholesalers and retailers within the frozen food supply chain.

Our business operations consist of two core business lines:

- ***Frozen food storage services***. We operate automated temperature-controlled warehouses providing professional frozen food storage services to frozen food wholesalers and retailers. Our facilities feature 24/7 maintenance and support systems, ensuring optimal preservation conditions for our customers' frozen products.

- ***Frozen food space leasing services***. The premises for our frozen food space leasing services serve as a central hub for various participants in the frozen food industry, including frozen food wholesalers and retailers.

Our business model creates strong synergies between our two core business lines. Our frozen food space leasing services enhance supply chain connectivity and operational efficiency, attracting various participants in the frozen food industry to lease trading place for business opportunities. We do not provide or engage other service providers to provide any property management services to our customers. The clustering effect for our frozen food space leasing services is evidenced by occupancy rate over 94.0% of our trading space leasing during the Track Record Period. Moreover, customers leasing our trading space typically seek reliable temperature-controlled storage services for their inventory in close proximity to their business operations, which helps drive growth in our frozen food storage business. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 over 75.0%, 72.0%, 79.0%, 80.0% and 81.0% of our frozen food space leasing customers, respectively, also utilized our frozen food storage services. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, 524, 508, 608, 563 and 599, respectively, or approximately 68.8%, approximately 79.6%, approximately 78.5%, approximately 79.2% and approximately 79.8%, respectively, of our frozen food storage customers also utilized our frozen food space leasing services. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from such customers was RMB155.4 million, RMB151.4 million, RMB177.7 million, RMB83.4 million and RMB89.1 million, respectively, accounting for 80.4%, 81.0%, 81.9%, 79.9% and 82.2% of our total revenue for the same years, respectively.

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

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Frozen food storage services	137,368	58.0	132,813	65.8	160,018	68.5	75,610	67.3	81,188	68.8
Leasing services	39,445	16.7	38,457	19.1	42,379	18.1	21,683	19.3	23,768	20.1
Loading services(1)	26,082	11.0	25,825	12.8	25,805	11.1	12,531	11.2	11,249	9.5
Sales of frozen food products(2)	28,106	11.9	—	—	—	—	—	—	—	—
Others(3)	5,735	2.4	4,665	2.3	5,374	2.3	2,519	2.2	1,843	1.6
Total	**236,736**	**100.0**	**201,760**	**100.0**	**233,576**	**100.0**	**112,343**	**100.0**	**118,048**	**100.0**

(1) Represents loading and unloading services for frozen food products in our frozen food storage warehouses.

(2) Represents frozen food trading business which we ceased operations for strategic reasons in 2022.

(3) Others primarily include miscellaneous income relevant to our primary business operations, such as parking lot service fees from our transportation partners, frozen food storage services customers and frozen food space leasing customers, for the access of parking lot space provided by us, charged primarily as hourly fees, and operation service fees charged to third-party transportation service providers, all in connection with our frozen food storage business. In addition, we also launched frozen food sorting and dispatch services in March 2025, for which we charge fee based on the weight of the frozen food handled, with minimal revenue contribution in the first half of 2025. In connection with our frozen food storage business, our frozen food logistics sorting and dispatch services combine sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations.

Frozen Food Storage Services

We operated two frozen food storage bases in Changsha, Hunan province, providing frozen food wholesalers and retailers with a consistently stable low temperature environment which ensures food quality before entering the trading market and enables optimized inventory turnover and cross-batch consolidation, with a total designed storage capacity of over one million cubic meters, or over 230,000 tonnes of usable storage capacity, as of the Latest Practicable Date, processing over 4,000 tonnes of inbound and outbound volume daily. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the revenue generated from our frozen food storage services was RMB137.4 million, RMB132.8 million, RMB160.0 million, RMB75.6 million and RMB81.2 million, respectively, accounting for 58.0%, 65.8%, 68.5%, 67.3% and 68.8% of our total revenue in the same periods, respectively.

Our frozen food storage facilities feature automation capabilities that enable efficient warehouse management. For our frozen food storage services, we provide frozen food storage capacity, related warehouse management services such as goods sorting, categorization and packaging, inventory counting and tracking, inbound and outbound recording, as well as fire safety and environmental risk management, to frozen food wholesalers and retailers. Our warehouses are equipped with electric counterbalance forklifts, standing forklifts and electric hydraulic trucks, among others, for semi-automated frozen food storage and retrieval, and twin-screw compressors for safe and efficient frozen food storage, operating 24/7 with high precision and minimal errors. We utilize our system to ensure seamless processing from receipt and inbound storage to outbound delivery. All frozen food storage information, including product quantities and types, is tracked through our management system. This automation approach, combined with our customer-centric management philosophy, helps our customers streamline their operations and facilitates their business growth. We also equip warehousing staff to manage key steps from receipt and inbound storage to outbound delivery, such as recording and checking storage information, conducting material handling and sorting, and performing quality control procedures for inventories, among others. In May 2024, our frozen food storage facilities received

First-Level Green Warehouse (一級綠色倉庫) accreditation from China Warehousing and Distribution Association (中國倉儲與配送協會), the highest level of qualification in China's frozen food storage industry, according to the CIC Report. The following images serve as illustrations of our frozen food storage warehouses.

The prices of our daily frozen food storage fees range from RMB1.5 to RMB4.5 per tonne in general, which are primarily based on our operating costs, storage capacity purchased and storage locations. We charge our customers on a daily basis, with payments settled on a monthly basis for frozen food storage services provided. The storage fee is calculated per tonne. Our daily frozen food storage fees per tonne has a wide range, primarily due to the different floor the storage space is located, the average daily storage volume and density of goods. Storage locations with lower floors command higher rates due to greater accessibility; customers with larger average daily storage volumes benefit from volume-based discounts; and light-weighted goods are charged at relatively higher storage fee per tonne. Our customers enter into fixed-term agreements with us, which are generally for one year and renewable upon mutual consent. We are entitled to claim contractual damages if certain events occur, such as non-payment of storage service fees or breach of management guidelines. Upon renewal, the storage service fees will be renegotiated. Upon entering into the frozen food storage agreements, our customers are required to pay a cash deposit to us, which is unsecured and interest-free. Customers are usually required to pay frozen food storage service fees and other miscellaneous fees on a monthly basis. We are responsible for the utility, repair and maintenance costs of frozen food storage warehouses. To ensure the availability of daily storage capacity, we primarily focus on (1) conducting proactive capacity planning based on predictive analytics trends to prevent shortage of storage capacity, and should the analysis forecast a potential capacity shortage, we then (2) implement layout optimizations to maximize spatial efficiency, for instance, we leverage underutilized or previously unused corner spaces in our warehouses. During the Track Record Period and up to the Latest Practicable Date, we have consistently been able to ensure the provision of adequate storage capacity to meet our customers' requirements, and there have been no instances where our customers were unable to obtain sufficient storage capacity in our facilities.

Our two frozen food storage bases are all located in Changsha, Hunan province. We established the first base, i.e., the southern frozen food storage base, in 2008, and the second base, i.e., the northern frozen food storage base, in 2015. The following table sets forth certain information of our two frozen food storage bases, respectively.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Southern frozen food storage base					
Total usable storage capacity *(tonnes)*	130,352	130,352	206,594	191,966	206,594
Storage capacity purchased by customers *(tonnes)*	128,869	129,077	186,916	186,814	182,247
Storage capacity utilization rate *(%)*[(1)]	98.9%	99.0%	90.5%	97.3%	88.2%
Average annual frozen food storage fee per customer *(RMB in thousands)*[(2)]	208	212	202	206	211
Average monthly frozen food storage fee per tonne *(RMB)*[(3)]	79.4	79.3	66.9	62.7	70.7
Number of frozen food storage customers	589	579	741	683	734
Average storage capacity purchased by customers *(tonnes)*[(4)]	219	223	252	274	248
Renewal rate *(%)*[(5)]	97.9%	92.4%	92.9%	92.9%	90.6%
Average daily frozen storage fee *(RMB in thousands)*	336	336	410	386	427
Average daily frozen storage fee per tonne *(RMB)*	2.61	2.61	2.19	2.07	2.34
Northern frozen food storage base					
Total usable storage capacity *(tonnes)*	24,000	24,000	24,000	24,000	24,000
Storage capacity purchased by customers *(tonnes)*	20,400	16,473	16,267	18,021	11,011
Storage capacity utilization rate *(%)*[(1)]	85.0%	68.6%	67.8%	75.1%	45.9%
Average annual frozen food storage fee per customer *(RMB in thousands)*[(2)]	52	101	150	207	337
Average monthly frozen food storage fee per tonne *(RMB)*[(3)]	59.5	50.8	51.5	49.8	58.7
Number of frozen food storage customers	279	99	67	52	23
Average storage capacity purchased by customers *(tonnes)*[(4)]	73	166	243	347	479
Renewal rate *(%)*[(5)]	56.5%	21.9%	58.6%	48.5%	29.9%
Average daily frozen storage fee *(RMB in thousands)*	40	28	27	30	21
Average daily frozen storage fee per tonne *(RMB)*	1.96	1.67	1.69	1.64	1.94
Total					
Total usable storage capacity *(tonnes)*	154,352	154,352	230,594	215,966	230,594
Total storage capacity purchased by customers *(tonnes)*	149,269	145,550	203,183	204,835	193,258
Total storage capacity utilization rate *(%)*[(1)]	96.7%	94.3%	88.1%	94.8%	83.8%
Total average daily frozen storage fee *(RMB in thousands)*	376	364	437	415	449
Average daily frozen storage fee per tonne *(RMB)*	2.52	2.50	2.15	2.03	2.32

(1) Calculated by dividing storage capacity purchased by customers as of a given date by the total storage capacity as of that date.

(2) Calculated by dividing the revenue generated from the frozen food storage services in a given period by the total number of frozen food storage customers in that period.

(3) Calculated by dividing the revenue generated from the frozen food storage services in a given period by the storage capacity purchased by customers during that period, and then divided by the number of months in that period.

(4) Calculated by dividing storage capacity purchased by customers as of a given date by the number of frozen food storage customers as of that date.

(5) Calculated by dividing the number of frozen food storage customers who renewed their agreements with us with revenue contribution in a given period by the total number of frozen food storage customers with revenue contribution in the previous period.

The new facilities constructed under the Phase V Expansion Project comprises the warehouse G and warehouse H, which were completed in January and August 2024, respectively, after which we began to recognize their depreciation as cost of sales, respectively. The total storage capacity utilization rate for our two bases decreased during the Track Record Period, primarily due to (1) the commissioning of warehouse H of the new facilities under the Phase V Expansion Project since August 2024, and (2) the termination of storage services by certain customers in 2025 for their own reasons. The key operating metrics of our southern frozen food storage base generally exceeded those of our northern frozen food storage base during the Track Record Period, primarily because (1) we have a longer operating history for our southern frozen food storage base compared to the northern frozen food storage base, (2) our southern frozen food storage base occupies a prime location within Changsha's major frozen food storage industrial cluster, which is a strategic advantage developed through years of operation in the region, (3) our southern frozen food storage base is close to the transportation hub with immediate access to major transportation lines. Specifically, our southern frozen food storage base reaches the city ring expressway within five minutes and connects to the Beijing-Hong Kong-Macao Expressway in eight minutes, enabling rapid integration into national freight system, and (4) the facilities at our southern frozen food storage base incorporate technologies, including fully automated temperature control, remote mobile operation of refrigeration systems, and unmanned operations. Unmanned operations were enabled through the integration of our warehouse management system and transport management system. Key automated processes include automated stacker cranes that autonomously store and retrieve goods, and a continuous loop conveyor system that seamlessly transports items throughout the facility.

The total usable storage capacity of our southern frozen food storage base increased from 130,352 tonnes as of December 31, 2023 to 206,594 tonnes as of December 31, 2024, as we completed the construction of the frozen food storage warehouses under the Phase V Expansion Project at our southern base in August 2024. See "—Automation Technology and Information Network." As a result, the storage capacity purchased by customers of our southern base also increased from 129,077 tonnes as of December 31, 2023 to 186,916 tonnes as of December 31, 2024. The storage capacity utilization rate decreased from 99.0% as of December 31, 2023 to 90.5% as of December 31, 2024, as we were in the process of ramping up our storage capacity. The average monthly frozen food storage fee decreased from RMB79.3 per tonne in 2023 to RMB66.9 per tonne in 2024, since we were attracting and bringing in new customers at strategically lower price. The average monthly frozen food storage fee per tonne at our southern frozen food storage base in the six months ended June 30, 2025 was lower than that in 2022 and 2023, primarily because the average monthly frozen food storage fee per tonne for our Phase V Expansion Project was relatively lower than those for other warehouses, as the Phase V Expansion Project is situated in a less optimal location. Furthermore, the average monthly frozen food storage fee per tonne at our southern frozen food storage base in the six months ended June 30, 2024 was lower than that of the six months ended June 30, 2025, as we offered a special discount on the normal storage fees in the six months ended June 30, 2024 to attract customers to these facilities, and we charged normal storage fees without such discount in 2025. The inclusion of this new, relatively lower-priced warehouse in the overall calculation consequently reduced the average fee.

The storage capacity purchased by customers of our northern frozen food storage base decreased from 20,400 tonnes as of December 31, 2022 to 16,473 tonnes as of December 31, 2023, primarily due to the completion of certain covid-related one-off contracts in 2022 in which we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic. The number of frozen food storage customers of our northern base also decreased from 279 as of December 31, 2022 to 99 as of December 31, 2023 and the renewal rate decreased from 56.5% in 2022 to 21.9% in 2023, primarily because we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic in 2022, leading to a temporary customer boom in 2022, which did not last to 2023. Specifically, a 2022 mandate from Changsha local government requiring centralized disinfection of imported frozen food led us to establish a designated regulated warehouse, which temporarily drove a significant surge in customer traffic and revenue for our northern frozen food storage base, until the policy was rescinded with the end of the official health emergency in 2023. The storage capacity purchased by customers of our northern frozen food storage base further decreased to 16,267 tonnes as of December 31, 2024, primarily due to the decrease in the number of frozen food storage customers from 99 as of December 31, 2023 to 67 as of December 31, 2024, as we strategically focused on key account customers who had large frozen food storage demand amid the intense market competition. The storage capacity purchased by customers of our northern food storage base further decreased to 11,011 tonnes as of June 30, 2025, primarily due to the decrease in the number of frozen food storage customers from 67 as of December 31, 2024 to 23 as of June 30, 2025, primarily because of the intensified market competition and adverse macroeconomic conditions. As a result of the foregoing, the overall performance of our northern base deteriorated during the Track Record Period. In 2022 and 2024, our northern frozen food storage base has generated net profits of RMB3.0 million and RMB1.0 million, respectively, while in 2023 and the six months ended June 30, 2025, we recorded losses of RMB1.5 million and RMB1.4 million, respectively, primarily due to the constantly decreased storage capacity utilization rate and the deteriorated renewal rate. Our key initiatives to enhance the performance of our northern frozen food storage base primarily include (1) intensifying business development efforts to attract various types of customers in the region, including key account customers, small-sized customers and short-term customers; (2) elevating our customer service standards and streamlining our customers' cold chain operations through improvements to our physical and digital infrastructure; and (3) integrating upstream and downstream supply chain partners to develop an ecosystem to attract potential customers. See "Risk Factors—Risks Relating to Our Business and Industry—Our northern frozen food storage base recorded net losses in the past, and our improvement initiatives may not return it to or sustain profitability." Notwithstanding the recent operating performance, we are committed to maintaining the operation of our northern frozen food storage base given its strategic role in our geographical storage network and the manageable scale of its losses. The northern base serves as a strategic node that supports our overall network coverage and enhances our integrated service capabilities to our customers. Furthermore, the losses incurred by the northern frozen food storage base have remained at a manageable level in the context of our Group's overall financial performance, and we possess adequate financial resources to support its ongoing operations. We believe that, despite the northern frozen food storage base having experienced decreasing operating performance, it is expected to contribute profit to our Group in the long term, considering its track record of generating net profits in both 2022 and 2024.

Our renewal rate in the southern frozen food storage base decreased from 97.9% in 2022 to 92.4% and 92.9% in 2023 and 2024, respectively, and further to 90.6% in the six months ended June 30, 2025, primarily due to COVID-19 pandemic related disruptions and adverse macroeconomic conditions, which impacted the operational continuity of certain small-scale tenants. Despite this challenge, our storage capacity utilization rate remained high, increasing slightly from 98.9% in 2022 to 99.0% in 2023, underscoring our sustained strong operational performance in a dynamic market environment.

The following table sets forth the average frozen food storage fee per tonne and renewal rate of our frozen food storage bases in the first six months in 2025 on a monthly basis.

	For the month ended					
	January 31, 2025	February 28, 2025	March 31, 2025	April 30, 2025	May 31, 2025	June 30, 2025
Southern frozen food storage base						
Average frozen food storage fee per tonne *(RMB)*[(1)]	73.4	65.8	72.6	70.7	72.1	69.6
Renewal rate *(%)*[(2)]	97.6	95.2	94.2	93.3	92.8	91.2
Northern frozen food storage base						
Average frozen food storage fee per tonne *(RMB)*[(1)]	60.6	55.1	60.9	56.0	60.5	58.9
Renewal rate *(%)*[(2)]	80.0	80.0	76.0	64.0	56.0	56.0

(1) Calculated by dividing the revenue generated from the frozen food storage services in a given month by the storage capacity purchased by customers during that month.

(2) Calculated by dividing the number of frozen food storage customers who renewed their agreements with us with revenue contribution in a given month by the total number of frozen food storage customers with revenue contribution in the last month of the previous year.

The renewal rate for our frozen food storage base decreased slightly from January 2025 to June 2025, primarily because of the intensified market competition and adverse macroeconomic conditions. The escalation in market competition for our northern frozen food storage base with decreasing customer base during the Track Record Period was largely driven by the entry of small-scale frozen storage service providers. Consequently, a number of our existing small-scale frozen food storage customers discontinued their partnerships with us, primarily due to a shift toward more localized storage solutions that better align with their distribution strategies.

The average frozen food storage fee per tonne for both southern frozen food storage base and northern frozen food storage base decreased in February 2025, primarily due to the compressed revenue-generating period resulting from fewer calendar days in that month.

Frozen Food Space Leasing

We commenced our frozen food space leasing business since 2008. Spanning over 36,000 square meters, our premises for frozen food space leasing services serve as a central hub for the frozen food industry in Hunan province. With over 18 years' experience in China's cold chain service industry, we have established ourselves as a go-to choice for frozen food trading in Changsha, Hunan province. Leveraging the clustering effect, we have consistently achieved occupancy rate over 94.0% for our trading space leasing during the Track Record Period, attracting various stakeholders in China's frozen food product industry, including frozen food wholesalers and retailers. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the revenue generated from our leasing services was RMB39.4 million, RMB38.5 million, RMB42.4 million, RMB21.7 million and RMB23.8 million, respectively, accounting for 16.7%, 19.1%, 18.1%, 19.3% and 20.1% of our total revenue in the same periods, respectively.

Our premises for frozen food space leasing services connect upstream frozen food wholesalers and retailers with downstream retailers and consumers, serving as a regional hub for frozen food distribution, with customers distributing frozen food products to supermarkets, processing plants and farmers' markets in Hunan province, Guangdong province, Guangxi province, Hubei province, Jiangxi province, Guizhou province and Shandong province, among others. The following images serve as illustrations our premises for frozen food space leasing business.

We leased out trading space to our customers. In addition, we also provide ancillary leasing services to support their operations, including offices, dormitories, advertising space, temporary venues and EV charge stations. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from ancillary leasing services was RMB9.6 million, RMB10.3 million, RMB11.2 million, RMB5.4 million and RMB5.8 million, respectively, accounting for 4.0%, 5.1%, 4.8%, 4.8% and 4.9% of our total revenue for the same years, respectively. For trading space leasing, we charge rental fees from our customers. We neither participate in any customer transactions or settlements nor charge any commissions from transactions that take place at our market place. We charge our space leasing customers rental fees for trading space leasing, including monthly trading space rental fees and monthly premium. The prices of our monthly trading space rental fees range from RMB30 to RMB130 per square meter in general, which are mainly based on the floor where the space is located and the specific locations of the space on each floor. Depending on the specific location of the trading space, we generally also charge customers a monthly premium ranging from RMB300 to RMB1,100 per stall in addition to the monthly trading space rental fees. The gross floor area of each trading space ranges from eight square meters to 150 square meters. Our customers enter into fixed-term trading space leasing agreements with us, which are generally for one year and renewable upon mutual consent. Upon entering into the trading space leasing agreements, our customers are required to pay a cash deposit of ranges from RMB20,000 to RMB60,000 per trading space unit to us, which is unsecured and interest-free. Customers are usually required to pay rental fees on a monthly basis by bank transfer. Our customers are prohibited from assigning or subletting trading space without our consent. Our monthly trading space rental fees per square meter and monthly premium per stall have a wide range, primarily due to (1) the different floor the trading space is located, and (2) the specific location on each floor the trading space is located. The cash deposit per trading space unit also has a wide range, primarily due to the difference in gross floor area and the number of stores leased of each trading space. To maintain sufficient leasing space, we primarily focus on (1) implementing dynamic space management protocols to maximize utilization efficiency of existing trading spaces, (2) conducting annual reviews of our customer portfolio to optimize trading space allocation, and (3) performing regular capacity-demand analyzes to proactively identify and address potential space constraints.

The following table sets forth certain information of the trading space leasing for our frozen food space leasing services.

	As of/For the year ended December 31,			As of/For the six months ended June 30,	
	2022	2023	2024	2024	2025
Gross floor area of total trading space *(square meters)*	30,431	30,431	30,431	30,341	30,431
Gross floor area of rented trading space *(square meters)*	28,631	29,204	29,326	29,112	28,643
Trading space occupancy rate *(%)*[(1)]	94.1%	96.0%	96.4%	95.7%	94.1%
Average monthly total rental fee per square meter for trading space *(RMB)*[(2)]	87.0	80.4	88.6	93.2	92.2
Number of space leasing customers	692	698	764	697	739
Renewal rate *(%)*[(3)]	95.6%	93.4%	92.6%	92.6%	90.2%

(1) Calculated by dividing the gross floor area of rented trading space as of a given date by the gross floor area of total trading space as of that date.

(2) Calculated by dividing the revenue generated from the trading space leasing in a given period by the gross floor area of rented trading space as of the end of that period, and then divided by the number of months in that period. The calculation of the average monthly total rental fee per square meter for trading space takes into account both the monthly trading space rental fees and the premium charged.

(3) Calculated by dividing the number of space leasing customers who renewed their trading space leases with us with revenue contribution in a given period by the total number of space leasing customers with revenue contribution in the previous period.

During the Track Record Period, our trading space leasing had demonstrated robust market demand. During the Track Record Period, the occupancy rate remained over 94.0% and the renewal rate remained over 90.0%, underscoring the strong appeal and effective utilization of our trading space. The renewal rate slightly decreased during the Track Record Period, as we strategically focused on key account customers amid the intense market competition. The average monthly total rental fee per square meter for trading space decreased in 2023, primarily because we granted a one-month rent waiver for our customers amid the COVID-19 pandemic.

The following table sets forth the average total rental fee per square meter for trading space and renewal rate of the trading space leasing in the first six months in 2025 on a monthly basis.

	For the month ended					
	January 31, 2025	February 28, 2025	March 31, 2025	April 30, 2025	May 31, 2025	June 30, 2025
Average total rental fee per square meter for trading space *(RMB)*[(1)]	92.3	92.4	92.4	92.3	92.2	92.0
Renewal rate *(%)*[(2)]	94.5	93.8	92.5	91.3	90.8	89.6

(1) Calculated by dividing the revenue generated from the trading space leasing in a given month by the gross floor area of rented trading space as of the end of that month. The calculation of the average total rental fee per square meter for trading space takes into account both the monthly trading space rental fees and the premium charged.

(2) Calculated by dividing the number of space leasing customers who renewed their trading space leases with us with revenue contribution in a given month by the total number of space leasing customers with revenue contribution in the last month of the previous year.

Auxiliary Services and Transportation Resources

In connection with our frozen food storage services, we also provide certain auxiliary services to support our customers' operations, primarily including loading services and transportation services.

- *Loading services*. Loading services primarily include unloading goods, transferring inventory, stacking goods within warehouses, relocating stocks for daily operations and loading goods on vehicles. Our customers are required to use our loading and unloading services. All machinery and devices used in providing loading and unloading services are owned by us. In addition to our own employees responsible for loading services, we also engage third-party service providers who are capable of safe and efficient handling for frozen food products, satisfying our customers' loading needs. Such third-party service providers primarily deliver services of unloading goods, and assist in warehouse stacking and vehicle loading. Our own employees handle inspection, invoicing, warehousing, transfer, storage adjustments, and outbound shipping. The operations of transfer and storage adjustments encompass the re-handling and repositioning of goods, using forklifts or manual labor, to fulfill customer-directed goals such as first-in-first-out, improved outbound efficiency, or enhanced warehouse utilization. We outsource the physical unloading of goods and a portion of the pallet stacking services to third-party service providers. These outsourced activities represent approximately 55.0% to 60.0% of the total loading service workload. Our customers do not have the option to engage other loading service providers. Expenditure on these third-party suppliers accounted for 60.8%, 63.4%, 55.0%, 57.0% and 54.5% of our total cost for loading and unloading services in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The duration of cooperation agreements with such service providers is typically one year. They shall ensure that their loading staff possess relevant health certificates. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from loading services was RMB26.1 million, RMB25.8 million, RMB25.8 million, RMB12.5 million and RMB11.2 million, respectively, accounting for 11.0%, 12.8%, 11.0%, 11.2% and 9.5% of our total revenue in the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, (1) the service volume for our loading services was over 716,400 tonnes, over 697,000 tonnes, over 696,200 tonnes, over 338,300 tonnes and 315,800 tonnes, respectively, (2) our average unit loading service fee per tonne was approximately RMB36.4, RMB37.1, RMB37.1, RMB37.0 and RMB35.8, respectively, and (3) our average monthly loading service fee was RMB2.2 million, RMB2.2 million, RMB2.2 million, RMB2.1 million and

RMB1.9 million, respectively. The decrease in the service volume for our loading services during the Track Record Period was primarily due to a sustained industry trend and shift in the mix of the goods handled, with lower-weight items such as frozen, hotel-prepared, and pre-made dishes gradually replacing heavier categories such as imported pork and beef offal.

Key terms of the loading agreement entered into with our customers include:

(1) *Terms*. Terms of agreement is usually one year.

(2) *Right to dispose*. Should payment remain outstanding for one month and our customers still fails to fulfill their payment obligations, we are entitled to unilaterally dispose our customers' goods to offset the service fees owed.

(3) *Payment*. Our customers are required to pay all service fees on a monthly basis.

(4) *Termination*. We are entitled to unilaterally terminate the agreement should our customer fail to fulfill their payment obligations for one month.

Key terms of the cooperation agreements entered into with third-party loading service providers include:

(1) *Terms*. Terms of agreement is usually one year.

(2) *Monthly payments*. We are required to pay the third-party loading service provider on a monthly basis.

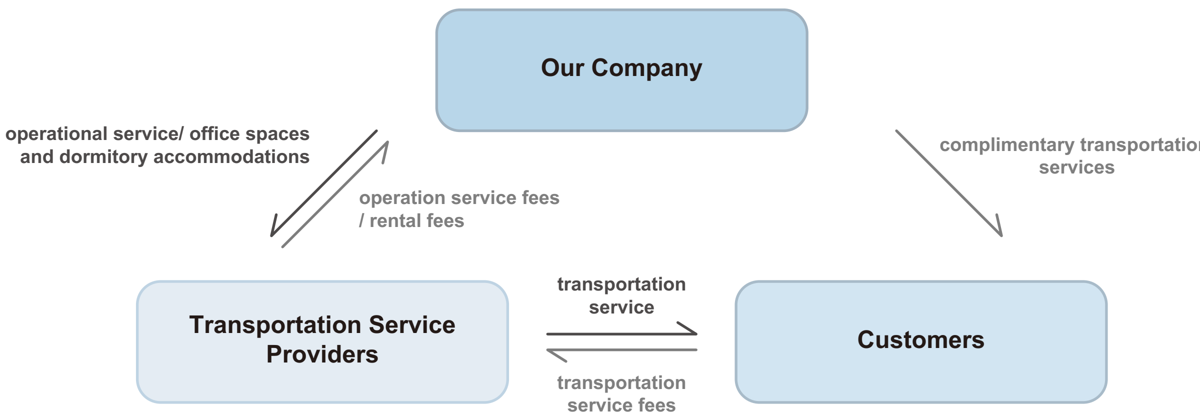
(3) *Duty to perform*. Third-party loading service providers are required to provide sufficient personnel to support our daily operations.

(4) *Right of first refusal*. Third-party loading service providers are entitled to renew the contract under equal conditions if no breaches occur.

(5) *Compliance*. Third-party loading service providers are obligated to maintain qualified staff with valid health certificates, labor contracts and insurance.

(6) *Termination and Rescission*. The cooperation agreements do not contain termination clause. However, a specific rescission clause grants us the right to rescind the contract unilaterally should the service provider cause economic loss or material reputational damage.

• *Transportation resources.* Since 2018 we have connected our customers with various third-party providers to provide temperature-controlled transportation services to expand the reach of our customers' operation while ensuring the optimal quality and freshness of products. We select transportation service partners based on their trucks' temperature control system and hygienic conditions, personnel qualifications, and compliance with safety and regulatory standards. We regularly assess their operational efficiency, safety record and customer feedback to ensure reliable frozen food transportation while maintain frozen food quality and hygiene. As of June 30, 2025, our transportation service partners were capable of delivering frozen food products across China. Although we generally do not provide transportation services directly to our customers except for the scenario where we transport our customers' goods between our southern frozen food storage base and northern frozen food storage base using our own logistics vehicles on a complimentary basis, our transportation service partners adhere to our management guidelines, including transportation fee range, service protocols, temperature control requirements and after-sales policies, among others. We charge these partners fixed operation service fees primarily considering the number of platforms and vehicles our transportation service partners are expected to utilize covering primarily loading and unloading platform usage and parking fees, as well as leasing fees for office rental based on their actual usage. We set our parking fees based primarily on parking duration. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 the revenue generated from operation services from such transportation service partners, which was categorized as others under our revenue, was nil, nil, approximately RMB742,000, RMB145,000 and RMB610,000, respectively, accounting for nil, nil, 0.3%, 0.1% and 0.5% of our total revenue in the same years, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the revenue generated from office rental from such transportation service partners, which was categorized as leasing services under our revenue, was approximately RMB79,000, RMB96,000, RMB78,000, RMB39,000 and RMB41,000, respectively, accounting for 0.03%, 0.05%, 0.03%, 0.03% and 0.03% of our total revenue in the same years, respectively.



In addition, we also launched frozen food sorting and dispatch services in March 2025, for which we charge fee based on the weight of the frozen food handled, with minimal revenue contribution in the first half of 2025. In connection with our frozen food storage business, our frozen food logistics sorting and dispatch services combine sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations.

- *Inventory management consulting services.* Leveraging data analytics, we also provide inventory management consulting services for our frozen food storage customers to help them optimize stock levels, reduce carrying costs, and improve overall operational efficiency. Our inventory management consulting services include primarily warehouse layouts optimization to maximize storage space utilization rate and storage safety protocols implementation. We provide inventory management consulting services as part of our frozen food storage services and do not separately charge our customers for such services. As such, we do not track or report revenue from inventory management consulting services separately from our revenue generated from frozen food storage services.

Sales of Frozen Food Products

Historically, we operated the business in sales of frozen food products as part of our frozen food storage services. Our customers for the sales of frozen food products primarily include wholesalers and food manufacturing companies. We terminated such business in 2022 to narrow our focus on our core business lines in which we believe we have stronger competitive advantages and can achieve higher profit margin and greater synergies and enhance operational efficiency.

AUTOMATION TECHNOLOGY AND INFORMATION NETWORK

Automation Technology

We aim to implement automation frozen food storage technologies to accelerate our internal digitalization, building an operating chain that empowers each step of our operations. We believe that more modern and consistently maintained facilities enhance prospects of winning new customers, retaining existing customers, driving more efficient operations, and improving profitability.

In August 2024, we completed the construction of the frozen food storage warehouses under the Phase V Expansion Project at our southern frozen food storage base in Changsha. See "—Our Frozen Food Storage and Frozen Food Space Leasing Business—Frozen Food Storage Services" for details. This warehouse features automation frozen food storage infrastructure, providing a professional, accurate and reliable frozen food storage services for customers with top-notch equipment and setting a new standard for automated frozen food storage in China. Leveraging automatic conveyor lines, high-bay racks and stackers, our frozen food storage system can automatically plan storage paths based on frozen product type and weight, significantly increasing the efficiency of our warehousing staff. The following images demonstrate our frozen food storage warehouse.

Information Network

We place great emphasis on data as the foundation for our digital operations. We have developed a warehouse management system, which utilizes data, such as inbound and outbound volume and type of frozen food products, to conduct data analysis, improving the efficiency of our operations and reducing costs through refined operations management. For monitoring, our warehouse management system also records all financial data in connection with our frozen food storage service and frozen food space leasing. Leveraging such information network system, we focus on the continuous tracking of expenses and have data monitoring in place to identify opportunities for improvement. In addition, we have also developed a transportation management system for the external management of our frozen food storage warehouses, which tracks the entire process from customers' transportation orders to the delivery of their frozen food products. Through this approach, we can achieve closed-loop business process control and management. During peak seasons, we conduct timely and accurate updates to our forecasts to pre-allocate our resources. This enables us to achieve and secure accurate resource allocation, reduce delays, and ensure timely and efficient services.

During the Track Record Period and up to the Latest Practicable Date, our information technology and software systems did not encounter any malfunction, unexpected system failure, interruption, insufficiency or security breaches.

Research and Development

Our research and development efforts are primarily focused on improving our information network infrastructure and developing new systems for logistics and warehousing management. As of June 30, 2025, our research and development team had eight employees.

PROPERTY MAINTENANCE AND QUALITY CONTROL

We have developed a series of policies aimed at improving the efficiency of our property maintenance and improving customers' satisfaction. Our responsive customer service team provides timely assistance to our customers. Our policies generally require every reported issue by our customers shall be resolved within 48 hours. We carry out regular repairs and property maintenance. Relevant employees conduct daily inspections of our frozen food storage warehouses and premises for frozen food space leasing services, focusing on potential safety hazards and damages. In addition, we engage qualified third-party inspectors to conduct on-site inspections, during which the inspectors evaluate and document the internal and external condition of our properties and inspect major systems and fixtures. In particular, relevant inspectors conduct inspections on refrigeration pressure vessels and pipelines every year, switchboard inspections every two years, and special equipment inspections every three years.

To ensure our service quality, we have also developed standard operating procedures for our employees, including work processes, quality control, maintenance and safety. We also require all on-site staff to follow a standard operating procedure to ensure consistency and quality of the customer experience. Our rigorous quality assurance procedures enable us to provide our customers with consistently high-quality service.

CUSTOMERS

During the Track Record Period, our customers primarily included frozen food wholesalers and retailers who utilized our frozen food storage services and/or leased our trading space. We strive to provide high-quality, customer-centric services for our customers, regardless of their size, which we believe continue to improve customer satisfaction, enhancing customer loyalty and stickiness. As a result, we have won numerous market recognitions and word-of-mouth referrals.

During the Track Record Period, our top five customers primarily included local merchants and micro and small businesses in Hunan province operating in food production, wholesale and retail, with a focus on frozen food, packaged food, and agricultural products. Our top five customers utilized our frozen food storage services and/or leased our trading space. We maintain an average of approximately 10 years of business relationship with our top five customers. Our top five customers settle payment with us through bank transfers with a typical credit term of five days. Our revenue generated from the five largest customers in each year/period during the Track Record Period was RMB21.2 million, RMB17.8 million, RMB19.0 million and RMB8.8 million for the respective year/period, accounting for 9.0%, 8.7%, 8.1% and 7.5% of our total revenue for the respective year/period. In the same year/period, our revenue generated from the largest customer in each year/period during the Track Record Period was RMB5.6 million, RMB5.7 million, RMB6.9 million and RMB3.4 million for the respective year/period, accounting for 2.4%, 2.8%, 3.0% and 2.9% of our total revenue for the respective year/period. For each period during the Track Record Period, no single customer contributed more than 3.0% of our revenue. As of the Latest Practicable Date, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of our Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest customers in each year/period during the Track Record Period. Our five largest customers in each year/period during the Track Record Period consists of nine customers, and three of them were affiliated with certain of our Shareholders owning less than 5% of our Company's issued share capital. Our revenue generated from each of such customer individually accounted for less than 1.7% of our total revenue for the corresponding years. Our transactions with such customers were conducted under normal commercial terms. During the Track Record Period, all of our top five customers with whom we transacted are located in Changsha, Hunan province, with the exception of one customer.

Major Terms of Trading Storage Agreements and Frozen Food Spacing Leasing Agreements

We typically enter into standard frozen food storage agreements and standard trading space leasing agreements with our customers, including our top five customers during the Track Record Period. Major terms of such standard agreements include:

	Frozen Food Storage Agreements	Trading Space Leasing Agreements
Term	Our customers enter into fixed-term agreements with us, which are generally for one year and renewable upon mutual consent	
Payment	We primarily charge frozen food storage fees. Our daily frozen food storage fees range from RMB1.5 to RMB4.5 per tonne in general. Customers are usually required to pay these fees on a monthly basis by bank transfer	We charge our frozen food space leasing customers rental fees for trading space leasing, including monthly trading space rental fees and monthly premium. Our monthly trading space rental fees range from RMB30 to RMB130 per square meter in general. Depending on the specific location of the trading space, we generally also charge customers a monthly premium ranging from RMB300 to RMB1,100 per stall in addition to the monthly trading space rental fees. Customers are usually required to pay these fees on a monthly basis by bank transfer
Termination	We are entitled to terminate the agreements when (1) our customers operate in violation of laws and regulations, or (2) our customers cause damage in our facilities. Additionally, for our trading space leasing business, we are entitled to terminate the agreements when our customers materially violate the management protocols of our trading space.	
Deposit	Upon entering into the agreements, our customers are required to pay a cash deposit to us, which is unsecured and interest-free. Such deposit generally ranges from RMB20,000 to RMB60,000 per trading space unit and RMB10,000 per 100 tonnes of storage capacity	
Security management guidelines	The customers shall enter into security management guideline agreements with us, which primarily stipulate the requirements that customers shall (1) provide us with valid business qualifications, such as food business licenses and employee health certificates, and maintain these qualifications valid, (2) be responsible for food safety and establish a food safety responsibility system, and (3) adhere to various management guidelines for daily operations	
Sharing, subletting or assigning	The customers are prohibited from sharing, subletting or assigning their rented trading space to any other parties. The customers are also prohibited from assigning the contract for frozen food storage services to any other parties	
Our liability for loss or damage to inventories	We are responsible for loss or damage to inventories stored in shared frozen food storage space	Not applicable
Confidentiality	Both parties shall keep all trade secrets relevant to the agreement confidential	

SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of utility suppliers for electricity and water, as well as loading and unloading service providers. Purchases from our five largest suppliers in each year/period during the Track Record Period was RMB38.0 million, RMB33.9 million, RMB37.2 million and RMB15.8 million for the respective year/period, accounting for 78.1%, 89.2%, 86.4% and 90.6% of our total purchases for the respective year/period. Purchases from our largest supplier in each year/period during the Track Record Period was RMB20.1 million, RMB20.6 million, RMB20.7 million and RMB9.0 million for the respective year/period, accounting for 41.2%, 54.1%, 48.1% and 51.5% of our total purchases for the respective year/period. All of our five largest suppliers in each year/period during the Track Record Period are independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of our Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest suppliers in each year/period during the Track Record Period. We believe we have sufficient alternative suppliers for our business that can provide us with substitutes of comparable quality and prices. During the Track Record Period and up to the Latest Practicable Date, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the related services and products. In addition, our backup generators can fully fulfill our power supply needs. However, we have not used our backup generators to meet our power supply needs during the Track Record Period and up to the Latest Practicable Date.

Among our five largest suppliers in each year/period during the Track Record Period, Supplier A is the State Grid's provincial power branch focusing on electricity and heat production and supply. To mitigate potential power shortages, we maintain backup generators capable of providing uninterrupted 24/7 power supply, subject to fuel availability. For suppliers offering loading and unloading services, we procured the services from multiple suppliers in our daily operations during the Track Record Period, instead of relying solely on Supplier B. Our Directors are of the view that, Supplier B is unlikely to terminate business relationship with us and there is no material adverse change of our relationship with Supplier B, considering that (1) we maintain cooperation with multiple suppliers of loading and unloading services during the Track Record Period, and (2) there is immediate labor substitutability given current market surplus of qualified workers for the relatively low-skill threshold operations of loading and unloading services. Should this unlikely scenario occur, we are able to procure comparable loading and unloading services from alternative suppliers with similar terms and cost levels.

Set forth below is a summary of the salient terms of our agreements with our major suppliers during the Track Record Period.

- *Terms.* Terms of agreement usually ranging from one to two years.

- *Binding payment.* Binding payment term requires us to remit funds on schedule.

- *Performance commitments.* Utility suppliers are required to provide stable supply of electricity or water.

- *Safety clauses.* Loading service providers are obligated to deliver safety education to its employees, ensure appropriate use of tools, and comply with our safety regulations.

- *Termination.* No termination or early termination clause for utility suppliers. If other providers cause material adverse effect to us, we are entitled to terminate the business relationship.

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

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit terms	Payment method	Principal business activities	Type of supplier	Background
	(RMB in thousands)	(%)						
For the year ended December 31, 2022								
Supplier A . .	20,065	41.2	2008	N/A (prepaid)	Bank transfer	Power supply	Electricity supplier	A branch of the State Grid's provincial power company, responsible for electricity supply and grid maintenance
Supplier B . .	10,849	22.3	2008	N/A (payment upon invoice receipt)	Bank transfer	Cargo loading and unloading	Loading and unloading services provider	A truck fleet company providing loading and transportation services
Supplier C . .	4,520	9.3	2016	20% prepaid and 80% in seven days	Bank transfer	Meat import/export, meat products	Commodity trading services provider	A company specializing in meat and food import/export
Supplier D . .	1,676	3.4	2022	Seven days upon invoice receipt	Bank transfer	Property management and professional cleaning	Cleaning services provider	A company offering commercial and residential property management services
Supplier E. . .	915	1.9	2008	N/A (prepaid)	Bank transfer	Tap water production, supply and distribution	Water supplier	A municipal utility company responsible for tap water production and supply
Total	**38,025**	**78.1**						

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit terms	Payment method	Principal business activities	Type of supplier	Background
	(RMB in thousands)	(%)						
For the year ended December 31, 2023								
Supplier A . .	20,556	54.1	2008	N/A (prepaid)	Bank transfer	Power supply	Electricity supplier	A branch of the State Grid's provincial power company, responsible for electricity supply and grid maintenance
Supplier B . .	10,336	27.2	2008	N/A (payment upon invoice receipt)	Bank transfer	Cargo loading and unloading	Loading and unloading services provider	A truck fleet company providing loading and transportation services
Supplier D . .	1,694	4.5	2022	Seven days upon invoice receipt	Bank transfer	Property management and professional cleaning	Cleaning services provider	A company offering commercial and residential property management services
Supplier E. . .	827	2.2	2008	N/A (prepaid)	Bank transfer	Tap water production, supply and distribution	Water supplier	A municipal utility company responsible for tap water production and supply
Supplier F. . .	461	1.2	2016	N/A (payment upon invoice receipt)	Bank transfer	Building structure waterproof and leakage repair, anti-corrosion and insulation services	Maintenance and repair services provider	A decoration company offering construction services
Total	**33,874**	**89.2**						

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit terms	Payment method	Principal business activities	Type of supplier	Background
	(RMB in thousands)	(%)						
For the year ended December 31, 2024								
Supplier A . .	20,693	48.1	2008	N/A (prepaid)	Bank transfer	Power supply	Electricity supplier	A branch of the State Grid's provincial power company, responsible for electricity supply and grid maintenance
Supplier B . .	10,052	23.4	2008	N/A (payment upon invoice receipt)	Bank transfer	Cargo loading and unloading	Loading and unloading services provider	A truck fleet company providing loading and transportation services
Supplier G . .	2,594	6.0	2023	30% advance payment, 65% paid upon acceptance, with 5% retention as warranty deposit	Bank transfer	Manufacture and sale of man-made boards, wood processing, bamboo product manufacturing	Storage rack provider	A company providing packaging solutions
Supplier H . .	1,980	4.6	2023	N/A (payment upon invoice receipt)	Bank transfer	Renewal energy research and development, intelligent power transmission, distribution and control equipment sales	Photovoltaic power supply	A company specializing in renewal energy solutions
Supplier D . .	1,850	4.3	2022	Payment due monthly by the 15th	Bank transfer	Property management and professional cleaning	Cleaning services provider	A company offering commercial and residential property management services
Total	**37,169**	**86.4**						

Supplier	Purchase amount	Percentage of total purchase	Year of commencement of business relationship	Credit term	Payment method	Principle business activities	Type of supplier	Background
	(RMB in thousands)	(%)						
For the six months ended June 30, 2025								
Supplier A . .	8,975	51.5	2008	N/A (prepaid)	Bank transfer	Power supply	Electricity supplier	A branch of the State Grid's provincial power company, responsible for electricity supply and grid maintenance
Supplier B . .	3,461	19.9	2008	N/A (payment upon invoice receipt)	Bank transfer	Cargo loading and unloading	Loading and unloading services provider	A truck fleet company providing loading and transportation services
Supplier I . . .	1,224	7.0	2024	N/A (payment upon invoice receipt)	Bank transfer	Cargo loading and unloading, domestic cargo transportation	Loading and unloading services provider	A company providing loading and transportation services and construction services
Supplier H . .	1,165	6.7	2023	N/A (payment upon invoice receipt)	Bank transfer	Renewal energy research and development, intelligent power transmission, distribution and control equipment sales	Photovoltaic power supply	A company specializing in renewable energy solutions
Supplier D . .	958	5.5	2022	Payment due monthly by the 15th	Bank transfer	Property management and processional cleaning	Cleaning services provider	A company offering commercial and residential property management services
Total	**15,783**	**90.6**						

Notes:

(1) Supplier A is the State Grid's provincial power branch focusing on electricity and heat production and supply. Supplier A is located in Changsha, Hunan province with 2,337 employees.

(2) Supplier B is a truck fleet that provides transportation services. It comprises a group of five entities under common control, three of which are companies each with a registered capital of RMB100,000.

(3) Supplier C specializes in meat and food product import and export. Supplier C is located in Wuhu, Anhui province with registered capital of RMB190.0 million.

(4) Supplier D provides commercial and residential property management services. Supplier D is located in Changsha, Hunan province with registered capital of RMB10.0 million.

(5) Supplier E is a municipal utility company focusing on tap water production and supply. Supplier E is located in Changsha, Hunan province with registered capital of RMB811.7 million.

(6) Supplier F is a property decoration and construction company. Supplier F is located in Changsha, Hunan province with registered capital of RMB1.0 million.

(7) Supplier G is a retail company that provides packaging solutions. Supplier G is located in Zhuzhou, Hunan province with registered capital of RMB5.0 million.

(8) Supplier H provides renewable energy solutions. Supplier H is located in Changsha, Hunan province with registered capital of RMB5.0 million.

(9) Supplier I is a company that provides loading and transportation services and construction services. Supplier I is located in Changsha, Hunan province with registered capital of RMB0.2 million.

PROPERTIES

During the Track Record Period and up to the Latest Practicable Date, all of our frozen food storage warehouses and our premises for frozen food space leasing business were located in Changsha, Hunan province, China. As of the Latest Practicable Date, we owned two properties with an aggregate gross floor area of approximately 404,368.96 square meters in China.

Building Ownership Certificates

As of the Latest Practicable Date, we have obtained building ownership certificates for the Affected Buildings with the aggregate gross floor area of approximately 16,201.42 square meters located in our southern frozen food storage base, which we did not obtain the certificates during the Track Record Period. Based on our consultation and confirmation with the Changsha Municipal Bureau of Natural Resources and Planning ("**the Bureau**") in April 2025, our PRC Legal Advisor is of the view that the likelihood that we will be subject to penalties for not obtaining the requisite building ownership certificates for the Affected Buildings in the past is remote. Our Directors and PRC Legal Advisor are of the view that no fire safety issues were identified in the Affected Buildings and there were no penalties in respect of fire safety issues of the Affected Buildings during the Track Record Period and up to Latest Practicable Date, and that we have obtained the necessary record certificates for fire control acceptance of construction project. Based on the view of the Directors and PRC Legal Advisor, nothing has come to the attention of the Joint Sponsors that would reasonably cause the Joint Sponsors to cast doubt on that the Group's properties with title defects do not have any fire safety issues. We did not obtain the building ownership certificates during the Track Record Period primarily because the road where the Affected Buildings are located was under construction by the local government with the road name undetermined. The Affected Buildings were used primarily as frozen food storage warehouses, dispatch centers, and security booths, and are all in safe condition. We have already obtained the right to use the land on which the Affected Buildings are located and have completed the necessary planning, construction, and completion filing procedures for the building process, and there is no ownership disputes for the Affected Buildings. In addition, we have not obtained building ownership certificates for the Affected Car Parking Spaces with an aggregate gross floor area of approximately 29,446.21 square meters.

As of the Latest Practicable Date, we have obtained building ownership certificates for the Affected Buildings, and was advised by our PRC Legal Advisor that the Affected Car Parking Spaces are not required to apply for independent building property ownership certificate. During the Track Record Period, for the Affected Buildings and the Affected Car Parking Spaces, we have consulted the Bureau on April 23, 2025, and the Bureau replied to us on April 25, 2025, confirming that, (1) there were no violations of law or regulations regarding the Affected Buildings, (2) we were in the process of obtaining the building ownership certificates for the Affected Buildings at the time of the consultation, and (3) as the building area of the underground car parking space is not included in the calculation of the building plot ratio, we are not required to apply for the independent building property ownership certificate for the Affected Car Parking Spaces. Our PRC Legal Advisor is of the view that the Bureau is the competent authority on this matter. As advised by our PRC Legal Advisor, based on the consultation with the Bureau that as the building area of the underground car parking space is not included in the calculation of the building plot ratio, the Affected Car Parking Spaces are not required to apply for independent building property ownership certificate. Accordingly, as advised by our PRC Legal Advisor, based on the confirmation with the Bureau, the likelihood that we will be subject to penalties for not obtaining the certificate for the Affected Car Parking Spaces is remote. Our Directors are of the view that the (1) Affected Buildings and the Affected Car Parking Spaces are not individually or collectively crucial to our business operations, considering that the gross floor area of the Affected Buildings and the Affected Car Parking Spaces are immaterial compared to the total gross floor area of our owned properties; and (2) on the basis of the abovementioned confirmations from the competent authorities on these matters, the lack of building ownership certificates for the Affected Car Parking Spaces would not have a material adverse impact on our business, financial condition or results of operations. Our PRC Legal Advisor is of the view that the absence of the building ownership certificates of the Affected Car Parking Spaces would not have a material adverse effect on our business and operations. See "Risk Factors—Risks Relating to Our Business and Industry—We have not obtained building ownership certificates for certain buildings or parking spaces. As a result, we may face the risks of not being able to dispose of, transfer or mortgage such buildings and spaces."

Fire Safety

In 2022, one of our subsidiaries, Hongxing Beisheng, was subject to an administrative penalty of a one-off fine of RMB5,100, for failing to maintain fire protection facilities and equipment in good condition, primarily because we fail to maintain regular inspections for our fire protection facilities and equipment. Specifically, several emergency exit signs on the second floor of the dormitory building were damaged, and the fire alarm control panel registered a fault. Such administrative penalty was not in relation to the Affected Buildings and the Affected Car Parking Spaces with title defects. See "Risk Factors—Risks Related to Our Business and Industry—If we fail to obtain and maintain the requisite licenses and approvals required in the jurisdiction where we operate, our business, results of operations and financial condition may be materially and adversely affected." After discussion with the Internal Control Consultant, our Directors and PRC Legal Advisor are of the view, and the Joint Sponsors concur, that we fully rectified the non-compliance in relation to the failure to maintain and conduct regular inspections of our fire protection facilities and equipment, primarily because we have implemented a comprehensive rectification plan, which assigned responsible persons, optimized internal control systems, and ensured full execution and review of all rectification measures, resulting in a standardized and effective internal control framework and enhanced risk management capabilities. In addition, we have established robust fire safety measures, including the formulation of the "Fire Safety Management Measures" and "Fire Emergency Response Plan," the appointment of volunteer firefighters for regular patrols, the installation of facilities such as fire doors, smoke detectors, and fire hydrants, and the conduct of regular inspections and timely replacements of fire protection equipment. After consultation with the Internal Control Consultant, our Directors are of the view that the enhanced internal control measure adopted by us to prevent future recurrence of similar non-compliances are adequate and effective, and our adopted fire safety measures are adequate and effective.

Lease Agreement Registration

Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register the executed lease agreement. Our PRC Legal Advisor is of the view that no lease agreement requiring registration remained unregistered as of the Latest Practicable Date. As of the Latest Practicable Date, we had not received any order from the relevant government authorities requiring us to register these lease agreements, and no administrative penalty had been imposed on us for non-registration of these lease agreements. As advised by our PRC Legal Advisor, assuming no significant changes in current applicable laws, regulations and policies, as well as the implementation and supervision requirements of local governments, and that we register our lease agreements within the prescribed time period if and when requested by the competent government authorities, the likelihood that we would be subject to penalties for the non-registration of our lease agreements is remote. In addition, we obtained a compliance letter from Changsha Yuhua Economic Development Zone Administrative Committee on June 27, 2025, confirming that we will not be subject to any penalty for unregistered lease agreements in our premises for frozen food space leasing business, as we are not required to register the lease agreements for our self-constructed facilities. Our PRC Legal Advisor is of the view that the Committee is the competent authority on this matter. Based on our consultation and confirmation with the Committee, assuming no significant changes in current applicable laws, regulations and policies, as well as the implementation and supervision requirements of local governments, our PRC Legal Advisor is of the view that we will not be subject to any penalty for unregistered lease agreements in our premises for frozen food space leasing business by the Committee.

Internal Control Measures

To prevent future occurrence of non-compliance relating to our properties, we have implemented various internal control measures, primarily including establishing formal regulations within our seal and license management system governing the application of building property ownership certificates. The system further designates responsible departments, defines accountability mechanisms, and enforces closed-loop management controls. After discussion with our Internal Control Consultant (as defined below in "— Risk Management and Internal Control"), our Directors are of the view that these internal control measures are adequate and effective on the basis that we have established an internal management system and liability pursuit mechanism. Taking into account the views and basis of our Directors, and after discussion with the Internal Control Consultant, nothing has come to the attention of the Joint Sponsors that would reasonably cause them to cast doubt on the adequacy and effectiveness of such internal control measures in any material aspects.

Property Valuation

According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), we need to comply with the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all of our Group's interests in land or buildings , as (1) certain of our property interests that are for property activities (i.e., our investment properties and certain right-of-use assets representing land use rights) had a carrying amount of above 1% of our total assets, and (2) certain of our property interests for self-use (i.e., our buildings and certain right-of-use assets representing land use rights) had a carrying amount of above 15% of our total assets. We have included a property valuation report with respect to all of our property interests as set out in Appendix III to this prospectus. The following table sets forth certain information of our properties as of the Latest Practicable Date.

	Type of property right	Location and address	Specific use	Aggregate area (square meters)	Encumbrances, liens, pledges or mortgages against the property
Southern frozen food storage base and premises for frozen food space leasing . .	Owned	Suburb areas at No. 21 Huanbao East Road, Yuhua District, Changsha	Industrial	349,465.01	156,705.92 square meters subject to mortgage in connection with the bank loans due on August 10, 2033
Northern frozen food storage base	Owned	Suburb areas at Jinyun village, Dingziwan Subdistrict, Wangcheng District, Changsha	Industrial	54,903.95	None

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, there was no significant restrictions on the use of our properties related to business operations and none of our properties was involved in any environmental issues such as breach of environmental regulations in any material respect. As of the same date, we did not have any plans to dispose of or change the use of any of our properties.

EMPLOYEES

As of June 30, 2025, we had 353 employees. All of our employees are based in Changsha, Hunan province, China. The following table sets forth a breakdown of our employees by function as of the same date.

Function	Number of employees
Warehousing	245
General administration and management	86
Space leasing related	14
Research and development	8
Total	**353**

We are committed to providing an equal, diverse, inclusive, supportive and rewarding working environment for our employees. We take recruitment seriously, with various channels such as internal referral and online recruitment. We have provided fair remuneration, taking into account working hours and the complexity of the work involved. We enter into standard labor agreements with our employees.

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period and up to the Latest Practicable Date, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily due to the oversight and lack of comprehensive understanding by the responsible staff of the relevant local regulations. We estimate that the accumulated shortfall of social insurance and housing provident fund contributions as of December 31, 2022, 2023, 2024 and June 30, 2025 was approximately RMB5.5 million, RMB4.8 million, RMB4.9 million and RMB1.6 million, respectively, which we believe would not have a material adverse effect on our business. The maximum potential penalties for which we may be liable in connection with the inadequate contributions to the social insurance would be approximately RMB13.3 million. Moreover, considering that (1) we have obtained confirmations from the relevant competent government authorities, confirming that no administrative penalty was imposed on us in relation to our social insurance and housing provident fund contributions during the Track Record Period; (2) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty in relation to social insurance and housing provident fund contributions, and we had not received any notice from relevant competent government authorities regarding any claim for inadequate contributions of our current and former employees, nor any notifications from the relevant competent government authorities requiring us to pay the shortfalls; (3) we were not aware of any material employee complaints or claims with respect to inadequate social insurance and/or housing provident fund contributions; and (4) we undertake that, in the event that competent government authorities require us to make contributions within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner; our PRC Legal Advisor is of the view that the likelihood is remote that we would be required by the relevant competent government authorities, on an overall basis, to pay the entire shortfall for social insurance and housing provident fund contributions or that we would be subject to material administrative penalties due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date, assuming no significant changes in current applicable laws, regulations and policies, as well as the implementation and supervision requirements of local governments. As a result, our Directors and PRC Legal Advisor are of the view that the non-compliance in connection with the inadequate contributions to the social insurance and housing provident fund would not have a material adverse impact on our business, financial condition or results of operations, and we did not make any provisions in connection with the foregoing incident during the Track Record Period and up to the Latest Practicable Date. See “Risk Factors—Risks Relating to Our Business and Industry—We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations." In addition, during the Track Record Period, we have not entered into any arrangements with our employees, nor have we accepted any undertakings from them to waive social insurance contributions. We have not been subject to any penalties from the social insurance authorities in relation to any such arrangements or undertakings. Our PRC Legal Advisor is of the view that the risk the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) imposing material legal liabilities on us is remote.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken and will take the following internal control measures and actions to rectify the non-compliance:

- we will provide training to our human resources department to not enter into any arrangements with our employees for the waiver of social insurance contributions; and
- we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds; and
- we will consult our PRC Legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same; and
- in the event that competent government authorities require us to make the contributions to the social insurance and housing provident funds within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner.

During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operation and no material disputes between the Group and our employees.

MARKETING

Our marketing strategy covers both retaining existing customers and attracting new customers through our continuous efforts in improving customer experience and loyalty. We believe our top-in-class service quality is our best sales and marketing tool, as we have established a dominant market share as a go-to frozen food storage choice. We also conduct certain marketing initiatives to introduce our frozen food storage and frozen food space leasing business to potential customers and invite them to visit.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Awards and recognitions	Awarding parties	Year of award
Advanced Entity in Logistics Industry of Hunan province (湖南省物流行業先進集體)	Hunan Provincial Department of Human Resources and Social Security (湖南省人力資源和社會保障廳), Hunan Provincial Development and Reform Commission (湖南省發展和改革委員會) and Hunan Logistics and Purchasing Federation (湖南省物流與採購聯合會)	2022

Awards and recognitions	Awarding parties	Year of award
Top 100 Cold Chain Logistics Companies in China (中國冷鏈物流百強企業)	Cold Chain Logistics Professional Committee of China Federation of Logistics and Purchasing (中國物流與採購聯合會冷鏈物流專業委員會)	2023
4A Logistics Enterprise (4A物流企業)	China Federation of Logistics and Purchasing (中國物流與採購聯合會)	2023
Five-Star Cold Chain Logistics Enterprise (Warehousing Type) (五星冷鏈物流企業(倉儲型))		
National Advanced Logistics Enterprise (全國先進物流企業)	China Communications and Transportation Association (中國交通運輸協會)	2023
Top 10 Agricultural Products Wholesale Markets (Meat, Poultry and Eggs) in China (全國農產品批發市場行業(肉禽蛋類)十強市場)	National Federation of Urban Farmers' Trade Centers (全國城市農貿中心聯合會)	2023
Hunan Agricultural Industrialization Leading Enterprise (湖南省農業產業化省龍頭企業)	Department of Agriculture and Rural Affairs of Hunan province (湖南省農業農村廳)	2024
Excellent International Logistics Company (國際物流優秀企業)	Hunan Logistics and Purchasing Federation (湖南省物流與採購聯合會) and Hunan Daily (湖南日報社)	2024
Top 20 Comprehensive Strength Enterprises in Hunan Logistics Industry (湖南省物流行業綜合實力二十強企業)		
Top 100 Chinese Cold Chain Logistics Companies (中國冷鏈物流百強企業)	Cold Chain Logistics Professional Committee of China Federation of Logistics and Purchasing (中國物流與採購聯合會冷鏈物流專業委員會)	2024
First-Level Green Warehouse (一級綠色倉庫)	China Warehousing and Distribution Association (中國倉儲與配送協會)	Since 2024

INTELLECTUAL PROPERTY

We protect our intellectual property rights in accordance with the relevant laws and regulations and contractual agreements. As of June 30, 2025, we had three patents, nine trademarks, and 10 software copyrights. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material intellectual property infringement claims by third parties or suffered any material intellectual property infringement by third parties.

INSURANCE

We consider our insurance coverage adequate and in accordance with the commercial practices in the industry in which we operate. Our frozen food storage warehouses and premises for frozen food space leasing business were not subject to any material food safety claims during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Advisor, according to the security management agreement we have signed with our customers, we would not be subject to any liability if any food safety issues were to occur, and thus we maintain no insurance coverage for food safety claims. We provide social security insurance, including pension insurance, work injury insurance, maternity insurance, medical insurance and unemployment insurance for our employees. Our management evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claim in relation to our business.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for the overall effectiveness of our risk management and establishing our internal control system and reviewing its effectiveness. We have established and we maintain risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

In preparation for the Listing, we have engaged an independent third-party consultant (the "Internal Control Consultant") to perform a review over selected areas of our internal controls over financial reporting in February 2025 (the "Internal Control Review"). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including (1) sales, accounts receivable and collection, (2) procurement, accounts payable and payment, (3) research and development, (4) human resource and payroll, (5) fixed assets, (6) construction management, (7) cash and treasury management, (8) insurance, (9) financial reporting and disclosure controls, (10) taxes, (11) intangible assets and intellectual properties, and (12) IT general controls.

The Internal Control Consultant performed the follow-up reviews in March 2025 to review the status of the management actions taken by us to address the findings of the Internal Control Review (the "Follow-up Review"). The Internal Control Consultant did not have any further recommendation in the Follow-up Review. The Internal Controls Review and the Follow-up Review were conducted based on information provided by our Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

Having considered the report prepared by our Internal Control Consultant, the Directors confirmed that all of the major recommendations provided by the Internal Control Consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

DATA SECURITY AND PRIVACY

During the course of our business, with the prior consent of our customers, we collect and maintain raw data including only their name, ID number, phone number and business license information to the extent necessary for the provision of our services and in accordance with the relevant laws and regulations on data privacy and security in China. We have taken measures to maintain the confidentiality of such information to ensure regulatory compliance. Since the collection, storage, usage, retention and transmission of information that can be identified as specific individuals or reflect the relevant activities of specific individuals are all subject to relevant data protection laws and regulations, the de-identification of raw data is necessary for us to efficiently protect personal data of our customers. We also set up an access control system for personal information in our internal system so that it cannot be viewed without proper authorization or exported in bulk. We set up firewalls to prevent information loss or leakage caused by cyber-attacks. In addition, we from time to time examine the security of our data storage system. We strictly restrict the range of data that our employees are authorized to access based on their title and function. We have entered into confidentiality agreements with our employees to prevent improper use or disclosure of information. During the Track Record Period and up to the Latest Practicable Date, we did not receive any notification from relevant authorities that the data we possess has been determined to be important data or core data, and we were not involved in any investigation of data processing activities that affect or may affect national security. During the Track Record Period and up to the Latest Practicable Date, we did not conduct any cross-border data transmission. Accordingly, our Directors are of the view that the impact of the cybersecurity-related laws and regulations in China on our business operations is immaterial.

In addition, we continue to pay close attention to the legislative and regulatory developments in cybersecurity and data protection and conduct routine cybersecurity and data protection compliance check and rectification to keep pace with regulatory development. In particular, we have established a set of internal cybersecurity and data protection rules and policies. We have also formulated the overarching data security management policy, customers' personal information protection management policy and network security management policy, which provide the principal management rules on cybersecurity and data protection. We have also contractually required our third-party business partners to comply with cybersecurity and data protection related laws and regulations in China while cooperating with us. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers' personal information, and we have complied with all relevant laws and regulations in China in respect of cybersecurity, data privacy and protection in all material respects.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to the operation of our existing business.

The following table sets out a list of material licenses, permits and approval held by us as of the Latest Practicable Date.

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Food Business License (食品經營許可證)	Our Company	October 13, 2022	October 12, 2027
Road Transportation Operation License (道路運輸經營許可證)	Our Company	May 25, 2022	May 24, 2026[(1)]
Customs Import/Export Goods Consignor/Consignee Filing Acknowledgement (海關進出口貨物收發貨人備案回執).	Our Company	April 10, 2013	N/A[(2)]

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Food Business License (食品經營許可證)	Hongxing Beisheng	August 17, 2023	August 16, 2028
Customs Declaration Unit Registration Certificate (海關報關單位註冊登記證書).	Hongxing Beisheng	July 9, 2018	N/A(1)
Inspection and Quarantine Bureau Enterprise Filing Form for Import/Export Declaration (出入境檢驗檢疫局報檢企業備案表)	Hongxing Beisheng	July 9, 2018	N/A (1)

(1) We plan to renew this license before its expiration, and our PRC Legal Advisor is of the view that there is no impediment to its renewal.

(2) These specific licenses and permits do not carry an expiration date, as the governing regulations establish them as permanently valid unless revoked.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against our Company or any of the Directors which could have a material and adverse effect on our financial condition or results of operations. During the Track Record and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings against our Company or any of the Directors which had caused a material and adverse effect on our financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material noncompliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in China. See "—Properties" and "—Employees."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have implemented an ESG management framework aligned with our core principle, service creates value. This commitment drives us to advance sustainable cold chain logistics through a system integrating green cold chain and digital cold chain solutions. We prioritize employee and contractor welfare while engaging diverse stakeholders. By leveraging cold chain logistics' pivotal role in supply security and price stabilization, we support essential livelihoods, foster regional industrial development, and elevate living standards across urban and rural communities.

ESG Governance

We attach great importance to sustainable development and have established the development philosophy of "Safety, Efficiency, and Green." We have established a strategy committee to oversee and guide all ESG-related functions. The committee is responsible for setting sustainable development goals, defining key priorities, monitoring implementation progress, and integrating ESG governance into our strategic development.

We have implemented a human resources management system that covers policies of employee recruitment, training, performance incentives and disciplinary measures, compensation and benefits. We also introduced a safety and hygiene management system implementing policies addressing of fire safety, project construction safety and food safety. Additionally, we implemented anti-fraud, anti-corruption, and anti-financial crime policies to manage ESG related risks. Our strategy committee will actively develop new policies in response to emerging ESG risks.

We maintain diverse and efficient ESG communication channels with key stakeholders, including government agencies, investors, directors, senior management, employees, communities, charities, customers, supply chain partners, and media. These diverse and efficient communication channels enable us to effectively identify and respond to stakeholder ESG concerns and expectations.

We have identified key ESG aspects that may affect our business, strategy, or financial performance.

- ***Environmental Risk Management.*** We focus on reducing water consumption, phasing out non-renewable electricity, strengthening waste management, and mitigating climate impacts through energy efficiency and emissions control. During the Track Record Period, we incurred no significant environmental penalties affecting our finances or operations.

- ***Social Risk Management.*** We prioritize health and safety, employee engagement, and diversity to foster a healthy, inclusive, and equitable workplace for our employees to unleash their potential. We adopt sustainable procurement practices to minimize supply chain risks and uphold food safety standards to protect community health.

- ***Governance Risk Management.*** We address business ethics concerns, including management integrity and tax compliance, to avoid adverse impacts on our business. During the Track Record Period and up to the Latest Practicable Date, we experienced no major governance issues affecting financial stability or operational performance.

Environmental Management

We operate under a well-established environmental management system and are progressing toward full certification for our service operations. Our prepackaged food (refrigerated frozen food) sales operations have already achieved ISO 14001:2015 Environmental Management System certification within permitted scope.

We prioritize efficient water and electricity usage in our operations. Our policies includes: (1) comply with environmental laws and regulations and actively promote environmental policies; (2) minimize resource consumption and enhance resource efficiency; (3) Cut waste emissions and promote a circular economy; and (4) strengthen environmental education and enhance employee awareness. Our water use intensity decreased by 9.2% in 2024 compared with 2022, reflecting our success in reducing reliance on water resources in our operations. We closely monitor temperature changes to guide the timely shutdown of gas systems to reduce our gas consumption. In March 2023, due to an earlier onset of warmer weather, we ceased gas operations earlier compared to 2022 and 2024. Our purchased electricity includes electricity purchased on behalf of merchants, thus we are unable to accurately calculate our reliance on electricity. However, we are reducing our demand for power from fossil fuels through photovoltaic power generation. Over the past three years, we have implemented control measures including photovoltaic power, or PV power, adoption and employee conservation initiatives. Our 4.16 MW distributed photovoltaic power project prioritizes on-site consumption for the facilities, feeding surplus electricity to the grid. The system completed grid connection and commenced operations on December 6, 2023. We plan to commence setting goals and timeframe for reducing resource consumption and emissions within six months after listing.

- Water consumption: We have set a target to reduce water use intensity by 2% annually for the period 2025-2027.

- Electricity consumption: We have not yet set reduction target for electricity consumption, as accurately measuring our operational usage is currently not feasible due to electricity purchased on behalf of our merchants. We will establish precise quantification of electricity consumption under our operational boundaries as the foundation for subsequent target setting.

- Gas consumption: No target has been set for gas consumption, as it is dependent on climate conditions. We plan to develop intensity-based or climate-adjusted targets that more accurately reflect our gas management.

- Material use: Amidst business growth, we have also not established a reduction target for transparent plastic stretch film at this time.

We plan to evaluate the feasibility of introducing a water recycling system and an energy storage system by 2026, with a view to enhancing resource efficiency and reducing dependence on external utilities. The findings of such evaluation will be taken into account in setting our environmental goals. The table below presents our key resource consumption indicators for the specified years:

	For the year ended December 31,			**For the six months ended June 30,**
	2022	**2023**	**2024**	**2025**
Water use *(tonnes)*	290,278	230,535	244,316	115,208
Water use intensity *(tonnes/RMB million revenue)*	1,226.17	1,141.62	1,045.98	975.94
Gas consumption *(m^3)*	149,572	82,313	124,162	43,203
Gas consumption intensity *(m^3/RMB million revenue)*	631.81	407.97	531.57	365.98
Purchased electricity *(kWh)*[(1)]	29,674,270	28,718,350	32,194,960	13,894,860
PV power *(kWh)*	—	95,476	2,355,186	1,441,314
Material consumption *(tonnes)*[(2)]	0.3	0.2	14.4	11.3

(1) Including electricity purchased on behalf of merchants.

(2) Refers to the transparent plastic stretch film.

We have no hazardous waste. We currently manage waste disposal by tracking the number of daily collection trucks deployed. However, due to the variability of daily loading, it has not yet been possible to compile accurate quantitative data on waste production. To establish a reliable baseline, we plan to develop a solution for measuring waste production by volume or weight by 2026.

In addition, we are committed to minimizing the environmental impact of material emissions. As the refrigerant is dispersed throughout the piping of the refrigeration system, currently we cannot accurately measure the amount of remaining refrigerant. Therefore, we are currently unable to quantify refrigerant emissions. Our refrigeration systems utilize 100% ammonia as the refrigerant, and we strive to minimize refrigerant leaks through the following measures:

- Ammonia concentration alarms (set at 50 ppm) are installed above storage tanks and valve groups.

- Personnel conduct 24/7 monitoring and perform regular inspections. Any leaks are promptly identified and addressed.

We acknowledge climate-related risks as material and fully adhere to the GHG Protocol framework. We define our emissions boundary as follows:

- Scope 1: Direct emissions from fuel combustion in company-owned vehicles;

- Scope 2: Indirect emissions from purchased electricity consumed in facilities under our operational control (as defined by the GHG Protocol's operational control approach);

- Scope 3: Value chain emissions, including electricity expenses paid on behalf of merchants where we lack operational control.

While historical data limitations preclude quantitative disclosure at this stage, we affirm that any material data restatements will be promptly disclosed via stock exchange filings. We plan to commence tracking the scope 1, 2 and 3 greenhouse gas emissions within six months after listing. Here is how we plan to make it:

- Baseline Establishment. We plan to complete Scope 1 & 2 GHG inventory using ISO 14064-1:2018 standards, and publish baseline data in our social responsibility report.

- Target Formulation. We plan to adopt the Science Based Targets initiative (SBTi) framework to develop Scope 1 & 2 reduction targets.

We design and build low-temperature logistics cold storage facilities using modern logistics management practices to align with our low-carbon production principles. We are committed to enhancing energy efficiency of our cold storage operations through initiatives including:

- Energy-Efficient Refrigeration Systems: By upgrading to inverter-driven compressors and fans, our systems dynamically adjust power output according to real-time thermal load, improving energy efficiency by 20–30% compared to conventional fixed-speed equipment. This practice decreases energy consumption and associated carbon emissions from our largest source of electricity use.

- High-Performance Evaporators: Installation of suspended-type evaporators with enhanced heat transfer efficiency reduces compressor runtime and decreases overall energy demand. This lowers the continuous electricity load required for cooling, thereby reducing our carbon footprint.

- Enhanced Thermal Insulation Property: We conduct regular inspections of sealing systems and high-speed roll-up doors. For older facilities, we have introduced airlock chambers to limit cold air loss. This aligns with our low-carbon principle by preventing the energy used for cooling lost through air leakage.

- Intelligent Lighting Solutions: Transition to low-temperature LED lighting, combined with motion-activated and daylight-sensitive controls, ensures illumination is provided only when and where needed. This practice eliminates superfluous electricity use for lighting, directly cutting energy waste and its related carbon output.

- Waste Heat Recovery: Captured residual heat from refrigeration operations is repurposed for eco-friendly defrosting and floor frost prevention, contributing to circular energy use. By turning waste into a resource, we avoid additional energy expenditure for defrosting, which further reduces emissions.

Our green warehouse initiatives earned recognition at the 19th China Warehousing and Distribution Conference (Suzhou) and 11th China (International) Green Warehousing and Distribution Conference in June 2024, where we received the "Top 60 Cold Chain Warehouses" and "First Class (Three-Star) Green Warehouse" awards.

Health and Safety

Employee health and safety governance remains a strategic priority, anchored by our dual safety management framework integrating production safety protocols and risk control mechanisms. Our permanent safety committee office, operating under executive leadership, coordinates 22 members led by our general manager and deputy general managers. This structure steers oversight across production safety, food security, equipment integrity, and fire prevention, reinforced by quarterly operational reviews to assess departmental safety performance.

We maintain defined metrics for health and safety benchmarks, with progress systematically tracked against established targets:

Indicators	Targets
Occupational death accidents	0
Severe injury accidents	0
Major accidents involving hazardous chemicals	0
Major fire accidents	0
Major traffic security accidents	0
Major pressure vessel accidents	0
Major equipment accidents	0
Annual injury rate per thousand employees	≤1‰
Outsourced and external workers who suffer severe injuries or above	0

In accordance with the Fire Protection Law of the People's Republic of China and other relevant regulations, we have established a fire safety management system. The system mandates that:

- Fire safety officers conduct weekly inspections of their respective units.

- The Work Safety Office organizes monthly safety inspections to identify potential hazards in production areas, issue corrective notices, and monitor the implementation of rectification measures.

- Following any fire incident, an immediate investigation is initiated to determine the root cause, implement corrective actions, and integrate lessons learned to prevent recurrence.

- Individuals or departments found in violation of the system, resulting in fire incidents, will be held accountable pursuant to the company policies and applicable legal provisions.

We are responsible for fire safety obligations at all of our facilities. If a fire accident results from our failure to fulfill such obligations, we may face administrative penalties from relevant government authorities, the responsible supervisors and other personnel may also receive disciplinary sanctions or warnings. Additionally, we would be liable for compensating customers' losses caused by a fire attributable to us.

We conduct mandatory health and safety training for all employees. Annually, we organize thematic educational activities during the safety work month to reinforce safety awareness, strengthen risk prevention and control, and enhance employee self-discipline in safety practices. Our initiatives foster a workplace culture where everyone prioritizes safety and understands emergency response, further solidifying safety awareness and supporting our high-quality development. In 2024, all of our employees completed safety training.

During the Track Record Period and up to the Latest Practicable Date, we had no material health and safety incidents, and we are committed to maintaining this strong performance. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not faced any material fines or penalties for non-compliance with health and safety laws or regulations.

We have achieved ISO 45001:2018 Occupational Health and Safety Management System certification for prepackaged food (refrigerated frozen food) sales within permitted scope.

Employee Engagement

We are dedicated to fostering an equal, diverse, supportive, and rewarding work environment while investing in employee career development to build a sustainable talent base for future growth. Our mature training system encompasses basic training, skills training, and mindset training, ensuring employees are well-versed in corporate culture, roles, and responsibilities. For junior employees, training focuses on operational fundamentals and service standards, supplemented by safety and efficiency skills training. Mindset training covers psychology, human relations, sociology, values, and political awareness, delivered by professional instructors to foster mutual trust and support employees' self-realization.

To attract and retain talent, we implement recognition and incentive measures, including commendations, cash rewards, salary increases, paid training, study trips, and promotions.

We believe that an inclusive corporate culture is essential to our success. We value the opinions of our employees and encourage them to participate in the decision-making process. We believe such approach fosters a sense of ownership among our employees and creates a more engaged and productive workforce. Each year, we conduct satisfaction surveys of our staff to gain insight into their needs and expectations, and to assimilate their views and suggestions, with special surveys to investigate and address major service adjustments or recurring complaints.

In addition, we have established a comprehensive and diverse welfare system for employees to fulfill our social responsibility, catering to employees' work-life needs. This system includes holiday gifts, birthday benefits, health checkups, employee activities, employee meal subsidies, and subsidies for heat and cold protection. Employees are entitled to national statutory holidays, annual leave, sick leave, marriage leave, maternity/paternity leave, bereavement leave. Furthermore, we provide enhanced parental support with gender-specific allocation, with 158 days maternity leave for female employees and 20 days paternity leave for male employees.

Through a multi-faceted, grassroots care and support mechanism, we understand our employees' genuine needs, assisting them in addressing real-life challenges. This approach not only enhances employees' sense of belonging and well-being but also strengthens their cohesion and identification with us.

Diversity and Inclusion

We have established a comprehensive human resource management system that defines our recruitment principles. We prioritize equality and diversity in the workplace, ensuring equal opportunities for all employees regardless of gender, age, ethnicity, or other personal characteristics. We recognize that a diverse workforce is critical to our success, fostering innovation and adaptability in response to evolving market conditions.

Sustainable Procurement

We implement stringent standards to maintain a sustainable procurement environment. Our approach includes (1) conducting comprehensive supplier evaluations prior to cooperation; (2) implementing a systematic supplier evaluation mechanism with regular performance assessments; (3) developing a robust management system strengthened through periodic training, audits, and inspections; (4) enforcing disciplinary measures for non-compliant suppliers, including warnings, financial penalties, cooperation suspension, or contract termination for violations of laws, regulations, or contractual obligations.

We encourage suppliers to fulfill their social responsibilities and jointly advance sustainable industrial chain development. This includes preferential procurement of environmentally conscious materials, products, and services featuring energy efficiency, water conservation, and material reduction. We monitor supplier compliance with ISO certifications related to environmental management and occupational health & safety systems.

Rural Revitalization

Since our inception, we have consistently prioritized rural revitalization initiatives. We continuously optimize the business environment to support merchant growth while establishing robust channels for farmer income enhancement. Our business not only drive rural economic development and farmer prosperity, but also introduce modern technologies and management systems to rural areas, comprehensively advancing our rural revitalization strategy. We were recently designated as one of Hunan province's 2024 Agricultural Industrialization Leading Enterprises by the Department of Agriculture and Rural Affairs of Hunan province. Our efforts include:

- *Enhancing Agricultural Product Circulation and Value Addition*. Leveraging our nationwide cold chain logistics network, we efficiently distribute fresh agricultural products from Hunan province and surrounding regions to national markets. This system significantly reduces product loss during transportation and storage, increases agricultural product value, and boosts farmer income; and

- *Advancing Agricultural Industrialization Development*. Through our national core cold chain logistics base, we integrate resources to foster deeper agriculture-cold chain integration. This initiative generates rural employment opportunities and accelerates agricultural industrialization progress.

Food Safety

Food preservation during transportation represents both a critical requirement and operational challenge. As the world's largest food market, China's growing living standards have driven increasing demand for fresh and frozen products, creating significant opportunities in the cold chain logistics sector. We prioritize food safety and are dedicated to establishing a supply chain system that guarantees food quality and safety, positioning us as a trusted consumer brand.

We have obtained ISO 22000:2018 Food Safety Management System certification for sales of prepackaged food (refrigerated frozen food) within the scope of permission.

Other Social Responsibilities

We believe enterprises are inextricably linked to society, making social responsibility integral to our corporate development. We have established a social responsibility management system that safeguards the legitimate rights of shareholders, employees and consumers while pursuing economic benefits and actively fulfilling obligations to suppliers, operators, customers, communities, the environment and other stakeholders to promote sustainable economic, social and environmental development.

As a key enterprise supporting the shopping basket program (菜籃子工程), we distributed over 60,000 tonnes of frozen food to Hunan province amid the COVID-19 outbreak in 2020, ensuring stable frozen food supply while demonstrating our commitment to social responsibility.

In 2021, we obtained SA8000 certification for our social responsibility management system.

Business Ethics

We have implemented comprehensive policies and mechanisms to uphold integrity and ethical standards, ensuring a transparent and safe working environment, including:

- *Anti-fraud Management System.* Integrated into daily operations, this system enhances anti-fraud capabilities through regular risk assessments, a multi-channel reporting mechanism, and internal audits.

- *Anti-corruption and Anti-financial Crime Management System.* Guided by principles of compliance, zero tolerance, and prevention, this system ensures lawful and compliant operational activities.

- *Integrity Construction*. We have established an integrity supervision organization responsible for supervising, inspecting and guiding our integrity effort. For employees violating integrity provisions, we will take lawful disciplinary actions, including warnings, performance deduction, demotions and termination of labor contracts.

We encourage employees to actively report violations. Whistleblowers receive protection and support, with appropriate rewards granted upon verification of reported cases.

OVERVIEW

As of the Latest Practicable Date, Hongxing Shiye was entitled to control the exercise of 70.97% voting rights at the general meetings of our Company, comprising (i) 58.25% beneficially owned by it directly and (ii) 8.06% and 4.66% beneficially owned by Hongri Jingming and Hongri Mingsheng, respectively, the general partner of which is Hongxing Shiye.

During the Track Record Period and up to the date of this prospectus, Hongxing Shiye is the sole general partner of each of Hongri Jingming and Hongri Mingsheng. Hongxing Shiye was wholly owned and controlled by Hongxing Center, which is a collectively owned enterprise owned by over 2,000 Hongxing village residents and was managed by a council committee consisting of resident representatives elected by such residents who will also become members of board of directors of Hongxing Shiye. Hongri Jingming and Hongri Mingsheng are shareholding platforms established by their respective shareholders, who were employees, business partners and early shareholders of our Company, to hold certain of their investment in our Company. See "History, Development and Corporate Structure" for details.

Immediately following the completion of the Global Offering, our Controlling Shareholders will own 54.17% of the total issued share capital of the Company, comprising (i) 44.46% beneficially owned by Hongxing Shiye directly and (ii) 6.15% and 3.56% beneficially owned by Hongri Jingming and Hongri Mingsheng, respectively.

Accordingly, Hongxing Shiye, Hongri Jingming, Hongri Mingsheng and Hongxing Center are group of our Controlling Shareholders, and will remain as group of our Controlling Shareholders upon completion of the Global Offering. For details of the shareholding of our Controlling Shareholders, see "Substantial Shareholders."

COMPETITION

We primarily engaged in frozen food storage services and frozen food space leasing services (the "Core Business"). As of the Latest Practicable Date, other than the interest in our Group, Hongxing Shiye, a diversified conglomerate, has also invested in and/or controlled certain other companies in various industries, including fresh agricultural products related trading space leasing and logistic services and real estate development, which do not compete with our Core Business. The major businesses of Hongxing Shiye including real estate development and related business are different in nature from our Core Business. During the Track Record Period, the total revenue generated by Hongxing Shiye for its fresh agricultural products related marketplace, logistics services and food product processing services was RMB304.4 million, RMB338.7 million, RMB409.8 million and RMB200.7 million, respectively, representing 6.2%, 6.7%, 7.7% and 7.6% of the total revenue of Hongxing Shiye in the corresponding period, respectively. The total profit of such services was RMB120.0 million, RMB71.0 million, RMB212.5 million and RMB118.6 million, respectively, in the same period, representing 34.8%, 21.5%, 64.5% and 79.2% of the total profit of Hongxing Shiye in the corresponding period, respectively.

The trading space leasing and related services of Hongxing Shiye primarily focus on fresh agricultural products, while our trading space leasing and related services primarily focus on frozen food. As advised by the CIC, the markets for frozen food related trading space leasing and related services are different from the fresh agricultural products related trading space leasing and related services as the requirements for storage temperature and key equipments of the fresh agricultural products and frozen foods are different and non-interchangeable as described in detail below. The following sets forth details of the major difference between our Core Business and the trading space leasing operation and logistics business of Hongxing Shiye:

	Our Core Business	Trading space leasing operation and logistics business of Hongxing Shiye
Scope of business .	Frozen food related (1) frozen storage services; (2) trading space leasing services; and (3) frozen food sorting and dispatching services including sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations. We also intend to conduct frozen food processing services including temperature-controlled frozen meat cutting, sterilization, tunnel freezing, sorting and vacuum packaging for our frozen food storage customers	Fresh agricultural products related (1) trading space leasing services; (2) food product processing services including washing, sorting, peeling, cutting and portioning fresh agriculture products such as vegetables, fruits and fresh meat); and (3) logistics services including food packaging and delivering services
Food categories and customers . .	Merchants and micro and small businesses selling frozen products, which mainly include meat products, pastry and prepared foods	Merchants selling fresh agriculture products, which mainly include fresh fruits, vegetables, dairy products and fresh meats
Storage temperature . . .	-18°C or lower, keeping deep freezing and preventing temperature fluctuation to prevent thawing and preserve quality	0°C–5°C, precise temperature and humidity control to delay metabolism to preserve freshness of perishable goods
Service characteristics and key requirements for services	As advised by CIC, the frozen food related services requires relatively high entry barriers rooted in the imperative for sustained ultra-low temperature stability and a seamless, integrated cold chain, which requires advanced infrastructure including, among others, deep-freeze storage facilities and high-capacity industrial refrigeration systems, supported by thermal management technologies and knowledge to mitigate product quality degradation. This needs massive up-front investment, expertise in relevant technology and operating management knowledge as well as cumulative network in the relevant cold supply chain. Relevant details are set forth as follows: (1) Specialized expertise in cold chain management and technical: reducing transit time and rapid loading/unloading to keep products consistently in deep freezing condition; efficiently reducing massive electricity costs through technical and managerial means to maintain ultra-low temperature; cold chain management, all of which requires long-term, cumulative expertise and knowledge in frozen food related service chain (2) Specialized packaging and vehicles: uses insulated packaging and refrigerated trucks for consistent conditions (3) Key equipments for frozen food are freezer warehouse, high-power refrigeration units, cold-storage forklifts and other equipments that could maintaining a consistent -18°C or lower deep freezing temperature and preventing its fluctuation.	(1) Extended storage time: allowing longer storage periods without compromising quality; (2) Specialized equipment: using chiller/precision refrigeration units, ventilation system, humidification function and other equipments that could precisely maintaining temperature while providing ventilation to prevent heat buildup and spoilage and delaying metabolism to preserve the freshness of products

Hongxing Shiye has entered into the Non-Competition Agreement, undertaking to our Company that, other than the interest in our Group, it will not enter into our Core Business and will grant us the right of first refusal for any new business opportunities that competes or may compete with our Core Business. In light of the characteristics of frozen food and our advantage in frozen food storage services and frozen food space leasing services, we mainly intend to enhance and expand into our frozen food services related business such as frozen food processing rather than into a new business segments. As such, we believe that the Non-Competition Agreement is able to effectively safeguard the interests of our Company and its shareholders, as well as manage potential future competition.

As such, we believe there is a clear business delineation between our Core Business and the business of Hongxing Shiye.

Our Controlling Shareholders and Directors confirm that as of the Latest Practicable Date, save as disclosed above, he/she/it did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the Listing, our Board will consist of nine Directors, comprising two executive Directors, four non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management."

Our Directors believe that despite that four of our non-executive Directors also serve as directors and senior management of Hongxing Shiye, our Controlling Shareholder, we are able to manage our business and function independently from our group of Controlling Shareholders based on the following reasons:

(i) all of our executive Directors and senior management possess sufficient knowledge, experience and competence in respect of management and corporate governance affairs and do not serve any position in Hongxing Shiye or its subsidiaries. Accordingly, they are able to discharge their duties independently from our Controlling Shareholder;

(ii) each Director is aware of his fiduciary duties as a Director of our Company which requires, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Controlling Shareholder or its respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in the quorum;

(iii) our Board will comprise nine Directors upon Listing, and three of them will be independent non-executive Directors, which represent one-third of the members of the Board. Our independent non-executive Directors have extensive experience in different areas and have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made after due consideration of independent and impartial opinions; and

(iv) our Company has established internal control mechanisms to manage conflict of interests, including, among others, the policies and procedures to identify connected transactions and material interests of our Directors, senior management and Shareholders to ensure that our

Shareholders, Directors or senior management with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. See "—Corporate Governance Measures" in this section for further details.

Operational Independence

Our Group is operationally independent of our Controlling Shareholders. We have established our own organizational structure, and each department is assigned to specific areas of responsibilities. Our Group holds or enjoys the benefits of material relevant licenses and intellectual properties necessary to carry on our business. We have our own facilities, equipment and employees to operate our business independent from our Controlling Shareholders. We also have independent access to our customers and suppliers.

During the Track Record Period, our Company conducted certain transactions with Hongxing Shiye, our Controlling Shareholder and its close associates, certain of which are expected to continue after the Listing and will constitute continuing connected transactions of our Company under the Listing Rules. See "Connected Transactions" for more details. Such transactions are entered into in the ordinary and usual course of business of our Company and our Directors confirm that the terms of such transactions are determined at arm's length negotiations and are no less favorable to our Company than terms offered by or to independent third parties. Our Directors believe that the continuing connected transactions between our Company and our Controlling Shareholders and its close associates do not indicate any undue reliance by our Company on our Controlling Shareholder and are beneficial to our Company and our Shareholders as a whole.

Based on the above, our Directors are of the view that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have a financial department which is independent of our Controlling Shareholders and such financial department is responsible for the Group's finance, accounting, reporting and credit. We can make financial decisions independently without interference from our Controlling Shareholders and their associates. We maintain bank accounts with banks independently and do not share any bank accounts with our Controlling Shareholders and their associates. We believe that we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholder or its associates. During the Track Record Period, we primarily finance our business operation through cash generated from our business activities and bank borrowings. As of the Latest Practicable Date, we had no outstanding loans or guaranteed owed to our Controlling Shareholders. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholder and their respective close associates.

NON-COMPETITION AGREEMENT

On April 22, 2025 and December 23, 2025, Hongxing Shiye and Hongxing Center (the "Covenantors") entered into a letter of non-competition undertaking in favor of us (the "Non-Competition Agreement"), pursuant to which, each of the Covenantors has represented and undertaken that:

(i) as of the date of the Non-competition Agreements, such Covenantor or any of its company that it controls (other than members of our Group) has not engaged in or participated in, through any form, any business which, directly or indirectly, competes or is likely to compete with our principal business and frozen food processing business (the "Restricted Business");

(ii) such Covenantor will not, at any time during the period it is a controlling shareholder or controlled person of our Group, engage in or participate in any business which, directly or indirectly, competes or is likely to compete with the Restricted Business;

(iii) if there is any entity directly or indirectly held by such Covenantor that engages in business which is deemed to be competing with the Restricted Business, such Covenantor will dispose the relevant business to Independent Third Parties or to our Group and such Covenantor will notify our Group of any business opportunities it is aware of that may competes with the Restricted Business and will provide our Group the right of first refusal to engage in such business opportunities;

(iv) such Covenantor will not take advantage of its position as a Controlling Shareholder to participate in or be engaged in any activities which may be detrimental to the interests of our Group; and

(v) the Non-competition Agreements will continue to be valid as long as our Company is listed on a stock exchange and such Covenantor remains as a Controlling Shareholder.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interest:

(i) as part of our preparation for the Global Offering, we have adopted our Articles of Association in compliance with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise stipulated, (a) a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting; and (b) when the Shareholders' general meeting deliberates on connected transactions, connected Shareholders who hold significant interests in the relevant connected transactions or arrangements shall not participate in voting, and the number of voting shares they represent shall not be counted in the effective voting; the announcement of the Shareholders' general meeting resolution shall fully disclose the voting status of the non-connected Shareholders condition;

(ii) we are committed to ensure that our Board shall have a sufficiently balanced composition of executive Directors and independent non-executive Directors that can facilitate the exercise of independent judgment. We believe that the independent non-executive Directors have the necessary expertise to form and exercise independent judgment in the event of any conflict of interest between our Company and our Controlling Shareholders. Further, the independent non-executive Directors will be able to seek independent professional advice from external parties in appropriate circumstances at our Company's cost;

(iii) we have appointed Altus Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including but not limited to various requirements relating to Directors' duties and corporate governance;

(iv) as required by the Listing Rules, our independent non-executive Directors shall review all connected transactions annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us that those available to or from independent third parties and on terms that are fair and reasonable and in the interest of our Shareholders as a whole;

(v) subject to the Listing Rules and relevant requirements of other laws and regulations of the Covenantors, the Covenantors will provide all necessary information for our Directors (including our independent non-executive Directors) to review its compliance with and implementation of the Non-Competition Agreement on an annual basis and, if necessary, make annual statements in respect of its compliance with and implementation of the Non-Competition Agreement in the annual reports of our Company; and

(vi) as required by the Listing Rules, our independent non-executive Directors shall review the Controlling Shareholder's compliance with the Non-Competition Agreement on an annual basis and we will disclose decisions on matters reviewed by the independent non-executive Directors either through our interim and annual reports or by way of announcements.

CONTINUING CONNECTED TRANSACTIONS OVERVIEW

The following table sets forth the continuing connected transactions with our Group following the Listing:

Transaction	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31,		
			2025	2026	2027
Fully-exempt continuing connected transactions					
1. Purchase of Goods and Services Framework Agreement	14A.76(1)(c)	Fully Exempt	462,000	462,000	462,000
2. Provision of Services Framework Agreement . . .	14A.76(1)(c)	Fully Exempt	2,600,000	2,600,000	2,600,000

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions of our Group which are fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Rule 14A.76(1) in Chapter 14A of the Listing Rules.

Purchase of Goods and Services Framework Agreement

On December 23, 2025, our Company and Hongxing Shiye entered into a purchase of goods and services framework agreement (the "Purchase of Goods and Services Framework Agreement"), pursuant to which, Hongxing Shiye agrees that it and its associates (other than our Group) will provide services and sell goods to us , including water, meat and other consumer goods purchased for the benefit of our employees. Our Company may enter into separate specific agreements or orders with Hongxing Shiye or its associates for specific needs pursuant to such framework agreement. The purpose of the Purchase of Goods and Services Framework Agreement is to cater to the needs of our Group for, among others, employee benefit. The term of the Purchase of Goods and Services Framework Agreement will commence on the date of such agreement and end on December 31, 2027. The Purchase of Goods and Services Framework Agreement shall terminate upon the end of term on December 31, 2027, which can be renewed through mutual agreement between both parties.

As of the Latest Practicable Date, Hongxing Shiye was our Controlling Shareholder. Therefore, Hongxing Shiye and its associates will be our connected persons upon the Listing.

During the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total fee incurred by us to Hongxing Shiye and its associates for purchase of goods and services was RMB0.49 million, RMB0.47 million, RMB0.47 million and RMB0.34 million, respectively. The transactions between associates of Hongxing Shiye and us are in the ordinary and usual course and on normal commercial terms or better than those available from independent third parties.

Certain associates of Hongxing Shiye are engaged in sales of consumer goods and services such as agricultural products and exhibition services. Given the established, long-term cooperation with Hongxing Shiye in purchase of consumer goods and services, we believe that it is more efficient and convenient for our Group to engage them to continue to provide to us relevant goods and services.

The Directors currently expect that all the relevant percentage ratios for the continuing connected transactions under the Purchase of Goods and Services Framework Agreement for the three years ending December 31, 2027 will be less than 5% and the total consideration will be less than HK$3,000,000 pursuant to Rule 14A.76(1)(c). Accordingly, pursuant to Rule 14A.76(1), the aforesaid continuing connected transactions will, upon the Listing, be fully exempt from compliance with the requirements of reporting, annual review, announcement, circular and approval by independent shareholders under Chapter 14A of the Listing Rules.

Provision of Services Framework Agreement

On December 23, 2025, our Company and Hongxing Shiye entered into a provision of services framework agreement (the "Provision of Services Framework Agreement"), pursuant to which, Hongxing Shiye agrees that it and its associates (other than our Group) will us as their service provider for frozen food storage related services such as rental of storage space and trading space and loading services in relation to the operation of their business. Our Group may enter into separate agreements with Hongxing Shiye or its associates for specific needs pursuant to such framework agreement. The purpose of the Provision of Services Framework Agreement is to cater to the needs of Hongxing Shiye and its associates for, among others, frozen food storage of goods. The term of the Provision of Services Framework Agreement will commence on the date of such agreement and end on December 31, 2027. The Provision of Services Framework Agreement shall terminate upon the end of term on December 31, 2027, which can be renewed through mutual agreement between both parties.

As of the Latest Practicable Date, Hongxing Shiye was our Controlling Shareholder. Therefore, Hongxing Shiye and its associates will be our connected persons upon the Listing.

During the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total fee incurred by Hongxing Shiye and its associates to us for our provision of services was RMB4.47 million, RMB2.25 million, RMB2.22 million and RMB0.87 million, respectively. The transactions between associates of Hongxing Shiye and us are in the ordinary and usual course and on normal commercial terms or better than those available from independent third parties.

Hongxing Shiye and certain of its associates have engaged us in provision of frozen food storage related services for their own business needs such as renting storage space and loading services. Given the established, long-term cooperation with Hongxing Shiye and its associates in frozen food storage related services, we believe that the continued cooperation with them are in the best interest of our Company and would benefit us.

The Directors currently expect that all the relevant percentage ratios for the continuing connected transactions under the Provision of Services Framework Agreement for the three years ending December 31, 2027 will be less than 5% and the total consideration will be less than HK$3,000,000 pursuant to Rule 14A.76(1)(c). Accordingly, pursuant to Rule 14A.76(1), the aforesaid continuing connected transactions will, upon the Listing, be fully exempt from compliance with the requirements of reporting, annual review, announcement, circular and approval by independent shareholders under Chapter 14A of the Listing Rules.

3. DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that fully-exempt continuing connected transactions set out above, including but not limited to terms and annual caps thereof, have been entered into and will be entered into (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

4. INTERNAL CONTROL MEASURES

We will adopt the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

(1) we will adopt and implement a management system on connected transactions and our Board and various internal departments of our Company will be responsible for the control and daily management in respect of the continuing connected transactions;

(2) our Board and various internal departments of our Company will be jointly responsible for evaluating the terms of the connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;

(3) our Board and the finance department of our Group will regularly monitor the connected transactions and our management will regularly review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements;

(4) we shall engage our auditors to, and our independent non-executive Directors will, conduct annual review on the connected transactions to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements; and

(5) we will comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions, and comply with the conditions prescribed under the wavier submitted to the Stock Exchange in connection with the continuing connected transactions in this regard.

THE CORNERSTONE PLACING

We have entered into a cornerstone investment agreement (the "Cornerstone Investment Agreement") with FUHUIDA (HK) LIMITED (the "Fuhuida HK"), pursuant to which Fuhuida HK has agreed to, subject to certain conditions, subscribe, or cause its designated entities to subscribe, at the Offer Price of HK$12.26 per Offer Share for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) that may be purchased for an aggregate amount of RMB20.00 million (or approximately HK$22.06 million, calculated based on an exchange rate of RMB0.90675 to HK$1.00) (including brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable by such investor in respect of the Offer Shares to be subscribed by it) (the "Cornerstone Placing").

At the Offer Price of HK$12.26 per Offer Share, the total number of Offer Shares to be subscribed by Fuhuida HK would be 1,781,000 Offer Shares, representing approximately (i) 7.66% of the Offer Shares offered pursuant to the Global Offering, and (ii) 1.81% of our total issued share capital immediately upon completion of the Global Offering.

Our Company is of the view that the Cornerstone Placing will help raise the profile of our Company and to signify that such investor has confidence in the business and prospect of our Group. Our Company became acquainted with Fuhuida HK through introduction by investment roadshow activity.

The Cornerstone Placing will form part of the International Offering, and Fuhuida HK will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreement. The Offer Shares to be subscribed by Fuhuida HK will rank *pari passu* in all respects with the fully paid Shares in issue and all the Shares to be subscribed by Fuhuida HK will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, (i) Fuhuida HK and/or its close associates will not have any Board representation in our Company; (ii) Fuhuida HK and/or its close associates will not become a substantial Shareholder of our Company; and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be no more than 50% of the securities in public hands at the time of listing for the purpose of Rule 8.08(3) of the Listing Rules. Fuhuida HK does not have any preferential rights in the Cornerstone Investment Agreement compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by Fuhuida HK, there are no side arrangements or agreements between the Company and Fuhuida HK or any benefit, direct or indirect, conferred on Fuhuida HK, by virtue of or in relation to the Listing other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

Fuhuida HK has agreed to pay for the relevant Offer Shares that it has subscribed before dealings in the Company's Shares commence on the Stock Exchange.

To the best of the knowledge, information and belief of our Company, (i) Fuhuida HK, together with Fuhuida Co., Ltd., are independent third parties of the Company, its subsidiaries, Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or their respective close associates; (ii) Fuhuida HK is not accustomed to take and has not taken instructions from the Company, its subsidiaries, our Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) the subscription of the Offer Shares by Fuhuida HK is not directly and indirectly financed by the Company, its subsidiaries, our Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or their respective close associates.

As confirmed by Fuhuida HK, its subscription under the Cornerstone Placing would be financed by its own internal resources, and all necessary approvals have been obtained with respect to the Cornerstone Placing. The total number of Offer Shares to be subscribed for by Fuhuida HK under the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering—The Hong Kong Public Offering—Reallocation" in this prospectus. Details of the actual number of Offer Shares to be allocated to Fuhuida HK will be disclosed in the allotment results announcement of our Company to be published on or around January 12, 2026.

The table below sets forth the details of the Cornerstone Placing:

Name of the cornerstone investor	Total Investment Amount(1)	Number of Offer Shares to be subscribed(2)	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
	(in millions)			
Based on the Offer Price of HK$12.26				
Fuhuida HK	RMB20	1,781,000	7.66%	1.81%

Notes:

(1) Exclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares. Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering—Exchange Rate Conversion."

THE CORNERSTONE INVESTOR

The information about our cornerstone investor set forth below has been provided by the cornerstone investor in connection with the Cornerstone Placing.

FUHUIDA (HK) LIMITED (福慧達(香港)有限公司) is a limited liability company established in Hong Kong on May 15, 2013, a wholly-owned subsidiary of Fuhuida Co., Ltd. (福慧達股份有限公司) (stock code: 833532.NQ) ("Fuhuida"), of which approximately 41.72% interests are owned by Zheng Xiaoling (鄭曉玲) and Lin Xi (林曦), a married couple. As such, Zheng Xiaoling and Lin Xi are the controling shareholders of Fuhuida Co., Ltd. Each of Zheng Xiaoling and Lin Xi is an Independent Third Party. Fuihuida primarily engages in international import and export trade as well as supply chain management and services, with a focus on sectors such as agricultural products and consumer goods.

CLOSING CONDITIONS

The obligation of Fuhuida HK to subscribe for the Offer Shares under the Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iii) no laws shall have been enacted or promulgated by any governmental authorities which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(iv) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of Fuhuida HK under the Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the Cornerstone Investment Agreement)) accurate, true and complete in all respects and not misleading or deceptive and that there is no material breach of the Cornerstone Investment Agreement on the part of Fuhuida HK.

RESTRICTIONS ON THE CORNERSTONE INVESTOR

Fuhuida HK has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "Lock-up Period"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of Fuhuida HK, including the Lock-up Period restriction.

OVERVIEW

Upon the Listing, our Board of Directors will consist of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors. The Board is responsible for, and has general authority for, the management and operation of our Company.

Our senior management consists of six members who are responsible for the day-to-day operations of our Company. All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

Directors and Senior Management

The following table sets forth certain information regarding the Directors and senior management of our Company.

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Directors						
LUO Yue (羅躍)	55	Non-executive Director and chairman of the Board	October 16, 2006	October 16, 2006	Responsible for the overall strategic planning, business direction and management of our Group	N/A
LI Jun (李俊) . . .	45	Non-executive Director and vice chairman of the Board	January 1, 2014	November 28, 2017	Responsible for the overall strategic planning, business direction and management of our Group	N/A
ZHANG Mingsheng (張明生)	72	Executive Director	October 16, 2006	June 28, 2021	Responsible for providing reference and assistance for the overall operations and major decisions of our Company	N/A
XU Qunying (許群英)	47	Executive Director, deputy general manager and chief financial officer	October 16, 2006	November 28, 2017	Responsible for the corporate finance matters of our Group	N/A
LU Fenfang (陸芬芳)	43	Non-executive Director	November 25, 2019	December 9, 2019	Responsible for the overall strategic planning, business direction and management of our Group	N/A

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
ZHANG Zhong (張中)	34	Non-executive Director	July 4, 2018	June 28, 2021	Responsible for the overall strategic planning, business direction and management of our Group	N/A
LI Zhenzhu (李珍珠)	46	Independent non-executive Director	November 25, 2019	December 9, 2019	Responsible for providing independent advice on the operations and management of our Group	N/A
CAI Yanping (蔡艷萍)	53	Independent non-executive Director	November 25, 2019	December 9, 2019	Responsible for providing independent advice on the operations and management of our Group	N/A
HOW Sze Ming (侯思明)	48	Independent non-executive Director	June 27, 2025	June 27, 2025	Responsible for providing independent advice on the operations and management of our Group	N/A

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a member of senior management	Responsibility	Relationship with other Directors and senior management
Senior Management (excluding Directors)						
XU Huazhong (許華忠). . . .	52	General manager	January 1, 2024	January 1, 2024	Responsible for overall general daily operation and management of our Group	N/A
WU Bo (吳波) .	50	Deputy general manager	July 15, 2023	July 15, 2023	Responsible for our Company's administration, human resources, procurement, project construction and auditing	N/A

Name	Age	Position	The earliest date of joining our Group	Date of appointment as a member of senior management	Responsibility	Relationship with other Directors and senior management
ZHANG Zhenxing (張振興). . . .	41	Deputy general manager	January 10, 2008	January 1, 2024	Responsible for market operation and management, production safety and equipment and facility management of our Group	N/A
YANG Zirun (楊滋潤). . . .	49	Deputy general manager	February 14, 2008	January 1, 2024	Responsible for overall operations and management of Hongxing Beisheng	N/A
ZHANG Wen (張文)	39	Deputy general manager	November 23, 2010	January 1, 2024	Responsible for our Company's frozen food storage business, merchant attraction and operation of warehouse and security work	N/A

DIRECTORS

Executive Directors and Non-executive Directors

LUO Yue (羅躍), aged 55, is our chairman of the Board and our non-executive Director. He joined our Company in October 2006 and has been a Director since then. Mr. Luo is primarily responsible for the overall strategic planning, business direction and management of our Group. Mr. Luo also serves as a director of our subsidiary, Hongxing Beisheng since June 2012.

Since October 2005, Mr. Luo has successively served as general manager, vice-chairman of the board and chairman of the board at Hongxing Shiye, the Controlling Shareholder of our Company and a limited company engaged in agricultural products circulation, processing and trading. Since July 2015, Mr. Luo has served as chairman of the board at Hunan Hongxing Market Agricultural Products Co., Ltd. (湖南紅星大市場農產品有限公司), a limited company engaged in agricultural products and flowers wholesale. Since March 2003, Mr. Luo has served as a director at Hunan Hongxing International Exhibition Co., Ltd. (湖南紅星國際展覽有限公司), a limited company engaged in exhibition organization, conference services and related services. Since April 2008, Mr. Luo has served as a director at Hunan Taskin Investment Co., Ltd. (湖南德思勤投資有限公司), a limited company engaged in real estate development and operation and property management. Since December 2023, Mr. Luo has also served as a director at ABC International Investment Management (Xiong'an Hebei) Co., Ltd. (農銀國際投資管理(河北雄安)有限公司), a limited company engaged in investment management services. All the aforementioned companies are subsidiaries of Hongxing Shiye, except for ABC International Investment Management (Xiong'an Hebei) Co., Ltd., which is an Independent Third Party and Hongxing Shiye only holds 5% minority interest in such company.

Mr. Luo also served as (1) a director at Hunan Hongxing Shengye Food Co., Ltd. (湖南紅星盛業食品股份有限公司), a limited company engaged in livestock slaughtering and processing of meat products and by-products, from April 2010 to March 2024; (2) a director at Hunan Hongxing Qiangu Microfinance Co., Ltd. (湖南紅星錢穀小額貸款有限公司), a limited company engaged in issuance of small loans and provision of financial consulting, from August 2013 to October 2022; (3) a director at Hunan Shengyi Garden Real Estate Investment Co., Ltd. (湖南省聖毅園置業投資有限責任公司), a limited company engaged in real estate investment, from November 2007 to December 2022; (4) a director at Hunan Hongxing Xuri Investment Co., Ltd. (湖南紅星旭日投資有限公司), a limited company engaged in investment management, from July 2011 to October 2022; (5) a director at Hunan Hongxing Shengkang Oil Co., Ltd. (湖南紅星盛康油脂股份有限公司), a limited company engaged in production and sales of oil tea, from December 2010 to June 2022; (6) chairman of the board at Hunan Hongxing Xuri Pawn Co., Ltd. (湖南紅星旭日典當有限公司), a limited company engaged in pledge and pawn of movable properties, from June 2011 to February 2021; (7) a director at Hunan Tianxing Property Development Co., Ltd. (湖南天興物業發展有限公司), a limited company engaged in property management, from July 2006 to March 2019; (8) a director at Hunan Lier Printed Circuit Board Co., Ltd. (湖南利爾電路板有限公司), a limited company engaged in manufacturing and sales of electronic components, from May 2008 to January 2019. All the aforementioned companies are subsidiaries of Hongxing Shiye, except for Hunan Lier Printed Circuit Board Co., Ltd., an Independent Third Party.

Mr. Luo graduated from Hunan University (湖南大學) in July 2014 with a master's degree in business administration. Mr. Luo was certified as a senior economist by Hunan Provincial Department of Human Resources (湖南省人事廳) and obtained senior business administration qualification by Hunan Provincial Department of Human Resources and Social Security (湖南省人力資源和社會保障廳) in December 2001 and November 2013, respectively.

LI Jun (李俊), aged 45, is our vice chairman of the Board and our non-executive Director. He joined our Company in January 2014 and has been a Director since November 2017. Mr. Li is primarily responsible for the overall strategic planning, business direction and management of our Group.

Mr. Li has served as (1) a director at Hongxing Commercial Operation Management (Hunan) Co., Ltd. (紅星商業運營管理(湖南)股份有限公司), a limited company engaged in project operations management, since July 2024; (2) a director at Hongxing Elephant Supply Chain (Hunan) Co., Ltd. (紅星大象供應鏈(湖南)有限公司), a limited company engaged in multimodal transportation and freight forwarding, since July 2024; (3) chairman of the board and general manager at Hunan Hongxing Xuri Pawn Co., Ltd. (湖南紅星旭日典當有限公司) since February 2021; (4) chairman of the board at Hunan Hongxing Xuri Investment Co., Ltd. (湖南紅星旭日投資有限公司), a limited company engaged in pledge and pawn of movable properties, since March 2019; (5) a director at Hunan Hongxing ShengKang Oil Co., Ltd. (湖南紅星盛康油脂股份有限公司) since December 2018; (6) a director at Hunan Hongxing International Exhibition Co., Ltd. (湖南紅星國際展覽有限公司), a limited company engaged in exhibition organization, conference services and related services, since May 2018; (7) chairman of the board at Hunan Hongxing Qiangu Microfinance Co., Ltd. (湖南紅星錢穀小額貸款有限公司), a limited company engaged in issuance of small loans and provision of financial consulting, since August 2017; (8) a director at Hunan Hongxing Market Agricultural Products Co., Ltd. (湖南紅星大市場農產品有限公司), a limited company engaged in agricultural products and flowers wholesale, since July 2015; (9) a director at Hunan Hongxing Shengye Food Co., Ltd. (湖南紅星盛業食品股份有限公司), a limited company engaged in livestock slaughtering and processing of meat products and by-products, since August 2014; (10) a director at Hunan Tianxing Property Development Co., Ltd. (湖南天興物業發展有限公司), a limited company engaged in property management, since December 2014. All the aforementioned companies are subsidiaries of Hongxing Shiye. He has successively served as director of operations management department, deputy general manager and director at Hongxing Shiye since June 2005.

From February 2017 to March 2020, he served as a director at Yiyang Zhaofeng Agriculture and Animal Husbandry Technology Co., Ltd. (益陽兆豐農牧科技有限公司), a limited company engaged in livestock and poultry production and operation. From November 2018 to March 2020, he served as a director at Hunan Camellia Oil Co., Ltd. (湖南省茶油有限公司), a limited company engaged in camellia oil production and wholesale. From October 2018 to January 2019, he served as a director at Hunan Lier Printed Circuit Board Co., Ltd. (湖南利爾電路板有限公司), a limited company engaged in manufacturing and sales of electronic components. From March 2018 to November 2019, he served as a director at Hunan Hongxing Modern Real Estate Development Co., Ltd. (湖南紅星現代置業發展有限責任公司), a limited company engaged in commercial real estate development. From November 2014 to August 2024, he served as a director at Hunan Shengyi Garden Real Estate Investment Co., Ltd. (湖南省聖毅園置業投資有限責任公司), a limited company engaged in real estate investment. All the aforementioned companies are Independent Third Parties, except for Yiyang Zhaofeng Agriculture and Animal Husbandry Technology Co., Ltd. and Hunan Shengyi Garden Real Estate Investment Co., Ltd., which are subsidiaries of Hongxing Shiye.

Mr. Li graduated from Hunan Normal University (湖南師範大學) in June 2014 with a bachelor's degree in economics through self-study examination program.

ZHANG Mingsheng (張明生), aged 72, is our executive Director. He joined our Company in October 2006 and has been a Director since June 2021. He is primarily responsible for providing reference and assistance for the overall operations and major decisions of our Company.

Mr. Zhang Mingsheng served as our general manager since joining our Company until December 2023.

Prior to joining our Group and after he completed secondary school, from November 1972 to January 1994, Mr. Zhang Mingsheng successively served as a refrigeration technician, workshop associate director, workshop director and head of equipment section at Changsha Refrigeration Factory (長沙冷凍加工廠) (currently known as Changsha Jinlong Frozen Food Logistics Co., Ltd. (長沙金蘢冷藏食品物流有限公司)), a company engaged in freezing and refrigeration. From January 1994 to December 2007, he successfully served as the party secretary of the second party branch and the factory director of the frozen factory at Changsha Wulipai Meat Joint Processing Co., Ltd. (長沙五里牌肉類聯合加工有限責任公司), a limited company engaged in freezing and refrigeration. All the aforementioned companies are Independent Third Parties.

XU Qunying (許群英), aged 47, is our executive Director, deputy general manager and chief financial officer. She joined our Company in and has served as deputy general manager and chief financial officer since October 2006 and has served as a Director since November 2017. Ms. Xu is primarily responsible for the corporate finance matters of our Group.

Prior to joining our Group, from April 1998 to July 1998, Ms. Xu served as a staff at Hunan Friendship Apollo Holding Co., Ltd. (湖南友誼阿波羅股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002277) principally engaged in commercial retail business. From June 2000 to July 2002, she served as a staff at Changsha Haier Industry and Trade Co., Ltd. (長沙海爾工貿有限公司), a limited company engaged in home appliance sales. All the aforementioned companies are Independent Third Parties.

Ms. Xu obtained a college diploma from Huazhong University of Science and Technology (Wuhan) (華中科技大學(武漢)) in financial accounting through correspondence education in June 2003. She also graduated from Hunan Institute of Engineering (湖南工程學院) with a bachelor's degree in accounting through correspondence education in July 2014.

Ms. Xu was certified as a tax advisor and a management accountant by China Certified Tax Agents Association (中國註冊稅務師協會) and China Chief Financial Officers Association (中國總會計師協會) in December 2022 and March 2023, respectively.

LU Fenfang (陸芬芳), aged 43, is our non-executive Director. She has been a Director since December 2019. Ms. Lu is primarily responsible for the overall strategic planning, business direction and management of our Group.

Ms. Lu has served as (1) a director at Hongxing Commercial Operation Management (Hunan) Co., Ltd. (紅星商業運營管理(湖南)股份有限公司), a limited company engaged in business management consulting services, since June 2022; (2) a director at Hunan Hongxing Xuri Pawn Co., Ltd. (湖南紅星旭日典當有限公司), a limited company engaged in pledge and pawn of movable properties, since February 2021; (3) a supervisor at Hunan Hongxing Qiangu Microfinance Co., Ltd. (湖南紅星錢穀小額貸款有限公司), a limited company engaged in issuance of small loans and provision of financial consulting, since June 2019; (4) a director at Hongxing Agricultural Products Supply Chain Management (Hunan) Co., Ltd. (紅星農產品供應鏈管理(湖南)股份有限公司), a limited company engaged in fresh agricultural product supply chain (vegetables and fruits), since April 2019; (5) a supervisor at Hunan Taskin Investment Co., Ltd. (湖南德思勤投資有限公司), a limited company engaged in real estate development and operation and property management, since February 2019; (6) a director at Hunan Hongxing Market Agricultural Products Co., Ltd. (湖南紅星大市場農產品有限公司), a limited company engaged in agricultural products and flowers wholesale, since January 2019; (7) a supervisor at Changsha Hongxing Dingtai Real Estate Development Co., Ltd. (長沙市紅星鼎泰房地產開發有限公司), a limited company engaged in real estate development and operation, since July 2019; (8) a supervisor at Hunan Tianxing Property Development Co., Ltd. (湖南天興物業發展有限公司), a limited company engaged in property management, since March 2019; (9) a director at Hunan Hongxing Shengye Food Co., Ltd. (湖南紅星盛業食品股份有限公司), a limited company engaged in livestock slaughtering and processing of meat products and by-products, since December 2018; (10) a director at Hunan Hongxing Shengkang Biotechnology Co., Ltd. (湖南紅星盛康生物科技有限公司), a limited company engaged in agricultural scientific research, since December 2018; (11) a supervisor at Hunan Hongxing International Exhibition Co., Ltd. (湖南紅星國際展覽有限公司), a limited company engaged in exhibition organization, conference services and related services, since December 2018; (12) a supervisor at Changsha Hongxing Junhe Property Management Co., Ltd. (長沙紅星君和物業管理有限公司), a limited company engaged in property management, since December 2018; (13) a director at Hunan Hongxing ShengKang Oil Co., Ltd. (湖南紅星盛康油脂股份有限公司), a limited company engaged in production and sales of oil tea, since December 2019; (14) a director at Hongxing Elephant Supply Chain (Hunan) Co., Ltd. (紅星大象供應鏈(湖南)有限公司), a limited company engaged in multimodal transportation and freight forwarding, since March 2025; (15) a director at Yiyang Zhaofeng Agriculture and Animal Husbandry Technology Co., Ltd. (益陽兆豐農牧科技有限公司), a limited company engaged in livestock and poultry production and operation, since March 2025. She has successively served as an assistant accountant in the finance department, head of the finance department director of the planning finance department, director and deputy general manager at Hongxing Shiye since July 2003. From November 2018 to August 2024, she also served as a director at Hunan Shengyi Garden Real Estate Investment Co., Ltd. (湖南省聖毅園置業投資有限責任公司), a limited company engaged in real estate investment. All the aforementioned companies are subsidiaries of Hongxing Shiye.

From November 2018 to September 2020, Ms. Lu served as a supervisor at Yiyang Zhaofeng Agriculture and Animal Husbandry Technology Co., Ltd. (益陽兆豐農牧科技有限公司), which is a subsidiary of Hongxing Shiye and a limited company engaged in livestock and poultry production and operation.

Ms. Lu graduated from Central South University of Forestry and Technology (中南林業科技大學) in June 2009 with a bachelor's degree in accounting. Ms. Lu was certified as an intermediate accountant and senior accountant by Hunan Provincial Department of Human Resources and Social Security (湖南省人力資源和社會保障廳) in May 2010 and December 2024, respectively.

ZHANG Zhong (張中), aged 34, is our non-executive Director. He has been serving as a Director since June 2021. Mr. Zhang Zhong is primarily responsible for the overall strategic planning, business direction and management of our Group.

Mr. Zhang Zhong has served as (1) a director at Hunan Hongxing ShengKang Oil Co., Ltd. (湖南紅星盛康油脂股份有限公司), a limited company engaged in production and sales of oil tea, since March 2025; (2) a director at Hongxing Commercial Operation Management (Hunan) Co., Ltd. (紅星商

業運營管理(湖南)股份有限公司), a limited company engaged in business management consulting services, since March 2025; (3) a director at Hongxing Agricultural Products Supply Chain Management (Hunan) Co., Ltd. (紅星農產品供應鏈管理(湖南)股份有限公司), a limited company engaged in fresh agricultural product supply chain (vegetables and fruits), since December 2024. All the aforementioned companies are subsidiaries of Hongxing Shiye. He has also successively served as a permit application supervisor and deputy general manager at Hongxing Shiye since June 2016.

From March 2016 to May 2016, Mr. Zhang Zhong served as a project manager at Hunan Hongxing International Exhibition Co., Ltd. (湖南紅星國際展覽有限公司), a limited company engaged in exhibition organization, conference services and related services and a subsidiary of Hongxing Shiye. He also served as our secretary of the Board and our deputy general manager from July 2018 to December 2023 and from May 2021 to December 2023, respectively. From July 2024 to March 2025, Mr. Zhang Zhong also served as a director at Hongxing Elephant Supply Chain (Hunan) Co., Ltd. (紅星大象供應鏈(湖南)有限公司), a limited company engaged in supply chain management services and import and export of goods and a subsidiary of Hongxing Shiye.

Prior to joining our Group, from July 2013 to February 2016, Mr. Zhang Zhong served as a TCL university training program specialist at TCL Technology Group Corporation (TCL科技集團股份有限公司), a limited company engaged in the production, R&D, and sales of semiconductors, electronic products and communication equipment, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000100.SZ), and an Independent Third Party.

Mr. Zhang Zhong graduated from Xiangnan University (湘南學院) in June 2013 with a bachelor's degree in education.

Independent Non-executive Directors

LI Zhenzhu (李珍珠), aged 46, is an independent non-executive Director. She joined our Group as a Director since December 2019. She is primarily responsible for providing independent advice on the operations and management of our Group and has not performed any management functions of the Group during her tenure.

Ms. Li has served as a first-class partner attorney at Hunan Xiangjunluhe Law Firm (湖南湘軍麓和律師事務所), an Independent Third Party, since January 2019.

From May 2001 to December 2008, Ms. Li served as a lawyer at Hunan Huanhai Law Firm (湖南環海律師事務所), an Independent Third Party. From January 2009 to December 2012, Ms. Li served as a lawyer at Hunan Tian Di Ren Law Firm (湖南天地人律師事務所), an Independent Third Party. From January 2013 to January 2019, Ms. Li served as a senior partner and lawyer at Shanghai Co-Effort (Changsha) Law Firm (上海協力(長沙)律師事務所), an Independent Third Party.

Ms. Li graduated from Xiangtan University (湘潭大學) in December 2002 with a bachelor's degree in law, from Hunan University (湖南大學) in December 2007 with a master's degree in law, and from Indiana University in the U.S. in December 2012 with a master's degree in law.

Ms. Li obtained a lawyer qualification certificate of the PRC (中華人民共和國律師資格證書) by Lawyer Qualification Review Committee of the Ministry of Justice of the PRC (中華人民共和國司法部律師資格審查委員會) in May 2000.

CAI Yanping (蔡艷萍), aged 53, is an independent non-executive Director. She joined our Group as a Director since December 2019. She is primarily responsible for providing independent advice on the operations and management of our Group and has not performed any management functions of the Group during her tenure.

Since April 1996, Ms. Cai has successively served as teaching assistant, lecturer, associate professor, course professor, director of the politics and business center at Hunan University (湖南大學).

From May 2016 to September 2022, Ms. Cai served as independent director at Hunan Huasheng Co., Ltd. (湖南華升股份有限公司), a limited company engaged in the R&D, manufacturing and sales of ramie and blended yarns, fabrics, dyed fabrics, clothing, and other textiles and chemical fiber products, whose shares are listed on the Shanghai Stock Exchange (stock code: 600156.SH) and an Independent Third Party.

Ms. Cai graduated from Hunan University (湖南大學) with a doctoral degree in management in October 2014.

Ms. Cai was certified as an associate professor by Hunan Provincial Department of Human Resources (湖南省人事廳) in May 2006, a course professor by the Business School of Hunan University (湖南大學工商管理學院) in September 2013, and an independent director by the Shanghai Stock Exchange (上海證券交易所) in May 2016.

HOW Sze Ming (侯思明), aged 48, is an independent non-executive Director. He joined our Group as an independent non-executive Director since June 2025. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. How has over 20 years of experience in financing, accounting, investment banking and assurance and advisory industries. He has served as managing director at Patrons Capital Limited since April 2022. Mr. How previously served as (1) a senior associate at PricewaterhouseCoopers from September 1999 to July 2002; (2) an assistant manager at Tai Fook Capital Limited (currently known as Haitong International Capital Limited) from July 2002 to December 2004; (3) an assistant vice president at CCB International Capital Limited from December 2004 to May 2006; (4) an assistant vice president at ICEA Capital Limited from May 2006 to March 2009; (5) an assistant vice president at ICBC International Holdings Limited from April 2009 to February 2010; (6) managing director at CMB International Capital Corporation Limited from February 2010 to June 2015; (7) as managing director at Zhaobangji International Capital Limited (currently known as Yi Shun Da Capital Limited) from July 2015 to January 2016; (8) head of corporate finance department at Southwest Securities (HK) Capital Limited from February 2016 to September 2021. All the aforementioned companies are Independent Third Parties.

Mr. How currently serves as an independent non-executive director of Watts International Maritime Company Limited (stock code: 2258.hk) since October 2018. He served as independent non-executive director of eight listed companies previously, namely (1) QPL International Holdings Limited (stock code: 243.hk) from September 2013 to September 2016, (2) Odella Leather Holdings Limited (currently known as Million Stars Holdings Limited) (stock code: 8093.hk) from February 2015 to March 2017, (3) World-Link Logistics (Asia) Holding Limited (stock code: 6083.hk) from December 2015 to October 2024; (4) Forgame Holdings Limited (stock code: 484.hk) from January 2016 to April 2020, (5) Shanghai Zendai Property Limited (stock code: 755.hk) from May 2017 to January 2021, (6) 1957 & Co. (Hospitality) Limited (stock code: 8495.hk) from December 2017 to August 2022, (7) Ruicheng (China) Media Group Limited (stock code: 1640.hk) from October 2019 to June 2024 and (8) Huashi Group Holdings Limited (stock code: 1111.hk) from November 2023 to June 2025. All the aforementioned companies are Independent Third Parties.

Mr. How graduated from The Chinese University of Hong Kong with a bachelor's degree in professional accountancy in May 1999.

Mr. How became an associate member of Hong Kong Institute of Certified Public Accountants in February 2005 and a senior member of the Association of Chartered Certified Accountants in March 2003.

SENIOR MANAGEMENT

XU Huazhong (許華忠), aged 52, is our general manager. He joined our Company and has served as general manager since January 2024. He is responsible for overall general daily operation and management of our Group.

Prior to joining our Group, from April 1997 to March 2013, he successively served as a manager and deputy general manager at Hongxing Industrial Group Co., Ltd. Hongxing Agricultural and Sideline Products Market (紅星實業集團有限公司紅星農副產品大市場), a branch company of Hongxing Shiye, which is a large-scale agricultural product integrated cluster trading market. From March 2013 to December 2023, he served as general manager at Hunan Hongxing Shengye Food Co., Ltd. (湖南紅星盛業食品股份有限公司), a limited company engaged in livestock slaughtering and processing of meat products and by-products. From May 2020 to April 2025, he served as the chairman of the board of directors at Yongzhou Hongxing Shengye Agriculture and Animal Husbandry Technology Co., Ltd. (永州紅星盛業農牧科技有限公司), a limited company engaged in the production and operation of breeding livestock and poultry. From March 2023 to February 2024, he served as an executive director at Changsha Shengzhirui Food Trading Co., Ltd. (長沙盛知瑞食品貿易有限公司), a limited liability company engaged in the sales and distribution of agricultural and sideline products. From September 2020 to January 2025, he served as a director at Yongzhou Tiancheng Meat Food Co., Ltd. (永州天成肉類食品有限公司), a limited liability company engaged in the processing of meat products and by-products. From September 2020 to March 2025, he served as a director at Yiyang Zhaofeng Agriculture and Animal Husbandry Technology Co., Ltd. (益陽兆豐農牧科技有限公司), a limited company engaged in livestock and poultry production and operation. All the aforementioned companies are subsidiaries of Hongxing Shiye, except for Yongzhou Tiancheng Meat Food Co., Ltd., which is held as to approximately 34% equity interests by Hongxing Shiye and thus one of its associates.

Mr. Xu graduated from Hunan University of Commerce (湖南商學院) (currently known as Hunan University of Technology and Business (湖南工商大學)) with a college diploma in marketing in June 2001 through self-study examination program. He also studied at Hunan Agricultural University (湖南農業大學) in landscape horticulture from September 2004 to September 2005.

XU Qunying (許群英), aged 47, is our executive Director, deputy general manager and chief financial officer. See "Directors and Senior Management—Directors" for details.

WU Bo (吳波), aged 50, is our deputy general manager. He joined our Company and has served as deputy general manager since July 2023. He is responsible for our Company's administration, human resources, procurement, project construction and auditing.

Prior to joining our Group, he served as executive general manager at Hongxing Shiye from December 2018 to July 2023. Mr. Wu primarily worked for several government agencies of Yuhua District, Changsha City (長沙市雨花區) ("Yuhua District"). From December 1999 to July 2006, Mr. Wu worked at Yuhuating Sub-district Office of Yuhua District (雨花區雨花亭街道辦). From August 2006 to January 2009, he served at the Personnel Bureau of Yuhua District. From February 2009 to July 2013, Mr. Wu primarily worked at discipline committee, supervision bureau and administrative office of Yuhua District. From August 2013 to February 2016, Mr. Wu served as deputy secretary of the Party Working Committee of Tongsheng Sub-district Office of Yuhua District (雨花區同升街道辦). From March 2016 to November 2018, Mr. Wu served as deputy secretary of the Party Working Committee and director of the Liaison Office of Yuhuating Sub-district Office of Yuhua District. All the aforementioned agencies are Independent Third Parties.

Mr. Wu obtained a bachelor's degree in Orthopedics and Traumatology from Hunan University of Chinese Medicine (湖南中醫藥大學) in July 1999.

ZHANG Zhenxing (張振興), aged 41, is our deputy general manager. He joined our Company in December 2007. He is responsible for market operation and management, production safety and equipment and facility management of our Group.

Prior to this, from July 2007 to November 2007, he served as a fee collector at Hongxing Industrial Group Co., Ltd. Hongxing Agricultural and Sideline Products Market (紅星實業集團有限公司紅星農副產品大市場), a branch company of Hongxing Shiye, which is a large-scale agricultural product integrated cluster trading market. From December 2007 to January 2016, Mr. Zhang Zhenxing served as a head of the property department of our Company, responsible for market management. From January 2016 to December 2023, Mr. Zhang Zhenxing served as an assistant to the general manager and a head of the marketing department of our Company, responsible for store management and operation.

Mr. Zhang Zhenxing graduated from Changsha Nanfang Professional College (長沙南方職業學院) in June 2006 with a college diploma in property management and from Hunan University (湖南大學) in June 2011 with a bachelor's degree in business administration through correspondence education.

YANG Zirun (楊滋潤), aged 49, is our deputy general manager and the general manager of Hongxing Beisheng. She joined our Company in February 2008. She is responsible for overall operations and management of Hongxing Beisheng.

Prior to this, from February 2008 to September 2015, Ms. Yang served as an assistant to the general manager and an office director of our Company, responsible for administrative work. From September 2015 to December 2021, Ms. Yang served as a deputy administrative manager of Hongxing Beisheng, a subsidiary of the Company, responsible for administrative work of Hongxing Beisheng. From January 2022 to December 2023, Ms. Yang served as an executive general manager of Hongxing Beisheng, responsible for the overall work of Hongxing Beisheng.

Ms. Yang graduated from Hunan Agricultural University (湖南農業大學) in June 2007 through correspondence education with a bachelor's degree in public utilities management. She was certified as first-level human resources professional by Occupation Skill Testing Authority of the Ministry of Human Resources and Social Security (人力資源和社會保障部職業技能鑒定中心) in September 2009 and was granted certification of professional supply chain manager (CPSCM) — senior level (供應鏈管理師職業能力高級級別) by China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會) in August 2025.

ZHANG Wen (張文), aged 39, is our deputy general manager. He joined our Company in November 2010. He is responsible for our Company's frozen food storage business, merchant attraction and operation of warehouse and security work.

Prior to this, from January 2011 to December 2014, Mr. Zhang Wen served as a deputy head of the frozen food storage department of our Company, responsible for merchant acquisition and warehouse management. From January 2015 to December 2023, Mr. Zhang Wen served as a head of the second frozen food storage department of our Company, also responsible for merchant acquisition and warehouse management.

He graduated from Hunan Normal University (湖南師範大學) in September 2010 in human resources through self-study examination program.

Save as disclosed above and the sections headed "Substantial Shareholders" and "Appendix V —Statutory and General Information—C. Further Information about our Directors and Substantial Shareholders—3. Disclosure of interests—Disclosure of interests of Directors and chief executive of our Company" in this prospectus, each of our Directors confirms with respect to himself or herself that he or she (1) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (2) had no other relationship with any Directors, senior management, substantial shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date; (3) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (4) there are no other matters concerning our Director's appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

ZHAN Liling (詹麗玲), aged 28, is our joint company secretary. Ms. Zhan is the vice director of the securities and legal department of our Company and has joined in our Group since October 2024.

Prior to join in our Group, Ms. Zhan served as a legal assistant in Hunan Qiyuan Law Firm from March 2021 to June 2024.

Ms. Zhan obtained a bachelor's degree in law and Chinese literature from Hunan Normal University (湖南師範大學) in June 2020.

CHONG Wan Kai (莊運啟), aged 39, is our joint company secretary. Ms. Chong is a manager of Company Secretarial Services of Tricor Services Limited, having over 10 years of experience in compliance and corporate secretarial fields for Hong Kong listed companies and is a Chartered Secretary, a Chartered Governance Professional and an associate member of both of The Hong Kong Chartered Governance Institute (formerly "The Hong Kong Institute of Chartered Secretaries") and The Chartered Governance Institute (formerly "The Institute of Chartered Secretaries and Administrators") in the United Kingdom. Ms. Chong obtained a Master's degree of Science in Professional Accounting and Corporate Governance from City University of Hong Kong in February 2014.

Ms. Chong is currently serving as joint company secretary of Shanghai Henlius Biotech, Inc. (stock code: 2696.hk) and is a core member of the company secretarial service team for Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (stock code: 2196.hk).

BOARD COMMITTEES

Our Company has established three committees under the Board of Directors effective upon the Listing, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

Audit Committee

The Audit Committee will consist of three Directors upon the Listing, namely HOW Sze Ming, CAI Yanping and LI Zhenzhu with HOW Sze Ming serving as the chairperson. HOW Sze Ming has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and have terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee will consist of three Directors upon the Listing, namely CAI Yanping, LI Zhenzhu and XU Qunying, with CAI Yanping serving as the chairperson. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and have terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

Nomination Committee

The Nomination Committee will consist of three Directors upon the Listing, namely LUO Yue, LI Zhenzhu and HOW Sze Ming with LUO Yue serving as the chairperson. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and have terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors will adopted a board diversity policy (the "Board Diversity Policy") in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of gender, knowledge and skills, including but not limited to overall business management, finance and accounting and material science. Four of our Directors are also female Directors and one of our members of the Nomination Committee is also female Director. Our Directors obtained degrees in diversified majors including engineering, business administration, marketing, law and accounting. In addition, our Board of Directors has a wide range of age. Our Board is of the view that our Board of Directors satisfies the Board Diversity Policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of our Board. After the Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

We will continue to improve the gender diversity at the Board level after the Listing. We will continue to apply the principle of appointments based on merits with reference to our diversity policy as a whole. Our Company is committed to board diversity and will maintain at least one Director of different gender in our Board and Nomination Committee after the Listing. In addition, our Board will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will take into consideration of gender diversity when recruit staff at mid to senior level management and continue to emphasize training of female talent and providing long-term development opportunities for our female staff. Our Board and the Nomination Committee will also conduct annual review on our gender diversity and will take into consideration of gender diversity when recommend and appoint new board members to further enhance the gender diversity in our Board after the Listing.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders' meetings and our Board as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to the Directors and supervisors for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, were RMB3.12 million, RMB2.91 million, RMB2.68 million and RMB1.12 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to the five highest paid individuals for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, were RMB3.62 million, RMB3.34 million, RMB3.60 million and RMB1.42 million, respectively.

It is estimated that remuneration equivalent to approximately RMB1.70 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2025, based on the arrangements in force as of the date of the prospectus.

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Our Group is expected to comply with all the provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

RULE 3.09D AND RULE 3.13 CONFIRMATION

Each of our Directors confirms with respect to himself or herself that (1) he or she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 7, 2025, and (2) he or she understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (1) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (2) he has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (3) that there are no other factors that may affect his independence at the time of his appointments.

COMPETING INTERESTS

Save as disclosed in the section headed "Relationship with Our Controlling Shareholders," each of our Directors confirms that he/she or his/her respective close associates do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

MANAGEMENT PRESENCE

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, see "Waivers from Strict Compliance with the Listing Rules—Waiver in Relation to Joint Company Secretaries."

COMPLIANCE ADVISOR

Our Company appointed Altus Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where our Company proposes to use the proceeds of the Global Offering in a manner that is different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecasts, estimates or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Company pursuant to Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The terms of the appointment of the compliance advisor will commence on the Listing Date and end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the Listing Date.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and Conversion of Unlisted Shares into H Shares, the following persons will have, or be deemed, or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

			Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the Global Offering and Conversion of Unlisted Shares into H Shares		
Name of Shareholder	Nature of interest	Description of Shares	Number of Shares[1]	Percentage of shareholding in our total issued share capital	Number of Shares[1]	Percentage of shareholding in our Unlisted Shares/H Shares	Percentage of shareholding in our total issued share capital[5]
				(%)		(%)	(%)
Hongxing Shiye.	Beneficial owner	Unlisted Shares	43,690,535	58.25	43,690,535	59.28	44.46
		H Shares	—	—	—	—	—
	Interest in a controlled corporation[2]	Unlisted Shares	6,045,039	8.06	6,045,039	8.20	6.15
		H Shares	—	—	—	—	—
	Interest in a controlled corporation[3]	Unlisted Shares	3,491,905	4.66	3,491,905	4.74	3.56
		H Shares	—	—	—	—	—
Hongri Jingming	Beneficial owner	Unlisted Shares	6,045,039	8.06	6,045,039	8.20	6.15
		H Shares	—	—	—	—	—
Hongxing Center	Interest in a controlled corporation[4]	Unlisted Shares	53,227,479	70.97	53,227,479	72.23	54.17
		H Shares	—	—	—	—	—

(1) All interests stated are long positions.

(2) As of the Latest Practicable Date, Hongxing Shiye was the sole general partner of Hongri Jingming and was therefore deemed to be interested in the Shares held by Hongri Jingming under the SFO.

(3) As of the Latest Practicable Date, Hongxing Shiye was the sole general partner of Hongri Mingsheng and was therefore deemed to be interested in the Shares held by Hongri Mingsheng under the SFO.

(4) As of the Latest Practicable Date, Hongxing Shiye was controlled by Hongxing Center. Therefore, Hongxing Center was deemed to be interested in the Shares held by Hongxing Shiye under the SFO.

(5) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and Conversion of Unlisted Shares into H Shares, have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

Our registered share capital as of the Latest Practicable Date was RMB75,000,000, divided into 75,000,000 Unlisted Shares of par value RMB1.00 each.

The share capital of our Company immediately after the Global Offering and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(RMB)
Unlisted Shares	73,696,536	73,696,536
H Shares to be converted from Unlisted Shares	1,303,464	1,303,464
H Shares to be issued pursuant to the Global Offering	23,263,000	23,263,000
Total	**98,263,000**	**98,263,000**

(1) See "Our Corporate Structure Immediately Following the Global Offering" in the section headed "History, Development and Corporate Structure" for details of the identities of our Shareholders whose Shares will remain as Unlisted Shares and whose Shares will be converted into H Shares upon Listing.

The above table assumes that the Global Offering has become unconditional and the H Shares are issued pursuant to the Global Offering.

OUR SHARE

Upon the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, the Shares will consist of Unlisted Shares and H Shares. The H Shares in issue following the completion of the Global Offering and the Unlisted Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC. On the other hand, Unlisted Shares may only be subscribed for by, and traded between, legal persons of the PRC, certain qualified foreign institution investors and qualified foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, on the other hand, may only be subscribed for and transferred in Renminbi.

RANKING

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which the Shareholders' general meeting are required, please refer to "Shareholders and Shareholders' General Meeting" under "Appendix IV—Summary of Articles of Association of the Company" to this prospectus.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into overseas-listed Shares. Such converted Shares could be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, any requisite internal approval process has been duly completed, all the filling procedures with relevant PRC regulatory authorities, including the CSRC are followed. In addition, such conversion and trading shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need to be filed with relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Filing with the CSRC for Full Circulation

According to the Trial Measures announced by the CSRC, for an H-share listed company, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf.

In accordance with the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) announced by the CSRC, an unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial public offering.

We have filed with the CSRC for the conversion of 1,303,464 Unlisted Shares into H Shares on a one-for-one basis ("Conversion of Unlisted Shares into H Shares") upon the completion of the Listing ("Full Circulation Application of the Company"), which has been completed on September 23, 2025.

Listing Approval by the Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering and the H Shares to be converted from 1,303,464 Unlisted Shares on the Stock Exchange.

We will perform the following procedures for the conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. Until the converted Shares are re-registered on our H Share register, such Shares will not be listed as H Shares. The participating shareholders may only deal in the Shares upon completion of domestic procedures.

Unlisted Shareholders can work with the Company according to the Articles of Association and follow the procedures set out in this prospectus to convert the Unlisted Shares into H Shares after the Listing if they want, provided that such conversion of Unlisted Shares into and listing and trading of H Shares will be subject to the filling procedures of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by the Company.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation", after the application for "full circulation" is approved by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC and H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC.

SHAREHOLDERS' APPROVAL FOR THE GLOBAL OFFERING

Approval from holders of the Shares is required for the Company to issue H Shares and seek the listing of H Shares on the Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on March 28, 2025.

RESTRICTIONS ON TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

According to the Company Law, the Shares issued by the Company prior to the Global Offering are restricted from trading within one year from the Listing Date.

Our Directors and members of the senior management (as defined in our Articles of Association) of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors and members of senior management of our Company and other Shareholders. For further details, see "Summary of Articles of Association" in Appendix IV to this prospectus.

The Company will work with the domestic securities company to be engaged by the Company to restrict the trading of the H Shares converted from Unlisted Shares technically within one year after the Listing.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements, including the notes thereto included in the Accountants' Report set out in Appendix I to this prospectus. You should read the entire Accountants' Report in Appendix I to this prospectus and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with the IFRS.

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Forward-looking Statements" and "Risk Factors" in this prospectus.

OVERVIEW

We are a frozen food storage services and frozen food space leasing services provider, headquartered in Changsha, Hunan province, in which we primarily provide frozen food storage services. Since our establishment in 2006, we have developed a business model that combines frozen food storage facilities with frozen food space leasing, enabling us to connect wholesalers and retailers within the frozen food supply chain. Our current business comprises two core business lines, namely, frozen food storage services and frozen food space leasing services, and we also provide certain auxiliary services to support our customers' operations, such as loading services.

Our financial performance demonstrates stable growth and strong profitability. We generated revenue of RMB236.7 million, RMB201.8 million, RMB233.6 million, RMB112.3 million and RMB118.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, with a gross profit margin of 50.1%, 57.7%, 52.8%, 54.2% and 53.3% during the same periods, respectively. Our net profit was RMB79.1 million, RMB75.3 million, RMB82.9 million, RMB41.3 million and RMB39.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 which translates to a net profit margin of 33.4%, 37.3%, 35.5%, 36.7% and 33.6% for the same periods, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations, financial condition and the period-to-period comparability of our financial results are principally affected by the following factors.

Development in the markets in which we operate our business

We operate in China's cold chain industry, with a current focus in Central China through our facilities located in Changsha, Hunan Province. Our results of operations and financial condition are influenced by the overall development of China's cold chain industry, in particular that of the Central China market, where we have historically generated and expect to continue generate our revenues in the near future. We have benefited from, and expected to continue to benefit from, the growth momentum of China's cold chain industry. Specifically, our performance is also affected the factors that generally drive the growth of China's cold chain industry, including those driving the frozen food storage service market and frozen food space leasing service market. For details, see "Industry Overview."

In addition, we have historically benefited from our industry experience for frozen food storage services and frozen food space leasing services in Central China, particularly in Hunan province, leveraging our homegrown advantages. Such competitive advantages in the current market that we operate in have contributed significantly to our robust customer base and sustainable business model and, in turn, our past performance. We believe that we are well-positioned to further monetize from the broader opportunities in China's cold chain market, as we further capitalize from our existing advantages, as well as our continual efforts to expand and improve our facilities, enhance our services and improve operating efficiency. While our results of operations during the Track Record Period were relatively stable, to the extent that there is any further evolvement in the market landscape of China's cold chain industry, in particular that of Central China's, such as by the emergence of new competitors and further integration throughout the value chain, we may experience fluctuations in our financial performance from time to time.

Capacity and occupancy and utilization rates of our facilities and our pricing policies

We offer frozen food storage business and frozen food space leasing business, from which we currently generate revenues primarily by offering frozen food storage and engaging in space leasing services, and, to a lesser extent, offering loading services, grouped under two core business lines: frozen food storage services and frozen food space leasing services. Under our current business model, we charge frozen food storage service fees for our frozen food storage services, trading space rental fees for our trading space leased, and loading service fees for our loading services. For details, see "Description of Major Components in Our Consolidated Statements of Profit or Loss—Revenue." As a result, our ability to generate revenues from frozen food storage and trading space leasing services in turn depends on the capacity of facilities that we offer to customers, the occupancy or utilization rates of such facilities, and the price that we can charge for the services rendered from such facilities. Our ability to generate revenue from loading services, which are auxiliary to our frozen food storage services in nature, is affected by the inbound and outbound volume of our facilities, as well as the pricing of our loading services.

Specifically, our ability to enhance the capacity of our facilities and ensure the corresponding occupancy or utilization rates is crucial to our revenue growth. For our frozen food storage services, the total storage capacity purchased by our customers was 149,269 tonnes, 145,550 tonnes, 203,183 tonnes, 204,835 tonnes and 193,258 tonnes, in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, at our southern frozen food storage base and northern frozen food storage base, representing a total storage capacity utilization rate of 96.7%, 94.3%, 88.1%, 94.8% and 83.8% in the same periods, respectively. For our trading space, the gross floor area of rented trading space was 28,631 square meters, 29,204 square meters, 29,326 square meters, 29,112 square meters and 28,643 square meters in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing a trading space occupancy rate of 94.1%, 96.0%, 96.4%, 95.7% and 94.1% in the same periods, respectively. For details, see "Business—Our Frozen Food Storage and Frozen Food Spacing Leasing Business." In particular, we undertook an expansion project of our frozen food storage spaces (the "Phase V Expansion Project") from 2022, which was completed by August 2024. See "Business—Our Frozen Food Storage and Frozen Food Spacing Leasing Business—Frozen Food Storage Services" for details. The Phase V Expansion Project will strengthen our capabilities to serve the demand from existing and potential customers, capture greater market share, diversify our business opportunities and drive our revenue growth.

We have taken a prudent approach to pricing our services, taking into consideration of our historical capital expenditures and costs incurred in offering relevant services (e.g., employee benefit costs, outsourced labor costs and utility costs), the location and proximity to market of our facilities, the overall market conditions, the purchasing power of our customers and our desired gross profit margin. Leveraging the strengths of our services and facilities and our market standing, we believe that we have been well-positioned to price our services at a reasonable, stable premium.

Our ability to enhance and broaden our services

The value that we create for our customers is fundamental to our ability to engage and retain customers, maintain and further improve the occupancy and utilization rates of our facilities and effectively price our services at a premium. This in turn depends on the benefits offered by and quality of our services, as exemplified by, among others, (1) the perceived value of our facilities and services by the stakeholders and/or customers that we serve, including primarily frozen food wholesalers and retailers, especially in respect of our service offerings and clustering effect as a central hub in the frozen food industry; and (2) our ability to meet the needs of our customers and improve the quality of our services.

We endeavor to enhance and broaden the services offered upon our facilities, through which we intend to create greater value for customers. For instance, we operate temperature-controlled warehouses to ensure optimal preservation conditions for our customers' products. In addition, through the Phase V Expansion Project, we constructed our first frozen food storage warehouse at the southern base. See also "Future Plans and Use of Proceeds" for details of our plans to upgrade our facilities. We have invested resources in research and development, with a focus on improving our information network infrastructure and developing new systems for warehouse and transportation management. For details, see "Business—Automation Technology and Information Network." We have also implemented policies to improve the efficiency of our property maintenance and standard operating procedures, and to ensure our service quality and improve customers' satisfaction. These endeavors are instrumental to our ability to retain and attract customers, and, as a result, our growth prospects.

Our cost structure and ability to improve operating efficiency

Our ability to manage our costs and improve our operating efficiency is critical to our profit margin. During the Track Record Period, our cost of sales primarily consisted of depreciation and amortization, employee benefit costs, outsourced labor costs, utility costs, safety protection costs and cost of low-value consumables. For details, see "—Description of Major Components in Our Consolidated Statements of Profit or Loss—Cost of Sales." Specifically, the cost of our frozen food storage services is primarily affected by employee benefit costs, the depreciation of relevant property, plant and equipment and utility costs, the cost of our leasing services is primarily affected by the depreciation of investment properties and utility costs, and the cost of our loading services is primarily affected by the outsourced labor costs and depreciation of relevant machinery. We believe that we have achieved relatively stringent cost management for each of our three major business lines, as manifested by their relatively stable gross profit margins during the Track Record Period. Our employee benefit costs, outsourced labor costs, cost of low-value consumables and utility costs, which are variable in nature, tend to increase along with the increase in the occupied or utilized capacity of our facilities. Our depreciation and amortization recognized under cost of sales are generally recognized over the estimated useful life of the corresponding assets. Therefore, as we expand our facilities or upgrade our machinery and equipment, we may also experience an increase in depreciation and amortization recognized under cost of sales. In order to achieve greater economies of scale, especially with respect to the depreciation and amortization expenses incurred, we must continually ensure and enhance the occupancy and utilization rate of our facilities.

We operated under a business model featuring organic growth, and incurred a relatively low level of operating expenses during the Track Record Period. Our primary operating expenses during the Track Record Period were administrative expenses, which represented 9.7%, 9.3%, 8.6%, 7.6% and 7.8% of our total revenues in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. We experienced a decrease in our selling and marketing expenses from 2022 to 2023, as we focused on our key businesses. In addition, we experienced an increase in our research and development costs from 2022 to 2023, as we invested in our research and development initiatives. Our net profit margin will continue to be affected by our ability to manage our operating expenses at a reasonable level that aligns with our business strategies.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with the IFRS. The historical financial information has been prepared under the historical cost convention.

The preparation of the historical financial information in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 3 to the Accountants' Report in Appendix I to this prospectus.

All IFRS effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been adopted in the preparation of the historical financial information during the Track Record Period.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Results may differ from these estimates under different assumptions and conditions.

Our management continually evaluates such estimates, assumptions and judgments based on historical experience and other assumptions which our management believes to be reasonable under the circumstances.

We set forth below accounting policies that we believe involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policies, as well as our key source of estimation uncertainties, which are important for understanding our financial condition and results of operations, are set forth in Notes 2.3 and 3 to the Accountants' Report in Appendix I to this prospectus.

Property, Plant and Equipment and Depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, we recognize such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.17% to 4.75%
Improvements	20.00%
Machinery and others	4.75% to 31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment Properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, including properties under construction for such purpose, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business. Such properties are measured initially at cost, including related transaction costs. After initial recognition, we chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to its residual value over its estimated useful life. The estimated useful lives are as follows:

Buildings	3.17%
Land use rights	2.00% to 2.33%

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of the retirement or disposal.

Leases

We assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognize right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	43 to 50 years

(b) Lease of low-value assets

We apply recognition exemption for lease of low-value assets to leases of office equipment that are considered to be of low value.

Lease of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

When we act as a lessor, we classify at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, we allocate the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Frozen food storage services

Revenue from providing the frozen food storage services is calculated based on the agreed daily frozen food storage services fees per tonne and purchased storage capacity within the service period. The revenue is recognized over based on the progress of service performed within the service period because the customer simultaneously receives and consumes the benefits provided by us.

(b) Loading services

Revenue from the loading services is stevedoring customer's merchandise in and out of the frozen food storage facilities and is recognized at a point in time as the service is completed.

(c) Sales of frozen food products

Revenue from the trading of frozen products is recognized at the point in time when control of the products are transferred to the customer.

(d) Others

Our services also include parking lot service and other services. Revenue from the provision of parking lot service consists of fees from users for the access of parking lot space provided by us. Parking income is recognized when the services are rendered.

Revenue from other sources

Rental income is recognized on a time proportion basis over the lease terms. We did not receive any variable lease payments during the Track Record Period.

SUMMARY KEY OPERATING DATA

The following tables set forth summary of our key operating data for frozen food storage business and frozen food space leasing business during the Track Record Period.

Frozen Food Storage

The following table sets forth certain information of our frozen food storage business during the Track Record Period.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
Southern frozen food storage base					
Total usable storage capacity *(tonnes)*	130,352	130,352	206,594	191,966	206,594
Storage capacity purchased by customers *(tonnes)*	128,869	129,077	186,916	186,814	182,247
Storage capacity utilization rate *(%)*(1)	98.9%	99.0%	90.5%	97.3%	88.2%
Average annual frozen food storage fee per customer *(RMB in thousands)*(2)	208	212	202	206	211
Average monthly frozen food storage fee per tonne *(RMB)*(2)	79.4	79.3	66.9	62.7	70.7
Number of frozen food storage customers	589	579	741	683	734
Average storage capacity purchased by customers *(tonnes)*(4)	219	223	252	274	248
Renewal rate *(%)*(3)	97.9%	92.4%	92.9%	92.9%	90.6%
Average daily frozen storage fee *(RMB in thousands)*	336	336	410	386	427
Average daily frozen storage fee per tonne *(RMB)*	2.61	2.61	2.19	2.07	2.34
Northern frozen food storage base					
Total usable storage capacity *(tonnes)*	24,000	24,000	24,000	24,000	24,000
Storage capacity purchased by customers *(tonnes)*	20,400	16,473	16,267	18,021	11,011
Storage capacity utilization rate *(%)*(1)	85.0%	68.6%	67.8%	75.1%	45.9%
Average annual frozen food storage fee per customer *(RMB in thousands)*(2)	52	101	150	207	337
Average monthly frozen food storage fee per tonne *(RMB)*(2)	59.5	50.8	51.5	49.8	58.7
Number of frozen food storage customers	279	99	67	52	53
Average storage capacity purchased by customers *(tonnes)*(4)	73	166	243	347	479
Renewal rate *(%)*(3)	56.5%	21.9%	58.6%	48.5%	29.9%
Average daily frozen storage fee *(RMB in thousands)*	40	28	27	30	21
Average daily frozen storage fee per tonne *(RMB)*	1.96	1.67	1.69	1.64	1.94
Total					
Total usable storage capacity *(tonnes)*	154,352	154,352	230,594	215,966	230,594
Total storage capacity purchased by customers *(tonnes)*	149,269	145,550	203,183	204,835	193,258
Total storage capacity utilization rate *(%)*(1)	96.7%	94.3%	88.1%	94.8%	83.8%
Total average daily frozen storage fee *(RMB in thousands)*	376	364	437	415	449
Average daily frozen storage fee per tonne *(RMB)*	2.52	2.50	2.15	2.03	2.32

(1) Calculated by dividing storage capacity purchased by customers as of a given date by the total storage capacity as of that date.

(2) Calculated by dividing the revenue generated from the frozen food storage services in a given period by the storage capacity purchased by customers during that period, and then divided by 12 months.

(3) Calculated by dividing the number of frozen food storage customers who renewed their agreements with us with revenue contribution in a given period by the total number of frozen food storage customers with revenue contribution in the previous period.

The total storage capacity utilization rate for our two bases decreased during the Track Record Period, primarily due to (1) the commissioning of warehouse H of the new facilities under the Phase V Expansion Project since August 2024 (see "Business—Our Frozen Food Storage and Frozen Food Space Leasing Business—Frozen Food Storage Services" for details), and (2) the termination of storage services by certain customers in 2025 for their own reasons. The key operating metrics of our southern frozen food storage base generally exceeded those of our northern frozen food storage base during the Track Record Period, primarily because (1) we have a longer operating history for our southern frozen food storage base compared to the northern frozen food storage base, (2) our southern frozen food storage base occupies a prime location within Changsha's major frozen food storage industrial cluster, which is a strategic advantage developed through years of operation in the region, (3) our southern frozen food storage base is close to the transportation hub with immediate access to major transportation lines. Specifically, our southern frozen food storage base reaches the city ring expressway within five minutes and connects to the Beijing-Hong Kong-Macao Expressway in eight minutes, enabling rapid integration into national freight system, and (4) the facilities at our southern frozen food storage base incorporate technologies including fully automated temperature control, remote mobile operation of refrigeration systems, and unmanned operations. Unmanned operations were enabled through the integration of our warehouse management system and transport management system. Key automated processes include automated stacker cranes that autonomously store and retrieve goods, and a continuous loop conveyor system that seamlessly transports items throughout the facility.

The total usable storage capacity of our southern frozen food storage base increased from 130,352 tonnes as of December 31, 2023 to 206,594 tonnes as of December 31, 2024, as we completed the construction of a frozen food storage warehouse at our southern base in 2024. See "Business—Automation Technology and Information Network." As a result, the storage capacity purchased by customers of our southern base also increased from 129,077 tonnes as of December 31, 2023 to 186,916 tonnes as of December 31, 2024. The storage capacity utilization rate decreased from 99.0% as of December 31, 2023 to 90.5% as of December 31, 2024, primarily due to the commissioning of warehouse H of the new facilities under the Phase V Expansion Project since August 2024. The average monthly frozen food storage fee from decreased RMB79.3 per tonne in 2023 to RMB66.9 per tonne in 2024, since we were attracting and bringing in new customers at strategically lower price.

The storage capacity purchased by customers of our northern frozen food storage base decreased from 20,400 tonnes as of December 31, 2022 to 16,473 tonnes as of December 31, 2023, primarily due to the completion of certain one-off contracts in 2022. The number of frozen food storage customers of our northern base also experienced decreases from 279 as of December 31, 2022 to 99 as of December 31, 2023, primarily because we temporarily offered pandemic support resource warehousing services to facilitate frozen food centralized disinfection in accordance with relevant requirements of local government during the peak of the COVID-19 pandemic in 2022, leading to a temporary customer boom in 2022. Specifically, a 2022 mandate from Changsha local government requiring centralized disinfection of imported frozen food led us to establish a designated regulated warehouse, which temporarily drove a significant surge in customer traffic and revenue for our northern frozen food storage base, until the policy was rescinded with the end of the official health emergency in 2023. The storage capacity purchased by customers of our northern frozen food storage base further decreased to 16,267 tonnes as of December 31, 2024, primarily due to the decrease in the number of frozen food storage customers from 99 as of December 31, 2023 to 67 as of December 31, 2024, as we strategically focused on key account customers who had large frozen food storage demand amid the intense market competition. The storage capacity purchased by customers of our northern food storage base further decreased to 11,011 tonnes as of June 30, 2025, primarily due to the decrease in the number of frozen food storage customers from 67 as of December 31, 2024 to 23 as of June 30, 2025, primarily because of the intensified market competition and adverse macroeconomic conditions. We also strategically focused on customers with larger storage capacity, in which the average storage capacity purchased by customers increased from 242.8 tonnes as of December 31, 2024 to 478.7 tonnes as of June 30, 2025. As a result of the foregoing, the overall performance of our northern base deteriorated during the Track Record Period.

Our renewal rate in the southern frozen food storage base decreased from 97.9% in 2022 to 92.4% in 2024, primarily due to COVID-19 pandemic related disruptions, which impacted the operational continuity of certain small-scale tenants. Despite this challenge, our storage capacity utilization rate remained high, increasing slightly from 98.9% in 2022 to 99.0% in 2023, underscoring our sustained strong operational performance in a dynamic market environment.

Frozen Food Space Leasing

The following table sets forth certain information of the trading space leasing for our frozen food space leasing services during the Track Record Period.

	As of/For the year ended December 31,			**As of/For the six months ended June 30,**	
	2022	**2023**	**2024**	**2024**	**2025**
Gross floor area of total trading space *(square meters)*	30,431	30,431	30,431	30,341	30,431
Gross floor area of rented trading space *(square meters)*	28,631	29,204	29,326	29,112	28,643
Trading space occupancy rate *(%)*[1]	94.1%	96.0%	96.4%	95.7%	94.1%
Average monthly total rental fee per square meter for trading space *(RMB)*[2]	87.0	80.4	88.6	93.2	92.2
Number of space leasing customers	692	698	764	697	739
Renewal rate *(%)*[3]	95.6%	93.4%	92.6%	92.6%	90.2%

(1) Calculated by dividing the gross floor area of rented trading space as of a given date by the gross floor area of total trading space as of that date.

(2) Calculated by dividing the revenue generated from the trading space leasing in a given period by the gross floor area of rented trading space as of the end of that period, and then divided by 12 months. The calculation of the average monthly total rental fee per square meter for trading space takes into account both the monthly trading space rental fees and the premium charged.

(3) Calculated by dividing the number of space leasing customers who renewed their trading space leases with us with revenue contribution in a given period by the total number of space leasing customers with revenue contribution in the previous period.

During the Track Record Period, the occupancy rate remained over 94.0% and the renewal rate remained over 90.0%, underscoring the strong appeal and effective utilization of our trading space. The renewal rate slightly decreased during the Track Record Period, as we strategically focused on key account customers amid the intense market competition. The average monthly total rental fee per square meter for trading space decreased in 2023, primarily because we granted a one-month rent waiver for our customers amid the COVID-19 pandemic.

See "Business—Our Frozen Food Storage and Frozen Food Space Leasing Business."

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	236,736	100.0	201,760	100.0	233,576	100.0	112,343	100.0	118,048	100.0
Cost of sales	(118,206)	(49.9)	(85,246)	(42.3)	(110,197)	(47.2)	(51,472)	(45.8)	(55,187)	(46.7)
Gross profit	**118,530**	**50.1**	**116,514**	**57.7**	**123,379**	**52.8**	**60,871**	**54.2**	**62,861**	**53.3**
Other income and gains	15,240	6.4	6,948	3.4	9,652	4.1	4,239	3.8	2,639	2.2
Selling and marketing expenses	(1,946)	(0.8)	(480)	(0.2)	(641)	(0.3)	(2)	(0.0)	(181)	(0.2)
Administrative expenses	(22,968)	(9.7)	(18,859)	(9.3)	(19,980)	(8.6)	(8,506)	(7.6)	(9,171)	(7.8)
Research and development costs	(449)	(0.2)	(1,117)	(0.6)	(1,109)	(0.5)	(478)	(0.4)	(513)	(0.4)
Impairment loss on financial assets, net	(638)	(0.3)	(1,949)	(1.0)	1,216	0.5	(337)	(0.3)	(169)	(0.1)
Other expenses	(224)	(0.1)	(112)	(0.1)	(120)	(0.1)	(12)	(0.0)	(45)	(0.0)
Finance costs	(3,023)	(1.3)	—	—	(1,166)	(0.5)	—	—	(2,114)	(1.8)
Profit before tax	**104,522**	**44.2**	**100,945**	**50.0**	**111,231**	**47.6**	**55,775**	**49.6**	**53,307**	**45.2**
Income tax expense	(25,410)	(10.7)	(25,633)	(12.7)	(28,351)	(12.1)	(14,510)	(12.9)	(13,624)	(11.5)
Profit for the year/period	**79,112**	**33.4**	**75,312**	**37.3**	**82,880**	**35.5**	**41,265**	**36.7**	**39,683**	**33.6**

DESCRIPTION OF MAJOR COMPONENTS IN OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

During the Track Record Period, we generated revenue primarily from frozen food storage services, leasing services and loading services. Our revenue was RMB236.7 million, RMB201.8 million, RMB233.6 million, RMB112.3 million and RMB118.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Frozen food storage services	137,368	58.0	132,813	65.8	160,018	68.5	75,610	67.3	81,188	68.8
Leasing services	39,445	16.7	38,457	19.1	42,379	18.1	21,683	19.3	23,768	20.1
Loading services	26,082	11.0	25,825	12.8	25,805	11.1	12,531	11.2	11,249	9.5
Sales of frozen food products	28,106	11.9	—	—	—	—	—	—	—	—
Others[(1)]	5,735	2.4	4,665	2.3	5,374	2.3	2,519	2.2	1,843	1.6
Total	**236,736**	**100.0**	**201,760**	**100.0**	**233,576**	**100.0**	**112,343**	**100.0**	**118,048**	**100.0**

(1) Others primarily include miscellaneous income relevant to our primary business operations, such as parking lot service fees from our transportation partners, frozen food storage services customers and frozen food space leasing customers, for the access of parking lot space provided by us, charged primarily as hourly fees, and operation service fees charged to third-party transportation service providers, all in connection with our frozen food storage business. In addition, we also launched frozen food sorting and dispatch services in March 2025, for which we charge fee based on the weight of the frozen food handled, with minimal revenue contribution in the first half of 2025. In connection with our frozen food storage business, our frozen food logistics sorting and dispatch services combine sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations.

Revenue from frozen food storage services represented the frozen food storage service fees of automated temperature-controlled warehouses based on our contracts with customers and did not include any revenue from ancillary services. The prices of our daily frozen food storage fees range from RMB1.5 to RMB4.5 per tonne in general, which are primarily based on our operating costs, storage capacity purchased and storage locations. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the average monthly frozen food storage fee per tonne was RMB79.4, RMB79.3, RMB66.9, RMB62.7 and RMB70.7 at our southern frozen food storage base, respectively, and RMB59.5, RMB50.8, RMB51.5, RMB48.9 and RMB58.7 at our northern frozen food storage base, respectively.

Revenue from leasing services primarily consisted of the rental income from our trading space units. For details of our investment properties, see "Discussion of Major Balance Sheet Items—Investment Properties." We charge our frozen food space leasing customers rental fees for trading space leasing, including monthly trading space rental fees and monthly premium. The prices of our monthly trading space rental fees range from RMB30 to RMB130 per square meter in general, which are mainly based on the floor where the space is located and the specific locations of the space on each floor. Depending on the specific location of the trading space, we generally also charge customers a monthly premium ranging from RMB300 to RMB1,100 per stall in addition to the monthly trading space rental fees. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our average monthly total rental fee per square meter for trading space was RMB87.0, RMB80.4, RMB88.6, RMB93.2 and RMB92.2, respectively.

Revenue from loading services primarily represented the loading service fees recognized during the relevant periods based on our contracts with customers. We generally charge monthly loading service fees based on actual inbound and outbound volume and unit loading service fee per tonne.

Historically, we operated the business in sales of frozen food products as part of our frozen food storage services. We terminated such business in 2022 to narrow our focus on our core business lines in which we believe we have stronger competitive advantages and can achieve higher profit margin and greater synergies and enhance operational efficiency.

We anticipate a year-over-year decline in gross profit margin for others in 2025 compared to 2024, primarily because we launched frozen food sorting and dispatch services in March 2025. This new operation demands substantial upfront investment and requires time to build revenue. While the initial investment temporarily compressed our gross profit margin, it represents a strategic growth initiative. Our frozen food logistics sorting and dispatch services combine sorting, temperature-controlled packaging, and last-mile distribution to deliver products directly to final destinations. For instance, we enable e-commerce businesses to outsource bulk frozen food orders processing, including precision sorting, insulated packaging, and direct-to-consumer shipping. This represents a transformative expansion of our capabilities, filling a gap in our previous service portfolio.

Others primarily include miscellaneous income relevant to our primary business operations, such as parking lot service fees from our transportation partners, frozen food storage customers and frozen food space leasing services customers, for the access of parking lot space provided by us, charged primarily as hourly fees, and operation service fees charged to third-party transportation service providers, all in connection with our frozen food storage business.

Cost of Sales

Our cost of sales was RMB118.2 million, RMB85.2 million, RMB110.2 million, RMB51.5 million and RMB55.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our cost of sales primarily consists of (1) depreciation and amortization of our buildings and machinery, investment properties and leasehold land; (2) employee benefit costs incurred by our frozen food storage services, and, to a much lesser extent, loading and other services; (3) outsourced labor costs, which primarily consist of costs of personnel for loading services; (4) utility costs, which primarily represent such utility costs of electricity, water and gas incurred in providing our frozen food storage services, and, to a much lesser extent, engaging in leasing services business; (5) safety protection costs, which primarily represented the cost provision for maintaining and improving the safety of our facilities in accordance with the PRC regulations; and (6) cost of low-value consumables (such as pipes, lights, switches and shelves). In 2022, we also incurred cost of goods sold of RMB28.0 million in connection with the sales of frozen food products business, which was terminated in 2022.

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Depreciation and amortization	31,861	27.0	32,088	37.7	42,750	38.8	19,378	37.6	24,873	45.1
Employee benefit costs	23,896	20.2	22,277	26.1	26,873	24.4	12,450	24.2	12,961	23.5
Outsourced labor costs	11,493	9.7	11,868	13.9	12,075	11.0	5,771	11.2	5,649	10.2
Utility costs	11,357	9.6	11,644	13.7	13,226	12.0	5,815	11.3	6,333	11.5
Safety protection costs	3,789	3.2	3,336	3.9	3,110	2.8	1,233	2.4	847	1.5
Cost of low-value consumables	1,084	0.9	357	0.4	5,761	5.2	3,750	7.3	773	1.4
Others(1)	6,758	5.7	3,676	4.3	6,402	5.8	3,075	6.0	3,751	6.8
Cost of goods sold	27,968	23.7	—	—	—	—	—	—	—	—
Total	**118,206**	**100.0**	**85,246**	**100.0**	**110,197**	**100.0**	**51,472**	**100.0**	**55,187**	**100.0**

(1) Others primarily consist of tax and surcharges and other miscellaneous costs.

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

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Frozen food storage services	54,254	45.9	50,592	59.3	72,892	66.1	33,884	65.8	37,426	67.8
Leasing services	16,940	14.3	16,895	19.8	17,050	15.5	8,372	16.3	8,236	14.9
Loading services	16,300	13.8	16,134	19.0	18,680	17.0	8,581	16.7	8,666	15.7
Sales of frozen food products	27,968	23.7	—	—	—	—	—	—	—	—
Others	2,744	2.3	1,625	1.9	1,575	1.4	635	1.2	859	1.6
Total	**118,206**	**100.0**	**85,246**	**100.0**	**110,197**	**100.0**	**51,472**	**100.0**	**55,187**	**100.0**

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit was RMB118.5 million, RMB116.5 million, RMB123.4 million, RMB60.9 million and RMB62.9 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, and our gross profit margin was 50.1%, 57.7%, 52.8%, 54.2% and 53.3% for the same periods, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin	Gross profit (RMB)	Gross profit margin
	(RMB in thousands, except for percentages)									
							(unaudited)			
Frozen food storage services	83,114	60.5%	82,221	61.9%	87,126	54.4%	41,726	55.2%	43,762	53.9%
Leasing services	22,505	57.1%	21,562	56.1%	25,329	59.8%	13,311	61.4%	15,532	65.3%
Loading services	9,782	37.5%	9,691	37.5%	7,125	27.6%	3,950	31.5%	2,583	23.0%
Sales of frozen food products	138	0.5%	—	—	—	—	—	—	—	—
Others	2,991	52.2%	3,040	65.2%	3,799	70.7%	1,884	74.8%	984	53.4%
Total	**118,530**	**50.1%**	**116,514**	**57.7%**	**123,379**	**52.8%**	**60,871**	**54.2%**	**62,861**	**53.3%**

During the Track Record Period, the gross profit margin of our frozen food storage services and leasing services business is higher than that of our loading business, primarily due to the distinct cost structure of our loading services, which consisted primarily of outsourced labor costs, as opposed to the other businesses.

Other Income and Gains

During the Track Record Period, we recorded other income and gains of RMB15.2 million, RMB6.9 million, RMB9.7 million, RMB4.2 million and RMB2.6 million, respectively, which primarily consisted of (1) interest income from our bank deposits; (2) government grants representing incentives from local governments for the purpose of compensation on contribution to the local economy and purchases of items of property, plant and equipment; and (3) refund of property tax and land use tax, and additional deduction of value-added tax ("VAT") for taxpayers in the service industry, pursuant to relevant PRC policies. The following table sets forth a breakdown of our other income and gains for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Other income					
— Interest income	7,013	3,388	4,473	1,817	1,093
— Government grants	4,171	2,221	3,627	2,345	1,481
— Refund of property tax and land use tax	—	—	1,447	—	—
— Additional deduction of VAT	3,803	490	—	—	—
— Others	226	206	94	68	56
Subtotal	**15,213**	**6,305**	**9,641**	**4,230**	**2,630**
Gains					
— Gain on disposal of property, plant and equipment	27	643	11	9	9
Total	**15,240**	**6,948**	**9,652**	**4,239**	**2,639**

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses were RMB1.9 million, RMB0.5 million, RMB0.6 million, RMB2,000 and RMB0.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 respectively. Our selling and marketing expenses primarily consisted of depreciation and amortization of machinery and intangible assets allocated for our sales and marketing functions, and, to a much lesser extent, (1) employee benefit expenses of certain sales and marketing personnel in 2022; and (2) other miscellaneous expenses incurred in our sales and marketing initiatives.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consist of (1) employee benefit expenses of our general and administrative and certain senior management personnel; (2) depreciation and amortization expenses of buildings and machinery allocated for our general and administrative functions; (3) taxes and surcharges, such as property tax and land use tax; (4) professional service fees, mainly including fees related to our previous proposed A-share listing (for details, see "History, Development and Corporate Structure—Previous Proposed A-share Listing"), such as audit fees and legal fees, and, to a lesser extent, service fees incurred in the ordinary course of our business operations; and (5) office expenses. Our administrative expenses were RMB23.0 million, RMB18.9 million, RMB20.0 million, RMB8.5 million and RMB9.2 million for 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee benefit expenses	14,309	62.3	13,162	69.8	14,684	73.5	6,245	73.4	5,714	62.3
Depreciation and amortization	1,064	4.6	1,079	5.7	1,310	6.6	566	6.7	1,262	13.8
Tax and surcharges	1,824	7.9	1,683	8.9	969	4.9	494	5.8	504	5.5
Professional service fees	2,803	12.2	1,060	5.6	824	4.1	182	2.1	907	9.9
Office expenses	879	3.8	768	4.1	1,127	5.6	458	5.4	353	3.8
Others(1)	2,089	9.2	1,107	5.8	1,066	5.3	561	6.6	432	4.7
Total	**22,968**	**100.0**	**18,859**	**100.0**	**19,980**	**100.0**	**8,506**	**100.0**	**9,172**	**100.0**

(1) Others primarily represent maintenance and repairment expenses, utility and property management expenses and other miscellaneous administrative expenses.

Research and Development Costs

During the Track Record Period, we recorded research and development costs of RMB0.4 million, RMB1.1 million, RMB1.1 million, RMB0.5 million and RMB0.5 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our research and development costs primarily represent (1) employee benefit expenses of research and development personnel; and (2) other expenses incurred in improving our information network infrastructure and developing new systems.

Impairment Loss on Financial Assets, Net

During the Track Record Period, we recorded impairment loss on financial assets, net of RMB0.6 million, RMB1.9 million, RMB1.2 million, RMB0.3 million and RMB0.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively and a reversal of impairment on financial assets, net, of RMB1.2 million in 2024, primarily in connection with certain of our prepayments, deposits and other receivables. For details, see "—Period to Period Comparison of Results of Operations."

Finance Costs

During the Track Record Period, we recorded finance costs of RMB3.0 million, nil, RMB1.2 million, nil and RMB2.1 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, which primarily represented the interest accrued for our bank borrowings. For details, see "—Indebtedness—Interest-bearing Bank Borrowings."

Income Tax Expense

We are registered and conduct our business in China. We are generally subject to the EIT Law at the statutory rate of 25% on the taxable income as reported in our statutory financial statements adjusted in accordance with the EIT Law.

Our income tax expense during the Track Record Period primarily consists of current income tax. We recorded income tax expense of RMB25.4 million, RMB25.6 million, RMB28.4 million, RMB14.5 million and RMB13.6 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing an effective tax rate of 24.3%, 25.4%, 25.5%, 26.0% and 25.5% for the same periods, respectively.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute or unresolved with the relevant tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue increased by 5.1% from RMB112.3 million for the six months ended June 30, 2024 to RMB118.0 million for the six months ended June 30, 2025, primarily due to the increases in revenue from frozen food storage services and leasing services.

- ***Frozen food storage services.*** Our revenue from frozen food storage services increased by 7.4% from RMB75.6 million for the six months ended June 30, 2024 to RMB81.2 million for the six months ended June 30, 2025, primarily due to the completion of construction and commencement of operations of warehouses G and H of our frozen food storage facilities under the Phase V Expansion Project in January and August 2024, respectively, and subsequent growth of operations. See "Business—Our Frozen Food Storage and Frozen Food Space Leasing Business—Frozen Food Storage Services" for details. Specifically, we offered a service fee discount in the six months ended June 30, 2024 to attract customers to these facilities, and we did not offer similar discounts in the six months ended June 30, 2025, resulting in an increase in average monthly frozen food storage fee per tonne at our southern frozen food storage base from RMB62.7 to RMB70.7 over the same periods.

- ***Leasing services.*** Our revenue from leasing services increased by 9.7% from RMB21.7 million for the six months ended June 30, 2024 to RMB23.8 million for the six months ended June 30, 2025, as we upgraded part of our trading space units during 2024 and charged a one-time advance from lessees in connection with such upgrades in 2024, for which the corresponding revenue would be recognized over the course of 2025.

- ***Loading services.*** Our revenue from loading services decreased by 10.2% from RMB12.5 million for the six months ended June 30, 2024 to RMB11.2 million for the six months ended June 30, 2025, primarily due to the decrease in service volume, as a result of the intensified market competition and adverse macroeconomic conditions. Specifically, the service volume for our loading services was over 338,300 tonnes and over 315,800 tonnes for the six months ended June 30, 2024 and 2025, respectively.

Cost of sales

Our cost of sales increased by 7.2% from RMB51.5 million for the six months ended June 30, 2024 to RMB55.2 million for the six months ended June 30, 2025, primarily due to the completion of construction of warehouse H of our frozen food storage facilities under the Phase V Expansion Project in August 2024, which led to the overall increases in relevant depreciation and amortization, employee benefit costs and utility costs, and we were not subject to these costs relating to warehouse H in the six months ended June 30, 2024.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 3.3% from RMB60.9 million for the six months ended June 30, 2024 to RMB62.9 million for the six months ended June 30, 2025. Our gross profit margin decreased from 54.2% for the six months ended June 30, 2024 to 53.3% for the six months ended June 30, 2025, primarily due to the decreases in the gross profit margin of loading services and frozen food storage services, partially offset by the increase in gross profit margin of leasing services, for the reasons discussed below.

- ***Frozen food storage services***. Our gross profit from frozen food storage services increased by 4.9% from RMB41.7 million for the six months ended June 30, 2024 to RMB43.8 million for the six months ended June 30, 2025, primarily due to the completion of construction and commencement of operations of warehouses G and H of our frozen food storage facilities under the Phase V Expansion Project in January and August 2024, respectively, and subsequent growth of operations. Specifically, we offered a special discount on the normal storage fees in the six months ended June 30, 2024 to attract customers to these facilities, and we charged normal storage fees without such discount in 2025, with our average monthly frozen food storage fee per tonne at our southern frozen food storage base increasing from RMB62.7 in the six months ended June 30, 2024 to RMB70.7 in the six months ended June 30, 2025. Despite such service fee increase, the gross profit margin of our frozen food storage services decreased slightly from 55.2% for the six months ended June 30, 2024 to 53.9% for the six months ended June 30, 2025, primarily due to the increase in the depreciation of our frozen food storage facilities under the Phase V Expansion Project, which increased our costs of sales for frozen food storage service and, as a result, led to a decrease in gross profit margin of the same. We began to recognize depreciation expenses for our new facilities constructed in the Phase V Expansion Project under our cost of sales over the course of 2024, depending on their utilization status, which resulted in a gradual increase of corresponding depreciation expenses from 2024 to 2025. Specifically, the depreciation and amortization of our frozen food storage services attributable to the frozen food storage facilities under the Phase V Expansion Project increased from RMB3.6 million for the six months ended June 30, 2024 (i.e. related to warehouse G only) to RMB10.2 million for the six months ended June 30, 2025 (i.e. related to both warehouses G and H).

- ***Leasing services***. Our gross profit from leasing services increased by 16.7% from RMB13.3 million for the six months ended June 30, 2024 to RMB15.5 million for the six months ended June 30, 2025, along with an increase in gross profit margin of the same from 61.4% to 65.3% for the same periods, driven primarily by the revenue increase of the same, as we upgraded part of our trading space units during 2024 and charged a one-time advance from lessees in connection with such upgrades in late 2024, for which the corresponding revenue would be recognized over the course of 2025. As of December 31, 2024, such one-time advance from lessees to be recognized over the course of 2025 amounted to RMB4.0 million, and we did not recognize revenue associated with similar advance from lessees in 2024.

- ***Loading services***. Our gross profit from loading services decreased by 34.6% from RMB4.0 million for the six months ended June 30, 2024 to RMB2.6 million for the six months ended June 30, 2025, along with a decrease in gross profit margin of the same from 31.5% to 23.0% for the same periods, primarily due to (1) the decrease in revenue of the same, with a decrease in service volume for our loading services from over 338,300 tonnes for the six months ended June 30, 2024 to over 315,800 tonnes for the six months ended June 30, 2025; and (2) the relatively stable cost of sales for our loading services over the same periods, as the decrease in the outsourced labor costs in line with the decrease in our service volume was offset by the increase in the employee benefit costs, as a result of the change in bonus timing and calculation method for the employees of our loading department in 2025.

Other income and gains

Our other income and gains decreased by 38.1% from RMB4.2 million for the six months ended June 30, 2024 to RMB2.6 million for the six months ended June 30, 2025, primarily due to (1) the periodical fluctuations in government grants; and (2) the decrease in interest income, due to the fluctuations of the balance and interest rate of our bank deposits across the same periods.

Selling and marketing expenses

Our selling and marketing expenses increased significantly from RMB2,000 for the six months ended June 30, 2024 to RMB0.2 million for the six months ended June 30, 2025, as we incurred greater marketing expenses to solicit customers for our expanded facilities.

Administrative expenses

Our administrative expenses increased by 8.2% from RMB8.5 million for the six months ended June 30, 2024 and RMB9.2 million for the six months ended June 30, 2025, primarily due to the increase in depreciation and amortization of buildings.

Research and development costs

Our research and development costs remained relatively stable at RMB0.5 million and RMB0.5 million for the six months ended June 30, 2024 and 2025.

Income tax expense

Our income tax expense decreased by 6.2% from RMB14.5 million for the six months ended June 30, 2024 to RMB13.6 million for the six months ended June 30, 2025, primarily due to the fluctuations of our taxable income.

Profit for the period

As a result of the foregoing, our profit for the period decreased by 3.9% from RMB41.3 million for the six months ended June 30, 2024 to RMB39.7 million for the six months ended June 30, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 15.8% from RMB201.8 million for 2023 to RMB233.6 million for 2024, primarily due to the increases in revenue from our frozen food storage services and leasing services businesses.

- ***Frozen food storage services***. Our revenue from frozen food storage services increased by 20.5% from RMB132.8 million for 2023 to RMB160.0 million for 2024, primarily due to the completion and commencement of operations of our frozen food storage facilities under the Phase V Expansion Project over the course of 2024. Specifically, we completed the construction of warehouses G and H of the new facilities in January and August 2024, respectively, from which time we began to recognize revenue, respectively. The storage capacity at our southern frozen food storage base purchased by customers increased from 129,077 tonnes for 2023 to 186,916 tonnes for 2024.

- ***Leasing services***. Our revenue from leasing services increased by 10.2% from RMB38.5 million for 2023 to RMB42.4 million for 2024, primarily due to the increase in the unit rental fee of our trading space. Specifically, the average monthly rental fee of our trading space increased from RMB80.4 per square meter for 2023 to RMB88.6 per square meter for 2024, mainly due to the cessation of previous rent concession granted in early 2023 in light of the COVID-19 pandemic.

- ***Loading services***. Our revenue from loading services remained relatively stable at RMB25.8 million and RMB25.8 million in 2023 and 2024, respectively.

Cost of sales

Our cost of sales increased by 29.3% from RMB85.2 million for 2023 to RMB110.2 million for 2024, primarily due to the completion and commencement of operations of our frozen food storage facilities under the Phase V Expansion Project over the course of 2024, which led to the overall increases in relevant depreciation and amortization, cost of low-value consumables, employee benefit costs, utility costs and outsourced labor costs. Specifically, we completed the construction of warehouses G and H of the new facilities in January and August 2024, respectively, after which we began to recognize their costs of sales incurred, respectively.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 5.9% from RMB116.5 million for 2023 and RMB123.4 million for 2024, respectively. Our gross profit margin decreased from 57.7% for 2023 to 52.8% for 2024, primarily due to the decreases in gross profit margin of frozen food storage services business and loading services, partially offset by the increase in gross profit margin of leasing services business, for the reasons discussed below.

- ***Frozen food storage services***. The gross profit margin of our frozen food storage services decreased from 61.9% for 2023 to 54.4% for 2024, despite the increase in gross profit over the same periods due to the completion and commencement of operations of our frozen food storage facilities under the Phase V Expansion Project over the course of 2024, as we were in the process of ramping up such new facilities, which led to increased costs, including depreciation and amortization of the buildings, equipment and machinery for providing frozen food storage services, such as refrigeration systems, frozen food storage doors, and employee benefit costs. In addition, we set a lower unit price in 2024 in consideration of the demand of our customers and to optimize the utilization of our facilities, as demonstrated by a lower average monthly frozen food storage fee of our southern frozen food storage base of RMB66.9 per tonne for 2024, compared with that at RMB79.3 per tonne for 2023.

- ***Leasing services***. The gross profit margin of our leasing services increased from 56.1% for 2023 to 59.8% for 2024, primarily due to the increase in revenue due to the cessation of rent concession as discussed above.

- ***Loading services***. The gross profit margin of our loading services decreased from 37.5% for 2023 to 27.6% for 2024, as we were in the process of ramping up our new facilities under the Phase V Expansion Project, which led to a higher level of relevant costs, such as employee benefit expenses for additional employees responsible for loading services at our new facilities, and depreciation and amortization of our self-owned machinery and devices used for providing loading services, such as forklifts.

Other income and gains

Our other income and gains increased by 38.9% from RMB6.9 million for 2023 to RMB9.7 million for 2024, primarily due to (1) the increase in government grants from RMB2.2 million for 2023 to RMB3.6 million for 2024, mainly representing certain new government subsidies received in 2024, such as industry-related subsidies by the local government; and (2) the increase in refund of property tax and land use tax from nil for 2023 to RMB1.4 million in 2024, as we received such refund in 2024.

Administrative expenses

Our administrative expenses increased by 5.8% from RMB18.9 million for 2023 to RMB20.0 million for 2024, primarily due to an increase in employee benefit expenses of RMB1.5 million, representing (1) severance to certain administrative personnel in 2024; and (2) change in our accounting treatment for the staff costs of certain project development personnel, which began to be accounted for as administrative expenses after the Phase V Expansion Project was completed, while such costs had previously been capitalized as construction in progress. Specifically, we completed the construction of warehouses G and H of the new facilities in January and August 2024, respectively, after which we began to recognize such staff costs as administrative expenses.

Impairment loss on financial assets, net

The impairment loss on financial assets, net changed from RMB1.9 million for 2023 to an impairment reversal RMB1.2 million for 2024, primarily due to the reversal for impairment loss provision that we made in 2023 for certain deposit paid to the local government in 2020 for obtaining the land use rights for undertaking the Phase V Expansion Project, as we collected the deposit in 2024.

Finance costs

Our finance costs increased from nil for 2023 to RMB1.2 million for 2024. We capitalized interest expenses for borrowings to undertake the Phase V Expansion Project before its completion in September 2024, and recognized interest expenses for such borrowings as finance costs after its completion. In addition, the overall bank loan balance was higher in 2024 compared with that in 2023, resulting in higher finance costs in 2024.

Income tax expenses

Our income tax expenses increased by 10.6% from RMB25.6 million for 2023 to RMB28.4 million for 2024, generally in line with the growth of our taxable income.

Profit for the year

As a result of the foregoing, in particular the increase in the gross profit of our frozen food storage services driven by the increase in revenue of the same primarily due to the commencement of operations of our frozen food storage facilities under the Phase V Expansion Project, as well as the increase in the gross profit of our leasing services for the reasons discussed above, our profit for the year increased by 10.0% from RMB75.3 million for 2023 to RMB82.9 million for 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue decreased by 14.8% from RMB236.7 million for 2022 to RMB201.8 million for 2023, primarily due to the termination of sales of frozen food products business in 2022 (see "—Description of Major Components in Our Consolidated Statements of Profit or Loss—Revenue"), which led to a decrease in revenue from the same from RMB28.1 million for 2022 to nil for 2023.

- ***Frozen food storage services***. Our revenue from frozen food storage services decreased slightly by 3.3% from RMB137.4 million for 2022 to RMB132.8 million for 2023, primarily due to the completion of certain one-off contracts in 2022 at our northern frozen food storage base.

- ***Leasing services***. Our revenue from leasing services decreased slightly by 2.5% from RMB39.4 million for 2022 to RMB38.5 million for 2023, as we granted a one-month and one-off rent concession for trading space units to certain frozen food space leasing customers in light of the COVID-19 pandemic to alleviate their burdens.

- ***Loading services***. Our revenue from loading services remained relatively stable at RMB26.1 million and RMB25.8 million in 2022 and 2023, respectively.

Cost of sales

Our cost of sales decreased by 27.9% from RMB118.2 million for 2022 to RMB85.2 million for 2023, primarily due to the decrease in cost of goods sold from RMB28.0 million for 2022 to nil for 2023, attributable to the termination of sales of frozen food products business in 2022.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit decreased by 1.7% from RMB118.5 million for 2022 and RMB116.5 million for 2023, respectively, which was relatively stable across the periods. Our gross profit margin increased from 50.1% for 2022 to 57.7% for 2023, primarily due to the termination of sales of frozen food products business in 2022, which had a much lower profit margin than our other business lines.

- ***Frozen food storage services***. The gross profit margin of our frozen food storage service increased from 60.5% for 2022 to 61.9% for 2023, primarily due to (1) the decreases in relevant employee benefit costs and cost of low-value consumables, as a result of our efforts to improve operating efficiency; and (2) the relative low gross profit margin of the one-off contracts completed in 2022 at our northern frozen food storage base as mentioned above.

- ***Leasing services***. The gross profit margin of our leasing services decreased from 57.1% for 2022 to 56.1% for 2023, primarily due to the grant of rent concession for the reasons discussed above.

- ***Loading services***. The gross profit margin of our loading services remained stabled at 37.5% and 37.5% for 2022 and 2023, respectively.

Other income and gains

Our other income and gains decreased by 54.4% from RMB15.2 million for 2022 to RMB6.9 million for 2023, primarily due to (1) a decrease in government grant from RMB4.2 million for 2022 to RMB2.2 million for 2023, and a decrease in additional deduction of VAT from RMB3.8 million for 2022 to RMB0.5 million for 2023, as certain subsidies and relief in 2022 were no longer available or applicable to us in 2023; and (2) a decrease in interest income from RMB7.0 million for 2022 to RMB3.4 million for 2023, due to the fluctuations of the balance and interest rate of our bank deposits across the years.

Selling and marketing expenses

Our selling and marketing expenses decreased by 75.3% from RMB1.9 million for 2022 to RMB0.5 million for 2023, primarily due to (1) a decrease in depreciation and amortization of RMB0.4 million, as certain underlying assets had been fully depreciated in 2022; and (2) a decrease in employee benefit expenses of RMB0.5 million, due to the termination of our sales of frozen food products business, which led to a reduction in relevant sales force.

Administrative expenses

Our administrative expenses decreased by 17.9% from RMB23.0 million for 2022 to RMB18.9 million for 2023, primarily due to (1) a decrease in employee benefit expense of RMB1.1 million, mainly due to the change in our accounting treatment for the staff costs of certain project development personnel, which were classified as general and administrative in nature and expensed in 2022, and, as such personnel were primarily involved in the Phase V Expansion Project in 2023, such staff costs were capitalized as construction in progress in 2023; and (2) a decrease in professional service fees of RMB1.7 million, generally in line with the progress of our previous proposed A-share listing.

Research and development costs

Our research and development costs increased significantly from RMB0.4 million for 2022 to RMB1.1 million for 2023, primarily due to an increase in employee benefit expense of RMB0.6 million, as we hired more research and development personnel to enhance our information system and further our digital initiatives.

Impairment loss on financial assets, net

The impairment loss on financial assets, net increased significantly from RMB0.6 million for 2022 to RMB1.9 million for 2023, primarily due to the increase in the impairment provision we made on the deposit paid to the local government in 2020 for obtaining our rights to the leasehold land for undertaking the Phase V Expansion Project.

Finance costs

Our finance costs decreased from RMB3.0 million for 2022 to nil for 2023, primarily representing the decrease in interest paid as we paid off the underlying bank loan during 2022.

Income tax expenses

Our income tax expenses remained relatively stable at RMB25.4 million and RMB25.6 million for 2022 and 2023, respectively.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 4.8% from RMB79.1 million for 2022 to RMB75.3 million for 2023.

DISCUSSION OF MAJOR BALANCE SHEET ITEMS

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	354,154	725,959	733,363	715,024
Investment properties	237,395	228,377	223,838	219,067
Right-of-use assets	138,709	134,746	131,117	129,304
Other intangible assets	1,429	126	393	337
Deferred tax assets	2,288	3,320	3,836	3,820
Time deposits	20,108	—	—	—
Other non-current assets	18,594	66,705	42,177	—
Total non-current assets	772,677	1,159,233	1,134,724	1,067,552
Total current assets	161,930	129,871	77,229	154,424
Total current liabilities	66,333	223,257	134,943	151,677
Net current assets/(liabilities)	95,597	(93,386)	(57,714)	2,747
Total assets less current liabilities	868,274	1,065,847	1,077,010	1,070,299
Non-current liabilities				
Other payables and accruals	—	—	13,507	13,276
Deferred income	32,057	28,522	35,744	34,581
Interest-bearing bank borrowings	—	155,796	203,350	198,350
Total non-current liabilities	32,057	184,318	252,601	246,207
Net assets	**836,217**	**881,529**	**824,409**	**824,092**
Equity				
Equity attributable to owners of the parent				
Share capital	75,000	75,000	75,000	75,000
Other reserves	761,217	806,529	749,409	749,092
Total equity	**836,217**	**881,529**	**824,409**	**824,092**

The following table sets forth our current assets, current liabilities and net current assets/(liabilities) as of the dates indicated.

	As of December 31,			As of June 30, 2025	As of October 31, 2025
	2022	2023	2024		
	(RMB in thousands)				
					(unaudited)
Current assets					
Inventories	526	684	348	390	386
Trade and operating lease receivables	7,199	4,026	6,727	20,155	25,250
Prepayments, deposits and other receivables	16,738	18,270	3,316	55,641	54,342
Time deposits	80,433	50,741	30,817	—	—
Cash and cash equivalents	57,034	56,150	36,021	78,238	68,777
Total current assets	**161,930**	**129,871**	**77,229**	**154,424**	**148,755**
Current liabilities					
Trade payables	1,077	1,392	1,536	1,402	2,271
Other payables and accruals	57,166	209,823	114,030	125,289	82,810
Advance from lessees	4,738	5,290	7,434	7,771	4,118
Income tax payable	3,352	6,627	6,812	7,113	2,224
Interest-bearing bank borrowings	—	125	5,131	10,102	10,451
Total current liabilities	**66,333**	**223,257**	**134,943**	**151,677**	**101,874**
Net current assets/(liabilities)	**95,597**	**(93,386)**	**(57,714)**	**2,747**	**46,881**

We recorded net current liabilities of RMB93.4 million as of December 31, 2023, compared with net current assets of RMB95.6 million as of December 31, 2022. The change was primarily due to an increase in the current portion of other payables and accruals from RMB57.2 million as of December 31, 2022 to RMB209.8 million as of December 31, 2023, mainly as a result of the increase in payable for purchase of property, plant and equipment. Our net current liabilities then decreased to RMB57.7 million as of December 31, 2024, primarily due to a decrease in the current portion of other payables and accruals from RMB209.8 million as of December 31, 2023 to RMB114.0 million as of December 31, 2024, mainly as a result of the decrease in payable for purchase of property, plant and equipment. Our net current liabilities as of December 31, 2024 then changed to net current assets of RMB10.4 million as of March 31, 2025, primarily due to (1) the increase in the current portion of our prepayments, deposits and other receivables from RMB3.3 million as of December 31, 2024 to RMB45.7 million as of March 31, 2025, mainly due to the increase in the current portion of certificate of deposits; (2) the decrease in the current portion of other payables and accruals from RMB114.0 million as of December 31, 2024 to RMB91.7 million as of March 31, 2025, mainly due to repayment of certain payables for property, plant and equipment; and (3) the increase in trade and operating lease receivables from RMB6.7 million as of December 31, 2024 to RMB19.5 million as of March 31, 2025, mainly due to the relatively low year-end balance, as we required customers to settle the amount due for December by the year end, while we generally allowed customer to settle payments after the relevant month-end during the year. We recorded net current assets of RMB2.7 million as of June 30, 2025, primarily due to the increase in the current portion prepayments, deposits and other receivables representing the increase in the current potion of certificate of deposits, and cash and cash equivalents. Our net current assets further increased to RMB46.9 million as of October 31, 2025, primarily due to the decrease in other payables and accruals.

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (1) buildings, which mainly represented our frozen food storage warehouses; (2) improvements to our facilities; (3) machinery and others, which mainly included the equipment, devices and other machinery used in our frozen food storage services and loading services, such as refrigeration systems, frozen food storage doors and forklifts, as well as certain office equipment; and (4) construction in progress, primarily arising from the Phase V Expansion Project. The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated.

Our purpose for owning frozen food storage warehouses is to use them as part of the frozen storage facilities, based on which we provide frozen food storage services. We do not separately charge rental fees or profit from capital appreciation for such warehouses. Therefore, the frozen food storage warehouses are owner-occupied properties and classified as buildings under property, plant and equipment.

	As of December 31,			As of June 30, 2025
	2022	2023	2024	
	(RMB in thousands)			
Buildings	288,745	275,334	621,233	610,685
Improvements	10,653	9,459	13,498	12,672
Machinery and others	19,456	15,853	98,046	91,667
Construction in progress	35,300	425,313	586	—
Total	**354,154**	**725,959**	**733,363**	**715,024**

Our property, plant and equipment increased from RMB354.2 million as of December 31, 2022 to RMB726.0 million as of December 31, 2023, primarily due to an addition to construction in progress of RMB390.0 million as a result of the Phase V Expansion Project, partially offset by the depreciation of our buildings and machinery and others. Our property, plant and equipment then increased to RMB733.4 million as of December 31, 2024, primarily due to a further addition to construction in progress of RMB34.4 million as a result of the Phase V Expansion Project, partially offset by the depreciation of buildings and machinery and others. In addition, construction in progress of RMB459.2 million was transferred and reclassified to buildings, improvements and machinery and others in 2024, as the Phase V Expansion Project was completed over the course of 2024. Our property, plant and equipment then decreased to RMB715.0 million as of June 30, 2025, primarily due to depreciation. For details of the valuation of our buildings, see the property valuation report as set out in Appendix III to this prospectus.

Investment Properties

Our investment properties during the Track Record Period primarily represented our trading space units. We generated revenue from trading space leasing representing the rental income derived from such investment properties of RMB39.4 million, RMB38.5 million, RMB42.4 million, RMB21.7 million and RMB23.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

We recorded investment properties of RMB237.4 million, RMB228.4 million, RMB223.8 million and RMB219.1 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively, the decrease of which was primarily due to depreciation. For details of the valuation of our investment properties, see the property valuation report as set out in Appendix III to this prospectus.

Right-of-use Assets

Our right-of-use assets during the Track Record Period represented our leasehold land in Changsha underlying our frozen food storage facilities and our premises for frozen food space leasing services. The balance of our right-of-use assets was RMB138.7 million, RMB134.7 million, RMB131.1 million and RMB129.3 million as of December 31, 2022, 2023, 2024 and June 30, 2025 respectively, the decrease of which was primarily due to depreciation. For details of the valuation of our right-of-use assets, see the property valuation report as set out in Appendix III to this prospectus.

Deferred Tax Assets

We had deferred tax assets of RMB2.3 million, RMB3.3 million, RMB3.8 million and RMB3.8 million as of December 31, 2022, 2023, 2024 and June 30, 2025 respectively. Our deferred tax assets during the Track Record Period were primarily related to the temporary differences attributable to our deferred income representing government grants and subsidies, and the impairment of financial assets and inventories.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables during the Track Record Period primarily consisted of (1) prepayments, which mainly consisted of prepayments to multiple suppliers for undertaking the Phase V Expansion Project as of December 31, 2022 and 2023; (2) other receivables, which primarily consisted of various deposits and advancements incurred in our operations, such as deposit paid to local government to obtain land use rights; (3) value-added tax recoverable; and (4) certificate of deposits. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Prepayments	18,594	5,376	—	—
Other receivables	13,465	3,765	1,993	1,989
Value-added tax recoverable	1,882	15,037	—	98
Deferred listing expenses	—	—	—	10,144
Prepaid expenses	2,568	2,762	2,869	2,113
Certificate of deposits	—	61,328	42,620	43,286
Total	**36,509**	**88,268**	**47,482**	**57,630**
Less: non-current portion	(18,594)	(66,705)	(42,177)	—
Provision for impairment of other receivables	(1,177)	(3,293)	(1,989)	(1,989)
Current portion	**16,738**	**18,270**	**3,316**	**55,641**

Our prepayments, deposits and other receivables increased from RMB36.5 million as of December 31, 2022 to RMB88.3 million as of December 31, 2023, primarily due to (1) the increase in value-added tax recoverable, as we accrued relevant input value-added tax for future offsetting in connection with our procurement for the Phase V Expansion Project; and (2) the increase in certificate of deposits, partially offset by (1) the decrease in prepayments, as the prepayments for the Phase V Expansion Project were transferred to construction in progress in line with the construction progress; and (2) the decrease in other receivables, mainly due to the collection of the deposit that we paid for undertaking the one-off contracts completed in 2022 at our northern frozen food storage base (see also "—Period to Period Comparison of Results of Operations—Year Ended December 31, 2023 Compared to Year Ended December 31, 2022"). Our prepayments, deposits and other receivables then decreased to RMB47.5 million as of December 31, 2024, primarily due to (1) the decrease in certificate of deposits; and (2) the decrease in value-added tax recoverable, as the relevant amount as of December 31, 2023 was offset over 2024. Our prepayments, deposits and other receivables then increased to RMB57.6 million as of June 30, 2025, primarily due to the increase in deferred listing expenses in connection with the Listing.

As of October 31, 2025, RMB2.1 million, or 3.7% of our prepayments, deposits and other receivables as of June 30, 2025 had been settled.

Trade and Operating Lease Receivables

We had trade and operating lease receivables of RMB7.2 million, RMB4.0 million, RMB6.7 million and RMB20.2 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Our trade and operating lease receivables increased from RMB6.7 million as of December 31, 2024 to RMB20.2 million as of June 30, 2025, primarily due to the impact of periodical fluctuations. We usually require early settlement before fiscal year end.

Our trade receivables as of these dates arose from frozen food storage services and loading services, and as of December 31, 2022, also included trade receivables from sales of frozen food business. Our lease receivables as of these dates arose from our leasing services. The following table sets forth a breakdown of our trading and operating lease receivables as of the dates indicated.

	As of December 31,			As of June 30, 2025
	2022	2023	2024	
	(RMB in thousands)			
Trade receivables	7,553	4,238	6,491	17,666
Lease receivables	25	—	590	3,012
Less: impairment	(379)	(212)	(354)	(523)
Net carrying amount	**7,199**	**4,026**	**6,727**	**20,155**

We generally grant a credit period of five days to customers after invoicing. The following table sets forth our trade and operating lease receivables turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30, 2025
	2022	2023	2024	
Trade and operating lease receivables turnover days[(1)]	9	11	8	21

(1) The average trade and operating lease receivables turnover days are calculated as the arithmetic mean of the beginning and ending trade and operating lease receivables balances divided by revenue for that period and multiplied by 365 days for a given year and 182 days for a given six-month period.

Our average trade and operating lease receivables turnover days were short at 9 days, 11 days, 8 days and 21 days for 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. Such turnover days is slightly longer than the credit period granted to customers, as there tends to a gap between the recognition of underlying trade and lease receivables and the time of invoicing to customers. The increase in the trade and other receivable turnover days for the six months ended June 30, 2025 was primarily due to the increase in trade receivables due to the impact of periodical fluctuations, which was not representative of full-year level.

The following table sets forth an aging analysis of our trade and operating lease receivables as of the dates indicated.

	As of December 31,			As of June 30, 2025
	2022	2023	2024	
	(RMB in thousands)			
Within two months	3,294	4,026	6,727	20,155
In three to 12 months	3,905	—	—	—
Total	**7,199**	**4,026**	**6,727**	**20,155**

As of October 31, 2025, RMB20.2 million, or 97.5% of our trade and operating receivables as of June 30, 2025 was settled. We do not consider that there is any recoverability issue with our trade and operating lease receivables.

Trade Payables

We had trade payables of RMB1.1 million, RMB1.4 million, RMB1.5 million and RMB1.4 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. We generally settle trade payables with our suppliers over 90-day terms. The following table sets forth our trade payables turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30, 2025
	2022	2023	2024	
Trade payables turnover days(1)	4	5	5	5

(1) The average trade payables turnover days are calculated as the arithmetic mean of the beginning and ending trade payables balances divided by cost of sales for that period and multiplied by 365 days for a given year and 182 days for a given six-month period.

The following table sets forth an aging analysis of our trade payables based on invoice date as of the dates indicated.

	As of December 31,			As of June 30, 2025
	2022	2023	2024	
	(RMB in thousands)			
Within 90 days	1,077	1,392	1,536	1,402

As of October 31, 2025, RMB1.4 million, or 99.6% of our trade payables as of June 30, 2025 was settled.

Other Payables and Accruals

Our other payables and accruals during the Track Record Period primarily consisted of (1) deposits received from our customers; (2) payroll and welfare payable to our employees; and (3) payable for purchase of property, plant and equipment. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,			As of June 30, 2025
	2022	2023	2024	
	(RMB in thousands)			
Deposits received	41,597	44,548	42,769	40,145
Payroll and welfare payable	9,788	9,624	12,988	5,748
Payable for purchase of property, plant and equipment	4,038	149,674	60,183	44,978
Contract liabilities	19	99	158	1,156
Dividend payable	—	—	504	38,066
Deferred listing expenses	—	—	—	902
Other payables	619	4,762	5,439	5,180
Other tax payables[(1)]	1,105	1,116	5,496	2,390
Total	**57,166**	**209,823**	**127,537**	**138,565**
Less: non-current portion	—	—	(13,507)	(13,276)
Current portion	**57,166**	**209,823**	**114,030**	**125,289**

(1) Other tax payables primarily included value-added tax, property tax, individual income tax withheld and stamp duty.

Our other payables and accruals increased from RMB57.2 million as of December 31, 2022 to RMB209.8 million as of December 31, 2023, primarily due to (1) the increase in payable for purchase of property, plant and equipment in connection with our procurement for the Phase V Expansion Project; (2) the increase in deposits received, as customers prepaid for frozen food storage services to be offered in our new facilities under the Phase V Expansion Project; and (3) the increase in other payables, primarily due to the transfer of certain government subsidy from deferred income to other payables, as the project underlying such subsidy was terminated in 2023. Our other payables and accruals then decreased to RMB127.5 million as of December 31, 2024, primarily due to the decrease in payable for purchase of property, plant and equipment, as we settled relevant amount along with the completion of the Phase V Expansion Project over the course of 2024, partially offset by (1) the increase in other tax payables, representing the individual income tax we withheld for shareholders in connection with our dividend declaration and payment in 2024; and (2) the increase in payroll and welfare payable for bonuses. Our other payables and accruals further increased to RMB138.6 million as of June 30, 2025, primarily due to the increase in dividend payable, which was subsequently settled in July 2025; partially offset by the decrease in payable for purchase of property, plant and equipment and payroll and welfare payable, as a result of the payment of relevant amounts.

As of October 31, 2025, RMB47.7 million, or 34.4% of our other payables and accruals as of June 30, 2025 had been settled.

Advance from Lessees

Our advance from lessees during the Track Record Period primarily represented prepaid rental fees from our trading space unit customers. Our advance from lessees increased from RMB4.7 million as of December 31, 2022 to RMB5.3 million as of December 31, 2023, and further increased to RMB7.4 million as of December 31, 2024, primarily due to the increase in demand for our trading space units. Our advance from lessees was relatively stable at RMB7.8 million as of June 30, 2025.

Income Tax Payable

Our income tax payable during the Track Record Period primarily represented our enterprise income tax payables. Our income tax payable increased from RMB3.4 million as of December 31, 2022 to RMB6.6 million as of December 31, 2023, and further to RMB6.8 million as of December 31, 2024 and RMB7.1 million as of June 30, 2025, primarily due to the increase in taxable income underlying the amount of enterprise income tax payable as of the end of each period.

Deferred Income

Our deferred income during the Track Record Period primarily consisted of government grants and subsidies. Where a government grant relates to an asset, the fair value is credited to the deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge. Deferred income decreased from RMB32.1 million as of December 31, 2022 to RMB28.5 million a as of December 31, 2023, as a result of the release to profit or loss. Deferred income then increased to RMB35.7 million, primarily due to new government grants received in 2024 for our new facilities. Deferred income remained relatively stable at RMB34.6 million as of June 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

Our primary uses of cash are to fund our procurement of property, plant and equipment and working capital and other operational needs. As of October 31, 2025, we had cash and cash equivalents of RMB68.8 million. As of the Latest Practicable Date, we had utilized bank facilities of RMB208.5 million, and our remaining bank facilities available for use were RMB41.5 million. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations and bank borrowings. After the Global Offering, we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and net proceeds from the Global Offering. Taking into account the estimated net proceeds from the Global Offering and the financial resources available to us, including our cash and cash equivalents, future cash flow from operating activities, our bank facilities and time deposits readily convertible into cash, our Directors are of the view, and the Joint Sponsors concur, that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

Cash flows

The following table sets forth selected cash flow data from our consolidated cash flow statements for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Operating cash flows before movement of working capital	134,769	130,875	148,942	73,373	79,475
Changes in working capital	204,473	1,754	15,544	(11,874)	9,292
Cash generated from operations	339,242	132,629	164,486	61,499	88,767
Interest received	3,807	4,687	285	181	91
Income taxes paid	(28,206)	(23,389)	(25,407)	(11,013)	(13,306)
Net cash from operating activities	314,843	113,927	139,364	50,667	75,552
Net cash used in investing activities	(192,962)	(239,866)	(72,588)	(65,882)	(16,630)
Net cash (used in)/from financing activities	(117,086)	125,055	(86,905)	45,406	(16,705)
Net increase/(decrease) in cash and cash equivalents	4,795	(884)	(20,129)	30,191	42,217
Cash and cash equivalents at the beginning of the period	52,239	57,034	56,150	56,150	36,021
Cash and cash equivalents at the end of the period	57,034	56,150	36,021	86,341	78,238

Net cash from operating activities

For the six months ended June 30, 2025, we had net cash from operating activities of RMB75.6 million, primarily due to profit before tax of RMB53.3 million, as adjusted by (1) certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB19.5 million, depreciation of investment properties of RMB4.8 million and finance costs of RMB2.1 million, as well as income tax paid of RMB13.3 million; and (2) changes in working capital that positively affected our cash flows from operating activities, mainly including a decrease in time deposits of RMB30.8 million; partially offset by changes in working capital that negatively affected our cash flow from operating activities, mainly including (i) an increase in trade and operating lease receivables of RMB13.6 million; and (ii) a decrease in other payables and accruals of RMB9.1 million.

For the year ended December 31, 2024, we had net cash from operating activities of RMB139.4 million, primarily due to profit before tax of RMB111.2 million, as adjusted by (1) certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB31.5 million, depreciation of investment properties of RMB9.1 million, depreciation of right-of-use assets of RMB3.6 million and interest income of RMB4.5 million, as well as income taxes paid of RMB25.4 million; and (2) changes in working capital that positively affected our cash flows from operating activities, mainly including a decrease in prepayments, deposits and other receivables of RMB17.1 million due to the decrease in value-added tax recoverable; partially offset by changes in working capital that negatively affected our cash flow from operating activities, mainly including an increase in trade and operating receivables of RMB2.8 million.

For the year ended December 31, 2023, we had net cash from operating activities of RMB113.9 million, primarily due to profit before tax of RMB100.9 million, as adjusted by (1) certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB20.0 million, depreciation of investment properties of RMB9.0 million, depreciation of right-of-use assets of RMB3.6 million and interest income of RMB3.4 million, as well as interest received of RMB4.7

million and income taxes paid of RMB23.4 million; and (2) changes in working capital that positively affected our cash flows from operating activities, mainly including (i) an increase in other payables and accruals of RMB4.6 million, and (ii) a decrease in trade and operating receivables of RMB3.3 million, partially offset by changes in working capital that negatively affected our cash flow from operating activities, mainly including an increase in prepayments, deposits and other receivables of RMB6.9 million.

For the year ended December 31, 2022, we had net cash from operating activities of RMB314.8 million, primarily due to profit before tax of RMB104.5 million, as adjusted by certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB20.9 million, depreciation of investment properties of RMB9.0 million, depreciation of right-of-use assets of RMB3.6 million, interest income of RMB7.0 million and finance costs of RMB3.0 million, as well as interest received of RMB3.8 million and income taxes paid of RMB28.2 million; and changes in working capital that positively affected our cash flows from operating activities, mainly including (1) a decrease in prepayments, deposits and other receivables of RMB190.8 million due to the collection of certain deposits, and (2) a decrease in inventories of RMB25.0 million as we terminated the sales of frozen food products business; partially offset by changes in working capital that negatively affected our cash flow from operating activities, mainly including a decrease in other payables and accruals of RMB8.4 million.

Net cash used in investing activities

For the six months ended June 30, 2025, our net cash used in investing activities was RMB16.6 million, primarily due to purchases of items mainly of property, plant, equipment of RMB16.8 million.

For the year ended December 31, 2024, our net cash used in investing activities was RMB72.6 million, primarily due to (1) purchases of items mainly of property, plant and equipment of RMB124.5 million; and (2) placement of time deposits and certificates of deposits of RMB10.7 million, partially offset by a withdrawal of RMB50.3 million, further offset by government subsidies pertinent to assets of RMB9.4 million.

For the year ended December 31, 2023, our net cash used in investing activities was RMB239.9 million, primarily due to (1) purchases of items mainly of property, plant and equipment of RMB233.1 million; and (2) placement of time deposits and certificates of deposits of RMB90.5 million, partially offset by a withdrawal of RMB80.0 million.

For the year ended December 31, 2022, our net cash used in investing activities was RMB193.0 million, primarily due to (1) purchases of items mainly of property, plant and equipment of RMB95.3 million; (2) placement of time deposits and certificates of deposits of RMB100.0 million.

Net cash (used in)/from financing activities

For the six months ended June 30, 2025, our net cash used in financing activities was RMB16.7 million, primarily due to (1) payment of listing expenses of RMB9.2 million; (2) dividends paid of RMB5.3 million; and (3) interest paid of RMB2.1 million.

For the year ended December 31, 2024, our net cash used in financing activities was RMB86.9 million, due to dividends paid of RMB134.7 million and interest paid of RMB4.8 million, partially offset by proceeds from bank borrowings of RMB52.6 million.

For the year ended December 31, 2023, our net cash from financing activities was RMB125.1 million, primarily due to proceeds from bank borrowing of RMB155.8 million, partially offset by dividends paid of RMB30.0 million.

For the year ended December 31, 2022, our net cash used in financing activities was RMB117.1 million, primarily due to repayment of bank borrowings of RMB176.1 million and dividends paid of RMB30.0 million, partially offset by proceeds from bank borrowings of RMB92.1 million.

INDEBTEDNESS

Our indebtedness primarily consisted of bank borrowings. The following table sets forth a breakdown of our indebtedness as of the date indicated.

	As of December 31,			As of June 30, 2025	As of October 31, 2025
	2022	2023	2024		
	(RMB in thousands)				(unaudited)
Current					
Interest-bearing bank borrowings	—	125	5,131	10,102	10,451
Non-current					
Interest-bearing bank borrowings	—	155,796	203,350	198,350	198,350
Total	**—**	**155,921**	**208,481**	**208,452**	**208,801**

Interest-bearing Bank Borrowings

We obtained bank borrowings during the Track Record Period for financing our Phase V Construction Project. Our bank borrowings amounted to nil, RMB155.9 million, RMB208.5 million and RMB208.5 million, respectively, as of December 31, 2022, 2023, 2024 and June 30, 2025. Our bank borrowings as of June 30, 2025 were denominated in Renminbi with effective interest rates ranging from 1.95% to 2.05% per year with a maturity period ranging from 2025 to 2033. Our bank borrowings increased during the Track Record Period, in line with the capital needs of our Phase V Construction Project. The following table sets forth a maturity profile of our bank borrowings as of the dates indicated.

	As of December 31,			As of June 30, 2025
	2022	2023	2024	
	(RMB in thousands)			
Within one year or on demand	—	125	5,131	10,102
In the second year	—	5,000	12,500	15,000
In the third to fifth years, inclusive	—	60,000	87,500	100,000
Beyond five years	—	90,796	103,350	83,350
Total	—	**155,921**	**208,481**	**208,452**

As of December 31, 2023 and 2024 and June 30, 2025, our bank borrowings were secured by certain of our property, plant and equipment and right-of-use assets.

Our bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that we did not experience any difficulty in obtaining bank borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining additional bank borrowings in the future.

As of the Latest Practicable Date, we had utilized bank facilities of RMB208.5 million, and our remaining bank facilities available for use were RMB41.6 million.

Statement of Indebtedness

Saved as disclosed above, as of October 31, 2025, we had no bank loans, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities. Our indebtedness include only current and non-current interest-bearing bank borrowings, our Directors confirm that the total amount of indebtedness was RMB208.8 million as of October 31, 2025. Our Directors confirm that there had not been any material change in our indebtedness since October 31, 2025 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

We did not have any contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURE

Capital Commitments

Our capital commitments are mainly related to our construction in progress. Our capital commitments amounted to RMB329.8 million, RMB99.9 million, RMB5.1 million, RMB3.3 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

Capital Expenditure

Our capital expenditures during the Track Record Period primarily represented our purchases of property, plant and equipment, investment properties and land use rights. The following table sets forth our capital expenditure for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Purchases of items of property, plant and equipment, investment properties and land use rights	95,259	233,060	124,452	84,143	16,830
Purchases of intangible assets	—	—	442	—	—
Total	**95,259**	**233,060**	**124,894**	**84,143**	**16,830**

We expect to continue to incur additional capital expenditure in 2025 primarily for the purchase of property, plant and equipment. We plan to fund such planned capital expenditures through our existing cash, bank borrowings and cash generated from our operating activities. After the Listing, we expect to finance our capital expenditure through a combination of existing cash, cash flows generated from our operating activities, bank borrowings and net proceeds from the Global Offering. See "Future Plans and Use of Proceeds" for the portion of capital expenditures to be funded by the proceeds from the Global Offering. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions, regulatory environment and other factors we believe to be appropriate.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had no off-balance sheet arrangements.

LISTING EXPENSES

We did not record any listing expenses in connection with the Global Offering for 2022, 2023 and 2024, and we recorded listing expenses of RMB0.5 million for the six months ended June 30, 2025. We expect to incur a total of approximately RMB29.8 million (HK$32.9 million) of listing expenses in connection with the Global Offering, representing approximately 11.5% of the gross proceeds from the Global Offering (at the Offer Price of HK$12.26, including (1) underwriting commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately RMB8.6 million (HK$9.5 million), and (2) non-underwriting related expenses of approximately RMB21.2 million (HK$23.4 million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB13.0 million (HK$14.3 million), and (ii) sponsor fee and other fees and expenses of approximately RMB8.2 million (HK$9.1 million). Approximately RMB2.5 million (HK$2.8 million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB27.3 million (HK$30.1 million) is expected to be deducted from equity. The listing expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into a number of transactions with related parties. Our related parties primarily consisted of entities ultimately controlled by our Controlling Shareholder, and certain of our Directors and supervisors. Our transactions with related parties during the Track Record Period mainly involve the procurement of engineering services for the Phase V Expansion Project from Changsha Hongxing Architecture Engineering Co., Ltd. (湖南紅星建設有限公司), and, to a much lesser extent, provision of frozen food storage services and trading space to and purchase of other goods and services from other related parties. As of the Latest Practicable Date, the Phase V Expansion Project had been completed, and we expect to settle the remaining amount under relevant contracts pursuant to the payment terms thereunder. We will settle all non-trade nature amounts due from and due to related parties before Listing. See Note 30 to the Accountants' Report in Appendix I to this prospectus for further details on our related party transactions and balances. Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm's length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the dates or for the periods indicated.

	As of/For the year ended December 31,			As of/For the six months ended June 30,	
	2022	2023	2024	2024	2025
Gross profit margin (%)	50.1	57.7	52.8	54.2	53.3
Net profit margin (%)	33.4	37.3	35.5	36.7	33.6
Current ratio[(1)] (times)	2.4	0.6	0.6	/	1.0

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

Gross Profit Margin and Net Profit Margin

See "—Period to Period Comparison of Results of Operations" for a discussion of the factors affecting our gross profit margin and net profit margin during the Track Record Period.

Current Ratio

Our current ratio decreased from 2.4 as of December 31, 2022 to 0.6 as of December 31, 2023, primarily due to the increase in the current portion of other payables and accruals from RMB57.2 million as of December 31, 2022 to RMB209.8 million as of December 31, 2023, mainly as a result of the increase in payable for purchase of property, plant and equipment. Our current ratio remained relatively stable at 0.6 as of December 31, 2024. Our current ratio then increased to 1.0 as of June 30, 2025, primarily due to the increase in the current portion prepayments, deposits and other receivables representing the increase in the current potion of certificate of deposits and cash and cash equivalents, and the decrease in the current portion of other payables and accruals.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISKS

Our principal financial instruments comprise interest-bearing bank loans, cash and cash equivalents and time deposits. We are exposed to various types of financial risks in the ordinary course of business, including primarily interest rate risk, credit risk and liquidity risk. We set forth a summary of our approach to managing these types of risks.

Interest Rate Risk

Our exposure to the risk of changes in interest rates relates primarily to our debt obligations in Renminbi with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of our profit before tax through the impact on floating rate borrowings.

	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
		(RMB in thousands)
Year ended December 31, 2023		
Interest-bearing bank and other borrowings	50 bp	(433)
	(50) bp	433
Year ended December 31, 2024		
Interest-bearing bank and other borrowings	50 bp	(2,392)
	(50) bp	2,392
Six months ended June 30, 2025		
Interest-bearing bank and other borrowings	50 bp	(524)
	(50) bp	524

Credit Risk

We perform an impairment analysis at the end of each period of our Track Record Period using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. For details of our maximum exposure to credit risk and year-end staging classification, see Note 33 to the Accountants' Report in Appendix I to this prospectus.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., operating lease and trade receivables) and projected cash flows from operations. For details of the maturity profile of our financial liabilities, see Note 33 to the Accountants' Report in Appendix I to this prospectus.

DIVIDENDS

In 2022, 2023, 2024 and the six months ended June 30, 2025, our Company declared cash dividends of RMB30.0 million, RMB30.0 million, RMB140.0 million and RMB40.0 million, respectively, all of which had been paid in full. Pursuant to our then effective articles of association which provided for our dividend policy in the relevant periods, to the extent that our Company was profitable for the relevant year and after deducting statutory and surplus reserves, we were required to distribute annual cash dividends of no less than 10% of our distributable profits for such year, provided that we did not have major investment plans or significant cash expenditures. We completed our Phase V Construction Project in 2024, which relieved our short-term capital needs other than those already budgeted for, and based on our evaluations of our recent profitability and the relatively low level of cash dividends in 2022 and 2023, we increased our dividend distribution in 2024 to provide reasonable returns to our Shareholders. See Note 11 to the Accountants' Report included in Appendix I to this prospectus for details.

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, which shall become effective on the Listing Date, we will not have a formal dividend policy that provides for any pre-determined dividend payout ratio. We may adopt cash, shares or a combination of cash and shares for profit distribution. When the conditions for cash dividends are met, cash dividends shall take precedence over share dividends. In principle, we should conduct at least one profit distribution per year. Our Board of Directors may propose interim dividends and special dividends based on our profitability and capital requirements, which would have to be submitted to our shareholders' meeting for approval. If we make a profit in the previous fiscal year and our accumulative distributable profits are positive, provided that our capital requirements for ordinary business operations are met, we shall distribute cash dividends.

DISTRIBUTABLE RESERVES

As of June 30, 2025, our Company's retained profits amounted to RMB134.4 million, which represented our distributable reserves as of the same date.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since June 30, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II for details.

PROPERTY INTEREST AND PROPERTY VALUATION

According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), we need to comply with the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all of our Group's interests in land or buildings, as (1) certain of our property interests that are for property activities (i.e., our investment properties and certain right-of-use assets representing land use rights) had a carrying amount of above 1% of our total assets, and (2) certain of our property interests for self-use (i.e., our buildings, improvement and certain right-of-use assets representing land use rights) had a carrying amount of above 15% of our total assets. For such properties valued by our independent property valuer (the "Valued Properties"), see the property valuation report as set out in Appendix III to this prospectus. The table below sets out the reconciliation between the carrying amount of the property interests for such Valued Properties as of June 30, 2025 as set out in Appendix I to this prospectus and the revalued amount of our property interests for such Valued Properties as of November 30, 2025.

	(RMB in thousands)
Carrying amount of our Valued Properties as of June 30, 2025[1] as set out in Appendix I to this prospectus	971,728
Less: depreciation for the month ended November 30, 2025	17,954
Carrying amount as of November 30, 2025	953,774
Valuation surplus as of November 30, 2025	549,126
Valuation as at November 30, 2025	1,502,900

(1) Include carrying amount of buildings of RMB610,685 thousand, improvement of RMB12,673 thousand, leasehold land of RMB129,303 thousand and investment properties of RMB219,067 thousand.

Save and except for the Valued Properties, our Directors confirmed that as at November 30, 2025, no single property interest of ours for property activities had a carrying amount above 1% of our total assets and the total carrying amount of property interests not valued did not exceed 10% of our total assets.

FUTURE PLANS

For a detailed description of our future plans, see "Business—Growth Strategies."

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, will be approximately HK$252.3 million, at the Offer Price of HK$12.26 per Share.

We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below.

- approximately 57.5% of the net proceeds, or HK$145.1 million, to construct a new processing plant and expand frozen food storage warehouses with processing equipment and systems for frozen food processing services for our customers over the next four years. According to the CIC Report, Central China frozen food storage service market is relatively fragmented with the top five players collectively holding only 9.7% of the market share in 2024, where we ranked first with a market share of 2.6% in Central China, as measured by revenue. Central China's frozen food storage service market is expected to grow from RMB7.6 billion in 2025 to RMB9.9 billion in 2029, at a CAGR of 6.6%. Accordingly, there is sufficient market demand and growth potential for us to capture greater market share, leveraging our strong brand reputation and rich industry experience in operating the frozen food storage business. To meet our customers' evolving needs, we plan to expand and enhance our service offerings to deliver greater customer value and market growth. While the construction of new processing plant and the expansion of frozen food storage warehouses would require significant upfront capital expenditures for construction work and initial operational costs, we expect these investments to diversify our revenue sources, drive long-term revenue growth and enhance cash flow. Specifically,

  (1) approximately 45.9% of the net proceeds, or HK$115.7 million, to construct a new processing plant and expand frozen food storage warehouses at our southern frozen food storage base.

  Specifically, (i) approximately 32.8% of the net proceeds, or HK$82.7 million, will be used for the main construction of the processing plant. We believe frozen food processing is a natural extension of our frozen food storage expertise instead of tapping into a new business segment, enabling value-added services such as meat cutting, sterilization, tunnel freezing, sorting and vacuum packaging for our frozen food storage customers to enhance our competitiveness for the frozen food storage business. First, the Directors are of the view that our Company is able to capture market demand as among our over 700 frozen food storage customers, many have indicated their need of frozen food processing services. Secondly, the new food processing facilities will be located near our existing storage and trading spaces, allowing the three facilities to operate collaboratively and enhance each other's services. Customers can source unprocessed frozen food from our storage facilities and distribute finished goods through our trading platform. This streamlines logistics, reduces the need for coordination among multiple business partners, and ultimately lowers operational costs. We plan to carry out pre-construction work by the end of 2026, and expect to complete the construction and commence operation by the end of 2028.

  According to the CIC Report, the size of China's frozen food processing market increased from RMB187.9 billion in 2020 to RMB235.6 billion in 2024 at a CAGR of 5.8%, and is projected to grow to RMB357.3 billion by 2029, at a CAGR of 8.7% from 2025 to 2029. The segment represents 65.3% of China's frozen food cold chain service market in 2024. Furthermore, the size of Hunan's frozen food processing market increased from RMB8.9 billion in 2020 to RMB11.0 billion in 2024 at a CAGR of 5.5%, and is projected to reach RMB18.1 billion in 2029, at a CAGR of 10.4% from 2025 to 2029. The segment represents 62.5% of Hunan's frozen food cold chain service market in 2024. Market demand primarily comes from institutional catering providers, restaurants, campus canteens, prepared meal suppliers, and retailers. Due to the large number and widespread distribution of customers, coupled with the strong regional characteristics of frozen food services, the frozen food processing industry is also highly localized and fragmented, with over 10,000 and over 500 players respectively in China and Hunan. National and regional competitive landscapes, including those for Hunan province, are similar to those of the frozen food storage service markets. Currently, the market is served by a variety of participants, including unprocessed frozen food suppliers, meat slaughterhouses, and cold chain logistics park operators, among others.

For each phase, (a) approximately 1.7% of the net proceeds, or HK$4.3 million, will be used for the pre-construction work, including primarily feasibility study, design, relevant regulatory application and approval for the main building construction of the plant by the end of 2026, (b) approximately 11.9% of the net proceeds, or HK$30.1 million, will be used for phase one building construction of approximately 10,000 square meters by the end of 2027, and (c) approximately 19.1% of the net proceeds, or HK$48.2 million, will be used for phase two building construction of approximately 16,000 square meters by the end of 2028; and

(ii) approximately 13.1% of the net proceeds, or HK$33.0 million, will be used to expand frozen food storage warehouses with an increased a total designed storage capacity of approximately 100,000 cubic meters, or over 20,000 tonnes of usable storage capacity, thus increasing our total usable storage capacity of our current frozen food storage bases by approximately 8.7%. We plan to begin the construction work by the end of 2027, and expect to commence operation by the end of 2028. For each phase, (a) approximately 5.2% of the net proceeds, or HK$13.2 million, will be used for constructing 40,000 cubic meters storage space by the end of 2027, and (b) approximately 7.8% of the net proceeds, or HK$19.8 million, will be used for constructing 60,000 cubic meters storage space by the end of 2028;

(2) approximately 8.8% of the net proceeds, or HK$23.3 million, to deploy processing equipment at the new processing plant and the expanded frozen food storage warehouses to meet our customers' demands for frozen food processing services. Such processing equipment primarily include meat slicers, water bath thawing machines, tunnel freezers, vacuum packaging machines, and sterilization equipment. We plan to begin the equipment deployment in 2028 along with the construction of the processing plant, with full implementation anticipated by the end of 2029; and

(3) approximately 2.5% of the net proceeds, or HK$6.2 million, to invest in the systems with AI technology application at the new processing plant and the expanded frozen food storage warehouses, primarily including IoT monitoring system to monitor temperature and humidity levels in real-time, and automated material handling equipment. AI technology has been integrated into our business operations through the applications of (1) computer vision technology that enhances inventory counting accuracy for frozen food storage business, and (2) predictive analytics models that minimize energy waste via real-time forecasting for frozen food storage business;

- approximately 12.8% of the net proceeds, or HK$32.2 million, to upgrade equipment, IT infrastructure, and software utilized in our existing business, including investing in AI technology to empower our operations and customers. We plan to complete the upgrade by the end of 2029. We expect such strategic investment would bring upfront costs related to the equipment upgrade in the short term, but would enhance our operational efficiency with growing profit margin in the long term. Specifically,

(1) approximately 4.3% of the net proceeds, or HK$10.8 million, to upgrade IT infrastructure, primarily including implementing a cloud system that combines on-site and online data storage to securely maintain our frozen food storage records while allowing access from any location. The system will feature high-performance servers with cooling systems for energy optimization. To ensure real-time monitoring, we will deploy industrial-grade 5G network and enhanced Wi-Fi across our facilities. Such faster, more reliable connections will prevent delays in tracking critical operations at our frozen food storage facilities, such as temperature control and equipment movements;

(2) approximately 3.2% of the net proceeds, or HK$8.2 million, to deploy automated equipment and manufacturing and security apparatus, primarily including 10 sets of AGV forklift robots for automated storage retrieval and transport with estimated cost of HK$2.2 million, 150 sets of environmental monitoring sensors for real-time temperature and humidity tracking across storage facilities with estimated cost of HK$1.3 million, and 20 sets of radio-frequency identification transponders and interrogators and 50,000 tags for storage visibility and traceability with estimated cost of HK$0.9 million. We also plan to employ one set of sorting line and two sets of palletizing machine to enhance storage processing speed with estimated cost of HK$2.2 million, and 50 sets of AI-powered cameras and alerts and two sets of analytic servers for facial recognition and anomaly detection to spot safety risks with estimated cost of HK$1.6 million;

(3) approximately 2.5% of the net proceeds, or HK$6.2 million, to upgrade software, primarily including adopting warehouse management system with AI algorithms for storage optimization, employing transportation management system for dynamic routing for cold chain logistics, and adopting automated data analysis system that track equipment performance, storage level and energy use to improve operational efficiency;

(4) approximately 1.4% of the net proceeds, or HK$3.5 million, to streamline our customers' cold chain operations. Specifically, we plan to develop a mobile app for customers to track order and storage management, implement live dashboards for monitoring storage conditions and shipment status, and integrate with government systems to streamline compliance filings, including compliant import declarations for our customers. We expect such digital upgrades to provide cold chain operation visibility while ensuring seamless regulatory compliance, helping our customers optimize their frozen food logistics with greater efficiency and transparency; and

(5) approximately 1.4% of the net proceeds, or HK$3.5 million, to recruit and train staff and invest in facility maintenance. Specifically, we plan to recruit two engineers responsible for equipment maintenance, two software engineers responsible for software updates, and 12 technicians for maintaining day-to-day operations, all holding bachelor's degree and food industry relevant experience, with projected annual remuneration packages ranging from RMB336,000 to RMB480,000 for engineers and RMB96,000 to RMB144,000 for technicians. In addition, we will also train our staff for operating AGV robots and other safety protocols to reduce operational risks and maintain our equipment;

- approximately 19.7% of the net proceeds, or HK$49.7 million, to pursue strategic acquisitions and partnerships to enhance our industry integration and strengthen our position throughout the cold chain ecosystem in the next four years. Specifically, we plan to form alliances with upstream suppliers such as logistics service providers and downstream partners such as prepared food manufacturers, to extend our vertical integration capabilities and gain greater control over the supply chain. We plan to select two to three targets with at least ten years of operating history with enterprise value at RMB100 million to RMB200 million within the next four years. Generally, we intend to acquire majority interests in the targets and we do not expect to expand into new business segments.

Our Directors believe that there are a sufficient number of potential investment or acquisition targets given that there are over 100 targets that meet our selection criteria on the market, as advised by CIC. As of the Latest Practicable Date, we had not identified or pursued any strategic investment or acquisition target, and had not set any definitive investment or acquisition timeframe. While strategic acquisitions and partnerships may bring increased expenses in establishing new strategic alliances, we believe such initiatives would enhance our market penetration and drive sustainable revenue growth through synergized efficiencies; and

- approximately 10.0% of the net proceeds, or HK$25.2 million, for working capital and other general corporate purposes.

To the extent that the net proceeds are not immediately applied to the above purposes, we will deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions.

HONG KONG UNDERWRITERS

CCB International Capital Limited
ABCI Securities Company Limited
AVICT Global Asset Management Limited
BOCOM International Securities Limited
CEB International Capital Corporation Limited
China Industrial Securities International Capital Limited
CMBC Securities Company Limited
Guosen Securities (HK) Brokerage Company, Limited
Huafu International Securities Limited
MoneyMore Securities Limited
Orient Securities (Hong Kong) Limited
Ruibang Securities Limited
Shanxi Securities International Limited
SPDB International Capital Limited
uSmart Securities Limited
Yue Xiu Securities Company Limited
Zhongtai International Securities Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 2,326,500 Hong Kong Offer Shares and the International Offering of initially 20,936,500 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares on the Main Board of the Hong Kong Stock Exchange and such approval not subsequently having been revoked prior to the commencement of trading of the H Shares on the Hong Kong Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. If at any time prior to 8: 00 a.m. on the day that trading in the H Shares first commences on the Stock Exchange:

(a) there shall develop, occur, exist or come into effect:

(i) any event, or a series of local, national, regional or international event(s) or circumstance(s) in the nature of force majeure (including any acts of government, declaration of a national, regional or international emergency or war, calamity, crisis, epidemic and pandemic (including Severe Acute Respiratory Syndrome (SARS), Coronavirus Disease 2019 (COVID-19), H1N1 and H5N1 and such related/mutated forms and the outbreak, escalation, mutation or aggravation of such diseases), or interruption or delay in transportation, outbreak, escalation, mutation or aggravation of disease, economic sanctions, labour disputes, strikes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or directly or indirectly affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan or any other jurisdiction relevant to our Group (each a "Relevant Jurisdiction" and collectively, the "Relevant Jurisdictions"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstance resulting or likely to result in any change or development involving a prospective change or development, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions, exchange control or any monetary or trading settlement system (including conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in or directly or indirectly affecting any of the Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Singapore Stock Exchange or the Tokyo Stock Exchange; or

(iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Authority), the PRC, Singapore, New York (imposed at Federal or New York State level or other competent Authority), London, the European Union (or any member thereof), Japan or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

(v) any new Law (as defined in the Hong Kong Underwriting Agreement), or any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent Authority of) existing Laws (as defined in the Hong Kong Underwriting Agreement), in each case, in or affecting any of the Relevant Jurisdictions; or

(vi) the imposition of sanctions, in whatever form, directly or indirectly, under any sanction Laws (as defined in the Hong Kong Underwriting Agreement) or regulations, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement in Hong Kong, the PRC or any other Relevant Jurisdiction; or

(vii) a change or development involving a change in or affecting Taxes or exchange control, currency exchange rates or foreign investment regulations (including a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies and a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or

(viii) any Authority (as defined in the Hong Kong Underwriting Agreement) or a political body or organization in any Relevant Jurisdiction (including, in particular, the CSRC and its local branches and representative offices) commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group or any Director in his or her capacity as such or an announcement by any governmental, political, or regulatory body that it intends to take any such action; or

(ix) any litigation or claim of any third party being threatened or instigated against any member of our Group or any Director; or

(x) a contravention by any member of our Group or any Director of the Listing Rules or applicable laws; or

(xi) the issue or requirement to issue by our Company of any supplement or amendment to the prospectus (or to any other documents issued or used in connection with the contemplated offer and sale of H Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xii) any change or development involving a prospective change in, or a materialization of any of the risks set out in the section headed "Risk Factors" of the prospectus; or

(xiii) the chairman of the Board, the chief financial officer, any Director vacating his or her office; or

(xiv) a Director being charged with an indictable offense or prohibited by operation of Law (as defined in the Hong Kong Underwriting Agreement) or otherwise disqualified from taking part in the management or taking directorship; or

(xv) any non-compliance of the prospectus, the Hong Kong Public Offering Documents, the Pricing Disclosure Package and the Offering Circular (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or any aspect of the Global Offering with any applicable Laws (including, without limitation, the Listing Rules, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the CSRC Rules (as defined in the Hong Kong Underwriting Agreement)); or

(xvi) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or

(xvii) any order or petition for the winding up or liquidation of any member of our Group (other than our Company) or any composition or arrangement made by any member of our Group (other than our Company) with its creditors or a scheme of arrangement entered into by any member of our Group (other than our Company) or any resolution for the winding-up of any member of our Group (other than our Company) or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of our Group (other than our Company) or anything analogous thereto occurring in respect of our Group (other than our Company);

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (1) has or will have or is likely to have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (3) makes or will make or is likely to make it inadvisable, inexpedient, impracticable, incapable for any part of the Hong Kong Underwriting Agreement, or any part of the Hong Kong Public Offering or the Global Offering, or the delivery of the Offer Shares, to be performed or implemented or to proceed or to market the Global Offering in the manner contemplated by the prospectus, the pricing disclosure package and the offering circular; or (4) has, will have or likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting of the Hong Kong Public Offering and/or the Global Offering) impracticable or incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Sponsors and the Overall Coordinators:

(i) that any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the formal notice, the Operative Documents, the OC Announcements, the Preliminary Offering Circular, the PHIP (as defined in the Hong Kong Underwriting Agreement) and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (collectively, the "Offer Related Documents"), save and except for the Underwriters' identification information, was, when it was issued, or has become, untrue, incomplete, inaccurate, incorrect in any material respect, deceptive or misleading, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents is not fair and honest and made on reasonable grounds or, where appropriate, and based on reasonable assumptions with reference to the facts and circumstances then subsisting; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the prospectus, constitute a material omission from, or misstatement in, any of the Offer Related Documents (including any supplement or amendment thereto); or

(iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Hong Kong Underwriters or the International Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any material liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the provisions of the Hong Kong Underwriting Agreement; or

(v) any Material Adverse Change (as defined in the Hong Kong Underwriting Agreement); or

(vi) any breach of, or any event or matter or arising or has been discovered, or circumstance rendering untrue, inaccurate, incorrect, incomplete or misleading in any material respect, any of the representations, warranties and undertakings given, or when repeated, by our Company and our Controlling Shareholders (the "Warranting Shareholders") in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or

(vii) a prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of H Shares (including the Option Shares (as defined in the Hong Kong Underwriting Agreement)) pursuant to the terms of the Global Offering; or

(viii) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, H Shares to be issued or sold under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions), or withheld; or

(ix) our Company withdraws any of the Offer Related Documents or the Global Offering; or

(x) any person whose consent is required for the issue of the prospectus with the inclusion of its reports, letters, opinions and references to its name in the form and context in which it appears has withdrawn its consent to being named in the prospectus or to the issue of any of the Hong Kong Public Offering Documents; or

(xi) that a material portion of the orders placed or confirmed in the bookbuilding process have been withdrawn, terminated or cancelled; or

(xii) if any the cornerstone investment agreement is terminated or any occurrence of a default of any cornerstone investor.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that at any time during the period commencing on the date of this prospectus and ending on the expiry of the six-month period after the Listing Date, it will not, without the prior consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules, allot or issue or agree to allot or issue any Shares, or other securities convertible into equity securities of our Company (including warrants or other convertible securities and whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering or (b) in certain circumstances prescribed in Rule 10.08 of the Listing Rules.

Undertakings by Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange that, except pursuant to the Global Offering, it will not and will procure that the relevant registered holder(s) will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirements of the Listing Rules,

(a) in the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of our Company in respect of which it is shown by this prospectus to be the beneficial owner; and

(b) in the period of six months commencing on the date on which the period referred to in the preceding paragraph expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in the preceding paragraph if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder of our Company or a member of the group of Controlling Shareholders of our Company, or would together with the other Controlling Shareholders cease to be a group of Controlling Shareholders of our Company.

Note 2 to Rule 10.07(2) of the Listing Rules provides that Rule 10.07 does not prevent the Controlling Shareholders from using securities of our Company beneficially owned by it as security (including a charge or pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, the Controlling Shareholders have further undertaken to the Stock Exchange and to our Company that within the period commencing on the date by reference to which disclosure of his/her/its shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, it shall:

(a) when it pledges or charges any Shares beneficially owned by him/her/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and

(b) when he/she/it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company in writing of such indications.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, except for the offer and sale of the Offer Shares pursuant to the Global Offering or otherwise in compliance with the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "First Six-Month Period"), our Company has undertaken to each of the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a) offer, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in any Shares or other securities of our Company or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or

(c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or any shares will be completed within the First Six-Month Period). In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "Second Six-Month Period"), our Company enters into any of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. Each of our Controlling Shareholders undertakes to each of the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries and the Hong Kong Underwriters to procure our Company to comply with the undertakings herein.

Our Company has agreed and undertaken to each of the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and that it will and each of the Warranting Shareholders has further undertaken to procure that our Company will, comply with the minimum public float requirements specified in the Listing Rules (the "Minimum

Public Float Requirement"), and it will not effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 19A.13(A)(1) of the Listing Rules) to below the Minimum Public Float Requirement prior to the expiration of the First Six-Month Period without first having obtained the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters).

(B) Undertakings by the Warranting Shareholders

Each of the Warranting Shareholders hereby undertakes to each of the Company, the Joint Sponsors, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong underwriters not to and procure that the relevant registered holder(s) not to, without the prior written consent of the Joint Sponsors and the Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 12 months after the Listing Date (the "12-Month Period"):

(a) offer, pledge, charge, sell, offer to sell, contract or agree to sell, mortgage, charge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares, or deposit any Shares or other equity securities of our Company with a depositary in connection with the issue of depository receipts) beneficially owned by him, her or it as of the Listing Date (the "Warranting Shareholders Locked-up Securities");

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Warranting Shareholders Locked-up Securities;

(c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction described in (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of Shares or other equity securities of our Company, in cash or otherwise (whether or not the settlement or delivery of such Shares or equity securities will be completed within the 12-Month Period).

Until the expiry of the 12-Month Period, in the event that our Warranting Shareholders or the relevant registered holder(s) enters into any such transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or contracts to, or publicly announces an intention to enter into any such transactions, they will take all reasonable steps to ensure that they will not create a disorderly or false market in the securities of our Company; provided that this undertaking (i) does not apply to additional securities of our Company acquired by our Warranting Shareholders after the Listing; (ii) does not prevent our Warranting Shareholders from using the securities of the Warranting Shareholders Locked-up Securities as a security (including a charge or a pledge (in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan). At any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, our Controlling Shareholders will and will procure that the relevant registered holder(s) will (a) if and when they or it pledges or charges any Warranting Shareholders Locked-up Securities, immediately inform our Company, the Joint Sponsors and the Overall Coordinators in writing of such pledge or charge together with the number of Warranting Shareholders Locked-up Securities so pledged or charged; and (b) if and when our Warranting Shareholders or the relevant registered holder(s) receive indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Warranting Shareholders Locked-up Securities will be disposed of, immediately inform our Company, the Joint Sponsors and the Overall Coordinators in writing of such indications.

Our Company has undertaken to the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that upon receiving such information in writing from the Warranting Shareholders, it will, as soon as reasonably practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable Law, notify the Stock Exchange and/or other relevant Governmental Authorities, and make a public disclosure in relation to such information by way of an announcement.

Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, our Company and the Warranting Shareholders expect to enter into the International Underwriting Agreement with the Joint Sponsors, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. See the section headed "Structure of the Global Offering—The International Offering" in this prospectus.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 3% of the aggregate Offer Price of all the Offer Shares (the "Fixed Fees"). Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or Capital Market Intermediaries an incentive fee up to 1% of the Offer Price of all the Offer Shares (the "Discretionary Fees"). The ratio of Fixed Fees and Discretionary Fees payable to all Underwriters is therefore approximately 45%:55%. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately HK$32.9 million in total (based on the Offer Price of HK$12.26 per Offer Share).

Indemnity

Each of our Company and the Warranting Shareholders has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of our Company and the Warranting Shareholders of the Hong Kong Underwriting Agreement.

INDEPENDENCE OF THE JOINT SPONSORS

CCB International Capital Limited satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

Given that (i) Hongxing Shiye holds 5% shareholding interest in ABC International Investment Management (Hebei Xiong'an) Co., Ltd.* (農銀國際投資管理(河北雄安)有限公司) ("Hebei Xiong'an"), which is a non-wholly owned subsidiary of ABC International Holdings Limited (the sole shareholder of ABCI Capital Limited) and therefore a member of the sponsor group (as defined pursuant to Rule 3A.01(9) of the Listing Rules); and (ii) Mr. LUO Yue, our non-executive Director and chairman of our Board, and the chairman of Hongxing Shiye, is also a director of Hebei Xiong'an, such relationship may give rise to a perception that the independence of ABCI Capital Limited would be so affected, and thus it is considered that ABCI Capital Limited does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "Syndicate Members") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. CCB International Capital Limited and ABCI Capital Limited are the Overall Coordinators of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus.

23,263,000 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 2,326,500 H Shares (subject to reallocation) in Hong Kong as described in the sub-section "The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 20,936,500 H Shares (subject to reallocation) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "The International Offering" this section below.

Investors may either apply for Hong Kong Offer Shares under the Hong Kong Public Offering, or apply for or indicate an interest, if qualified to do so, for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 23.7% of the total Shares in issue immediately following the completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 2,326,500 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 2.4% of the total Shares in issue immediately following the completion of the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the sub-section headed "Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of the Offer Shares initially available under the Hong Kong Public Offering (after taking into account any allocation) is to be divided into two pools (with any odd board lot being allocated to Pool A): Pool A and Pool B. Accordingly, the maximum number of Hong Kong Offer Shares initially in Pool A and Pool B will be 1,163,500 and 1,163,000, respectively. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of HK$5 million or below will fall into pool A. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of over HK$5 million and up to the total value of pool B will fall into pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,163,000 Hong Kong Offer Shares is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,162,500 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 3,489,000 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Monday, January 12, 2026.

Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/her/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$12.26 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$6,191.83 for one board lot of 500 H Shares. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 20,936,500 H Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 21.3% of the total Shares in issue immediately following the completion of the Global Offering.

Allocation

The International Offering will include institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in sub-section headed "Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators and the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in the subsection "The Hong Kong Public Offering—Reallocation" in this section above and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICING AND ALLOCATION

The Offer Price will be HK$12.26 per Offer Share. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$12.26 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$6,191.83 for one board lot of 500 H Shares.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

Reduction in Offer Price and/or Number of Offer Shares

The Overall Coordinators (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at **http://www.hnhxld.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators and our Company, will be fixed within such revised Offer Price. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators and our Company, will under no circumstances be set outside the Offer Price as stated in this prospectus.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares—B. PUBLICATION OF RESULTS" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around January 8, 2026.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval and permission not subsequently having been withdrawn or revoked prior to the Listing Date;

(b) the execution and delivery of the International Underwriting Agreement on or about January 8, 2026; and

(c) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company and the Stock Exchange at **http://www.hnhxld.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares—13. Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Tuesday, January 13, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, January 13, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, January 13, 2026.

The H Shares will be traded in board lots of 500 H Shares each and the stock code of the H Shares will be 01641.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at http://www.hnhxld.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- are outside the United States; and
- have a Hong Kong address (*for the **HK eIPO White Form** service only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or his/her/its close associates; or
- are a Director or a Supervisor or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Wednesday, December 31, 2025 and end at 12:00 noon on Thursday, January 8, 2026 (Hong Kong time), being longer than normal market practice of three and a half days.

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, December 31, 2025 to 11:30 a.m. on Thursday, January 8, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, January 8, 2026, Hong Kong time.
HKSCC EIPO channel. . . .	Your **broker** or **custodian** who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agents, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 500 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment :

Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK$12.26 per Share.

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

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

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

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment
	HK$		HK$		HK$		HK$
500	6,191.83	6,000	74,301.86	40,000	495,345.69	400,000	4,953,456.85
1,000	12,383.64	7,000	86,685.50	45,000	557,263.90	500,000	6,191,821.06
1,500	18,575.47	8,000	99,069.14	50,000	619,182.10	600,000	7,430,185.25
2,000	24,767.29	9,000	111,452.78	60,000	743,018.52	700,000	8,668,549.46
2,500	30,959.11	10,000	123,836.42	70,000	866,854.95	800,000	9,906,913.68
3,000	37,150.93	15,000	185,754.64	80,000	990,691.37	900,000	11,145,277.89
3,500	43,342.74	20,000	247,672.84	90,000	1,114,527.79	1,000,000	12,383,642.10
4,000	49,534.56	25,000	309,591.06	100,000	1,238,364.21	1,163,000(1)	14,402,175.77
4,500	55,726.39	30,000	371,509.26	200,000	2,476,728.42		
5,000	61,918.21	35,000	433,427.47	300,000	3,715,092.64		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "—A. Applications for Hong Kong Offer Shares—3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("Best Practice Note") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "Relevant Persons"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "—G. Personal Data—3. Purposes and 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "—B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "—C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or HKSCC EIPO channel:		
Website	From the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Monday, January 12, 2026 to 12:00 midnight on Sunday, January 18, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **http://www.hnhxld.com** which will provide links to the abovementioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, January 12, 2026 (Hong Kong time)
Telephone	+852 3691 8488—the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Tuesday, January 13, 2026 to Friday, January 16, 2026 (Hong Kong time) on a business day

For those applying through the HKSCC EIPO channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Friday, January 9, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, January 9, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **http://www.hnhxld.com** by no later than 11:00 p.m. on Monday, January 12, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "—A. Applications for Hong Kong Offer Shares—5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated; or
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Tuesday, January 13, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Dispatch/collection of H Share certificate[1]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person at H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.
	Time: from 9:00 a.m. to 1:00 p.m. on Tuesday, January 13, 2026 (Hong Kong time). If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	No action by you is required.

	HK eIPO White Form service	HKSCC EIPO channel
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note**: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For application of less than 1,000,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. **Date**: Monday, January 12, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, January 13, 2026	Subject to the arrangement between you and your **broker** or **custodian**
Responsible Party . .	H Share Registrar	Your **broker** or **custodian**
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your **broker** or **custodian** will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts.	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

Note:

1 Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement being in force in Hong Kong in the morning on Monday, January 12, 2026, rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, in which case the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "—E. Severe Weather Arrangements" in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, January 8, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, "Severe Weather Signals"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, January 8, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **http://www.hnhxld.com** of the revised timetable.

If a Severe Weather Signal is hoisted on Monday, January 12, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Tuesday, January 13, 2026.

If a Severe Weather Signal is hoisted on Monday, January 12, 2026, for application of less than 1,000,000 Offer Shares, the dispatch of physical H Share certificates will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Monday, January 12, 2026 or on Tuesday, January 13, 2026).

If a Severe Weather Signal is hoisted on Tuesday, January 13, 2026, for application of 1,000,000 Offer Shares or more, the physical H Share certificates will be available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Tuesday, January 13, 2026 or on Wednesday, January 14, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;

- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers, etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HONGXING COLDCHAIN (HUNAN) CO., LTD. AND CCB INTERNATIONAL CAPITAL LIMITED AND ABCI CAPITAL LIMITED

Introduction

We report on the historical financial information of Hongxing Coldchain (Hunan) Co., Ltd. (the "Company") and its subsidiary (together, the "Group") set out on pages I-3 to I-62, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-62 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated 31 December 2025 (the "Document") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
31 December 2025

I HISTORICAL FINANCIAL INFORMATION

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
	Notes	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
REVENUE	*5*	236,736	201,760	233,576	112,343	118,048
Cost of sales		(118,206)	(85,246)	(110,197)	(51,472)	(55,187)
Gross profit		118,530	116,514	123,379	60,871	62,861
Other income and gains	*5*	15,240	6,948	9,652	4,239	2,639
Selling and marketing expenses		(1,946)	(480)	(641)	(2)	(181)
Administrative expenses		(22,968)	(18,859)	(19,980)	(8,506)	(9,171)
Research and development costs		(449)	(1,117)	(1,109)	(478)	(513)
Impairment loss on financial assets, net		(638)	(1,949)	1,216	(337)	(169)
Other expenses		(224)	(112)	(120)	(12)	(45)
Finance costs	*7*	(3,023)	—	(1,166)	—	(2,114)
PROFIT BEFORE TAX	*6*	104,522	100,945	111,231	55,775	53,307
Income tax expense	*10*	(25,410)	(25,633)	(28,351)	(14,510)	(13,624)
PROFIT FOR THE YEAR/PERIOD		79,112	75,312	82,880	41,265	39,683
Attributable to:						
Owners of the parent		79,112	75,312	82,880	41,265	39,683
Earnings per share for profit basic and diluted (RMB)	*12*	1.05	1.00	1.11	0.55	0.53
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		79,112	75,312	82,880	41,265	39,683
Attributable to:						
Owners of the parent		79,112	75,312	82,880	41,265	39,683

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	354,154	725,959	733,363	715,024
Investment properties	14	237,395	228,377	223,838	219,067
Right-of-use assets	15	138,709	134,746	131,117	129,304
Other intangible assets		1,429	126	393	337
Deferred tax assets	16	2,288	3,320	3,836	3,820
Time deposits	19	20,108	—	—	—
Other non-current assets	18	18,594	66,705	42,177	—
Total non-current assets		772,677	1,159,233	1,134,724	1,067,552
CURRENT ASSETS					
Inventories		526	684	348	390
Trade and operating lease receivables	17	7,199	4,026	6,727	20,155
Prepayments, deposits and other receivables	18	16,738	18,270	3,316	55,641
Time deposits	19	80,433	50,741	30,817	—
Cash and cash equivalents	19	57,034	56,150	36,021	78,238
Total current assets		161,930	129,871	77,229	154,424
CURRENT LIABILITIES					
Trade payables	20	1,077	1,392	1,536	1,402
Other payables and accruals	21	57,166	209,823	114,030	125,289
Advance from lessees		4,738	5,290	7,434	7,771
Income tax payable		3,352	6,627	6,812	7,113
Interest-bearing bank borrowings	23	—	125	5,131	10,102
Total current liabilities		66,333	223,257	134,943	151,677
NET CURRENT ASSETS/(LIABILITIES)		95,597	(93,386)	(57,714)	2,747
TOTAL ASSETS LESS CURRENT LIABILITIES		868,274	1,065,847	1,077,010	1,070,299
NON-CURRENT LIABILITIES					
Other payables and accruals	21	—	—	13,507	13,276
Deferred income	22	32,057	28,522	35,744	34,581
Interest-bearing bank borrowings	23	—	155,796	203,350	198,350
Total non-current liabilities		32,057	184,318	252,601	246,207
Net assets		836,217	881,529	824,409	824,092
EQUITY					
Equity attributable to owners of the parent					
Share capital	24	75,000	75,000	75,000	75,000
Reserves	25	761,217	806,529	749,409	749,092
Total equity		836,217	881,529	824,409	824,092

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Share capital	Capital reserve*	Special reserve —safety fund*	Statutory reserve*	Retained profits*	Total
	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000	RMB'000
At 1 January 2022	75,000	594,925	2,324	16,510	98,346	787,105
Profit for the year	—	—	—	—	79,112	79,112
Total comprehensive income for the year	—	—	—	—	79,112	79,112
Dividends declared *(note 11)*	—	—	—	—	(30,000)	(30,000)
Profit appropriations to statutory reserve	—	—	—	7,637	(7,637)	—
Safety fund *(note 25)*	—	—	(225)	—	225	—
At 31 December 2022	75,000	594,925	2,099	24,147	140,046	836,217

Year ended 31 December 2023

	Share capital	Capital reserve*	Special reserve —safety fund*	Statutory reserve*	Retained profits*	Total
	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000	RMB'000
At 1 January 2023	75,000	594,925	2,099	24,147	140,046	836,217
Profit for the year	—	—	—	—	75,312	75,312
Total comprehensive income for the year	—	—	—	—	75,312	75,312
Dividends declared *(note 11)*	—	—	—	—	(30,000)	(30,000)
Profit appropriations to statutory reserve	—	—	—	7,682	(7,682)	—
Safety fund *(note 25)*	—	—	44	—	(44)	—
At 31 December 2023	75,000	594,925	2,143	31,829	177,632	881,529

Year ended 31 December 2024

	Share capital	Capital reserve*	Special reserve —safety fund*	Statutory reserve*	Retained profits*	Total
	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000	RMB'000
At 1 January 2024	75,000	594,925	2,143	31,829	177,632	881,529
Profit for the year	—	—	—	—	82,880	82,880
Total comprehensive income for the year	—	—	—	—	82,880	82,880
Dividends declared *(note 11)*	—	—	—	—	(140,000)	(140,000)
Profit appropriations to statutory reserve	—	—	—	5,672	(5,672)	—
Safety fund *(note 25)*	—	—	(51)	—	51	—
At 31 December 2024	75,000	594,925	2,092	37,501	114,891	824,409

Six months ended 30 June 2024 (unaudited)

	Share capital	Capital reserve*	Special reserve —safety fund*	Statutory reserve*	Retained profits*	Total
	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000	RMB'000
At 1 January 2024	75,000	594,925	2,143	31,829	177,632	881,529
Profit for the period	—	—	—	—	41,265	41,265
Total comprehensive income for the period	—	—	—	—	41,265	41,265
Dividends declared *(note 11)*	—	—	—	—	(40,000)	(40,000)
Safety fund *(note 25)*	—	—	292	—	(292)	—
At 30 June 2024 (unaudited)	75,000	594,925	2,435	31,829	178,605	882,794

Six months ended 30 June 2025

	Share capital	Capital reserve*	Special reserve —safety fund*	Statutory reserve*	Retained profits*	Total
	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000 (note 25)	RMB'000	RMB'000
At 1 January 2025	75,000	594,925	2,092	37,501	114,891	824,409
Profit for the period	—	—	—	—	39,683	39,683
Total comprehensive income for the period	—	—	—	—	39,683	39,683
Dividends declared *(note 11)*	—	—	—	—	(40,000)	(40,000)
Safety fund *(note 25)*	—	—	754	—	(754)	—
At 30 June 2025	75,000	594,925	2,846	37,501	113,820	824,092

* These reserve accounts comprise the consolidated reserves of RMB761,217,000, RMB806,529,000 and RMB749,409,000 and RMB749,092,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		104,522	100,945	111,231	55,775	53,307
Adjustments for:						
Finance costs	7	3,023	—	1,166	—	2,114
Interest income	5	(7,013)	(3,388)	(4,473)	(1,817)	(1,093)
Depreciation of property, plant and equipment	13	20,911	20,010	31,490	13,743	19,486
Depreciation of investment properties	14	9,042	9,018	9,069	4,510	4,771
Amortisation of intangible assets		1,488	507	150	57	57
Depreciation of right-of-use assets	15	3,637	3,633	3,629	1,815	1,813
(Gain)/loss on disposal of property, plant and equipment	6	(16)	(640)	75	3	14
Write-down of inventories to net realisable value	6	406	—	—	—	—
Impairment losses on intangible assets	6	—	796	—	—	—
Impairment losses/(reversal) of financial assets, net	6	638	1,949	(1,216)	337	169
Decrease in deferred income		(1,869)	(1,955)	(2,179)	(1,050)	(1,163)
		134,769	130,875	148,942	73,373	79,475
Decrease/(increase) in inventories		25,043	(158)	336	272	(42)
(Increase)/decrease in trade and operating lease receivables		(2,937)	3,340	(2,843)	(17,705)	(13,597)
Decrease/(increase) in prepayments, deposits and other receivables		190,794	(6,894)	17,141	14,172	998
Decrease in time deposits		—	—	—	—	30,817
(Decrease)/increase in trade payables		(368)	315	144	(180)	(134)
(Decrease)/increase in other payables and accruals		(8,401)	4,601	(1,377)	(10,387)	(9,087)
Increase in advance from lessees		342	550	2,143	1,954	337
Cash generated from operations		339,242	132,629	164,486	61,499	88,767
Interest received		3,807	4,687	285	181	91
Income taxes paid		(28,206)	(23,389)	(25,407)	(11,013)	(13,306)
Net cash flows from operating activities		314,843	113,927	139,364	50,667	75,552

	Notes	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2024	Six months ended 30 June 2024	Six months ended 30 June 2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property, plant and equipment		57	1,309	77	10	200
Purchases of items of property, plant, equipment, investment properties and land use rights		(95,259)	(233,060)	(124,452)	(84,143)	(16,830)
Purchases of intangible assets		—	—	(442)	—	—
Government subsidies pertinent to assets		2,240	1,000	9,400	8,000	—
Interest received		—	1,413	3,284	963	—
Placement of time deposits and certificate of deposits		(100,000)	(90,528)	(10,712)	(10,712)	—
Withdrawal of time deposits and certificate of deposits		—	80,000	50,257	20,000	—
Net cash flows used in investing activities		(192,962)	(239,866)	(72,588)	(65,882)	(16,630)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bank borrowings	*26*	92,111	155,796	52,554	47,764	—
Repayment of bank borrowings	*26*	(176,111)	—	—	—	—
Payment of listing expenses		—	—	—	—	(9,242)
Interest paid	*26*	(3,086)	(741)	(4,779)	(2,358)	(2,143)
Dividends paid	*11*	(30,000)	(30,000)	(134,680)	—	(5,320)
Net cash flows (used in)/from financing activities		(117,086)	125,055	(86,905)	45,406	(16,705)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,795	(884)	(20,129)	30,191	42,217
Cash and cash equivalents at beginning of year/period		52,239	57,034	56,150	56,150	36,021
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		57,034	56,150	36,021	86,341	78,238
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*19*	57,034	56,150	36,021	86,341	78,238
Cash and cash equivalents as stated in the statements of financial position and the statements of cash flows	*19*	57,034	56,150	36,021	86,341	78,238

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	262,508	640,124	653,441	638,050
Investment properties	14	203,954	196,151	192,827	188,664
Right-of-use assets	15	112,360	109,386	106,413	104,928
Other intangible assets		1,302	126	393	337
Investments in subsidiaries	1	124,334	124,334	124,334	124,334
Deferred tax assets	16	2,288	3,320	3,836	3,820
Time deposits	19	20,108	—	—	—
Other non-current assets	18	18,594	66,705	42,177	—
Total non-current assets		745,448	1,140,146	1,123,421	1,060,133
CURRENT ASSETS					
Inventories		503	666	330	371
Trade and operating lease receivables	17	2,370	2,855	5,822	19,568
Prepayments, deposits and other receivables	18	34,776	27,101	6,060	56,253
Time deposits	19	80,433	50,741	30,817	—
Cash and cash equivalents	19	53,776	54,663	34,078	76,629
Total current assets		171,858	136,026	77,107	152,821
CURRENT LIABILITIES					
Trade payables	20	925	1,310	1,456	1,314
Other payables and accruals	21	53,330	207,165	111,676	123,480
Advance from lessees		4,734	5,284	7,427	7,610
Income tax payable		3,352	6,627	6,812	7,113
Interest-bearing bank borrowings	23	—	125	5,131	10,102
Total current liabilities		62,341	220,511	132,502	149,619
NET CURRENT ASSETS/(LIABILITIES)		109,517	(84,485)	(55,395)	3,202
TOTAL ASSETS LESS CURRENT LIABILITIES		854,965	1,055,661	1,068,026	1,063,335
NON-CURRENT LIABILITIES					
Other payables and accruals	21	—	—	13,507	13,276
Deferred income	22	9,382	7,417	16,208	15,830
Interest-bearing bank borrowings	23	—	155,796	203,350	198,350
Total non-current liabilities		9,382	163,213	233,065	227,456
Net assets		845,583	892,448	834,961	835,879
EQUITY					
Share capital	24	75,000	75,000	75,000	75,000
Reserves	25	770,583	817,448	759,961	760,879
Total equity		845,583	892,448	834,961	835,879

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Hongxing Coldchain (Hunan) Co., Ltd., formerly known as Hunan Hongxing Frozen Food Co., Ltd., was incorporated as a limited liability company on 16 October 2006. The registered office of the Company is located at No 21, Part 1, Huanbao East Road, Yuhua District, Changsha, Hunan Province, the People's Republic of China ("PRC"). On 30 June 2019, the Company was converted into a joint stock company with limited liability.

During the Relevant Periods, the Group was mainly involved in the following principal activities:

- frozen food storage services;
- loading services;
- provision of property rental services;
- sales of frozen food products.

As at 30 June 2025, the Company had direct and indirect interests in its subsidiary, which is private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		('000)			
湖南紅星北盛冷凍食品有限公司 Hunan Hongxing Beisheng Frozen Food Co., Ltd.* *(note (a))*. . . .	PRC/Chinese Mainland/ 12 June 2012	RMB150,000	100	—	Warehousing

* The English names of the above company registered in the PRC represents the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.

Note:

(a) The statutory financial statements for the years ended 31 December 2022 and 2023 prepared in accordance with China Accounting Standards for Business Enterprises have been audited by Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合夥)), which is a certified public accounting firm registered in the PRC.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investment in a subsidiary.	124,334	124,334	124,334	124,334
Less: impairment	—	—	—	—
Total	124,334	124,334	124,334	124,334

Based on the impairment assessment performed by the Group, the directors of the Company considered that there was no impairment in the carrying values of the Company's investment in a subsidiary as at 31 December 2022, 2023 and 2024 and 30 June 2025.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve, and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these revised and new IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	*Annual improvements to IFRS Accounting Standards — Volume 11*[2]
Amendments to IFRS 21	*Translation to a Hyperinflationary Presentation Currency*[3]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]

Notes

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES INFORMATION

Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities (including goodwill arising from the acquisition of the merged party or parties by the ultimate controlling party) obtained by the combining party shall be measured at their respective carrying amounts as recorded by the ultimate controlling party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted as share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.17% to 4.75%
Improvements	20.00%
Machinery and others	4.75% to 31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, including properties under construction for such purpose, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business. Such properties are measured initially at cost, including related transaction costs. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to its residual value over its estimated useful life. The estimated useful lives are as follows:

Buildings	3.17%
Land use rights	2.00% to 2.33%

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Categories	Estimated useful lives
Software	5 years

The estimated useful lives of intangible assets are determined by considering the period of the economic benefits to the Group.

Research and development costs

All research costs are charged to profit or loss as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	43 to 50 years

(b) Lease of low-value assets

The Group applies recognition exemption for lease of low-value assets to leases of office equipment that are considered to be of low value.

Lease of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and operating lease receivables which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and operating lease receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals (excluding payroll and welfare payable, contract liabilities and other tax payables), interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Special reserve—safety fund

Provisions for the Group's obligations for safety operation are based on the Group's revenue arising from the storage services for cold chain frozen products per year in accordance with related PRC rules and regulations. The Group records a corresponding cost when such expenditure for safety operation is incurred. The remaining provisions for the Group's obligations for safety operation would be recorded as special reserve—safety fund. The remaining provisions would not be recorded in profit or loss while the Group decreased its retained profits when it recognised the special reserve—safety fund.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiary, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiary, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Frozen food storage services

Revenue from providing the frozen food storage services is calculated based on the agreed daily frozen food storage services fees per ton and purchased storage capacity within the service period. The revenue is recognised based on the progress of the service performed within the service period because the customer simultaneously receives and consumes the benefits provided by the Group.

(b) Loading services

Revenue from the loading services is stevedoring customer's merchandise in and out of the frozen food storage facilities and is recognised at a point in time as the service is completed.

(c) Sales of frozen food products

Revenue from the sales of frozen food products is recognised at the point in time when control of the products are transferred to the customer.

(d) Others

The Group's services also include parking lot service and other services. Revenue from the provision of parking lot service consists of fees from users for the access of parking lot space provided by the Group. Parking income is recognised when the services are rendered.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Employee benefits

Pension scheme

The employees of the Company and the Group's subsidiary which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiary is required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances—Chinese Mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in the Relevant Periods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency. The Company's subsidiary was incorporated in the PRC and considered RMB as its functional currency.

3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information.

Judgements regarding principal versus agent considerations

The Group imported frozen food and sold them to end customers. The Group acts as a principal rather than an agent in the transaction since the Group controls the frozen products before those products are transferred to the customers. The Group is primarily responsible for fulfilling the promise to provide the frozen products to the customers, has inventory risk before the products are transferred to the customers or after transfer of control to the customers and has pricing latitude. Hence, the Group acts as a principal. Revenue is recognised when control of the frozen products has been transferred to the customer.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade and operating lease receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade and operating lease receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and operating lease receivables and other receivables is disclosed in note 19 and note 20 to the Historical Financial Information.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The calculation of the fair value less cost of disposal is based on available data from binding sales transaction in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 16 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the general manager of the Group. As a result of this evaluation, the CODM considers that the Group's operations are operated and managed as a single segment. Accordingly, no segment information is presented.

Geographical information

All operating entities are domiciled in the PRC. All the non-current assets of the Group are physically located in Chinese Mainland. The geographical location of customers is based on the location at which the customers operate, and all of the revenue of the Group was derived from operations in Chinese Mainland during the Relevant Periods.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of the Relevant Periods and six months ended 30 June 2024.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers	197,291	163,303	191,197	90,660	94,280
Revenue from other sources					
Gross rental income from investment property operating leases:					
Leasing services	39,445	38,457	42,379	21,683	23,768
Total	236,736	201,760	233,576	112,343	118,048

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Types of products					
Frozen food storage services	137,368	132,813	160,018	75,610	81,188
Loading services	26,082	25,825	25,805	12,531	11,249
Sales of frozen food products	28,106	—	—	—	—
Others	5,735	4,665	5,374	2,519	1,843
Total revenue from contracts with customers	197,291	163,303	191,197	90,660	94,280
Timing of revenue recognition					
Services transferred over time	137,368	132,813	160,018	75,610	81,188
Goods or services transferred at a point in time	59,923	30,490	31,179	15,050	13,092
Total revenue from contracts with customers	197,291	163,303	191,197	90,660	94,280

The following table shows the amounts of revenue recognised during the Relevant Periods and six months ended 30 June 2024 that were included in the contract liabilities at the beginning of each of the Relevant Periods.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of each of the Relevant Periods:					
Sales of frozen food products	1,614	—	—	—	—
Storage and loading services	196	19	99	99	158
Total	1,810	19	99	99	158

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Frozen food storage services

The performance obligation from providing the frozen food storage services is satisfied over the scheduled period on a straight-line basis and payment is generally within 5 days according to the service scheduled.

Loading services

The performance obligation from loading services is satisfied upon the service completed and payment is generally within 5 days after service completion.

Sales of frozen food products

The performance obligation from sales of frozen food products is satisfied upon acceptance of the products as agreed in the sales contract and payment is generally within 3 days after the acceptance.

All the contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Other income					
Interest income	7,013	3,388	4,473	1,817	1,093
Government grants*	4,171	2,221	3,627	2,345	1,481
Refund of property tax and Land use tax	—	—	1,447	—	—
Additional deduction of VAT	3,803	490	—	—	—
Others	226	206	94	68	56
Total other income	15,213	6,305	9,641	4,230	2,630
Gains					
Gain on disposal of property, plant and equipment	27	643	11	9	9
Total other income and gains	15,240	6,948	9,652	4,239	2,639

* Government grants mainly represent incentives received from local governments for the purpose of compensation on local economic contribution and purchases of items of property, plant and equipment. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December 2022 RMB'000	2023 RMB'000	2024 RMB'000	Six months ended 30 June 2024 RMB'000 (unaudited)	2025 RMB'000
Cost of services provided		31,881	29,010	33,579	15,197	16,299
Cost of inventories sold		27,562	—	—	—	—
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		1,580	1,528	1,235	696	337
Depreciation of property, plant and equipment	*13*	20,911	20,010	31,490	13,743	19,486
Depreciation of investment properties	*14*	9,042	9,018	9,069	4,510	4,771
Depreciation of right-of-use assets	*15(a)*	3,637	3,633	3,629	1,815	1,813
Amortisation of intangible assets*		1,488	507	150	57	57
Research and development costs		449	1,117	1,109	478	513
Listing expenses		—	—	—	—	519
Employee benefit expenses (excluding directors' and chief executive's remuneration *(note 8)*):						
Wages, salaries and other allowances		34,412	34,410	38,823	16,425	16,557
Pension scheme contributions and social welfare**		2,213	2,297	1,812	1,353	1,429
Total		36,625	36,707	40,635	17,778	17,986
Impairment losses on other intangible assets		—	796	—	—	—
Impairment loss/(reversal) on financial assets		638	1,949	(1,216)	337	169
Write-down of inventories to net realisable value		406	—	—	—	—
Gain/(loss) on disposal of items of property, plant and equipment		(16)	(640)	75	3	14

* The amortisation of intangible assets is included in "Cost of sales" in the profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest expense	3,023	866	4,785	2,370	2,114
Less: Interest capitalised	—	(866)	(3,619)	(2,370)	—
Total	3,023	—	1,166	—	2,114

The capitalisation rate for the year ended 31 December 2023 and 2024 is 2.72% and 1.82%, respectively.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the Relevant Periods and six months ended 30 June 2024 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	330	240	240	120	120
Other emoluments:					
—Salaries, allowances and benefits in kind	1,537	1,532	1,434	728	678
—Performance related bonuses	1,209	1,098	960	513	303
—Pension scheme contributions	42	42	45	22	22
Subtotal	2,788	2,672	2,439	1,263	1,003
Total fees and other emoluments	3,118	2,912	2,679	1,383	1,123

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Ms. Cai Yanping	80	80	80	40	40
Ms. Li Zhenzhu	80	80	80	40	40
Mr. Shan Miyuan (i)	80	80	80	40	40
Mr. How Sze Ming (i)	—	—	—	—	—
Total	240	240	240	120	120

i Mr. Shan Miyuan resigned as independent non-executive director of the Company on 27 June 2025 and Mr. How Sze Ming has been appointed as independent non-executive director of the Company effective on 27 June 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and six months ended 30 June 2024.

(b) Executive directors, non-executive directors, supervisors and chief executive

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2022					
Executive directors:					
Mr. Zhang Mingsheng (i)	15	483	482	—	980
Ms. Xu Qunying	15	336	297	12	660
Mr. Zhang Zhong (ii).	15	333	298	12	658
Non-executive directors:					
Mr. Luo Yue (iii)	15	—	—	—	15
Mr. Li Jun (iii)	15	—	—	—	15
Ms. Lu Fenfang (iii)	15	—	—	—	15
Supervisors:					
Mr. Zhou Yuansheng	—	216	60	9	285
Mr. Liu Ya	—	169	72	9	250
Mr. Yang Shenghong (iv)	—	—	—	—	—
Mr. Luo Jianguo (iv)	—	—	—	—	—
Mr. Xiong Guanghui (v)	—	—	—	—	—
Total	90	1,537	1,209	42	2,878

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Executive directors:					
Mr. Zhang Mingsheng (i)	—	487	482	—	969
Ms. Xu Qunying	—	337	244	12	593
Mr. Zhang Zhong (ii).	—	335	244	12	591
Non-executive directors:					
Mr. Luo Yue (iii)	—	—	—	—	—
Mr. Li Jun (iii)	—	—	—	—	—
Ms. Lu Fenfang (iii)	—	—	—	—	—
Supervisors:					
Mr. Zhou Yuansheng	—	214	60	9	283
Mr. Liu Ya	—	159	68	9	236
Mr. Xiong Guanghui (v)	—	—	—	—	—
Total	—	1,532	1,098	42	2,672

Year ended 31 December 2024	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Zhang Mingsheng (i)	—	244	50	—	294
Ms. Xu Qunying	—	338	304	13	655
Non-executive directors:					
Mr. Zhang Zhong (ii)	—	—	—	—	—
Mr. Luo Yue (iii)	—	—	—	—	—
Mr. Li Jun (iii)	—	—	—	—	—
Ms. Lu Fenfang (iii)	—	—	—	—	—
Supervisors:					
Mr. Zhou Yuansheng	—	202	63	9	274
Mr. Liu Ya	—	150	65	9	224
Mr. Xiong Guanghui (v)	—	—	—	—	—
Chief executive officer:					
Mr. Xu Huazhong (i)	—	500	478	14	992
Total	—	1,434	960	45	2,439

Six months ended 30 June 2024	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Executive directors:					
Mr. Zhang Mingsheng (i)	—	122	—	—	122
Ms. Xu Qunying	—	169	170	6	345
Non-executive directors:					
Mr. Zhang Zhong (ii)	—	—	—	—	—
Mr. Luo Yue (iii)	—	—	—	—	—
Mr. Li Jun (iii)	—	—	—	—	—
Ms. Lu Fenfang (iii)	—	—	—	—	—
Supervisors:					
Mr. Zhou Yuansheng	—	106	25	5	136
Mr. Liu Ya	—	79	18	5	102
Mr. Xiong Guanghui (v)	—	—	—	—	—
Chief executive officer:					
Mr. Xu Huazhong (i)	—	252	300	6	558
Total	—	728	513	22	1,263

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Six months ended 30 June 2025					
Executive directors:					
Mr. Zhang Mingsheng (i)	—	122	25	—	147
Ms. Xu Qunying	—	168	85	6	259
Non-executive directors:					
Mr. Zhang Zhong (ii)	—	—	—	—	—
Mr. Luo Yue (iii)	—	—	—	—	—
Mr. Li Jun (iii)	—	—	—	—	—
Ms. Lu Fenfang (iii)	—	—	—	—	—
Supervisors:					
Mr. Zhou Yuansheng	—	73	23	5	101
Mr. Liu Ya	—	66	20	5	91
Mr. Xiong Guanghui (v)	—	—	—	—	—
Mr. Wang Jian (v)	—	—	—	—	—
Chief executive officer:					
Mr. Xu Huazhong (i)	—	249	150	6	405
Total	—	678	303	22	1,003

i Mr. Zhang Mingsheng was appointed as the chief executive officer of the Company since 16 October 2006. In December 2023, Mr. Zhang Mingsheng resigned from chief executive officer and continued to serve as executive director, and Mr. Xu Huazhong was appointed chief executive officer of the Company on 1 January 2024.

ii Mr. Zhang Zhong was appointed as executive directors since 20 May 2021. On 1 January 2024, Mr. Zhang Zhong has been appointed as non-executive director of the Company and Mr. Zhang Zhong has waived the remuneration of non-executive director during the year ended 31 December 2024 and six months ended 30 June 2025.

iii Mr. Luo Yue, Mr. Li Jun and Ms. Lu Fenfang have been appointed as non-executive directors since 2006, 2014 and 2019 respectively. Mr. Luo Yue, Mr. Li Jun and Ms. Lu Fenfang have waived the remuneration of non-executive directors during the Relevant Periods and six months ended 30 June 2024.

iv Mr. Luo Jianguo and Mr. Yang Shenghong resigned from supervisors of the Company on 16 May 2022. Mr. Luo Jianguo and Mr. Yang Shenghong have waived the remuneration of supervisors during the term of office.

v Mr. Xiong Guanghui has been appointed as a supervisor since 2019. Mr. Xiong Guanghui has waived the remuneration during the Relevant Periods and six months ended 30 June 2024. In March 2025, Mr. Xiong Guanghui resigned from supervisor of the Company and Mr. Wang Jian was appointed as a supervisor.

There were no other emoluments payable to the executive directors, non-executive directors and supervisors during the Relevant Periods and six months ended 30 June 2024.

No emoluments were paid by the Company to the executive directors, non-executive directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods and six months ended 30 June 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2022 and 2023 included three directors and during the year ended 31 December 2024 and six months ended 30 June 2024 and 2025 included two directors respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining highest paid employees who are not directors of the Company during the Relevant Periods and six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	658	662	1,031	506	495
Performance related bonuses	650	513	894	530	255
Pension scheme contributions	12	12	26	19	13
Total	1,320	1,187	1,951	1,055	763

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(unaudited)	
Nil to HK$500,000	—	—	—	3	3
HK$500,001 to HK$1,000,000	2	2	3	—	—
Total	2	2	3	3	3

10. INCOME TAX

The Group is registered and conducts substantially all of its business in Chinese Mainland. Taxes on profits assessable in Chinese Mainland have been calculated at the rate of 25%.

The income tax expense of the Group for the Relevant Periods and six months ended 30 June 2024 is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current income tax	23,851	26,665	28,867	15,921	13,608
Deferred income tax	1,559	(1,032)	(516)	(1,411)	16
Total	25,410	25,633	28,351	14,510	13,624

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the countries in which the Company and its subsidiary is domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before tax	104,522	100,945	111,231	55,775	53,307
Tax at the statutory tax rate	26,131	25,236	27,808	13,944	13,327
Adjustments in respect of current tax of previous periods	—	(2)	—	—	—
Expenses not deductible for tax	82	69	47	30	18
Additional deductible allowance for disabled people	(56)	(51)	(53)	(21)	(27)
Deductible temporary differences in unrecognised deferred tax assets	285	—	645	645	—
Recognition of previously unrecognised tax losses and temporary differences	(1,032)	(191)	(198)	(107)	(93)
Tax losses on unrecognised deferred tax assets	—	572	102	19	399
Tax charge at the Group's effective tax rate	25,410	25,633	28,351	14,510	13,624

11. DIVIDENDS

The declared dividends which were approved by the Company's shareholders during the Relevant Periods and six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Dividends declared	30,000	30,000	140,000	40,000	40,000

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to owners of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods and six months ended 30 June 2024.

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods and six months ended 30 June 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the Relevant Periods and six months ended 30 June 2024.

The following reflects the income and share data used in the basic earnings per share computation:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(unaudited)	
Earnings:					
Profit for the year/period attributable to owners of the parent, used in the basic earnings per share calculation (RMB'000)	79,112	75,312	82,880	41,265	39,683
Number of shares:					
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation (in thousand shares)	75,000	75,000	75,000	75,000	75,000

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2022	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022					
Cost	447,044	13,832	99,110	428	560,414
Accumulated depreciation	(148,205)	(4,010)	(74,238)	—	(226,453)
Net carrying amount	298,839	9,822	24,872	428	333,961
At 1 January 2022 net of accumulated depreciation	298,839	9,822	24,872	428	333,961
Additions	336	1,634	299	38,872	41,141
Disposals	—	—	(37)	—	(37)
Transfers	2,822	1,137	41	(4,000)	—
Depreciation provided during the year	(13,252)	(1,940)	(5,719)	—	(20,911)
At 31 December 2022 net of accumulated depreciation	288,745	10,653	19,456	35,300	354,154
At 31 December 2022					
Cost	450,202	16,603	98,704	35,300	600,809
Accumulated depreciation	(161,457)	(5,950)	(79,248)	—	(246,655)
Net carrying amount	288,745	10,653	19,456	35,300	354,154

31 December 2023	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023					
Cost	450,202	16,603	98,704	35,300	600,809
Accumulated depreciation	(161,457)	(5,950)	(79,248)	—	(246,655)
Net carrying amount	288,745	10,653	19,456	35,300	354,154
At 1 January 2023 net of accumulated depreciation	288,745	10,653	19,456	35,300	354,154
Additions	—	—	1,959	390,130	392,089
Disposals	(238)	—	(36)	—	(274)
Transfers	117	—	—	(117)	—
Depreciation provided during the year	(13,290)	(1,194)	(5,526)	—	(20,010)
At 31 December 2023 net of accumulated depreciation	275,334	9,459	15,853	425,313	725,959
At 31 December 2023					
Cost	450,018	16,603	100,471	425,313	992,405
Accumulated depreciation	(174,684)	(7,144)	(84,618)	—	(266,446)
Net carrying amount *(note (a))*	275,334	9,459	15,853	425,313	725,959

31 December 2024	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024					
Cost	450,018	16,603	100,471	425,313	992,405
Accumulated depreciation	(174,684)	(7,144)	(84,618)	—	(266,446)
Net carrying amount	275,334	9,459	15,853	425,313	725,959
At 1 January 2024 net of accumulated depreciation	275,334	9,459	15,853	425,313	725,959
Additions	28	1,681	2,887	34,435	39,031
Disposals	(14)	—	(123)	—	(137)
Transfers	367,676	3,615	87,871	(459,162)	—
Depreciation provided during the year	(21,791)	(1,257)	(8,442)	—	(31,490)
At 31 December 2024 net of accumulated depreciation	621,233	13,498	98,046	586	733,363
At 31 December 2024					
Cost	817,704	21,899	190,665	586	1,030,854
Accumulated depreciation	(196,471)	(8,401)	(92,619)	—	(297,491)
Net carrying amount *(note (a))*	621,233	13,498	98,046	586	733,363

30 June 2025	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025					
Cost	817,704	21,899	190,665	586	1,030,854
Accumulated depreciation	(196,471)	(8,401)	(92,619)	—	(297,491)
Net carrying amount	621,233	13,498	98,046	586	733,363
At 1 January 2025 net of accumulated depreciation	621,233	13,498	98,046	586	733,363
Additions	351	—	73	914	1,338
Disposals	—	—	(191)	—	(191)
Transfers	1,500	—	—	(1,500)	—
Depreciation provided during the period	(12,399)	(826)	(6,261)	—	(19,486)
At 30 June 2025 net of accumulated depreciation	610,685	12,672	91,667	—	715,024
At 30 June 2025					
Cost	819,555	21,899	190,547	—	1,032,001
Accumulated depreciation	(208,870)	(9,227)	(98,880)	—	(316,977)
Net carrying amount *(note (a))*	610,685	12,672	91,667	—	715,024

(a) Certain property, plant and equipment with net carrying amounts of approximately RMB397,457,000 and RMB385,043,000 and RMB378,071,000 as at 31 December 2023 and 2024 and 30 June 2025, respectively, were pledged as security for bank facilities granted to the Group.

As at 31 December 2024 and 30 June 2025, the Group was in the customary process of obtaining the relevant property ownership certificates for certain buildings with an aggregate net carrying amount of approximately RMB79,585,000 and RMB78,311,000.

The Company

31 December 2022	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022:					
Cost	348,300	2,930	71,441	428	423,099
Accumulated depreciation	(124,280)	(1,179)	(57,328)	—	(182,787)
Net carrying amount	224,020	1,751	14,113	428	240,312
At 1 January 2022, net of accumulated depreciation	224,020	1,751	14,113	428	240,312
Additions	—	830	290	35,164	36,284
Disposals	—	—	(37)	—	(37)
Transfers	—	395	—	(395)	—
Depreciation provided during the year	(10,188)	(394)	(3,469)	—	(14,051)
At 31 December 2022, net of accumulated depreciation	213,832	2,582	10,897	35,197	262,508
At 31 December 2022:					
Cost	348,300	4,155	70,989	35,197	458,641
Accumulated depreciation	(134,468)	(1,573)	(60,092)	—	(196,133)
Net carrying amount	213,832	2,582	10,897	35,197	262,508

31 December 2023	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023:					
Cost	348,300	4,155	70,989	35,197	458,641
Accumulated depreciation	(134,468)	(1,573)	(60,092)	—	(196,133)
Net carrying amount	213,832	2,582	10,897	35,197	262,508
At 1 January 2023, net of accumulated depreciation	213,832	2,582	10,897	35,197	262,508
Additions	—	—	1,959	389,675	391,634
Disposals	—	—	(3)	—	(3)
Depreciation provided during the year	(10,192)	(479)	(3,344)	—	(14,015)
At 31 December 2023, net of accumulated depreciation	203,640	2,103	9,509	424,872	640,124
At 31 December 2023:					
Cost	348,300	4,155	72,882	424,872	850,209
Accumulated depreciation	(144,660)	(2,052)	(63,373)	—	(210,085)
Net carrying amount *(note (a))*	203,640	2,103	9,509	424,872	640,124

31 December 2024	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024:					
Cost	348,300	4,155	72,882	424,872	850,209
Accumulated depreciation	(144,660)	(2,052)	(63,373)	—	(210,085)
Net carrying amount	203,640	2,103	9,509	424,872	640,124
At 1 January 2024, net of accumulated depreciation	203,640	2,103	9,509	424,872	640,124
Additions	28	1,682	2,885	34,381	38,976
Disposals	—	—	(121)	—	(121)
Transfers	367,676	3,615	87,816	(459,107)	—
Depreciation provided during the year	(18,701)	(542)	(6,295)	—	(25,538)
At 31 December 2024, net of accumulated depreciation	552,643	6,858	93,794	146	653,441
At 31 December 2024:					
Cost	716,004	9,452	163,042	146	888,644
Accumulated depreciation	(163,361)	(2,594)	(69,248)	—	(235,203)
Net carrying amount *(note (a))*	552,643	6,858	93,794	146	653,441

30 June 2025	Buildings	Improvements	Machinery and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025:					
Cost	716,004	9,452	163,042	146	888,644
Accumulated depreciation	(163,361)	(2,594)	(69,248)	—	(235,203)
Net carrying amount	552,643	6,858	93,794	146	653,441
At 1 January 2025 net of accumulated depreciation	552,643	6,858	93,794	146	653,441
Additions	351	—	73	914	1,338
Disposals	—	—	(191)	—	(191)
Transfers	1,060	—	—	(1,060)	—
Depreciation provided during the period	(10,855)	(498)	(5,185)	—	(16,538)
At 30 June 2025 net of accumulated depreciation	543,199	6,360	88,491	—	638,050
At 30 June 2025:					
Cost	717,415	9,452	162,924	—	889,791
Accumulated depreciation	(174,216)	(3,092)	(74,433)	—	(251,741)
Net carrying amount *(note (a))*	543,199	6,360	88,491	—	638,050

(a) Certain property, plant and equipment with net carrying amounts of approximately RMB397,457,000 and RMB385,043,000 and RMB378,071,000 as at 31 December 2023 and 2024 and 30 June 2025, respectively, were pledged as security for bank facilities granted to the Company.

As at 31 December 2024 and 30 June 2025, the Company was in the customary process of obtaining the relevant property ownership certificates for certain buildings with an aggregate net carrying amount of approximately RMB79,585,000 and RMB78,311,000.

14. INVESTMENT PROPERTIES

The Group

	As at December 31			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At the beginning of the year/period	295,640	295,901	295,901	300,431
Additions	261	—	4,530	—
At the end of the year/period	295,901	295,901	300,431	300,431
Accumulated depreciation				
At the beginning of the year/period	(49,464)	(58,506)	(67,524)	(76,593)
Charge for the year/period	(9,042)	(9,018)	(9,069)	(4,771)
At the end of the year/period	(58,506)	(67,524)	(76,593)	(81,364)
Net book value at the end of the year/period *(Note (a))*	237,395	228,377	223,838	219,067

The Company

	As at December 31			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At the beginning of the year/period	254,015	254,276	254,276	258,806
Additions	261	—	4,530	—
At the end of the year/period	254,276	254,276	258,806	258,806
Accumulated depreciation				
At the beginning of the year/period	(42,508)	(50,322)	(58,125)	(65,979)
Charge for the year/period	(7,814)	(7,803)	(7,854)	(4,163)
At the end of the year/period	(50,322)	(58,125)	(65,979)	(70,142)
Net book value at the end of the year/period *(Note (b))*	203,954	196,151	192,827	188,664

(a) As at December 31, 2022, 2023 and 2024 and 30 June 2025, the fair value of the investment properties of the Group approximate to RMB385,900,000, RMB385,600,000 and RMB383,900,000 and RMB382,000,000 respectively. The fair value of the investment properties is derived using term and reversion method. The Group's investment properties were valued based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent professionally qualified valuers.

(b) As at December 31, 2022, 2023 and 2024 and 30 June 2025, the fair value of the investment properties of the Company approximate to RMB372,400,000, RMB371,900,000 and RMB370,200,000 and RMB368,500,000 respectively. The fair value of the investment properties is derived using term and reversion method. The Company's investment properties were valued based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent professionally qualified valuers.

The investment properties are leased to third parties under operating lease, further summary details of which are included in note 15 to the Historical Financial Information.

15. LEASES

The Group as a lessee

The Group has lease contracts for leasehold land used in its operations. Leases of properties generally have lease terms between 43 and 50 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the Relevant Periods are as follows:

Leasehold land	Year ended December 31			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	104,628	138,709	134,746	131,117
Additions	37,718	—	—	—
Disposal	—	(330)	—	—
Depreciation charge	(3,637)	(3,633)	(3,629)	(1,813)
At end of year/period *(note (a))*	138,709	134,746	131,117	129,304

(a) As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group's leasehold land with aggregate carrying amounts of approximately nil, RMB62,246,000 and RMB60,701,000 and RMB59,930,000, respectively, were pledged as security for bank facilities granted to the Group.

The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets *(note 6)*	3,637	3,633	3,629	1,813
Total amount recognised in profit or loss	3,637	3,633	3,629	1,813

The Group as a lessor

The Group leases its investment properties consisting of two commercial properties and parking property in Chinese Mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the Relevant Periods were RMB39,445,000, RMB38,457,000, RMB42,379,000 and RMB23,768,000, respectively. Details of which are included in note 5 to the Historical Financial Information.

At 31 December 2022, 2023 and 2024 and 30 June 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	1,202	1,733	1,616	18,683
Over one year	1,179	525	328	237
Total	2,381	2,258	1,944	18,920

16. DEFERRED TAX

The movements in deferred tax assets of the Group during the end of each of the Relevant Periods are as follows:

Deferred tax assets

The Group and the Company

	Deferred income	Impairment of financial assets and inventories	Impairment of intangible assets	Staff education fund	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	1,351	2,496	—	—	3,847
Deferred tax charged to the profit or loss during the year	(39)	(1,520)	—	—	(1,559)
At 31 December 2022	1,312	976	—	—	2,288
At 1 January 2023	1,312	976	—	—	2,288
Deferred tax credited to the profit or loss during the year	210	485	199	138	1,032
At 31 December 2023	1,522	1,461	199	138	3,320
At 1 January 2024	1,522	1,461	199	138	3,320
Deferred tax credited/(charged) to the profit or loss during the year	1,609	(887)	(199)	(7)	516
At 31 December 2024	3,131	574	—	131	3,836
At 1 January 2025	3,131	574	—	131	3,836
Deferred tax (charged)/credited to the profit or loss during the period	(65)	50	—	(1)	(16)
At 30 June 2025	3,066	624	—	130	3,820

Deferred tax assets have not been recognised in respect of the following items:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	—	2,288	2,695	4,284
Deductible temporary differences	4,893	4,127	5,916	5,494
	4,893	6,415	8,611	9,778

The above tax losses arising in Chinese Mainland will expire in four to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

17. TRADE AND OPERATING LEASE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	7,553	4,238	6,491	17,666
Lease receivables	25	—	590	3,012
Impairment	(379)	(212)	(354)	(523)
Net carrying amount	7,199	4,026	6,727	20,155

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	2,470	3,005	5,547	17,064
Lease receivables	25	—	581	3,012
Impairment	(125)	(150)	(306)	(508)
Net carrying amount	2,370	2,855	5,822	19,568

The Group's trade and operating lease receivables arise from the storage and loading services, the provision of property rental services and trading of frozen goods. A credit period of generally 5 days is granted to the customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. Trade and operating lease receivables are non-interest-bearing.

An ageing analysis of the trade and operating lease receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 2 months	3,294	4,026	6,727	20,155
In 3–12 months	3,905	—	—	—
Total	7,199	4,026	6,727	20,155

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 2 months	2,370	2,855	5,822	19,568

The movements in the loss allowance for impairment of trade and operating lease receivables are as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	233	379	212	354
Impairment losses/(reversal of impairment losses)	155	(167)	142	169
Amount written off as uncollectible	(9)	—	—	—
At the end of the year/period	379	212	354	523

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	178	125	150	306
Impairment losses/(reversal of impairment losses)	(44)	25	156	202
Amount written off as uncollectible	(9)	—	—	—
At the end of the year/period	125	150	306	508

For trade and operating lease receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at an amount equal to lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on the days past due of the trade and operating lease receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The following table details the risk profile of trade and operating lease receivables:

The Group

As at 31 December 2022

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	7,578	5%	379

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	4,238	5%	212

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	7,081	5%	354

As at 30 June 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	20,678	3%	523

The Company

As at 31 December 2022

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	2,495	5%	125

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	3,005	5%	150

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	6,128	5%	306

As at 30 June 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	20,076	3%	508

There was no significant change in the ECL rates for the time band during the Relevant Periods, mainly because no significant changes in the historical default rates of trade and operating lease receivables, economic conditions and performance, solvency and behaviour of the debtors were noted, based on which the ECL rates are determined.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	18,594	5,376	—	—
Other receivables	13,465	3,765	1,993	1,989
Value-added tax recoverable	1,882	15,037	—	98
Deferred listing expenses	—	—	—	10,144
Prepaid expenses	2,568	2,762	2,869	2,113
Certificate of deposits *(note (a))*	—	61,328	42,620	43,286
Less: Non-current portion	(18,594)	(66,705)	(42,177)	—
Provision for impairment of other receivables	(1,177)	(3,293)	(1,989)	(1,989)
Current portion	16,738	18,270	3,316	55,641

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	18,594	5,376	—	—
Other receivables	31,927	12,765	4,993	2,989
Value-added tax recoverable	1,882	15,037	—	98
Deferred listing expenses	—	—	—	10,144
Prepaid expenses	2,348	2,593	2,613	1,725
Certificate of deposits *(note (a))*	—	61,328	42,620	43,286
Less: Non-current portion	(18,594)	(66,705)	(42,177)	—
Provision for impairment of other receivables	(1,381)	(3,293)	(1,989)	(1,989)
Current portion	34,776	27,101	6,060	56,253

(a) The Group holds the transferable certificate of deposit with maturities ranging from 6 months to 3 years with the objective of collecting the contractual cash flows and the certificate of deposits are measured at amortised cost using the effective interest method. The Group estimated that the expected credit loss rate for the certificate of deposits is minimal due to that they were issued by creditworthy banks with no recent history of default.

An impairment analysis was performed at the end of each of the Relevant Periods. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under IFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate. The Group has made provision of RMB1,177,000, RMB3,293,000 and RMB1,989,000 and RMB1,989,000 during the Relevant Periods, respectively for defaulted receivables. Except for the defaulted receivables, the Group estimated that the expected credit loss rate for the other receivables and certificate of deposits is minimal.

19. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	157,575	106,891	66,838	78,238
Less: Non-current time deposits	(20,108)	—	—	—
Time deposits	(80,433)	(50,741)	(30,817)	—
Cash and cash equivalents	57,034	56,150	36,021	78,238

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	154,317	105,404	64,895	76,629
Less: Non-current time deposits	(20,108)	—	—	—
Time deposits	(80,433)	(50,741)	(30,817)	—
Cash and cash equivalents	53,776	54,663	34,078	76,629

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

20. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	1,077	1,392	1,536	1,402

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	925	1,310	1,456	1,314

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

As at the end of each of the Relevant Periods, the carrying amounts of trade payables approximated to their fair values.

21. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits received	41,597	44,548	42,769	40,145
Payroll and welfare payable	9,788	9,624	12,988	5,748
Payable for purchase of property, plant and equipment	4,038	149,674	60,183	44,978
Contract liabilities *(a)*	19	99	158	1,156
Dividend payable *(b)*	—	—	504	38,066
Payables for listing expenses	—	—	—	902
Other payables	619	4,762	5,439	5,180
Other tax payables	1,105	1,116	5,496	2,390
Less: Non-current portion	—	—	(13,507)	(13,276)
Total	57,166	209,823	114,030	125,289

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits received	39,860	43,899	42,388	39,818
Payroll and welfare payable	8,715	8,684	11,958	5,351
Payable for purchase of property, plant and equipment	3,376	149,182	59,496	44,284
Contract liabilities *(a)*	—	6	143	1,139
Dividend payable *(b)*	—	—	504	38,066
Payables for listing expenses	—	—	—	902
Other payables	339	4,366	5,284	4,893
Other tax payables	1,040	1,028	5,410	2,303
Less: Non-current portion	—	—	(13,507)	(13,276)
Total	53,330	207,165	111,676	123,480

Other payables are non-interest-bearing, unsecured and repayable on demand.

(a) The Group and the Company receives payments from customers based on billing schedules as established in the contracts. A portion of payments is usually received in advance of the performance under the contracts. The contract liabilities comprise the prepayments received from customers, to whom the goods or services have not yet been transferred or provided. The changes in contract liabilities in the Relevant Periods were mainly due to the changes in advances received from customers in relation to the provision of storage at the end of each of the Relevant Periods.

(b) The dividend payable as at 31 December 2024 and 30 June 2025 had been subsequently settled in January and July 2025 respectively.

22. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants and subsidies	32,057	28,522	35,744	34,581

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants and subsidies	9,382	7,417	16,208	15,830

23. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

31 December 2023	Effective Interest rate	Maturity	RMB'000
	(%)		
Current			
Current portion of long-term bank loans —secured *(b)*	2.65%	2024	125
Non-current			
Long-term bank loans—secured *(b)*	2.65%	2025–2033	155,796
			155,921

31 December 2024	Effective Interest rate	Maturity	RMB'000
	(%)		
Current			
Current portion of long-term bank loans—secured *(b)*	2.05%–2.65%	2025	5,131
Non-current			
Long-term bank loans —secured *(b)*	2.05%–2.65%	2026–2033	203,350
			208,481

30 June 2025	Effective Interest rate	Maturity	RMB'000
	(%)		
Current			
Current portion of long-term bank loans—secured *(b)*	1.95%–2.05%	2025–2026	10,102
Non-current			
Long-term bank loans —secured *(b)*	1.95%–2.05%	2026–2033	198,350
			208,452

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Analysed into:				
Bank loans repayable:				
Within one year	—	125	5,131	10,102
In the second year	—	5,000	12,500	15,000
In the third to fifth years, inclusive	—	60,000	87,500	100,000
Beyond five years	—	90,796	103,350	83,350
Total	—	155,921	208,481	208,452

(a) The Group's bank loans are all denominated in RMB.

(b) As at 31 December 2023 and 2024 and 30 June 2025, all the bank loans were secured by property, plant and equipment and right-of-use assets.

24. SHARE CAPITAL

The Group and the Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Issued:				
Ordinary shares of RMB1.00 each	75,000	75,000	75,000	75,000
Fully paid:				
Ordinary shares of RMB1.00 each	75,000	75,000	75,000	75,000

25. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods and six months ended 30 June 2024 are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve of the Group includes the share premium contributed by the shareholders of the Company.

(b) Statutory reserve

In accordance with the PRC Company Law and the articles of association of the subsidiary established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the subsidiary, the statutory reserve may be used either to offset losses, or to be converted to increase paid-in capital, provided that the balance after such conversion is not less than 25% of the registered capital of the respective entities. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends. No statutory surplus reserve was appropriated during the six months ended 30 June 2025 as the Company's statutory surplus reserve has accumulated to 50% of its registered capital.

(c) Special reserve—safety fund

Pursuant to the revised *Measures for the Extraction and Use of Enterprise Safety Production Funds* issued in November 2022, the Group is required to set aside an amount to maintenance, production and other similar funds. The funds can be used for maintenance of production and improvements of safety and are not available for distribution to shareholders. The Group records a corresponding cost when such expenditure for safety operation is incurred. The remaining provisions for the Group's obligations for safety operation would be recorded as special reserve—safety fund. The remaining provisions would not be recorded in profit or loss while the Group decreases its retained profits when it recognises the special reserve—safety fund.

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Bank loans	Other payables and accruals
	RMB'000	RMB'000
At 1 January 2022	84,063	—
Changes from financing cash flows	(84,000)	(30,000)
Interest expense *(note 7)*	3,023	—
Interest paid	(3,086)	—
Dividend declared	—	30,000
At 31 December 2022	—	—
At 1 January 2023	—	—
Changes from financing cash flows	155,796	(30,000)
Interest expense *(note 7)*	866	—
Interest paid	(741)	—
Dividend declared	—	30,000
At 31 December 2023	155,921	—
At 1 January 2024	155,921	—
Changes from financing cash flows	52,554	(134,680)
Interest expense *(note 7)*	4,785	—
Interest paid	(4,779)	—
Dividend declared	—	140,000
At 31 December 2024	208,481	5,320
At 1 January 2024	155,921	—
Changes from non-cash transactions (unaudited)	47,764	—
Interest expense (unaudited)	2,370	—
Interest paid (unaudited)	(2,358)	—
Dividend declared (unaudited)	—	40,000
At 30 June 2024 (unaudited)	203,697	40,000
At 1 January 2025	208,481	5,320
Changes from non-cash transactions	—	(5,320)
Interest expense *(note 7)*	2,114	—
Interest paid	(2,143)	—
Dividend declared	—	40,000
At 30 June 2025	208,452	40,000

27. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, the Group did not have any significant contingent liabilities.

28. PLEDGE OF ASSETS

Details of the Group's assets pledged are included in note 13 and note 15 to the Historical Financial Information at the end of each of the Relevant Periods.

29. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Construction in progress	329,753	99,875	5,117	3,312

30. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of related parties	Relationship with the Group
Changsha Hongxing Investment Management Center	Ultimate controlling shareholder
Hongxing Shiye Industrial Group Co., Ltd.	The parent company
Hunan Hongxing Shengye Food Co., Ltd.	Controlled by the parent company
Changsha Hongxing Architecture Engineering Co., Ltd.	Controlled by the parent company
Hunan Hongxing ShengKang Oil Co., Ltd	Controlled by the parent company
Changsha Shengzhirui Food Trading Co., Ltd	Controlled by the parent company
Hunan Hongxing Market Agricultural Products Co., Ltd.	Controlled by the parent company
Hunan Hongxing International Exhibition Co., Ltd.	Controlled by the parent company
Hongxing Elephant Supply Chain (Hunan) Co., Ltd.	Controlled by the parent company
Hunan Shenghong Food Sales Co., Ltd	Controlled by one of the supervisors
Changsha City Yuhua District Sheng Hong meat business department	Controlled by one of the supervisors
Changsha City Yuhua District Hongsheng food business department	Controlled by one of the supervisors
Changsha Guoyu Food Co., Ltd.	Controlled by one of the supervisors
Mr. Yang Shenghong	Supervisor
Mr. Luo Jianguo	Supervisor

(b) The Group had the following transactions with related parties during the Relevant Periods and six months ended 30 June 2024:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Revenue from goods and services with companies *(i)*					
Controlled by the parent company	4,312	2,127	2,008	1,013	833
Controlled by one of the supervisors	429	—	—	—	—
	4,741	2,127	2,008	1,013	833
Purchase of goods and services from companies *(ii)*					
The parent company	129	130	87	52	1
Controlled by the parent company	362	337	383	313	339
	491	467	470	365	340
Purchase of property, plant and equipment from companies					
Controlled by the parent company	26,188	299,054	12,181	3,857	814
Rental income from companies/persons *(iii)*					
Controlled by the parent company	161	125	212	132	37
Controlled by one of the supervisors	62	—	—	—	—
Supervisor	8	—	—	—	—
	231	125	212	132	37
Dividend distribution					
The parent company	17,476	17,476	81,556	23,302	23,302

(i) The sales to the related parties were made according to the published prices and conditions offered to the major customers of the Group. The credit terms granted to the related parties were generally in line with the credit terms granted to other customers.

(ii) The purchases from the related parties were made according to the published prices and conditions offered by the related parties to their major customers. The credit terms granted by the related parties were generally in line with the credit terms granted to their major customers.

(iii) The rental fees with the related parties were made according to the agreed prices.

(c) Capital commitments with related parties

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Controlled by the parent company	304,408	67,269	3,267	2,551

(d) Outstanding balances with related parties as at 31 December 2022, 2024 and 30 June 2025:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
Controlled by the parent company	240	236	146	142
Impairment	(12)	(12)	(7)	(7)
	228	224	139	135
Prepayments and other receivables				
Controlled by the parent company*	10,481	—	—	—
Contract liabilities				
Controlled by the parent company	—	3	—	—
Trade payables				
The parent company	12	12	—	—
Other payables and accruals				
Controlled by the parent company** . . .	577	133,424	37,443	33,818

* Amount included in prepayments and other receivables of RMB10,481,000 which is in relation to the prepayment of property, plant and equipment as at 31 December 2022.

** Amounts included in other payables and accruals of RMB466,000, RMB133,040,000, RMB37,310,000 and RMB33,784,000 which are in relation to the purchase of property, plant and equipment as at 31 December 2022, 2023 and 2024 and 30 June 2025.

The amounts are in nature of quality guarantee deposit which will be settled in 2026 and 2027 in accordance with terms of the agreement.

Except for the amounts in relation to the purchase of property, plant and equipment in other payables and accruals, all other amounts are trade in nature.

(e) Compensation of key management personnel of the Group:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Short term employee benefits	4,271	3,773	5,264	2,610	2,165

Further details of directors' and supervisors' emoluments are included in note 8 to the Historical Financial Information.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods were as follows:

Financial assets

Financial assets at amortised cost

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and operating lease receivables	7,199	4,026	6,727	20,155
Financial assets included in prepayments, deposits and other receivables	12,288	61,800	42,624	43,286
Cash and cash equivalents and time deposits	157,575	106,891	66,838	78,238
Total	177,062	172,717	116,189	141,679

Financial liabilities

Financial liabilities at amortised cost

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	1,077	1,392	1,536	1,402
Financial liabilities included in other payables and accruals	46,254	198,984	107,892	129,271
Interest-bearing bank borrowings	—	155,921	208,481	208,452
Total	47,331	356,297	317,909	339,125

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and operating lease receivables, financial assets included in other receivables, time deposits, interest-bearing bank borrowings (current portion), trade payables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. The non-current portion of interest-bearing bank borrowings approximate to their carrying amounts mainly due to the floating interest rate.

The Group's finance team headed by the chief finance controller/his or her designator is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the finance head.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the interest-bearing borrowings is determined by using the expected future cash flows using the discount rate that reflects the Group's borrowing rates as at the end of the Relevant Periods. Changes in the Group's own non-performance risk as at 31 December 2023 and 2024 and 30 June 2025 were assessed to be insignificant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans and cash and cash equivalents and time deposit. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and operating lease receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's debt obligations in RMB with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings.

The Group

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax
		RMB'000
Year ended 31 December 2023		
Interest-bearing bank and other borrowings	50 bp	(433)
	(50) bp	433
Year ended 31 December 2024		
Interest-bearing bank and other borrowings	50 bp	(2,392)
	(50) bp	2,392
Six months ended 30 June 2025		
Interest-bearing bank and other borrowings	50 bp	(524)
	(50) bp	524

Credit risk

An impairment analysis was performed at end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and operating lease receivables	—	—	—	7,578	7,578
Financial assets included in prepayments, other receivables and other assets	10,150	—	3,315	—	13,465
Cash and cash equivalents and time deposits	157,575	—	—	—	157,575
Total	167,725	—	3,315	7,578	178,618

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and operating lease receivables	—	—	—	4,238	4,238
Financial assets included in prepayments, other receivables and other assets	61,778	—	3,315	—	65,093
Cash and cash equivalents and time deposits	106,891	—	—	—	106,891
Total	168,669	—	3,315	4,238	176,222

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and operating lease receivables	—	—	—	7,081	7,081
Financial assets included in prepayments, other receivables and other assets	42,624	—	1,989	—	44,613
Cash and cash equivalents and time deposits	66,838	—	—	—	66,838
Total	109,462	—	1,989	7,081	118,532

As at 30 June 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and operating lease receivables	—	—	—	20,678	20,678
Financial assets included in prepayments, other receivables and other assets	43,286	—	1,989	—	45,275
Cash and cash equivalents and time deposits	78,238	—	—	—	78,238
Total	121,524	—	1,989	20,678	144,191

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and operating lease receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2022

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	1,077	—	—	1,077
Other payables and accruals	46,254	—	—	46,254
Total	47,331	—	—	47,331

As at 31 December 2023

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank borrowings	4,129	25,558	148,902	178,589
Trade payables	1,392	—	—	1,392
Other payables and accruals	198,984	—	—	198,984
Total	204,505	25,558	148,902	378,965

As at 31 December 2024

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank borrowings	9,271	37,953	182,628	229,852
Trade payables	1,536	—	—	1,536
Other payables and accruals	94,385	13,313	194	107,892
Total	105,192	51,266	182,822	339,280

As at 30 June 2025

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank borrowings	14,014	85,263	127,495	226,772
Trade payables	1,402	—	—	1,402
Other payables and accruals	115,995	13,159	117	129,271
Total	131,411	98,422	127,612	357,445

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total liabilities	98,390	407,575	387,544	397,884
Total assets	934,607	1,289,104	1,211,953	1,221,976
Debt-to-asset ratio	11%	32%	32%	33%

34. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events after the end of the Relevant Periods that require additional disclosure or adjustments.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the "Financial Information" section in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on our consolidated net tangible assets as of 30 June 2025 as if it had taken place on 30 June 2025.

The unaudited pro forma adjusted statement of consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 30 June 2025 or any future date. It is prepared based on our consolidated net tangible assets attributable to the owners of the Company as of 30 June 2025 as set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted statement of consolidated net tangible assets attributable to the owners of the Company does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Consolidated net tangible assets attributable to owners of the Company as at 30 June 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets as at 30 June 2025	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 30 June 2025	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 5)	RMB (Note 4)	(HK$ equivalent) (Note 4)
Based on an Offer Price of HK$12.26 per Share . . .	823,755	229,318	1,053,073	10.72	11.82

Notes:

(1) The consolidated net tangible assets attributable to owners of the Company as at 30 June 2025 is extracted from "Appendix I—Accountants' Report", which is based on the consolidated equity attributable to owners of the Company as of 30 June 2025 of approximately RMB824,092,000, less other intangible assets of approximately RMB337,000 as of 30 June 2025.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$12.26 per Share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period). The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.00 to RMB0.90675 prevailing on the Latest Practicable Date.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on 98,263,000 total Shares in issue immediately following the completion of the Global Offering.

(4) The unaudited pro forma adjusted consolidated net tangible assets per Share is converted into Hong Kong dollars at an exchange rate of HK$1.00 to RMB0.90675 prevailing on the Latest Practicable Date.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2025.

(6) The Group's property interest as of 30 November 2025 have been valued by Valuer Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and consultant. The above unaudited pro forma statement of adjusted net tangible asset does not take into account the surplus arising from the revaluation of the Group's property interest amounting to approximately RMB549,126,000. Revaluation surplus has not been recorded in the historical information of the Group or will not be recorded in the consolidated financial statements of the Group in future periods as the Group's property, plant and equipment, investment properties and right-of-use assets are stated at cost less accumulated depreciation and impairment losses, if any. Under the assumption that the revaluation surplus were recorded in the Group's consolidated financial statements, additional annual depreciation of approximately RMB24,156,000 would be charged against the profit in future periods.

The following is the text of a report received from the Company's reporting accountants, Ernst &Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

EY 安永

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Quarry Bay, Hong Kong

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To the Directors of Hongxing Coldchain (Hunan) Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Hongxing Coldchain (Hunan) Co., Ltd. (the "Company") and its subsidiary (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 June 2025 and related notes as set out in Part A of Appendix II to the prospectus dated 31 December 2025 (the "Prospectus") issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2025 as if the transaction had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
31 December 2025

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 November 2025 of the property interests held by Hongxing Coldchain (Hunan) Co., Ltd.

JLL®
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place
979 King's Road Hong Kong
Tel: +852 2846 5000 Fax: +852 2169 6001
Company Licence No.: C-030171

31 December 2025

The Board of Directors

Hongxing Coldchain (Hunan) Co., Ltd.
No. 21, Section 1 Huanhuan East Road
Yuhua District, Changsha City
Hunan Province, the PRC

Dear Sirs,

In accordance with your instructions to value the property interests held by Hongxing Coldchain (Hunan) Co., Ltd. (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 30 November 2025 (the "valuation date").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the property interests in Group I which are held for investment by the Group and property interests in Group II which are held for self-occupation by the Group by the income approach by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

We have valued the property interest in Group III which is held for future development by the Group in the PRC by the comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market.

For the purpose of our valuation, real estate development for future development is that the Construction Work Commencement Permits are not issued while the State-owned Land Use Rights Certificates have been obtained.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation—Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and other official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisor—Qiyuan Law Firm concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in March 2025 by Mr. Devon Yan, who has academic background of real estate and has more than 7 years' experience in the valuation of properties in the PRC.

Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches as they may affect prospects for rental and capital growth, and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This view is supported by RICS in their recently published guidance note "Sustainability and ESG in commercial property valuation and strategic advice (3rd Edition)."

While some of the sustainability and ESG initiatives are considered subjective and intangible, they cannot always be demonstrated with quantifiable evidence. Based on our research and local market knowledge, there is not yet any direct and tangible evidence of ESG being reflected in specific investment behaviours and/or pricing considerations for assets of a similar nature to the subject property, although it is acknowledged that ESG criteria is forming part of an increasing number of investment mandates. However more tangible benefits such as energy efficiency are realisable in operational costs. We have not undertaken full asset and market investigations in this regard. Whilst there is currently no direct and tangible evidence to suggest that the market is making pricing adjustments for ESG, we will continue to monitor market movements and sentiment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS R.P.S. (GP)
Senior Director

Note:

Eddie T.W. Yiu is a Chartered Surveyor who has 31 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY OF VALUES

Abbreviation:

Group I: Property interests held for investment by the Group in the PRC

Group II: Property interests held for self-occupation by the Group in the PRC

Group III: Property interests held for future development by the Group in the PRC

"—" or N/A: Not applicable or not available

No.	Property	Market value in existing state as at the valuation date	Market value in existing state as at the valuation date	Market value in existing state as at the valuation date	The total market value in existing state as at the valuation date
		RMB	RMB	RMB	RMB
		Group I:	**Group II:**	**Group III:**	
1.	Southern frozen food storage base and premises for frozen food space leasing located at No. 21 Huangbao East Road Yuhua District Changsha City Hunan Province The PRC	364,800,000	926,400,000	—	1,291,200,000
2.	Northern frozen food storage base located at Jinyun Village Dingziwan Subdistrict Wangcheng District Changsha City Hunan Province The PRC	13,400,000	172,300,000	26,000,000	211,700,000
	Total:	**378,200,000**	**1,098,700,000**	**26,000,000**	**1,502,900,000**

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date
				RMB
1.	Southern frozen food storage base and premises for frozen food space leasing located at No. 21 Huangbao East Road, Yuhua District Changsha City Hunan Province The PRC	The property is located at No. 21 Huangbao East Road. It is about 30 minutes' driving distance to the Changsha South Station. The locality is a well-developed industrial area with mature and sophisticated infrastructural facilities. The property has been developed in 5 phases, which comprises frozen food storage, frozen food space leasing, office, dormitory, car parking spaces and ancillary buildings with a total gross floor area of approximately 349,465.01 sq.m. The property was held for investment and held for self-occupation by the Group as at the valuation date. The classification, usage and gross floor area details of the property are set out in note 5. The land use rights of the property have been granted for the terms expiring between 9 January 2057 to 21 December 2071 for industrial.	As at the valuation date, portions of the property were rented to several tenants, portions of the property were vacant and the remaining portion was held for self-occupation by the Group.	1,291,200,000 *(see note 7)*

Notes:

1. Pursuant to 20 Real Estate Title Certificates—Xiang (2020) Chang Sha Shi Bu Dong Chan Quan No. 0022812, Xiang (2020) Chang Sha Shi Bu Dong Chan Quan No. 0022849, Xiang (2020) Chang Sha Shi Bu Dong Chan Quan No. 0029202, Xiang (2020) Chang Sha Shi Bu Dong Chan Quan No. 0022839, Xiang (2022) Chang Sha Shi Bu Dong Chan Quan No. 0405651, Xiang (2023) Chang Sha Shi Bu Dong Chan Quan No. 0232963, Xiang (2023) Chang Sha Shi Bu Dong Chan Quan No. 0232962, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213168, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213171, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213169, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213170, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213174, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213172, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0213173, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0209197, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0209070, Xiang (2024) Chang Sha Shi Bu Dong Chan Quan No. 0252511, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0212161, Xiang (2025) Chang Sha Shi Bu Dong Chan Quan No. 0212162 and Xiang (2024) Chang Sha Shi Bu Dong Chan Quan No. 0252512, portions of the property with a total gross floor area of approximately 320,018.80 sq.m (excluding portions of the car parking space with a total gross floor area of approximately 29,446.21 sq.m.) are owned by Hongxing Coldchain (Hunan) Co., Ltd. (紅星冷鏈(湖南)股份有限公司, "Hongxing Cold Chain") and the land use rights of the property with a total site area of approximately 234,556.96 sq.m. have been granted to Hongxing Cold Chain for the terms expiring between 9 January 2057 to 21 December 2071 for industrial use.

2. Pursuant to 2 Construction Work Planning Permits—Jian Zi Di Nos. 430111202310010 and 430111202310011 in favour of Hongxing Cold Chain, Phase 5 of the property with a total gross floor area of approximately 100,170.28 sq.m. have been approved for construction.

3. Pursuant to 2 Construction Work Commencement Permits—Nos. 430111202303140201 and 430111202301110101 in favour of Hongxing Cold Chain, permissions by the relevant local authority were given to commence the construction of Phase 5 of the property with a total gross floor area of approximately 100,170.28 sq.m.

4. Pursuant to 2 Construction Work Completion and Inspection Certificates in favour of Hongxing Cold Chain, the construction of Phase 5 of the property has been completed and passed the inspection acceptance.

5. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of Car Parking Space
Group I—held for investment by the Group	Frozen food space leasing	36,281.87	N/A
	Office	12,063.13	N/A
	Dormitory	20,188.82	
	Sub-Total	**68,533.82**	**N/A**
Group II—held for self-occupied by the Group	Frozen food storage	234,815.36	N/A
	Office	7,969.06	N/A
	Ancillary	1,347.33	N/A
	Car Parking Space	36,799.44	899
	Sub-Total	**280,931.19**	**899**
	Total	**349,465.01**	**899**

6. Pursuant to several tenancy agreements, portions of the space leasing units, office units and dormitory units of the property with a total gross floor area of approximately 49,829.91 sq.m. were leased to several tenants with the expiry date on 31 December 2025, and the monthly rent receivable as at the valuation date was mainly between RMB8 to RMB217 per sq.m., exclusive of management fees, water and electricity charges.

7. In our valuation, we have attributed no commercial value to portions of the car parking spaces with gross floor area 29,446.21 sq.m. (733 car parking spaces) of the property due to the lack of building ownership certificates. For reference purpose, we are of the opinion that the market value of these car parking spaces as at the valuation date was RMB21,000,000, assuming that they could be freely disposed of in the market without paying additional land use rights grant premium, if demanded.

8. Our valuation has been made on the following basis and analysis:

   a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also have identified and analyzed various relevant lease evidences in the locality which have similar characteristics as the subject property such as use, size, layout and accessibility of the property. The monthly unit rent of these comparables ranges from RMB57 to RMB67 per sq.m. per month for frozen food storage units, RMB147 to RMB152 per sq.m. per month for the first floor of space leasing units, RMB24 to RMB25 per sq.m. per month for office units, RMB9 to RMB12 per sq.m. per month for dormitory units, RMB220 to RMB260 per space for car parking spaces; and

   b. Based on our market research in the surrounding area of the property, the stabilized market yield ranged from 7.0% to 8.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 7.5% in the valuation.

9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisor, which contains, inter alia, the following:

   a. Portions of the property with a total gross floor area of approximately 156,705.92 sq.m. were subject to mortgages; and

   b. Hongxing Cold Chain is legally and validly in possession of the land use rights and building ownership rights of portions of the property mention in note 1, and has the rights to legally occupy, use, transfer, mortgage or otherwise dispose of the property excluding the mortgaged portion. For the mortgaged portion of the property, Hongxing Cold Chain has the rights to legally occupy and use, but the transfer, remortgage or other disposal are restricted according to law or in accordance with the contract.

10. A summary of major certificates/approvals is shown as follows:

Real Estate Title Certificate	Portion

11. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date
	(RMB)
Group I—Property interests held for investment by the Group	364,800,000
Group II—Property interests held for self-occupation by the Group	926,400,000
Total:	**1,291,200,000**

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date
				RMB
2.	Northern frozen food storage base located at Jinyun Village Dingziwan Subdistrict Wangcheng District Changsha City Hunan Province The PRC	The property is located at the intersection between Jinyun Road and Tengfei Road. It is about 15 minutes' driving distance to the Changsha North Station. The locality is a well-developed industrial area with mature and sophisticated infrastructural facilities. The property comprises a parcel of land with a site area of approximately 84,143.68 sq.m., which is being developed into an industrial development. Portions of the property were completed between 2016 to 2018 with a total gross floor area of approximately 54,903.95 sq.m. Construction works on the remaining portion of the property (the "bare land") with a site area of approximately 40,046.43 sq.m. had not been commenced as at the valuation date The classification, usage and gross floor area details of the completed portion of the property are set out in note 2. The land use rights of the property have been granted for a term expiring on 30 September 2062 for industrial use.	As at the valuation date, portions of the property were rented to several tenants, portions of the property were vacant and the remaining portion was held for self-occupation by the Group.	211,700,000

Notes:

1. Pursuant to 3 Real Estate Title Certificates—Xiang (2024) Wang Cheng Qu Bu Dong Chan Quan No. 0018820, Xiang (2024) Wang Cheng Qu Bu Dong Chan Quan No. 0019684 and Xiang (2024) Wang Cheng Qu Bu Dong Chan Quan No. 0019685, the completed portions of the property with a total gross floor area of approximately 54,903.95 sq.m are owned by Hunan Hongxing Beisheng Frozen Food Co., Ltd. (湖南紅星北盛冷凍食品有限公司, "Hongxing Beisheng") and the land use rights of the property with a site area of approximately 84,143.68 sq.m. have been granted to Hongxing Beisheng for a term expiring on 30 September 2062 for industrial use.

2. According to the information provided by the Group, the gross floor area of the completed portion of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	Nos. of Car Parking Space
Group I—held for investment by the Group	Industrial	6,196.67	N/A
	Dormitory	8,672.94	N/A
	Sub-Total	**14,869.61**	**N/A**
Group II—held for self-occupied by the Group	Frozen food storage	40,034.34	N/A
	Sub-Total	**40,034.34**	**N/A**
	Total	**54,903.95**	**N/A**

3. Pursuant to several tenancy agreements, portions of the industrial units and dormitory units of the property with a total gross floor area of approximately 14,226.42 sq.m. were leased to a tenant with the expiry date on 31 December 2025, and the monthly rents receivable as at the valuation date was mainly between RMB3 to RMB11 per sq.m., exclusive of management fees, water and electricity charges.

4. Our valuation has been made on the following basis and analysis:

   a. In undertaking the completed portion of the property, we have considered the actual rents in the existing tenancy agreements and also have identified and analyzed various relevant lease evidences in the locality which have similar characteristics as the subject property such as use, size, layout and accessibility of the property. The monthly unit rent of these comparables ranges from RMB64 to RMB78 per sq.m. per month for frozen food storage units, RMB10 to RMB11 per sq.m. per month for industrial units and RMB4 to RMB5 per sq.m. per month for dormitory units;

      Based on our market research in the surrounding area of the property, the stabilized market yield ranged from 7.0% to 8.0% for the completed portion property as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 7.5% in the valuation;

   b. In undertaking bare land valuation of the property, we have identified and analyzed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The land price of these comparable land sites ranges from RMB630 to RMB690 per sq.m. for industrial use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed site unit rate for the property. Regarding to time adjustment, the market condition between the transaction date and valuation date is considered.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisor, which contains, inter alia, the following:

   Hongxing Beisheng is legally and validly in possession of the land use rights and building ownership rights of the property and has the rights to legally occupy, use, transfer, mortgage or otherwise dispose of the property.

6. A summary of major certificates/approvals is shown as follows:

Real Estate Title Certificate	Yes

7. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	**Market value in existing state as at the valuation date**
	(RMB)
Group I—Property interests held for investment by the Group	13,400,000
Group II—Property interests held for self-occupied by the Group	172,300,000
Group III—Property interests held for further development by the Group	26,000,000
Total:	**211,700,000**

The primary aim of this Appendix is to offer potential investors a summary of the Articles of Association, and as such, it might not contain all the information pertinent to potential investors.

SHARES AND REGISTERED CAPITAL

Variation of Rights of Existing Shares or Classes of Shares

The Articles of Association do not contain provisions related to the variation of rights of existing shares or classes of shares.

Calls on Shares and Forfeiture of Shares

The Articles of Association do not include any provisions concerning calls on shares or the forfeiture of shares.

Power of the Company to Purchase Its Own Shares

The Company shall not repurchase its own shares except in specific situations which includes:

(1) reducing the registered capital of the Company;

(2) merging with another company that holds shares in the Company;

(3) using shares for employee stock ownership plan or share incentives;

(4) shareholders who object to resolutions of the shareholders' meeting on merger or division of the Company requesting the Company to buy back their shares;

(5) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(6) where it is necessary for the Company to preserve its value and shareholders' interest;

(7) other circumstances as permitted by the laws, administrative regulations, and the regulatory rules of the place where the shares of the Company are listed.

The Company may repurchase its shares through public centralized trading or other methods recognized by laws, administrative regulations, the China Securities Regulatory Commission and the stock exchange where the Company's shares are listed. The repurchase of its shares by the Company under the circumstances set out in items (3), (5) and (6) above shall be conducted through public centralized trading.

Where the Company repurchases its shares under the circumstances set out in items (1) and (2) above, a resolution shall be passed at the shareholders' meeting of the Company. Share repurchases under circumstances mentioned in items (3), (5) and (6) must be conducted through public centralized trading.

In instances where the Company engages in the domestic unlisted share repurchases following the conditions specified in item (1), the repurchased shares must be eliminated within 10 days of the repurchase. For the domestic unlisted share repurchases conducted under the conditions outlined in items (2) and (4), such shares are required to be either transferred or canceled within a span of 6 months. In cases where the Company repurchases the domestic unlisted share based on the circumstances detailed in items (3), (5) and (6), the aggregate number of shares in the Company's possession should not surpass 10% of the total issued shares, and these shares must be either transferred or canceled within a period of 3 years.

Power of Any Subsidiary of Our Company to Own Shares in Its Parent

The Articles of Association do not include provisions regarding the ability of a subsidiary of our Company to hold shares in its parent company.

Capital Increase and Capital Reduction

The Company may, in line with its business and development requirements and compliance with the laws, regulations and securities regulatory rules of the stock exchange where its shares are listed, may increase its capital through the following methods, contingent upon separate resolutions from the shareholders' meeting:

(1) public offering of shares after being approved by, registered with or filed with relevant regulatory authorities;

(2) non-public issuance of shares;

(3) distribution of bonus shares to existing shareholders;

(4) conversion of capital reserve into share capital;

(5) other means as is stipulated by laws, administrative regulations, or as approved by relevant regulatory authorities such as the securities regulatory authority of the State Council and the regulatory authority of the place where the Company's shares are listed.

The Company may reduce its registered capital. In the event of a registered capital reduction, the Company is required to compile a balance sheet and an inventory of assets.

The Company shall reduce its registered capital under the prescribed procedures outlined in the PRC Company Law and other relevant regulations as well as the Articles of Association.

Transfer of Shares

Shares issued by the Company before the public offering of shares are subject to a restriction on transfer for one year from the date the Company's shares are listed and traded.

Directors and senior management of the Company are required to disclose their shareholdings and any changes to the Company. They are restricted from transferring more than 25% of their total shares in the Company each year during their terms of office as determined at the time of taking office. Additionally, they are not allowed to transfer their Company shares within one year from the date of the Company's shares being listed and traded. Following their departure from the Company, these individuals are further restricted from transferring their Company shares for a period of six months.

If there are additional restrictions on transfer of overseas listed shares imposed by the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed, such regulations shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other distributions in proportion to the number of shares held;

(2) to request to convene, summon, preside over, attend or appoint a proxy to attend shareholders' meetings in accordance with the laws, and to exercise the corresponding rights to speak and vote;

(3) to supervise Company's operations, provide suggestions and make inquiries;

(4) to transfer, give or pledge their shares in compliance with laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;

(5) Obtain relevant information in accordance with the Articles of Association;

(6) to review and copy the Articles of Association, the bond stub of the Company, the register of members, minutes of shareholders' meeting, resolutions of the Board meetings and financial and accounting reports;

(7) in case of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company proportionate to the number of shares held;

(8) to request the Company to buy back the shares of shareholders objecting to resolutions of the shareholders' meeting concerning merger or division of the Company;

(9) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(1) to abide by laws, administrative regulations, and the Articles of Association;

(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(3) refrain from divestment except under the circumstances stipulated by laws and regulations;

(4) not to abuse shareholders' rights to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to the detriment of the Company's creditors;

(5) other obligations as mandated by laws, administrative regulations, departmental rules, regulatory documents and listing rules of the stock exchange of the place where the Company's shares are listed and the Articles of Association.

Shareholders who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be held accountable for compensation in accordance with the law. Furthermore, shareholders who abuse the independent legal person status of the Company and the limited liability of shareholders to evade debts, thereby seriously harming the interests of the Company's creditors, shall bear joint and several liabilities for the debts of the Company.

Inspection of register of members

The Company will establish a register of shareholders based on certificates provided by the securities registration institution. This register serves as conclusive evidence of shareholders' ownership in the Company. Shareholders have rights and obligations corresponding to the types of shares they hold, and those with the same type of shares enjoy identical rights and assume similar obligations.

The Company may be allowed to suspend the registration of shareholders, subject to conditions equivalent to those outlined in section 632 of the Companies Ordinance.

When the Company calls a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other activities requiring confirmation of shareholder identity, the Board or the convener of the shareholders' meeting will determine the record date. Shareholders appearing on the register of shareholders after the close of trading on the record date are considered entitled to relevant interests.

Proxies

All shareholders listed on the record date, or their designated proxies, have the right to attend the shareholders' meeting. They are entitled to speak and exercise voting right in adherence to relevant laws, regulations, stock exchange listing rules of the Company's listing location, and the Articles of Association. However, a shareholder may choose to waive their voting right on specific matters, such as when holding a significant interest in a particular transaction or arrangement under consideration.

Individual shareholders attending the meeting in person must present their identity cards or other valid proof of identity and their stock account card. Proxies for individual shareholders should provide their valid identity cards along with the shareholder's power of attorney.

In the case of a legal person shareholder, representation at the meeting is through its legal representative or a proxy appointed by the legal representative. If the legal representative attends, they should present their identity card and valid proof of their status (save for a Recognized Clearing House or its nominee). If a proxy attends, they must provide their identity card, and a written power of attorney or an authorization form issued by the legal representative of the legal person shareholder.

Proxy forms should include a statement indicating that, in the absence of instructions from the shareholder, the proxy may vote as deemed appropriate.

If the voting proxy is signed by an authorized person, the power of attorney or other authorization documents must be notarized (save for a Recognized Clearing House or its nominee). These notarized documents, along with the voting proxy form, shall be kept at the Company's domicile or another specified location mentioned in the meeting notice.

Shareholder's Meeting

Quorum for meetings and separate class meetings

The Articles of Association do not contain any provisions regarding the quorum for shareholders' meeting or separate class meetings.

Notice of meetings and business to be conducted thereat

The Company shall convene an extraordinary meeting within 2 months if any of the following situations arise:

(1) the number of directors is below the quorum specified in the PRC Company Law or less than two-thirds of the number stated in the Articles of Association;

(2) unrecovered losses of the Company reach one-third of the total share capital;

(3) shareholders, individually or jointly holding 10% or more of the Company's voting shares, formally request it in writing;

(4) the Board deems it necessary;

(5) suggested by the Audit Committee;

(6) other circumstances o by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders' meeting shall be summoned by the Board in accordance with the laws, except as otherwise provided by laws and regulations or the Articles of Association.

The independent non-executive Directors are entitled to propose the convening of an extraordinary meeting to the Board. The Board shall give a written reply on whether or not to convene the extraordinary meeting within 10 days after receiving the proposal from the independent non-executive Directors, as in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. If the Board approves, a notice is issued within 5 days after passing the resolution where the Hong Kong Listing Rules provide otherwise or the Hong Kong Stock Exchange otherwise requires, such provisions shall prevail. In case of disagreement, the Board shall provide reasons and makes an announcement.

The Audit Committee is entitled to propose in writing to the Board for an extraordinary meeting. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary meeting or not within 10 days after receipt of the proposal. If the Board agrees to convene the extraordinary meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board is passed where the Hong Kong Listing Rules provide otherwise or the Hong Kong Stock Exchange otherwise requires, such provisions shall prevail. Any change to the original proposal in the notice is subject to the consent of the Audit Committee. In instances where the Board rejects the proposal or fails to respond within the specified 10-day timeframe, such inaction is construed as a failure to fulfill its duty. Consequently, the Audit Committee is empowered to autonomously convene and preside over the meeting.

Shareholders individually or jointly holding 10% or more of the Company's voting shares are entitled to request in writing to the Board of Directors for an extraordinary meeting and add proposals to the meeting agenda. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, give a written reply on whether to convene the extraordinary meeting or not within 10 days after receipt of the written proposal. Should the Board approve the meeting, a notice is to be issued within 5 days after the Board's resolution where the Hong Kong Listing Rules provide otherwise or the Hong Kong Stock Exchange otherwise requires, such provisions shall prevail. Any change to the original proposal made in the notice shall be subject to the consent of the relevant shareholders. In case the Board declines to convene the meeting or fails to respond within the stipulated 10-day period, the shareholders individually or jointly holding 10% or more of the Company's shares are entitled to submit a written proposal to the Audit Committee, urging the convening of an extraordinary meeting with additional proposals for the meeting agenda. If the Audit Committee agrees to convene the extraordinary meeting, it shall issue a notice of shareholders' meeting within 5 days of receiving the request where the Hong Kong Listing Rules provide otherwise or the Hong Kong Stock Exchange otherwise requires, such provisions shall prevail. Any alternation to the original proposal in the notice shall be approved by the relevant shareholders.

If the Audit Committee neglects to issue the notice within the prescribed period, it is deemed an indication of its unwillingness to convene and preside over the shareholders' meeting. Consequently, shareholders holding 10% or more of the Company's shares for a consecutive period exceeding 90 days are entitled to independently summon and preside over the meeting.

When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or jointly holding 1% or more of the Company's shares are entitled to submit proposals to the Company.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals in writing to the convener 10 days before a shareholders' meeting is convened. The convener must issue a supplementary notice for the shareholders' meeting within 2 days of receiving the proposal, incorporating the contents of the special proposal.

Apart from the above situation, the convener is prohibited from modifying the proposals outlined in the shareholders' meeting notice or introducing any new proposals after the notice has been issued.

The convener is required to inform shareholders through an announcement at least 21 days before the annual meeting (excluding the day of the meeting) and at least 15 days before an extraordinary meeting (excluding the day of the meeting).

Requirements for annual meetings

Shareholders' meeting are divided into annual meetings and temporary meetings. An annual meeting must be organized once in each fiscal year within six months following the conclusion of the preceding fiscal year.

Special resolutions-majorities required

Resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution requires approval by votes representing more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution requires approval by votes representing at least two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

(1) approval of work reports of the Board;

(2) endorsement of profit distribution plans and loss recovery plans formulated by the Board;

(3) appointment and removal of members of the Board who are not employee representatives. This includes the removal of any directors before the expiry of their term, with the provision that such removal shall not prejudice the claim of such director for damages under any contract. Additionally, decisions on their remuneration and method of payment;

(4) ratification of the annual reports of the Company;

(5) decision on the engagement and dismissal of an accounting firm providing regular audit services to the Company, including the determination of its remuneration;

(6) consideration and approval of matters other than those explicitly required by laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association to be adopted by special resolution.

The following matters shall be approved by special resolutions at a shareholders' meeting:

(1) approval for increase or reduction of the registered capital of the Company;

(2) decisions related to the division, split, merger, dissolution and liquidation of the Company;

(3) approval for any amendments or modification to the Articles of Association;

(4) purchase or disposal of material assets or provision of guarantees to others by the Company within 1 year with an amount exceeding 30% of the latest audited total assets of the Company;

(5) a share incentive scheme;

(6) other matters stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the Company's shares are listed or the Articles of Association. Additionally, any matters perceived by the shareholders' meeting, through an ordinary resolution, to have a material impact on the Company and requiring approval by a special resolution.

Voting rights (generally and on a poll)

Shareholders, including proxies, shall exercise their voting rights based on the number of voting shares they represent, with each share entitling the holder to one vote.

Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposal being voted on: affirmative, negative or abstention. Incomplete, incorrect or unintelligible ballots, or those with no vote recorded, will be considered a waiver of voting rights, and the voting result for such shares will be categorized as "abstention."

If the regulatory rules of the stock exchange where the Company's shares are listed mandate a shareholder to waive their voting right on a specific matter or restrict a shareholder from voting for or against any matter, votes cast by such shareholders or their proxies will not be counted if such regulations or restrictions are violated.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Independent non-executive director

The Board of Directors is required to comprise more than 1/3 of independent Directors, and the total number of independent Directors should not be less than three.

Compensation or payments for loss of office

A Director may be removed by the shareholders' meeting before completing his/her term of office, but such removal shall not prejudice his/her claim for damages under any contract.

Loans to directors

There are no provisions in the Articles of Association relating to loans to directors.

Giving of financial assistance to purchase the shares of the company or shares of any subsidiary

The Company or its subsidiaries (including its subsidiaries) shall not provide any grants, loans, guarantees and other financial assistance for others to acquire shares/shareholdings in the Company or its parent company, except in the case of the Company's implementation of the employee shareholding scheme.

Disclosure of interest in contracts with the Company or any subsidiaries

Directors shall not conclude any contract or engage in any transaction with the Company that violate the Articles of Association or lack approval from the shareholders' meeting.

Remuneration

The appointment and removal of the members of the Board of Directors, as well as their remuneration and payment methods, shall be adopted by the shareholders' meeting by ordinary resolution.

Retirement, appointment, removal

The Company shall have a board of directors which shall be accountable to the shareholders' meeting. The Board shall consist of 9-11 directors and shall have one chairman, one vice chairman, including at least three independent non-executive directors being no less than one-third of the directors of the Company. At least one of the independent non-executive directors must have appropriate professional qualifications or possess appropriate accounting or related financial management expertise. The Company shall has at least one independent non-executive Director who is ordinarily resident in Hong Kong.

Directors are required to be elected or replaced through the shareholders' meeting, and they may be removed by the shareholders' meeting before the completion of their terms of office. The term of office of the directors shall be 3 years, and the directors are eligible for re-election and reappointment.

The term of office of the Directors shall commence from the date of their appointment until the expiry of the term of the current session of the Board. If a director's term expires without a responsive re-election, the said director shall continue fulfilling the duties as director according to laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association until a new director is elected.

The directors of the Company are natural persons, and none of the following persons shall serve as our Director:

(1) a person lacking civil capacity or with limited civil capacity;

(2) a person who has been sentenced to a term of imprisonment for any of the following crimes: embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, or being announced on probation, where not more than 2 years have elapsed since the date of completion of the probation period;

(3) a person who has served as a director, the factory manager or the general manager of an insolvent and liquidated company, being personally liable for the bankruptcy, within the past three years since the date when the bankruptcy and liquidation of the company or enterprise are completed;

(4) a person who has served as the legal representative of a company or enterprise whose business license was revoked or ordered to close down due to any violation of law, being personally liable for the revocation, within the past three years since the date when the revocation or order occurs;

(5) a person being listed as a defaulter subject to enforcement by the People's Court for being liable for relatively large amount of personal debt which has become overdue;

(6) a person banned from entering the securities market by the China Securities Regulatory Commission, with the ban still in effect;

(7) individuals disqualified based on other criteria specified by laws, administrative regulations, departmental rules, regulatory documents, supervisory rules of the stock exchange where the shares are listed, or relevant supervisory authorities.

The election or appointment of a director violating these provisions shall be void. If a director encounters any of the above circumstances during his/her term of office, he/she shall be dismissed by the Company.

Duties of Directors

Directors shall abide by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, and shall owe the following fiduciary duties to the Company:

(1) Directors must refrain from abusing their authority by accepting bribes or other illegal income, or to misappropriate the Company's property;

(2) Directors are prohibited from misappropriating the Company's funds;

(3) Directors shall not deposit Company's assets into accounts held in their own names or in the name of any other individual;

(4) Directors are not allowed, in violation of the Articles of Association, to enter into contracts or conduct transactions with the Company;

(5) Directors should not exploit their positions to pursue business opportunities belonging to the Company for personal gain or on behalf of others except for prescribed situations;

(6) Directors should not carry on a business of the same kind as that of the Company for himself or for others, without reporting to the board of directors or shareholders' meeting and without being approved by the board of directors or shareholders' meeting through resolution in accordance with the provisions of the Articles of Association;

(7) Directors must not accept commissions from others for transactions conducted with the Company as personal gain;

(8) Directors are prohibited from disclosing confidential Company information without proper authorization;

(9) Directors shall not misuse their connected relationships to the detriment of the Company's interests;

(10) Directors are obligated to fulfill additional fiduciary obligations as stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by a director in violation of the above provisions shall be deemed the property of the Company. In cases where such actions result in losses to the Company, the director shall be held liable for compensation.

Directors shall comply with laws, administrative regulations and the Articles of Association, and assume the following diligent obligations to the Company:

(1) directors shall prudently, earnestly and diligently exercise the powers granted by the Company. This ensures that the Company conducts its commercial activities in accordance with state laws, administrative regulations and economic policies, while adhering to the specified business activities outlined in the Company's business license;

(2) directors are obligated to treat all shareholders fairly;

(3) directors are required to maintain timely awareness of the operation and management of the Company;

(4) directors are to sign written statements confirming the regular reports of the Company. They must ensure that information disclosed by the Company is true, accurate and complete;

(5) directors must provide accurate information and materials to the Audit Committee. They should not impede the Audit Committee or individual Audit Committee member from performing their duties;

(6) directors must fulfill other diligence obligations stipulated in laws, administrative regulations, departmental rules, the Articles of Association and regulatory rules in the location where the Company's shares are listed.

The fiduciary duties owed by a director to the Company and shareholders persist even after the termination of their term of office. This obligation remains effective for three years after the effectiveness of resignation or expiration of the term of office. After resigning or when the term of officer expires, a director must maintain confidentiality regarding the Company's trade secrets and refrain from engaging in any business similar to that of the Company using its key technology. The continuation period for other obligations is determined fairly, considering the time elapsed between the relevant event and the departure, as well as the circumstances and conditions under which the director's relationship with the Company is terminated.

Any director who violates laws, administrative regulations, departmental rules, regulatory rules for securities where the Company's shares are listed, or the Articles of Association, causing losses to the Company in the performance of their duties, shall be held liable for compensation.

Board of Directors

The Board shall exercise the following powers:

(1) to convene shareholders' meeting and report to the shareholders' meeting;

(2) to execute the resolutions of the shareholders' meeting;

(3) to decide on the business plans and investment plans of the Company;

(4) to devise plans for profit distribution and strategies for recovering losses for the Company;

(5) to formulate proposals for the increase or reduction registered capital, issuance of bonds or other securities, and listing plans of the Company;

(6) to formulate plans for material acquisitions, purchase of Company shares, merger, division, dissolution and changes in the corporate form;

(7) to decide on the Company's external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions, external loans and other matters within the scope authorized by the shareholders' meeting;

(8) to decide on transactions between the Company and third parties that should be reviewed and approved by the board of directors or require public disclosure in accordance with the Hong Kong Listing Rules;

(9) to determine the establishment of the Company's internal management bodies;

(10) to appoint or remove the Company's general manager and secretary of Board of Directors, and any matters in relation to their compensations to appoint or remove the Company's deputy general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(11) to formulate the basic management system of the Company;

(12) to formulate proposals for any amendment to the Articles of Association;

(13) to manage the information disclosure of the Company;

(14) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that audits the Company;

(15) to listen to the work report of the general manager of the Company and inspect his/her work of the general manager;

(16) to examine and approve transactions requiring decisions of the Board (including, without limitation, transactions subject to disclosure and connected transactions) in accordance with the regulatory rules of the place where the Company's shares are listed;

(17) other functions and powers conferred by laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed, or the Articles of Association.

To make resolutions on the aforementioned matters, except for items (5), (6) and (12), and matters required by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, and these Articles of Association to be subject to the approval of two-thirds of the directors, other matters may be resolved by more than half of the directors.

Issues exceeding the authority granted by the shareholders' meeting must be presented to the shareholders' meeting for consideration.

The Board of Directors shall formulate plans for material acquisitions, and shall decide on the Company's external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions, external loans and other matters within the scope authorized by the shareholders' meeting.

GENERAL MANAGER

The Company shall have one general manager who shall be appointed or dismissed by the Board of Directors. The general manager is accountable to the Board and is vested with the following powers:

(1) responsible for the production, operation and management of the Company. Organizes the implementation of Board resolutions and reports to the Board;

(2) organizes the implementation of the Company's annual business plan and investment plan;

(3) drafts plans for the establishment of the Company's internal management bodies;

(4) drafts the basic management system of the Company;

(5) formulates the specific rules and regulations of the Company;

(6) proposes to the Board the appointment or dismissal of deputy general managers, chief financial officer and other senior management of the Company;

(7) appoints or dismisses management personnel, excluding those requiring Board approval;

(8) exercises other powers conferred by the Articles of Association or the Board.

The general manager is required to attend board meetings.

ACCOUNTS AND AUDIT

Financial and Accounting Policies

The Company shall establish its financial and accounting system in compliance with laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed, and the requirements of the relevant state authorities. Financial reports will be prepared at the end of each fiscal year and undergo auditing and verification as per legal requirements.

The Company shall disclose two performance announcements per fiscal year, namely, the interim performance announcement within 60 days after the end of the first six months of each fiscal year, and the annual performance announcement within three months after the end of the fiscal year.

The Company is restricted to using only statutory accounting books, and its assets cannot be held in accounts under the name of any individual.

Appointment and Dismissal of Accountants

The Company employs an independent accounting firm that complies with relevant national regulations and regulatory provisions of the place where shares of the Company are listed to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year and is renewable.

The decision to employ accounting firms for regular auditing services must be made by the shareholders' meeting, and the Board of Directors cannot appoint accounting firms before the shareholders' meeting's decision.

The Company commits to providing the employed accounting firm with complete and accurate accounting vouchers, books, financial and accounting reports, and other accounting materials, refraining from refusal, concealment or false statements.

Upon dismissal or non-renewal of the accounting firm, the Company will notify the firm 30 days in advance. During the shareholders' meeting's vote on dismissal, the accounting firm is allowed to express its opinions. If the accounting firm decides to resign, it must clarify to the shareholders' meeting whether any improper situations exist within the Company.

Dividends and Other Methods of Distribution

The Company's profit distribution shall not exceed the scope of its accumulated distributable profits, nor shall it impair the Company's continuous operation capability. Details on the profit distribution policies are as follows:

(1) Distribution principle: the Company adheres to a positive profit distribution policy, prioritizing equitable returns for shareholders, emphasizing sustainable Company development, and upholding the consistency and stability of the profit distribution policy.

(2) Distribution method: the Company may distribute profits in the form of cash, stock or a combination of both. In cases where conditions for cash dividend distribution are met, priority is given to cash dividends over stock dividends.

(3) Dividend distribution period: the Company aims to conduct profit distribution at least once annually. The Board of Directors may propose interim and special profit distributions based on the Company's profits and capital needs and submit the same to the shareholders' meeting for approval.

(4) Conditions to distribution of cash dividends: the Company is eligible to distribute dividends in cash if it has recorded profits in the preceding fiscal year, possesses positive accumulated distributable profits, and meets the capital requirements for normal production and operations.

(5) If stock dividends are employed for profit distribution, the Board of Directors is responsible for specifying the rational factors governing the distribution of stock dividends.

PROCEDURES ON LIQUIDATION

The Company shall be dissolved under the following circumstances:

(1) the term specified in the Articles of Association expires, or events of dissolution outlined in the Articles of Association occur;

(2) the shareholders' meeting passes a resolution to dissolve the Company;

(3) dissolution is necessitated by the merger or division of the Company;

(4) the Company's business license is revoked, or it is mandated to close down in accordance with the law;

(5) in cases where the Company is in severe operational and managerial difficulties, and its continued existence would lead to significant losses for shareholders, and such challenges cannot be resolved through alternative means, shareholders holding 10% or more of the voting rights may request the people's court to dissolve the Company.

For reasons (1), (2), (4), and (5) above, a liquidation committee shall be formed, and the liquidation process shall commence within 15 days after the cause of dissolution arises. The directors shall be the liquidation obligors of the Company to carry out the liquidation. Failure to establish a liquidation committee within the stipulated timeframe may prompt creditors to petition the people's court to appoint relevant personnel for the formation of a liquidation committee to carry out the liquidation process.

The liquidation committee is obligated to notify creditors within 10 days of its establishment, publish an announcement in designated newspapers and periodicals or on the National Enterprise Credit Information Publicity System, and comply with the requirements of the stock exchange where the Company's shares are listed within 60 days.

Where the liquidation group discovers upon clearance of company assets and preparation of the balance sheet and inventory of assets that the company assets are insufficient to settle the debts, an application shall be made to a people's court to declare the insolvency in accordance with the law.

Upon completion of the liquidation, the liquidation group shall prepare and submit a liquidation report to the shareholders' meeting or a people's court for confirmation, submit a copy of the liquidation report to the company registration authorities to apply for de-registration and make a public announcement of the termination of the company.

ALTERATIONS TO CONSTITUTIONAL DOCUMENTS

The Company shall amend the Articles of Association under any of the following circumstances:

(1) in the event of amendments to the PRC Company Law or relevant laws, administrative regulations and securities regulatory rules of the stock exchange where the Company's shares are listed, leading to conflicts with the existing provisions of the Articles of Association;

(2) if there is a change in the Company's situation that is inconsistent with the matters recorded in the Articles of Association;

(3) when the shareholders' meeting decides to make amendments to the Articles of Association.

Any amendments approved by the shareholders' meeting, requiring approval from competent authorities, will be submitted accordingly. If there are changes in the registered particulars of the Company, the necessary application for registration of these changes will be made in accordance with the applicable laws.

ANY OTHER PROVISIONS MATERIAL TO THE COMPANY OR THE SHAREHOLDERS THEREOF

General Provisions

All the assets of the Company are divided into shares of equal value. Shareholders bear responsibility for the Company proportional to their subscribed shares, and the Company is liable for its debts using all its assets.

The Articles of Association, effective from their initiation, serve as the legally binding document governing the Company's organization, activities and the rights and obligations among the Company, shareholders, directors and senior officers. Shareholders have the right to initiate lawsuits against other shareholders, directors, general managers or any other senior officers based on the Articles of Association. Any shareholder may file a lawsuit against the Company, and the Company may file a lawsuit against any shareholder, director, general manager or any other senior officer.

Reserves

When distributing its current-year after-tax profits, the Company is obligated to allocate 10% of the profit to its statutory reserve fund. However, allocations to the statutory reserve fund can be waived once the cumulative amount reaches more than 50% of the Company's registered capital. In instances where the statutory reserve fund is insufficient to cover any losses incurred by the Company in the previous year, the current year's profit shall be utilized to offset such losses before any allocation is made to the statutory reserve fund.

Following the allocation to the statutory reserve fund from the after-tax profit, and upon the adoption of a resolution by the shareholders' meeting, an allocation may be directed to the discretionary reserve fund. Once the Company has covered its losses and made allocations to the reserve funds, any remaining profit shall be distributed to the shareholders based on their respective shareholdings except that the laws, the regulatory rules of the place where the company's securities are listed, the Hong Kong Listing Rules or the Articles of Association do not provide for the distribution in proportion to shareholdings.

Profits shall not be distributed to shares held by the Company itself.

The Company reserve funds are earmarked for purposes such as covering the Company's losses, expanding production and operations or converting them to increase the Company's capital. The discretionary common reserve and statutory common reserve should be used first to make up the Company's losses; if it cannot be covered, the capital common reserve shall be used in accordance with the provisions.

After converting statutory reserve funds into capital, the remaining balance of the statutory reserve funds must be maintained at no less than 25% of the Company's registered capital prior to the conversion.

Rights of the Minorities in Relation to Fraud or Oppression Thereof

If Directors or senior management personnel violate the provisions of laws, administrative regulations or the articles of the Articles of Association in his/her performance of duties and powers, causing losses to our Company, shareholders holding individually or jointly more than 1% of the Company's shares continuously for over 180 days have the right to request the Audit Committee, in writing, to file a lawsuit with the people's court. If the Audit Committee itself violates laws, administrative regulations or the Articles of Association, causing losses to the Company, the aforesaid shareholders may, in writing, request the Board of Directors to initiate legal action.

If the Audit Committee or the Board of Directors declines to file a lawsuit following a written request, or fails to do so within 30 days from the date of receiving the request, or if the situation is urgent and a delay in filing a lawsuit would result in irreparable damage to the Company's interests, the mentioned shareholders have the right to independently file a lawsuit with the people's court for the benefit of the Company.

If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, shareholders who individually or jointly hold more than 1% of our Company's shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the above provisions.

If any director, supervisor or senior management member of a wholly-owned subsidiary of the Company performs his/her duties in violation of the provisions of laws, administrative regulations or these Articles of Association and hereby causes losses to the Company, or if others infringe upon the lawful rights and interests of a wholly-owned subsidiary of the Company and cause losses, he shareholders who have held, individually or in aggregate, more than one percent of the shares of the Company for more than 180 consecutive days, may, request in writing that the supervisory board or the board of directors of the wholly-owned subsidiary bring a lawsuit to the People's Court, or in its own name to bring a lawsuit directly to the People's Court.

If Directors or senior management personnel violate laws, administrative regulations or the provisions of the Articles of Association and harm the interests of shareholders, shareholders may file a lawsuit with the people's court.

In cases where Company shareholders misuse their rights, leading to losses for the Company or other shareholders, they are subject to compensation liability in accordance with the law. If Company shareholders abuse the independent legal person status and limited liability, evade debts and significantly harm the interests of the Company's creditors, they are jointly and severally liable for the Company's debts.

The controlling shareholders and actual controllers of the Company are prohibited from utilizing their affiliated relationships to detrimentally affect the Company's interests. Violations leading to losses for the Company make them liable for compensation. These individuals have a fiduciary obligation to the Company and its general public shareholders. Controlling shareholders must responsibly exercise their investor rights within the bounds of the law. They are prohibited from using profit distribution, asset restructuring, external investment, fund occupation, loan guarantees, etc., to compromise the legitimate rights and interests of the Company and its general public shareholders. Their controlling position should not be exploited to harm the Company's interests or those of its general public shareholders. Violations to relevant laws, regulations or the provisions of the Articles of Association leading to losses for the Company and general public shareholders make them liable for compensation.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

The predecessor of our Company was incorporated under the laws of the PRC as a limited liability company on October 16, 2006 and named as Hunan Hongxing Frozen Food Co., Ltd. (湖南紅星冷凍食品有限公司). On December 9, 2019, we were converted from a limited liability company into a joint stock limited liability company in accordance with applicable PRC laws and regulations under the name of Hongxing Coldchain (Hunan) Co., Ltd. (紅星冷鏈(湖南)股份有限公司). Our registered address is at No. 21, Section 1, Huanbao East Road, Yuhua District, Changsha City, Hunan Province, the PRC. A summary of our Articles is set out in "Appendix IV—Summary of Articles of Association of the Company" to this prospectus. As at the date of this prospectus, our Company's head office is located at No. 21, Section 1 Huanbao East Road, Yuhua District, Changsha City, Hunan Province , the PRC.

Our Company has established a principal place of business in Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on July 18, 2025. Ms. CHONG Wan Kai, one of our joint company secretaries, has been appointed as our authorized representatives for the acceptance of service of process and notices in Hong Kong. Her address for acceptance of service of process is Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The Company has applied for the Conversion of Unlisted Shares into H Shares, which involves 1,303,464 Unlisted Shares. The filing of Conversion of Unlisted Shares into H shares with the CSRC has been completed on September 23, 2025.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the Articles of Association and the relevant aspects of laws and regulations of the PRC is set out in Appendix IV and "Regulatory Overview" section, respectively, to this prospectus.

2. Changes in Share Capital of Our Company

There had been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiary

A summary of the corporate information and the particulars of our principal subsidiaries are set out in Note 1 to the Accountant's Report as set out in Appendix I to this prospectus.

There had been no alteration in the share capital of any of our Company's subsidiaries within the two years preceding the date of this prospectus.

4. Resolutions of Our Shareholders in Relation to the Global Offering

At the extraordinary general meeting of the Shareholders held on March 28, 2025, the following resolutions, among other things, were duly passed:

(a) the issue by the Company of H shares with a nominal value of RMB1.0 each and such H Shares be listed on the Stock Exchange;

(b) the number of H Shares to be issued shall be up to 25% of the number of total issued Shares upon the completion of the Global Offering, assuming no exercise of the Over-allotment Option, and the grant of the Over-allotment Option in respect of no more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the filing with CSRC is completed, upon completion of the Global Offering, 1,303,464 Unlisted Shares will be converted into H Shares on a one-for-one basis;

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and the Listing; and

(e) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date; and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this prospectus and are or may be material:

(a) a cornerstone investment agreement dated December 29, 2025 entered into between our Company, FUHUIDA (HK) LIMITED (福慧達(香港)有限公司), CCB International Capital Limited and ABCI Capital Limited, pursuant to which, FUHUIDA (HK) LIMITED has agreed to subscribe for the Offer Shares at the Offer Price with an aggregate amount of RMB20.00 million (or approximately HK$22.06 million, calculated based on an exchange rate of RMB0.90675 to HK$1.00 as disclosed in this prospectus) (including the brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee that such investor will pay for the relevant Offer Shares to be subscribed for by it) in accordance with the terms and conditions therein; and

(b) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of Our Group

(a) Trademarks

(i) Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registration No.	Registration Owner	Class	Expiry Date
1	红冷	PRC	26032690	The Company	29	November 6, 2028
2	红冷	PRC	26032688	The Company	39	November 6, 2028
3	红冷	PRC	26032687	The Company	42	November 6, 2028
4	红冷	PRC	24621396	The Company	29	October 13, 2028
5	红冷	PRC	26032689	The Company	35	August 13, 2028
6	红冷	PRC	24621397	The Company	9	June 27, 2028
7	红冷	PRC	24621395	The Company	35	June 27, 2028

No.	Trademark	Place of Registration	Registration No.	Registration Owner	Class	Expiry Date
8	红冷	PRC	24621394	The Company	39	June 27, 2028
9	红冷	PRC	24621393	The Company	42	June 27, 2028
10	红冷	Hong Kong	306810606	The Company	39	February 16, 2035

(b) Patents

Registered patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date	Expiry Date
1	A refrigeration device for cooling a warehouse (一種庫房降溫的冷凍設備).	The Company	PRC	ZL202020476038.7	April 3, 2020	April 2, 2030
2	A frozen storage delivery vehicle (一種蓄冷配送車) . .	The Company	PRC	ZL202020476054.6	April 3, 2020	April 2, 2030
3	A warehouse air-cooled refrigeration device (一種庫房風冷式冷凍裝置).	The Company	PRC	ZL202020476558.8	April 3, 2020	April 2, 2030

(c) Copyrights

Registered copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
1	Inspection Field Intelligent Video Surveillance Management System V1.0 (查驗場智慧視訊監控管理系統V1.0).	The Company	PRC	2019SR1428550	December 25, 2019	October 19, 2019
2	Intelligent Inspection Comprehensive Business Management Platform V1.0 (智能查驗綜合業務管理平台V1.0)	The Company	PRC	2019SR1427638	December 25, 2019	September 20, 2019
3	Warehouse Information Management System Platform V1.0 (倉儲資訊管理系統平台V1.0).	The Company	PRC	2019SR1432338	December 26, 2019	July 18, 2019

No.	Name	Copyright Owner	Place of Registration	Registration No.	Date of Registration	Date of Publication
4	Transport vehicle full-process positioning monitoring system V1.0 (運輸車輛全程定位監控系統V1.0)	The Company	PRC	2019SR1420013	December 24, 2019	July 12, 2019
5	Sample Intelligent Query System V1.0 (樣品智慧查詢系統V1.0).	The Company	PRC	2019SR1419926	December 24, 2019	May 10, 2019
6	Frozen storage temperature and humidity real-time monitoring system V1.0 (冷庫溫濕度即時監控系統V1.0)	The Company	PRC	2019SR1420007	December 24, 2019	April 20, 2019
7	Storage location information intelligent management system V1.0 (庫位資訊智能管理系統V1.0)	The Company	PRC	2019SR1425790	December 25, 2019	March 8, 2019
8	Hongleng e-commerce platform V1.0 (紅冷電商平台V1.0) . .	The Company	PRC	2019SR1428537	December 25, 2019	December 15, 2018
9	Hongleng e-commerce app platform V1.0 (紅冷電商app平台V1.0).	The Company	PRC	2019SR1428544	December 25, 2019	November 23, 2018
10	Inspection site checkpoint intelligent identification and guidance system V1.0 (查驗場卡口智慧辨識引導系統V1.0)	The Company	PRC	2019SR1429269	December 25, 2019	September 15, 2018

(d) Domain Names

As of the Latest Practicable Date, we have registered the following domain name that we consider to be or may be material to our business:

No.	Domain Name	Registrant	Expiry Date
1	hnhxll.cn	the Company	July 10, 2031
2	hnhxld.cn	the Company	June 16, 2031
3	hnhxll.com	the Company	January 31, 2032
4	hnhlzh.com.	the Company	October 30, 2031
5	紅星冷凍.com	the Company	June 2, 2031
6	紅星冷庫.com	the Company	June 2, 2031
7	紅星冷鏈.com	the Company	June 2, 2031
8	hnhxld.com	the Company	April 7, 2031
9	hxbsld.cn	Hongxing Beisheng	February 28, 2028

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts and Letters of Appointment

Each of LUO Yue, LI Jun, LU Fenfang, XU Qunying, ZHANG Mingsheng and ZHANG Zhong, being our executive Directors or non-executive Directors, has entered into a service contract with our Company on December 23, 2025. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

2. Remuneration of Directors

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to our Directors and supervisors for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, were approximately RMB3.12 million, RMB2.91 million, RMB2.68 million and RMB1.12 million, respectively.

Based on the arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration paid to the Directors for the year ending December 31, 2025 will be approximately RMB1.70 million.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors had waived or agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, by any member of our Group to any of our Directors.

3. Disclosure of interests

Disclosure of interests of Directors and chief executive of our Company

Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, the interest or short position of our Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, once the Shares are listed will be as follows:

(i) Interests in our Company

Name of Shareholder	Nature of interest	Description of Shares	Shares held immediately following the completion of the Global Offering and Conversion of Unlisted Shares into H Shares		
			Number of Shares[(1)]	Percentage of shareholding in our Unlisted Shares/H Shares	Percentage of shareholding in our total issued share capital
ZHANG Mingsheng	Beneficial owner	Unlisted Shares	226,689	0.31%	0.23%
		H Shares	—	—	—

(1) All interests stated are long positions.

Disclosure of interests of substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering and Conversion of Unlisted Shares into H Shares have an interest or short position in the Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

4. Agency Fees or Commissions Received

Save as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

(a) save as disclosed in the sections headed "Substantial Shareholders" and "—C. Further Information about our Directors and Substantial Shareholders—3. Disclosure of interests—Disclosure of interests of Directors and chief executive of our Company", none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;

(b) none of our Directors or any of the experts referred to under paragraph headed "D. Other Information—11. Qualification of Experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) save as disclosed in the section headed "Connected Transactions", none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

(d) save as disclosed in the sections headed "Directors and Senior Management—Compensation of Directors and Senior Management" and "—C. Further Information about our Directors and Substantial Shareholders—1. Particulars of Directors' Service Contracts and Letters of Appointment", none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) save as disclosed in the sections headed "Substantial Shareholders" and "—C. Further Information about our Directors and Substantial Shareholders—3. Disclosure of interests—Disclosure of interests of Directors and chief executive of our Company", so far as is known to our Directors or the chief executive of our Company, no person (not being a Director or chief executive of our Company) will, immediately following the completion of the Global Offering and Conversion of Unlisted Shares into H Shares, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) save as disclosed in the sections headed "Business—Our Customers—Major Customers" and "Business—Raw Materials, Packaging Materials and Suppliers—Our Suppliers—Major Suppliers", none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group in each year/period during the Track Record Period.

D. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

Save as disclosed in the sections headed "Underwriting—Independence of the Joint Sponsors", each of the Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Joint Sponsors in connection with the Listing payable by our Company is RMB4.3 million in aggregate.

4. Compliance Advisor

Our Company has appointed Altus Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

6. Promoters

The promoters of our Company are Hongxing Shiye and other 34 shareholders. See "History, Development and Corporate Structure" for details.

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the Global Offering or related transactions in this prospectus within the two years immediately preceding the date of this prospectus.

7. Consents of Experts

Each of the experts as referred to in "—11. Qualification of Experts" in this appendix has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

Save as disclosed in the section headed "Underwriting" in this prospectus, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

8. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

9. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Taxation of Holders of H Shares

(a) Hong Kong

The sale, purchase and transfer of H Shares is subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Hong Kong Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is HK$2.00 for every HK$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) Consultation with Professional Advisors

Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

11. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
CCB International Capital Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
ABCI Capital Limited	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Qiyuan Law Firm	Legal advisor as to PRC laws
China Insights Industry Consultancy Limited	Industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor

12. Miscellaneous

(a) within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) save as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iii) save as disclosed in the section headed "Underwriting" in this prospectus, no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;

(c) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) save as disclosed in the section headed "Underwriting" in this prospectus, none of the persons named in the sub-paragraph headed "D. Other Information—11. Qualification of Experts" in this appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group;

(e) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2024 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(f) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus; and

(g) no company within our Group is listed on any stock exchange or traded on any trading system and at present, and our Group is not seeking or proposing to seek any listing of, or permission to deal in, the share or loan capital of our Company on any other stock exchange; and there is no arrangement under which future dividends are waived or agreed to be waived.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contract" in Appendix V to this prospectus; and

(b) the written consents referred to in the sub-section headed "Statutory and General Information—D. Other Information—7. Consents of Experts" in Appendix V to this prospectus.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **http://www.hnhxld.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association of the Company;

(b) the Accountants' Report prepared by Ernst & Young the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Company for the three years ended December 31, 2024 and the six months ended June 30, 2025;

(d) the report from Ernst & Young on the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;

(e) the PRC legal opinion issued by Qiyuan Law Firm, our PRC Legal Advisor, in respect of certain aspects of our Group;

(f) the material contracts referred to in the section headed "Statutory and General Information —B. Further Information about Our Business—1. Summary of Material Contract" in Appendix V to this prospectus;

(g) the written consents referred to in the section headed "Statutory and General Information—D. Other Information—7. Consents of Experts" in Appendix V to this prospectus;

(h) the service contracts and the letters of appointment referred to in the sub-section headed "Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—1. Particulars of Directors' Service Contracts and Letters of Appointment" in Appendix V to this prospectus;

(i) the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed "Industry Overview" in this prospectus;

(j) the property valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix III to this prospectus; and

(k) the PRC Company Law and the PRC Securities Law together with their unofficial English translations.

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Hongxing Coldchain (Hunan) Co., Ltd.

紅星冷鏈(湖南)股份有限公司