OVERVIEW

Mao Yuan Chang (毛源昌眼鏡), our flagship brand, was founded in 1862. With a heritage spanning over 160 years, the brand was recognised by the MOFCOM as a "China Time-honoured Brand" (中華老字號) in 2006. In 2012, Mr. Jin (the chairman of our Board, the chief executive officer, an executive Director and a Controlling Shareholder) acquired (through his wholly-owned company) a controlling stake in Maoyuanchang Holdings, which at the time operated **Mao Yuan Chang**. For further details on the acquisition, see "– Acquisition of Maoyuanchang Holdings by Mr. Jin" in this section.

Mr. Jin has many years of experience in the eyewear and optometry industry. Mr. Jin rented a store in Lanzhou, Gansu Province, in 1986. The store was operated as a sole proprietorship under Keda (科達眼鏡). He subsequently established Lanzhou Keda (now one of our principal operating subsidiaries) in 1996, which continued to operate under Keda, and which subsequently developed into a regional eyewear retail chain in Lanzhou, Gansu Province. Keda has been rebranded as **Lan Keda** (蘭科達眼鏡). For further details on the background and expertise of Mr. Jin, see "Directors and Senior Management" in this Document.

In August 2020, our Company was established in the PRC as a wholly-owned subsidiary of Maoyuanchang Holdings. Following its establishment, the business operations of Maoyuanchang Holdings, including those conducted under **Mao Yuan Chang**, were transferred to our Company, and our Company became the holding company of our Group. In December 2021, our Company acquired the entire equity interest in Lanzhou Keda. This strategic acquisition integrated Keda (which has been rebranded as **Lan Keda**) and Lanzhou Keda's established retail network into our Group. For further details on the acquisition, see "– Acquisition of Lanzhou Keda by Our Company" in this section.

Through years of development, our Group has developed into a leading regional eyewear retail chain operator in Zhejiang Province and Gansu Province.

OUR MILESTONES

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

Year	**Milestones**
2012	Mr. Jin (through his wholly-owned company) acquired a controlling stake in Maoyuanchang Holdings, which operated **Mao Yuan Chang** (now our flagship brand). Founded in 1862, the brand was recognised as a "China Time-honoured Brand" by the MOFCOM in 2006.
2015	**Mao Yuan Chang** was recognised as a "China Well-known Trademark" by the State Administration for Industry and Commerce of the PRC (now the SAMR).
2020	Our Company was established and became the holding company of our Group, which operates **Mao Yuan Chang**.
2021	Our Company acquired Lanzhou Keda. Founded in 1996, Lanzhou Keda operated Keda, which has been rebranded as **Lan Keda**. The acquisition expanded our business scale and established our foothold in the eyewear market in Lanzhou, Gansu Province.
2022	**Mao Yuan Chang** was designated as the official supplier of eyewear and optical services for the 19th Asian Games and the 4th Asian Para Games in Hangzhou.

Year	Milestones
2024	Our Company was converted into a joint stock limited company and was renamed as Zhejiang Maoyuanchang Eyewear Co., Ltd. (浙江毛源昌眼鏡股份有限公司) Aspiring to become the representative of mid-to-high-end eyewear in Zhejiang Province, our Company held the "New Starting Point, Quality Future"* ("新起點，質未來") Maoyuanchang 2024 Brand Upgrade Press Conference, during which new brand visual system and store design concept were unveiled.

ACQUISITION OF MAOYUANCHANG HOLDINGS BY MR. JIN

In 2011, Mr. Jin and the late Mr. Huang Chuanxiang ("**Mr. Huang**"), his acquaintance, agreed to jointly participate in a public auction at the Hangzhou Equity Exchange (杭州產權交易所) (the "**Auction**") for 75% of the then state-owned equity interest (the "**Target Interest**") in Maoyuanchang Holdings, then known as Hangzhou Maoyuanchang Eyewear Co., Ltd.* (杭州毛源昌眼鏡有限公司) ("**Hangzhou Maoyuanchang**"). It was agreed that Ruibiao Group Co., Ltd.* (瑞標集團有限公司) (**"Ruibiao Group**") would submit a bid on behalf of Mr. Jin and Mr. Huang. In December 2011, Ruibiao Group successfully won the Target Interest at the Auction with a bid price of RMB79,000,000 (the "**Winning Bid Price**"). In addition to the Winning Bid Price, Ruibiao Group had to pay the employee resettlement fee and the intermediary fee of the Hangzhou Equity Exchange of RMB10,000,000 and RMB1,975,000, respectively (collectively, the "**Ancillary Fees**").

Mr. Huang passed away subsequently. On 10 August 2012, Ruibiao Group and Hangzhou Dashengchang (a company wholly-owned by Mr. Jin) entered into an equity transfer agreement, pursuant to which Ruibiao Group transferred the Target Interest to Hangzhou Dashengchang.

Hangzhou Dashengchang paid a total of RMB92,561,034.72 for the Target Interest, comprising (i) the Winning Bid Price; (ii) the Ancillary Fees; and (iii) RMB1,586,034.72, being the accrued interests on the part of the Winning Bid Price yet to be settled.

The transfer was completed on 13 August 2012. As a result, Maoyuanchang Holdings (then known as Hangzhou Maoyuanchang) became owned as to 75% by Hangzhou Dashengchang and 25% by Hangzhou Industrial Assets Operation and Investment Group Co., Ltd.* (杭州市工業資產經營投資集團有限公司), now known as Hangzhou Industrial Investment.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Establishment of our Company

Our Company, formerly known as Zhejiang Maoyuanchang Eyewear Co., Ltd. (浙江毛源昌眼鏡有限公司), was established in the PRC as a limited liability company on 3 August 2020, with a registered share capital of RMB50,000,000. At the time of its establishment, our Company was wholly-owned by Maoyuanchang Holdings.

Maoyuanchang Holdings is one of our Controlling Shareholders. For further details on the shareholding structure of Maoyuanchang Holdings as at the Latest Practicable Date, see "Relationship with Our Controlling Shareholders" in this Document.

Reduction of registered capital in January 2022

On 10 January 2022, the registered capital of our Company was reduced from RMB50,000,000 to RMB10,000,000. Upon completion of the aforesaid capital reduction, our Company continued to be owned as to 100% by Maoyuanchang Holdings.

Increase of registered capital in January 2022

On 27 January 2022, the registered capital of our Company was increased from RMB10,000,000 to RMB18,000,000, which was subscribed by Mr. Jin and Hangzhou Maosifa as to RMB6,200,000 at a consideration of RMB75,392,000 and RMB1,800,000 at a consideration of RMB21,888,000, respectively. The considerations were determined with reference to the value of our Company as at 30 September 2021 as appraised by an independent valuer, and were fully settled by Mr. Jin and Hangzhou Maosifa on 4 February 2024 and 26 January 2024, respectively.

Hangzhou Maosifa is one of our Controlling Shareholders and a limited partnership set up as an employee shareholding platform. The aforesaid subscription of registered capital by Hangzhou Maosifa was conducted in anticipation of the implementation of the Employee Incentive Schemes. For further details on the shareholding structure of Hangzhou Maosifa, see "– Our Shareholding Structure Immediately Prior to the **[REDACTED]**" in this section.

Upon completion of the aforesaid increase in registered capital, the equity structure of our Company is set out as below:

Shareholders	**Registered capital subscribed** *RMB*	**Equity interest in our Company**[1]
Maoyuanchang Holdings	10,000,000	55.56%
Mr. Jin	6,200,000	34.44%
Hangzhou Maosifa	1,800,000	10.00%
Total	18,000,000	100.00%

Note:

(1) Percentages may not add up to 100% due to rounding.

First equity transfer in February 2024

On 1 February 2024, Mr. Jin and Ms. Peng entered into an equity transfer agreement, pursuant to which Mr. Jin agreed to transfer approximately 29.44% of the equity interest in our Company to Ms. Peng at a consideration of RMB64,448,000. The transfer was made as an intra-family arrangement between spouses and was completed on 5 February 2024. The consideration was deemed by Mr. Jin to be fully settled. On the same date, Hangzhou Maosifa transferred approximately 0.44% of the equity interest in our Company to each of Ms. Liu Lifei ("**Ms. Liu**") and Ms. Yang Hong ("**Ms. Yang**") at a consideration of RMB1,120,000, which were equity awards granted pursuant to the 2023 Employee Incentive Schemes. The respective considerations were fully settled by Ms. Liu and Ms. Yang on 29 December 2023 and 28 December 2023, respectively. Ms. Liu is an executive Director and a deputy general manager of our Company. Ms. Yang is the general manager of Lanzhou Keda, one of our principal operating subsidiaries. Upon completion of the aforesaid equity transfers, the shareholding structure of our Company is set out below:

Shareholders	**Registered capital subscribed** *RMB*	**Equity interest in our Company**$^{(1)}$
Maoyuanchang Holdings	10,000,000	55.56%
Ms. Peng	5,300,000	29.44%
Hangzhou Maosifa	1,640,000	9.11%
Mr. Jin	900,000	5.00%
Ms. Yang	80,000	0.44%
Ms. Liu	80,000	0.44%
Total	18,000,000	100.00%

Note:

(1) Percentages may not add up to 100% due to rounding.

Second equity transfer in February 2024

On 29 February 2024, Mr. Jin transferred 5% of the equity interest in our Company to Mr. Ke Jinliang (柯金良) ("**Mr. Ke**") at a consideration of RMB20,000,000. For further details, see "– Pre-**[REDACTED]** Investments" in this section. Upon completion of the aforesaid equity transfer, the equity structure of our Company is set out as below:

Shareholders	**Registered capital subscribed** *RMB*	**Equity interest in our Company**(1)
Maoyuanchang Holdings	10,000,000	55.56%
Ms. Peng	5,300,000	29.44%
Hangzhou Maosifa	1,640,000	9.11%
Mr. Ke	900,000	5.00%
Ms. Yang	80,000	0.44%
Ms. Liu	80,000	0.44%
Total	18,000,000	100.00%

Note:

(1) Percentages may not add up to 100% due to rounding.

Conversion into a joint stock limited company in 2024

On 19 April 2024, our Company was converted into a joint stock limited company and was renamed as Zhejiang Maoyuanchang Eyewear Co., Ltd. (浙江毛源昌眼鏡股份有限公司). RMB178,559,018.86 of the audited net assets of our Company as at 29 February 2024 was converted into 23,000,000 Shares with a nominal value of RMB1.00 each, and hence the registered capital of our Company was increased from RMB18,000,000 to RMB23,000,000. The excess of net assets over registered capital, being RMB155,559,018.86, was credited to the capital reserve of the joint stock limited company as share premium.

Upon completion of the aforesaid conversion into a joint stock company, our Company was owned as to 23,000,000 Shares, which were held by the following shareholders:

Shareholders	Number of Shares held	Approximate percentage of shareholdings in our Company[1]
Maoyuanchang Holdings	12,777,788	55.56%
Ms. Peng	6,772,212	29.44%
Hangzhou Maosifa	2,095,556	9.11%
Mr. Ke	1,150,000	5.00%
Ms. Liu	102,222	0.44%
Ms. Yang	102,222	0.44%
Total	23,000,000	100.00%

Note:

(1) Percentages may not add up to 100% due to rounding.

Increase in registered capital in November 2024

On 7 November 2024, the registered capital of our Company was increased from RMB23,000,000 to RMB26,407,404, through a capital contribution by Hangzhou Industrial Investment which subscribed for 3,407,404 Shares at a consideration of RMB64,933,268.40. For further details, see "– Pre-**[REDACTED]** Investments" in this section.

Upon completion of the aforesaid increase in registered capital, our Company was owned as to 26,407,404 Shares, which were held by the following shareholders:

Shareholders	Number of Shares held	Approximate percentage of shareholdings in our Company[1]
Maoyuanchang Holdings	12,777,788	48.39%
Hangzhou Maosifa	2,095,556	7.94%
Ms. Peng	6,772,212	25.65%
Ms. Liu	102,222	0.39%
Mr. Ke	1,150,000	4.35%
Ms. Yang	102,222	0.39%
Hangzhou Industrial Investment	3,407,404	12.90%
Total	26,407,404	100.00%

Note:

(1) Percentages may not add up to 100% due to rounding.

Increase in registered capital in February 2026

On 24 February 2026, the registered capital of our Company was increased from RMB26,407,404 to RMB27,614,952, through capital contribution by Mr. Ke, Ms. Liu, Ms. Yang, Mr. Liao Peng ("**Mr. Liao**") and Mr. Zhou Wendong (周文棟) ("**Mr. Zhou**"). Mr. Ke subscribed for 557,330 Shares at a consideration of RMB12,000,000, Ms. Liu subscribed for 69,666 Shares at a consideration of RMB1,500,000, Ms. Yang subscribed for 23,222 Shares at a consideration of RMB500,000, and Mr. Liao and Mr. Zhou each subscribed for 278,665 Shares at a consideration of RMB6,000,000. For further details, see "– Pre-**[REDACTED]** Investments" in this section.

Upon completion of the aforesaid increase in registered capital, our Company was owned as to 27,614,952 Shares, which were held by the following shareholders:

Shareholders	**Number of Shares held**	**Approximate percentage of shareholdings in our Company**(1)
Maoyuanchang Holdings	12,777,788	46.27%
Hangzhou Maosifa	2,095,556	7.59%
Ms. Peng	6,772,212	24.52%
Ms. Liu	171,888	0.62%
Mr. Ke	1,707,330	6.18%
Ms. Yang	125,444	0.45%
Hangzhou Industrial Investment	3,407,404	12.34%
Mr. Liao	278,665	1.01%
Mr. Zhou	278,665	1.01%
Total	27,614,952	100.00%

Note:

(1) Percentages may not add up to 100% due to rounding.

ACQUISITION OF LANZHOU KEDA BY OUR COMPANY

Lanzhou Keda (now one of our principal operating subsidiaries) was established in the PRC as a limited liability company on 22 November 1996, with Mr. Jin holding a controlling stake. Upon completion of a few rounds of increase in registered capital and equity transfer, as at 8 June 2011, Lanzhou Keda was held as to 4% by Mr. Jin and 96% by Ms. Peng.

On 27 December 2021, Mr. Jin transferred 4% of the equity interest in Lanzhou Keda to our Company at a consideration of RMB477,006.08, and Ms. Peng transferred 96% of the equity interest in Lanzhou Keda to our Company at a consideration of RMB11,448,145.85. Upon completion of the above transfers, Lanzhou Keda became a wholly-owned subsidiary of our Company.

The considerations for the aforesaid transfers were determined with reference to the audited net asset value of Lanzhou Keda as at 30 September 2021. The consideration for the transfer by Mr. Jin was fully settled on 29 December 2021, while the consideration for the transfer by Ms. Peng was fully settled on 28 December 2021.

DEREGISTRATION OF OUR SUBSIDIARIES DURING THE TRACK RECORD PERIOD

During the Track Record Period, to streamline our business operations, 4 wholly-owned subsidiaries of our Company were deregistered. The following table sets forth such deregistered subsidiaries:

Name	Place of incorporation	Date of incorporation	Date of deregistration	Registered share capital	Principal business activities
Hangzhou Maoyuanchang Minghao Eyewear Co., Ltd.* (杭州毛源昌明豪眼鏡有限公司)	PRC	8 July 2019	19 March 2025	RMB100,000	Retail sales of eyewear products
Xining Zuojiayou Eyewear Co., Ltd.* (西寧左加右眼鏡有限公司)	PRC	7 January 2020	26 April 2024	RMB50,000	Retail sales of eyewear products
Hangzhou Maoyuanchang Xigu Eyewear Co., Ltd.* (杭州毛源昌溪谷眼鏡有限公司)	PRC	9 March 2022	10 April 2024	RMB100,000	Retail sales of eyewear products
Lanzhou Jianlan Keda Eyewear Co., Ltd.* (蘭州建蘭科達眼鏡有限公司)	PRC	29 June 2020	12 December 2023	RMB100,000	Retail sales of eyewear products

CONFIRMATION BY THE PRC LEGAL ADVISOR

As confirmed by our PRC Legal Advisor, the shareholding changes as discussed above, including the changes in registered capital, share issuances and transfers, complied with all applicable PRC laws and regulations. As confirmed by our PRC Legal Advisor, all applicable regulatory approvals in relation to the above deregistrations have been obtained, and the above deregistrations have been properly and legally completed and settled.

OUR PRINCIPAL OPERATING SUBSIDIARIES

As at the Latest Practicable Date, our Group had 38 subsidiaries. The following table sets forth our principal operating subsidiaries:

Name	Place of incorporation	Date of incorporation	Registered capital	Principal business activities
Maoyuanchang Shaoxing	PRC	11 May 2021	RMB100,000	Retail sales of eyewear products
Lanzhou Hongsheng Keda	PRC	23 February 2021	RMB100,000	Retail sales of eyewear products
Lanzhou Huisheng Keda	PRC	28 January 2021	RMB100,000	Retail sales of eyewear products

Name	Place of incorporation	Date of incorporation	Registered capital	Principal business activities
Maoyuanchang Mingxin	PRC	26 April 2019	RMB100,000	Retail sales of eyewear products
Maoyuanchang Minghui	PRC	16 April 2019	RMB100,000	Retail sales of eyewear products
Maoyuanchang Binbao	PRC	13 February 2019	RMB100,000	Retail sales of eyewear products
Lanzhou Maoyuanchang	PRC	9 March 2016	RMB50,000	Wholesales and retail sales of eyewear products
Lanzhou Keda	PRC	22 November 1996	RMB10,000,000	Wholesales and retail sales of eyewear products

Pre-[REDACTED] Investments

Details of the Pre-**[REDACTED]** Investments are summarised below:

*Pre-***[REDACTED]** *Investments completed in 2024*

Name of the investor	Mr. Ke	Hangzhou Industrial Investment
Date of agreement	20 December 2023	21 October 2024
Percentage of equity/number of Shares subscribed for	5%	3,407,404 Shares
Shareholding in our Company immediately upon completion of the [REDACTED][1]	**[REDACTED]**%	**[REDACTED]**%
Consideration	RMB20,000,000	RMB64,933,268.40
Basis of consideration	After arm's length negotiation between the parties, which is comparable to the value of our Company as at 31 December 2023 as appraised by an independent valuer	After arm's length negotiation between the parties with reference to the value of our Company as at 30 April 2024 as appraised by an independent valuer
Settlement date of consideration	27 December 2023	5 November 2024
Cost per Share	HK$19.68	HK$21.57
Discount to the [REDACTED][2]	**[REDACTED]**%	**[REDACTED]**%
Public float	Yes	Yes

Lock-up	None under the agreements, but see "– Lock-up Period" in this section for further details on lock-up period under applicable PRC laws.	
Special rights	No special rights were granted to the Pre-**[REDACTED]** Investors.	Hangzhou Industrial Investment has the right to nominate 1 Director and has nominated Mr. Sun To, who is our non-executive Director. Such right will be terminated upon **[REDACTED]**.
Use of proceeds and its utilisation	As the investment was effected by way of transfer by our then Shareholder, no proceeds were received by our Company.	General working capital. As at the Latest Practicable Date, the proceeds had been fully utilised.
Strategic benefits	Our Directors are of the view that our Company would benefit from the additional capital provided by the Pre-**[REDACTED]** Investment (in the case of Hangzhou Industrial Investment) and the investments demonstrate their confidence in the operations of our Group and serve as an endorsement of the performance and prospects of our Group.	

Note:

1. Assuming the **[REDACTED]** is not exercised.

2. The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per H Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]**).

*Pre-***[REDACTED]** *Investments completed in 2026*

Name of the investor	Mr. Ke	Ms. Liu	Ms. Yang	Mr. Liao	Mr. Zhou
Date of agreement	12 February 2026	12 February 2026	12 February 2026	12 February 2026	12 February 2026
Number of Shares subscribed for	557,330 Shares	69,666 Shares	23,222 Shares	278,665 Shares	278,665 Shares
Shareholding in our Company immediately upon completion of the [REDACTED][(1)]	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%
Consideration	RMB12,000,000	RMB1,500,000	RMB500,000	RMB6,000,000	RMB6,000,000
Basis of consideration	After arm's length negotiation between the parties with reference to the value of our Company as at 31 December 2025 as appraised by an independent valuer				
Settlement date of consideration	14 February 2026	14 February 2026	14 February 2026	13 February 2026	13 February 2026
Cost per Share			HK$24.37		
Discount to the [REDACTED][(2)]			**[REDACTED]**%		

Public float	Yes	No (Ms. Liu is an executive Director)	No (Ms. Yang is a director and supervisor of certain subsidiaries of our Company)	No (Mr. Liao is an executive Director)	Yes
Lock-up	24 months following the **[REDACTED]**				
Special rights	No special rights were granted to the Pre-**[REDACTED]** Investors.				
Use of proceeds and its utilisation	General working capital. As at the Latest Practicable Date, none of the proceeds received had been utilised.				
Strategic benefits	Our Directors are of the view that our Company would benefit from the additional capital provided by the Pre-**[REDACTED]** Investments and the investments demonstrate their confidence in the operations of our Group and serve as an endorsement of the performance and prospects of our Group.				

Note:

1. Assuming the **[REDACTED]** is not exercised.

2. The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per H Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]**).

Background of the Pre-[REDACTED] Investors

Mr. Ke is the single largest shareholder of Zhejiang Ruigang Machinery Co., Ltd.* (浙江瑞港機械有限公司), a company principally engaged in machinery manufacturing. We became acquainted with Mr. Ke through Mr. Jin, who is a long-term acquaintance of Mr. Ke.

Hangzhou Industrial Investment is a state-owned enterprise owned as to 90% by the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal Government (杭州市人民政府國有資產監督管理委員會) and 10% by Zhejiang Financial Development Group Co., Ltd.* (浙江省財開集團有限公司), also a state-owned enterprise. Hangzhou Industrial Investment wholly owned Maoyuanchang Holdings immediately prior to the transfer of its 75% equity interest in Maoyuanchang Holdings by way of public auction in 2012, and continued to hold a 25% interest in Maoyuanchang Holdings as at the Latest Practicable Date. Hangzhou Industrial Investment held approximately 12.34% of the share capital of our Company as at the Latest Practicable Date.

Ms. Liu is an executive Director and a deputy general manager of our Company. See "Directors and Senior Management" in this Document.

Ms. Yang is a deputy general manager of our Company and the general manager of Lanzhou Keda, our principal operating subsidiary. She is also a director and supervisor of certain subsidiaries of our Company. See "Directors and Senior Management" in this Document.

Mr. Liao is an executive Director and a deputy general manager of our Company. See "Directors and Senior Management" in this Document.

Mr. Zhou is the general manager of Scene Aesthetics Design (Shenzhen) Co., Ltd.* (場景美學設計(深圳)有限公司), a company that focuses on aesthetic design with spatial experience creation. We became acquainted with Mr. Zhou through business collaboration.

Compliance with Chapter 4.2 of the Guide for New Listing Applicants

Based on the documents provided by the Company relating to the Pre-**[REDACTED]** Investments, the Sole Sponsor confirms that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and as at the Latest Practicable Date, our Group did not conduct any major acquisitions, disposals or mergers.

PREVIOUS LISTING ATTEMPT

Our Company had began to explore a potential listing of its shares on the NEEQ in the PRC (the "**Previous Listing Attempt**") in late 2023 and engaged professional advisors to conduct preliminary assessments and preparatory work. The preparatory work remained at an initial stage and no formal application for listing on the NEEQ was submitted to the relevant regulatory authorities. We subsequently discontinued the preparatory work for the proposed NEEQ listing in mid 2024. The exploration of the potential NEEQ listing did not result in any regulatory feedback, filing, acceptance of materials or comments from the NEEQ or other regulatory authorities. To the best of our Directors' knowledge and belief, our Directors confirmed that our Company did not encounter any material disagreement or dispute with the then professional parties during the preparation of the Previous Listing Attempt. In addition, our Directors are not aware of any other matters relating to the Previous Listing Attempt that are required to be brought to the attention of the investors.

Based on due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause the Sole Sponsor to disagree with the Directors' views mentioned above in relation to the Previous Listing Attempt. The Sole Sponsor also concurs the view of the Directors that there is no other matter in relation to the Previous Listing Attempt that should be brought to the attention of the Stock Exchange and/or the prospective investors.

REASONS FOR THE [REDACTED]

Our Company is seeking a **[REDACTED]** of its H Shares on the Stock Exchange. We believe that the **[REDACTED]** will expand our investor base, provide further capital for the development and expansion of our business, broaden our access to capital markets and provide an additional fundraising platform for our Company should the need arise, and further strengthen our business profile and market position in the eyewear industry. We currently intend to use the net **[REDACTED]** from the **[REDACTED]** for establishment of optical operation centre, establishment of self-operated stores, brand building and precision marketing, and general corporate purposes and working capital. See "Future Plans and Use of **[REDACTED]**" in this Document.

LOCK-UP PERIOD

Pursuant to applicable PRC laws, all of our existing Shareholders are subject to a lock-up period of 12 months following the **[REDACTED]**. However, some of our Pre-**[REDACTED]** Investors are subject to a lock-up period of longer than 12 months following the **[REDACTED]** under the relevant investment agreements. For further details, see "**–** Pre-**[REDACTED]** Investments" in this section.

PUBLIC FLOAT

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the **[REDACTED]** H Shares held by our core connected persons will not be counted towards the public float. Details of these core connected persons are set out below:

- Maoyuanchang Holdings, a Controlling Shareholder, is a core connected person of our Company, holding approximately **[REDACTED]**% of the total issued share capital of our Company;

- Ms. Peng, being an executive Director and a Controlling Shareholder, is a core connected person of our Company, holding approximately **[REDACTED]**% of the total issued share capital of our Company;

- Hangzhou Maosifa, a close associate of Mr. Jin and Ms. Peng, is a core connected person of our Company, holding approximately **[REDACTED]**% of the total issued share capital of our Company;

- Ms. Liu, being an executive Director, is a core connected person of our Company, holding approximately **[REDACTED]**% of the total issued share capital of our Company;

- Ms. Yang, a director and supervisor of certain subsidiaries of our Company, is a core connected person of our Company, holding approximately **[REDACTED]**% of the total issued share capital of our Company; and

- Mr. Liao, being an executive Director, is a core connected person of our Company, holding approximately **[REDACTED]**% of the total issued share capital of our Company.

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing does not exceed HK$6,000,000,000, the minimum prescribed percentage is 25%.

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the **[REDACTED]** is not exercised, (i) based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the indicative **[REDACTED]** range), our expected market capitalisation upon **[REDACTED]** is HK$**[REDACTED]**; (ii) based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**), our expected market capitalisation upon **[REDACTED]** is HK$**[REDACTED]**; and (iii) based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the high-end of the indicative **[REDACTED]** range), our expected market capitalisation upon **[REDACTED]** is HK$**[REDACTED]**. Accordingly, at least **[REDACTED]**% of the total number of issued shares must be held by the public upon **[REDACTED]** (based on the minimum **[REDACTED]** of the indicative **[REDACTED]** range).

Except as stated above, all the **[REDACTED]** H Shares held by other Shareholders and the **[REDACTED]** H Shares to be issued under the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules, representing **[REDACTED]**% of total issued Shares. The details are set out below:

Shareholder	**Number of Shares held**	**Approximate percentage of shareholdings in our Company**
Existing Shareholders		
Hangzhou Industrial Investment	**[REDACTED]**	**[REDACTED]**%
Mr. Ke	**[REDACTED]**	**[REDACTED]**%
Mr. Zhou	**[REDACTED]**	**[REDACTED]**%
Other Shareholders upon completion of the [REDACTED][(1)]		
Other public Shareholders	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**[REDACTED]**%

Note:

(1) Assuming the **[REDACTED]** is not exercised.

Accordingly, at the time of **[REDACTED]**, we will maintain a sufficient public float as required under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public 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.

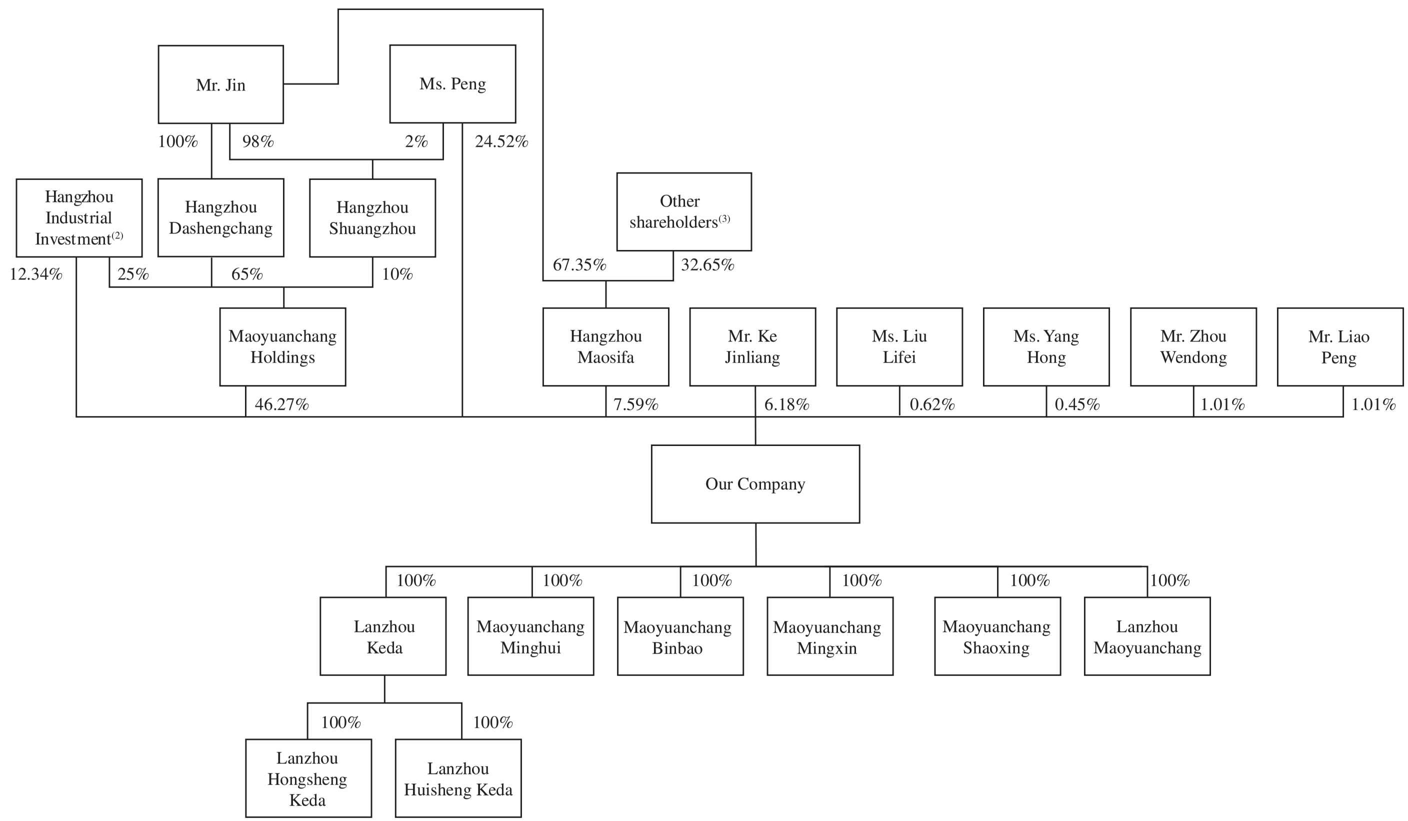
Immediately following completion of the **[REDACTED]** and the Conversion of **[REDACTED]** Shares into H Shares, assuming that the **[REDACTED]** is not exercised, the total number of Shares of our Company will be **[REDACTED]**. We expect **[REDACTED]** Shares, representing **[REDACTED]**% of the total number of our issued Shares, with an expected market capitalisation of approximately HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the low-end of the indicative **[REDACTED]** range), being held by the public and not subject to any disposal restrictions at the time of **[REDACTED]**. Therefore, our Company is expected to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

FULL CIRCULATION

Our Company has applied for H Share full circulation to convert an aggregate of **[REDACTED]** **[REDACTED]** Shares held by **[REDACTED]** existing Shareholders, representing **[REDACTED]**% of the total issued Shares of our Company as at the date of this Document and approximately **[REDACTED]**% of the total issued Shares of our Company upon completion of the Conversion of **[REDACTED]** Shares into H Shares and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). For further details, see "Share Capital – Upon Completion of the **[REDACTED]**" in this Document.

OUR SHAREHOLDING STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the **[REDACTED]**[1]:



Notes:

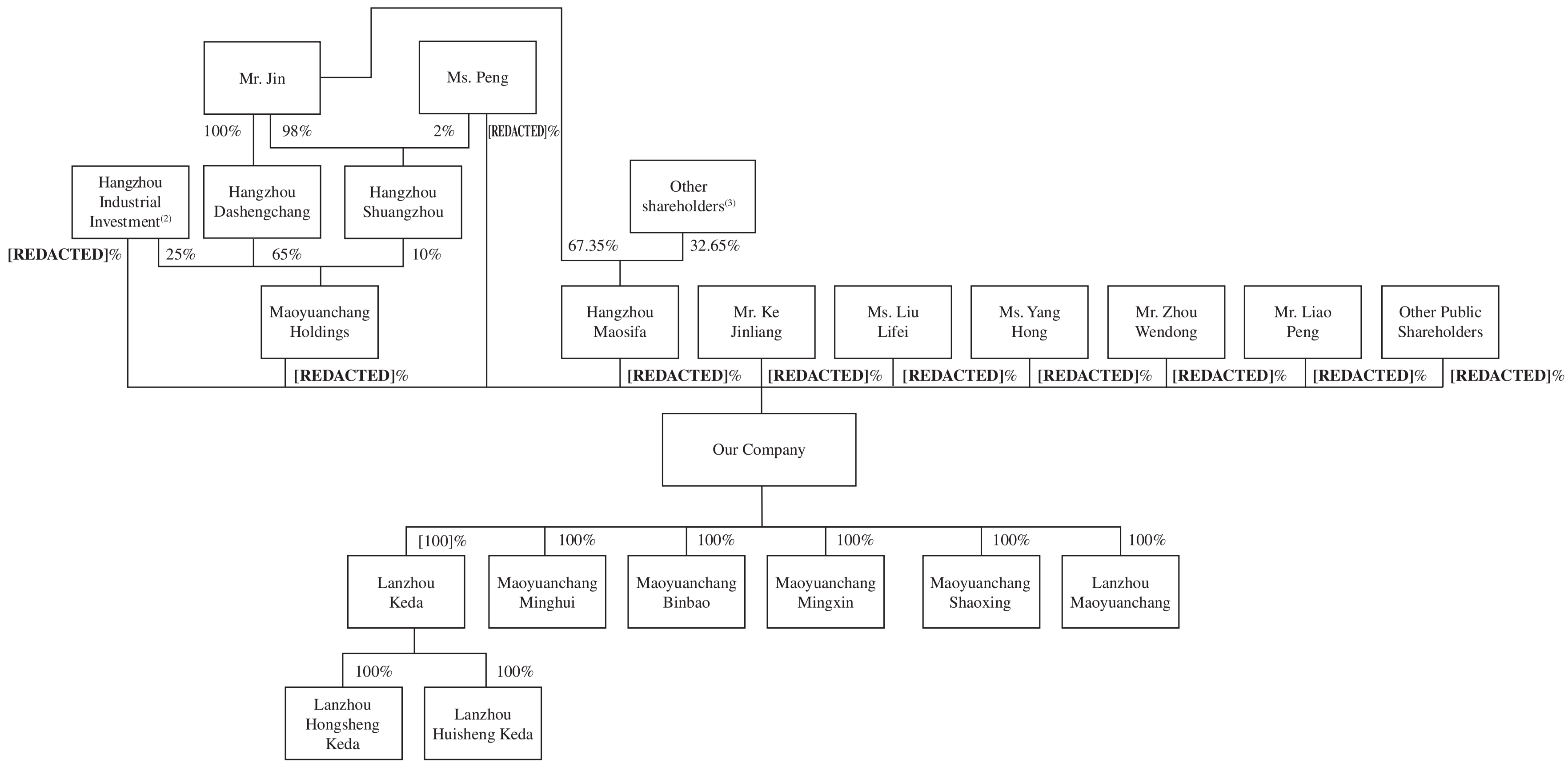
(1) This corporate structure only includes our principal operating subsidiaries.

(2) For details of the shareholding structure of Hangzhou Industrial Investment, see "– Pre-**[REDACTED]** Investments – Background of the Pre-**[REDACTED]** Investors"

(3) Of the 32.65% equity interest in Hangzhou Maosifa held by such shareholders, approximately 3.05% is held by Ms. Liu Lifei and Ms. Yang Hong respectively, 4.27% is held by Mr. An Yukun (安昱坤) (director and supervisor of certain of our subsidiaries), 2.44% is held by Ms. He Shuwen, and the remaining interests, each representing less than 2%, are held by other participants of the Employee Incentive Schemes.

OUR SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the **[REDACTED]** and the Conversion of **[REDACTED]** Shares into H Shares (assuming the **[REDACTED]** is not exercised):



Note: See notes (1) to (3) under "– Our Shareholding Structure Immediately Prior to the **[REDACTED]**" in this section.