

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated on November 22, 2018 in the Cayman Islands as an exempted company with limited liability under the Cayman Islands company law. Our Company has established a principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and our Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on March 18, 2019. Mr. Zhu Boyang has been appointed as the authorized representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong. Our address for acceptance of service of process and notices on our Company in Hong Kong is the same as our registered place of business in Hong Kong.

As our Company is incorporated in the Cayman Islands, its operations are subject to the relevant laws and regulations of Cayman Islands and its constitution, comprising its Memorandum of Association and Articles of Association. A summary of the Cayman Companies Law and of the Memorandum of Association and Articles of Association is set out in “Summary of the Constitution of the Company and Cayman Islands Company Law” in Appendix III to this prospectus.

2. Changes in Share Capital of our Company

As of the date of incorporation of our Company, our Company had an authorized share capital of US\$50,000 divided into 500,000,000 Shares of par value US\$0.0001 each. On May 27, 2019, a new class of shares, being Series A Preferred Shares, was created by re-designating 25,000,000 authorized but unissued Shares as 25,000,000 authorized but unissued Series A Preferred Shares, such that after the re-designation, the authorized share capital of the Company has been changed from US\$50,000 divided into 500,000,000 Shares to US\$50,000 divided into 475,000,000 Shares and 25,000,000 Series A Preferred Shares. On June 21, 2019, the authorized share capital of the Company was increased to US\$1,000,000.00 divided into 10,000,000,000 Shares of par value US\$0.0001 each, by (i) canceling 25,000,000 authorized but unissued Series A Preferred Shares; and (ii) creating 9,525,000,000 authorized but unissued Shares. The following alterations in the issued and paid up share capital of our Company have taken place since its date of incorporation up to the date of this prospectus:

- (a) on November 22, 2018, one Share was allotted and issued fully-paid as the subscriber share to an initial independent subscriber, which was transferred to XC Group on the same date. On the same date, 949 Shares and 50 Shares were allotted and issued fully-paid to XC Group and ADYM Investments, respectively;
- (b) on May 27, 2019, pursuant to the Pre-IPO Investment Agreement dated May 14, 2019 entered into among LYL Weihui, our Company, Cheshi Investments Limited, Cheshi Hong Kong Limited, Congshu Internet, Congshu Beijing, Huo'er Guosi Online Cheshi Technology Co., Ltd. (霍爾果斯網上車市科技有限公司), Congshu Hubei, XC Group, ADYM Investments, Mr. Xu and Mr. Li, our Company allotted and issued an aggregate of 451,249,050 and 23,749,950 Shares, credited as fully paid, to XC Group and ADYM Investments respectively, and 25,000,000 Series A Preferred Shares, credited as fully paid, for a total consideration of RMB50.0 million (or a subscription price of RMB2.0 per Share) to the Pre-IPO Investor;

- (c) on June 21, 2019, 25,000,000 Series A Preferred Shares were repurchased by the Company from the Pre-IPO Investor for cancelation, and in return 25,000,000 Shares, credited as fully paid, were allotted and issued to the Pre-IPO Investor; and
- (d) on June 21, 2019, for the purpose of implementing the RSU Scheme and the SA Scheme, the Company capitalized an aggregate amount of US\$40,000 standing in the credit of its share premium account and applied such sum to pay up an aggregate of 400,000,000 unissued Shares, credited as fully paid at par, for allotment and issue as fully paid bonus shares of 351,250,000 Shares, 23,750,000 Shares and 25,000,000 Shares to XC Group, ADYM Investments and the Pre-IPO Investor, being the Shareholders at the time of issue, respectively, and the Scheme Custodian (through the RSU Nominee and the SA Nominee) subscribed for, and the Company allotted and issued at par, an aggregate of 100,000,000 Shares credited as fully paid.

See “Share Capital” in this prospectus for a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately prior to and following the completion of the Global Offering.

Save as disclosed above and in “3. Written Resolutions of our Shareholders passed on December 8, 2020” below in this Appendix, there has been no alteration in the share capital of our Company since our incorporation.

3. Written Resolutions of our Shareholders passed on December 8, 2020

Pursuant to the written resolutions of our then Shareholders that were passed, among other things:

- (a) our Company approved and conditionally adopted the Memorandum of Association and the Articles of Association, upon the fulfillment of the Conditions (as defined below) and with effect from the Listing Date;
- (b) conditional upon (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering; (ii) the Offer Price being fixed on or around the Price Determination Date; (iii) the execution and delivery of the Underwriting Agreements; and (iv) the obligations of the Underwriter(s) under the Underwriting Agreements becoming unconditional and the Underwriting Agreements not being terminated in accordance with their respective terms or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements (the “**Conditions**”):
 - (1) the Global Offering was approved and our Directors were authorized to effect the same and to allot and issue the new Shares pursuant to the Global Offering to rank *pari passu* with the then existing Shares in all respects;
 - (2) the Listing was approved and our Directors were authorized to implement the Listing;
 - (3) the granting of the Over-allotment Option by our Company to the International Underwriters (exercisable by the Sole Representative on behalf of the International Underwriters), pursuant to which our Company is required to, upon exercise of the Over-allotment Option, allot and issue additional Shares not exceeding 15% of the number of initial Shares under the Global Offering at the Offer Price (the “**Over-allotment Shares**”) to cover over-allocations in the International Offering was approved, and our Directors were authorized to effect the same and to allot and issue

the Over-allotment Shares, credited as fully paid upon full payment of the same and such Over-allotment Shares to rank *pari passu* with the then existing Shares in all respects, upon the exercise of the Over-allotment Option (either in full or in part);

- (4) a general unconditional mandate was granted to our Directors to allot, issue and deal with the Shares or to grant any offers, agreements or options which would or might require Shares to be allotted, issued or dealt with, provided that the aggregate number of the Shares allotted or agreed to be allotted by our Directors other than pursuant to (A) a rights issue, (B) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, or (C) a specific authority granted by our Shareholders in general meeting, shall not exceed the aggregate of:
- (i) 20% of the total number of the Shares in issue immediately following the completion of the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option); and
 - (ii) the total number of Shares of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in sub-paragraph (6) below,

such mandate to remain in effect during the period from the passing of the resolution until the earliest of (A) the conclusion of our next annual general meeting, (B) the expiration of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting; or (C) the date on which the resolution is varied, revoked or renewed by an ordinary resolution of our Shareholders in a general meeting (the “**Relevant Period**”) (the “**Issue Mandate**”);

- (5) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to repurchase Shares on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose), and which are made in accordance with all applicable laws and the requirements of the Listing Rules with the total number of not more than 10% of the total number of the Shares of our Company’s in issue immediately following the completion of the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect during the Relevant Period (the “**Repurchase Mandate**”); and
- (6) the Issue Mandate as referred to in sub-paragraph (4) above was extended by an addition representing the total number of the Shares repurchased by our Company pursuant to the Repurchase Mandate as referred to in sub-paragraph (5) above.

B. OUR SUBSIDIARIES

Our Company’s subsidiaries are referred to in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in “History, Reorganization and Corporate Structure”, there has been no alteration in the share capital to any of our subsidiaries within the two years preceding the date of this prospectus.

C. REPURCHASE BY OUR COMPANY OF OUR OWN SECURITIES

This section set out information required by the Hong Kong Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

1. Relevant Legal and Regulatory Requirements

The Listing Rules permit a company whose primary listing is on the Hong Kong Stock Exchange to repurchase its securities on the Hong Kong Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(a) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) on the Hong Kong Stock Exchange by a company with a primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution of our Shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the written resolutions of our Shareholders passed on December 8, 2020, the Repurchase Mandate was given to our Directors to exercise all powers of our Company to repurchase up to 10% of the aggregate number of the Shares in issue immediately following completion of the Global Offering on the Hong Kong Stock Exchange or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose). The Repurchase Mandate will remain in effect during the Relevant Period.

(b) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange as amended from time to time. Subject to the foregoing, under the Cayman Companies Law, any repurchases by our Company may be made out of our Company's profits, out of our Company's share premium account, out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase, or, if authorized by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital. Any amount of premium payable on a repurchase over the par value of the Shares to be repurchased must be out of either or both our Company's profits or our Company's share premium account, before or at the time the Shares are repurchased, or, if authorized by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

(c) Trading Restrictions

A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Hong Kong Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Hong Kong Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities on the Hong Kong Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Hong Kong Stock Exchange such information with respect to the repurchase as the Hong Kong Stock Exchange may require.

(d) Suspension of Repurchase

Pursuant to the Listing Rules, a listed company may not make any repurchases of shares after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarter-year or any other interim period (whether or not required by the Listing Rules); and (ii) the deadline for a listed company to publish an announcement of its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, the listed company may not repurchase its shares on the Hong Kong Stock Exchange unless the circumstances are exceptional.

(e) Reporting Requirements

Certain information relating to repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(f) Core Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Hong Kong Stock Exchange from a "core connected person" (as defined in the Listing Rules) and a core connected person is prohibited from knowingly selling his securities to the company on the Hong Kong Stock Exchange.

2. Reasons for Repurchases

Our Directors believe that it is in our Company's and our Shareholders' best interests for our Directors to have general authority from our Shareholders to enable our Company to execute repurchases of the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and our Shareholders.

3. Funding of Repurchases

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of our Company's current financial position as disclosed in this prospectus and taking into account our Company's current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, there might be a material adverse effect on our working capital and/or our gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our Company's working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

4. General

The exercise in full of the Repurchase Mandate, on the basis of 1,204,000,000 Shares in issue immediately following the completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option) could accordingly result in up to approximately 120,400,000 Shares being repurchased by our Company during the Relevant Period.

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates currently intends to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of our Shareholders' interests, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made immediately after the listing of Shares on the Hong Kong Stock Exchange. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Hong Kong Stock Exchange agrees to waive the Listing Rules requirements regarding the public shareholding referred to above. A waiver of this provision is not normally granted other than in exceptional circumstances.

No core connected person (as defined in the Listing Rules) of our Company has notified us that he or she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

D. CORPORATE REORGANIZATION

The companies comprising our Group underwent the Reorganization in preparation for listing of the Shares on the Hong Kong Stock Exchange. Please see “History, Reorganization and Corporate Structure—Reorganization” in this prospectus for further details.

E. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of Material Contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are material:

- (a) a share transfer agreement dated April 26, 2019 entered into between Congshu Beijing and Zhang Jun (張俊) for the transfer of 100% of the equity interest in Beihai Congshu Technology Co., Ltd. (北海樅樹科技有限公司) at a consideration of RMB2,000.0;
- (b) an exclusive technical service agreement dated May 15, 2019 entered into by Congshu Beijing and Congshu Internet, whereby Congshu Internet has the exclusive right to provide, or designate any third party to provide Congshu Beijing with technical and management consulting services;
- (c) an exclusive option agreement dated May 15, 2019 entered into by and among our Registered Shareholders, Congshu Internet and Congshu Beijing, whereby our Registered Shareholders unconditionally and irrevocably agree to grant Congshu Internet an exclusive option to purchase all or part of the equity interests in and/or assets of Congshu Beijing;
- (d) an equity pledge agreement dated May 15, 2019 entered into among Mr. Xu, Congshu Beijing and Congshu Internet, whereby Mr. Xu unconditionally and irrevocably pledged all of the equity interests in Congshu Beijing to Congshu Internet in order to guarantee the performance of obligations of Congshu Beijing and the Registered Shareholders under the Contractual Arrangements;
- (e) an equity pledge agreement dated May 15, 2019 entered into among Mr. Li, Congshu Beijing and Congshu Internet, whereby Mr. Li unconditionally and irrevocably pledged all of the equity interests in Congshu Beijing to Congshu Internet in order to guarantee the performance of obligations of Congshu Beijing and the Registered Shareholders under the Contractual Arrangements;
- (f) a shareholders’ rights proxy agreement dated May 15, 2019 entered into by and among the Registered Shareholders, Congshu Beijing and Congshu Internet, whereby the Registered Shareholders irrevocably appointed Congshu Internet or its designated person, as their attorney-in-fact, to exercise their shareholders’ rights in Congshu Beijing;
- (g) a letter of spousal undertaking dated May 15, 2019 from Ms. Ma Yuanyuan, spouse of Mr. Xu, whereby Ms. Ma Yuanyuan irrevocably and unconditionally consented to the entering into of, among others, the equity pledge agreement, the exclusive option agreement and the shareholders’ rights proxy agreement by Mr. Xu and the disposal of Mr. Xu’s equity interests in Congshu Beijing according to the terms of the agreements;
- (h) a letter of spousal undertaking dated May 15, 2019 from Ms. Gu Yuan, spouse of Mr. Li, whereby Ms. Gu Yuan irrevocably and unconditionally consented to the entering into of,

among others, the equity pledge agreement, the exclusive option agreement and the shareholders' rights proxy agreement by Mr. Li and the disposal of Mr. Li's equity interests in Congshu Beijing according to the terms of the agreements;

- (i) the subscription agreement dated May 14, 2019 entered into among our Company, Cheshi Investments Limited, Cheshi Hong Kong Limited, Congshu Internet, Congshu Beijing, Huo'er Guosi Online Cheshi Technology Co., Ltd. (霍爾果斯網上車市科技有限公司), Congshu Hubei, XC Group, ADYM Investments, Mr. Xu, Mr. Li and LYL Weihui in relation to the subscription of 25,000,000 Series A Preferred Shares by LYL Weihui at a subscription amount of US\$50 million;
- (j) the shareholders agreement dated May 14, 2019 entered into among our Company, Cheshi Investments Limited, Cheshi Hong Kong Limited, Congshu Internet, Congshu Beijing, Huo'er Guosi Online Cheshi Technology Co., Ltd. (霍爾果斯網上車市科技有限公司), Congshu Hubei, XC Group, ADYM Investments, Mr. Xu, Mr. Li and LYL Weihui in relation to the rights of LYL Weihui;
- (k) a share transfer agreement dated May 27, 2019 entered into between Congshu Beijing and Xiang Juan (向娟) for the transfer of 100% of the equity interest in Huo'er Guosi Online Cheshi Technology Co., Ltd. (霍爾果斯網上車市科技有限公司) at a consideration of RMB1.0;
- (l) a trust deed for certain equity incentive schemes of the Company dated June 21, 2019 entered into among our Company, the Scheme Custodian, the RSU Nominee and the SA Nominee;
- (m) the deed of indemnity dated December 22, 2020 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee of each of its subsidiaries) in respect of certain indemnities as provided therein;
- (n) the deed of non-competition dated December 22, 2020 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of its subsidiaries) regarding, among other things, undertakings and covenants given by our Controlling Shareholders to not carry on any activity or business which our Group may conduct or carry on business from time to time;
- (o) a cornerstone investment agreement dated December 29, 2020 entered into by and among our Company, Huatai Financial Holdings (Hong Kong) Limited, the Sole Sponsor and the Joint Global Coordinators, pursuant to which Huatai Financial Holdings (Hong Kong) Limited has agreed to subscribe for such number of Shares at the Offer Price, in the amount of the Hong Kong dollar equivalent of US\$5.0 million;
- (p) a cornerstone investment agreement dated December 29, 2020 entered into by and among our Company, Shimmering Skyline L.P., the Sole Sponsor and the Joint Global Coordinators, pursuant to which Shimmering Skyline L.P. has agreed to subscribe for such number of Shares at the Offer Price, in the amount of the Hong Kong dollar equivalent of US\$3.0 million;
- (q) a cornerstone investment agreement dated December 29, 2020 entered into by and among our Company, Goldstream Capital Management Limited, the Sole Sponsor and the Sole Representative, pursuant to which Goldstream Capital Management Limited has agreed to subscribe for such number of Shares at the Offer Price, in the amount of the Hong Kong dollar equivalent of US\$2.0 million;

- (r) a cornerstone investment agreement dated December 29, 2020 entered into by and among our Company, Harvest IPO Mixed Strategy Investment SP (a segregated portfolio of Coast Flagship Investment SPC), the Sole Sponsor and the Joint Global Coordinators, pursuant to which Harvest IPO Mixed Strategy Investment SP (a segregated portfolio of Coast Flagship Investment SPC) has agreed to subscribe for such number of Shares at the Offer Price, in the amount of HK\$13.0 million; and
- (s) the Hong Kong Underwriting Agreement.

2. Our intellectual property rights

As of the Latest Practicable Date, we have registered the following intellectual property rights which are material to our business:

(a) Domain names

As of the Latest Practicable Date, our Group has registered the following domain names which are material to our business:

Domain name	Registrant	Expiry Date
cheshi.com	Congshu Beijing	October 16, 2028
cheshi-img.com	Congshu Beijing	December 30, 2023
pika18.com	Congshu Beijing	July 3, 2023
haoche18.com	Congshu Beijing	November 23, 2022
cheshi18.com	Congshu Hubei	February 11, 2022

(b) Trademarks

As of the Latest Practicable Date, our Group has registered the following trademarks which are material to our business:

Trademark	Place of registration	Registered owner	Class(es)	Registration number	Validity Period up to
	PRC	Congshu Beijing	35	10086595	January 6, 2023
	PRC	Congshu Beijing	38	10086593	September 20, 2023
	PRC	Congshu Beijing	41	10086591	January 6, 2023
	PRC	Congshu Beijing	42	10086589	January 6, 2023
	PRC	Congshu Beijing	35	10086594	January 6, 2023
	PRC	Congshu Beijing	38	10086592	September 20, 2023
	PRC	Congshu Beijing	41	10086590	January 6, 2023
	PRC	Congshu Beijing	42	10086588	January 6, 2023
	PRC	Congshu Beijing	39	30161236	April 20, 2029
	Hong Kong	Cheshi Hong Kong Limited	35,42	304831966	February 17, 2029
	Hong Kong	Cheshi Hong Kong Limited	35,42	304832028	February 17, 2029
	Hong Kong	Cheshi Hong Kong Limited	35,42	304831885	February 17, 2029

As of the Latest Practicable Date, our Group has no trademarks in application for registration in the PRC.

(c) Software copyrights

As of the Latest Practicable Date, our Group has registered the following software copyrights in the PRC which are material to our business:

<u>Name of software</u>	<u>Registered owner</u>	<u>Registration number</u>	<u>First publication date</u>
Cheshi.com APP software V4.0.0 (網上車市APP軟體V4.0.0)	Congshu Beijing	2018SR853649	April 20, 2016
Congshu CMS advertisement distribution system V1.0 (樅樹CMS廣告發佈系統V1.0)	Congshu Beijing	2017SR193121	February 20, 2017
Cheshi Wei promotion system V1.0 (車市惠優惠活動系統V1.0)	Congshu Beijing	2017SR193108	March 4, 2017
Cheshi maintenance database system V1.0 (車市保養庫系統V1.0)	Congshu Beijing	2017SR193913	February 13, 2017
Cooperative website content distribution system V1.0 (合作站內容分發系統V1.0)	Congshu Beijing	2017SR214531	December 29, 2016
Cheshi Bao distributor system V1.0 (車市寶經銷商系統V1.0)	Congshu Beijing	2017SR214388	January 12, 2017
Congshu CMS content distribution platform (樅樹CMS內容發佈平台) V1.0	Congshu Beijing	2017SR214382	December 28, 2016
Cheshi.com vehicle violation inquiry system (網上車市汽車違章查詢系統) V1.0.0	Congshu Beijing	2019SR1099965	May 20, 2018
Cheshi.com online car rental system (網上車市線上租車系統) V1.0.0	Congshu Beijing	2019SR1098759	January 20, 2017
Cheshi.com fast application system(網上車市快應用系統) V1.0.0	Congshu Beijing	2019SR1092268	April 20, 2019
Cheshi.com Cheshihao platform (網上車市車市號平台) V1.0.0	Congshu Beijing	2019SR1082160	July 1, 2019
Cheshi.com car owner verification system (網上車市認證車主系統)V1.0.0	Congshu Beijing	2019SR1086015	January 20, 2018
Cheshi.com applets application system (網上車市小程序應用系統) V1.0	Congshu Beijing	2019SR1086013	February 18, 2019
Cheshi.com model library management system (網上車市車型庫管理系統) V1.0.0	Congshu Beijing	2019SR1088288	January 20, 2016
Chechi.com car maintenance system (網上車市汽車保養系統) V1.0.0	Congshu Beijing	2019SR1088308	January 20, 2016
Cheshi.com vehicle inspection system (網上車市車檢系統) V1.0.0	Congshu Beijing	2019SR1088301	March 20, 2019
Cheshi.com community platform system (網上車市社區平台系統) V1.0.0	Congshu Beijing	2019SR1101241	December 20, 2017
Cheshi.com online fueling system (網上車市線上加油系統) V1.0.0	Congshu Beijing	2019SR1101169	May 20, 2019

<u>Name of software</u>	<u>Registered owner</u>	<u>Registration number</u>	<u>First publication date</u>
Cheshi.com business process system (網上車市商配流程系統) V1.0.0	Congshu Beijing	2019SR1101220	January 20, 2017

Save as aforesaid, there are no other trade or service marks, patents, software copyrights or other intellectual or industrial property rights of our Group, which are or may be material to our Group's business as of the Latest Practicable Date.

F. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests and short positions of our Directors and chief executives of our Company in the shares, underlying shares or debentures of our Company and our associated corporations*

Immediately following the completion of the Global Offering (without taking into account the exercise of the Over-allotment Option), the interests or short positions of our Directors and chief executive of our Company in the shares, underlying shares and debentures of our Company or our 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 interests 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 into in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Hong Kong Stock Exchange, once the Shares are listed, are as follows:

(1) *Interests in Shares of our Company*

<u>Name of Director</u>	<u>Nature of interest and capacity</u>	<u>Number of Shares held/interested^(Note 1)</u>	<u>Approximate percentage of shareholding</u>
Mr. Xu ^(Note 2)	Interest in controlled corporation	802,500,000 (L)	66.65%
Mr. Liu Lei	Beneficial interest ⁽³⁾	20,000,000 (L)	1.66%
Mr. Zhu Boyang	Beneficial interest ⁽³⁾	20,000,000 (L)	1.66%
Ms. Suo Yan	Beneficial interest ⁽³⁾	20,000,000 (L)	1.66%

Notes:

- (1) The letter "L" denotes the person's long position in our Shares.
- (2) Mr. Xu beneficially owns 100% of the issued shares of XC Group. Mr. Xu is deemed, or taken to be, interested in 802,500,000 Shares held by XC Group for the purpose of the SFO.
- (3) Mr. Liu Lei, Mr. Zhu Boyang and Ms. Suo Yan will be granted Share Awards under the SA Scheme immediately prior to the completion of the Global Offering. They are deemed to be interested in the issued share capital of our Company for the Share Awards that have been granted to them pursuant to Part XV of the SFO.

(2) *Associated Corporations*

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>Associated corporation</u>	<u>Approximate percentage of shareholding in associated corporation</u>
Mr. Xu	Beneficial owner	XC Group	100%

The following table lists out our directors' and chief executives' interests in the other associated corporations:

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>Associated corporation</u>	<u>Approximate amount of contribution to registered capital</u>	<u>Approximate percentage of shareholding in associated corporation</u>
Mr. Xu	Nominee shareholder whose shareholders' rights are subject to contractual arrangements	Congshu Beijing	RMB35,750,000	95.00%

(b) Interests and short positions of substantial shareholders in the Shares or underlying Shares of our Company

Save as disclosed in "Substantial Shareholders" in this prospectus, our Directors are not aware of any other person who will, immediately following the Global Offering (without taking into account the exercise of the Over-allotment Option), have an interest or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

As of the Latest Practicable Date, so far as is known to our Directors, other than our Company, no other persons were interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our subsidiaries.

2. Directors' Service Contracts and Appointment Letter

Our executive Directors have entered into service contracts with our Company for a fixed term of three years commencing from the Listing Date which can be terminated before the expiration of the term by not less than three months' notice in writing served by either party on the other. Under their respective service agreements, the executive Directors will not receive additional annual salaries in their capacities as executive Directors.

Our independent non-executive Directors have signed appointment letters with our Company for a term of three years commencing from The Listing Date. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Directors fee of HK\$120,000 per annum with effect from the Listing Date.

The Directors' appointments are subject to the requirements of the Listing Rules and the provisions relating to the retirement and rotation of the Directors under the Articles of Association. Save as disclosed above, none of our Directors has entered into a service contract 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)).

3. Directors' Remuneration

The aggregate remuneration (including salaries, allowances and benefits in kind, and pension scheme contributions) paid to our Directors for the three financial years ended December 31, 2017, 2018

and 2019 and the six months ended June 30, 2020 were approximately RMB2.5 million, RMB3.3 million, RMB5.1 million and RMB1.5 million, respectively.

There was no arrangement under which a Director waived or agreed to waive any remuneration for any of the three financial years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020.

Save as disclosed above, no other payments have been made or are payable in respect of the three financial years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 by any member of our Group to any of our Directors.

It is estimated that under the arrangements currently in force, the aggregate amount of compensation (including fees, salaries, discretionary bonuses, defined contribution pension costs, other allowances, and benefits in kind (if applicable), but excluding the expenses that may be incurred by the Company in connection with share-based compensation which has not yet been granted by the Company as of the date of this prospectus) payable to our Directors for the year ending December 31, 2020 will be approximately RMB6.0 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 subsidiary of our Company.

4. Personal Guarantees

As of the Latest Practicable Date, our Directors have not provided personal guarantees in favor of lenders in connection with banking facilities granted to our Group.

5. Agency Fees or Commission Received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms have been granted by our Group to any person in connection with the issue or sale of any capital or security of our Company or any of member of our Group within the two years preceding the date of this prospectus.

6. Related-Party Transactions

Details of the related-party transactions are set out under Note 30 to the Accountant's Report set out in Appendix I to this prospectus.

7. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executives of our Company has any interest and/or short position in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or

deemed to have under such provisions of the SFO) or which will be required pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, in each case once the Shares are listed on the Hong Kong Stock Exchange;

- (b) so far as is known to any Director or chief executive of our Company, and taking no account of any Shares which may be taken up under the Global Offering, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, in each case once the Shares are listed on the Hong Kong Stock Exchange;
- (c) none of our Directors nor any of the persons listed in “H. Other Information—6. Qualifications of experts” below in this Appendix is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, 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;
- (d) none of our Directors is materially interested in any contract or arrangement with our Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of our Group taken as a whole;
- (e) save in connection with Underwriting Agreements, none of the persons listed in “H. Other Information—6. Qualifications of experts” below in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (f) save for the Underwriting Agreements, none of the persons listed in “H. Other Information—6. Qualifications of experts” below in this Appendix 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 taken as a whole;
- (g) within the two years preceding the date of this prospectus, no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
- (h) so far as is known to our Directors, none of our Directors or their close associates or any Shareholder (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) has any interest in any of the five largest suppliers or customers of our Group.

G. RSU SCHEME AND SA SCHEME

1. RSU Scheme

The following is a summary of the principal terms of the RSU Scheme approved and adopted by a resolution of our Shareholders on June 25, 2019. The RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

On December 25, 2020, the Board has resolved to grant to 17 selected participants under the RSU Scheme 2,170,000 RSUs (representing 2,170,000 underlying Shares). This grant will be made immediately prior to the completion of the Global Offering. For further details, please refer to the paragraphs “(v) RSUs to be granted” below. The Shares underlying RSUs to be granted will represent approximately 0.18% of the issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised.

As of the Latest Practicable Date, the Shares underlying the RSUs that will be granted were held by the RSU Nominee. These RSUs to be granted will not cause any dilution of shareholding of our Shareholders.

(a) Purpose of the RSU Scheme

The purpose of the RSU Scheme is to incentivise Directors, senior management and employees for their contribution to our Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of our Group by providing them with the opportunity to own equity interests in our Company.

(b) RSUs

A RSU gives a person who is eligible to participate in the RSU Scheme and selected by the Board a conditional right when the RSU vests to obtain Shares, less any tax, stamp duty and other charges applicable, as determined by our Board in its absolute discretion. Each RSU represents one underlying Share. A RSU may include, if so specified by our Board in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares.

(c) Participants in the RSU Scheme

Persons eligible to receive RSUs under the RSU Scheme are existing employees, Directors (whether executive or non-executive), officers, consultants and service providers of our Company or any member of our Group (the “**RSU Eligible Persons**”). Our Board selects the RSU Eligible Persons to receive RSUs under the RSU Scheme on the basis of their contribution to the development and growth of our Group or such other factors as our Board may deem appropriate at its discretion.

(d) Term of the RSU Scheme

The RSU Scheme will be valid and effective for a period of ten (10) years, commencing from its adoption date, being June 25, 2019 (unless it is terminated earlier in accordance with its terms) (the “**RSU Scheme Period**”).

(e) Grant and Acceptance

(a) Making an offer

An offer to grant a RSU will be made to a RSU Eligible Person selected by our Board (the “**RSU Selected Participant**”) by a letter, in such form as our Board may determine (the “**RSU Grant Letter**”). The RSU Grant Letter will specify the RSU Selected Participant’s name, the manner of acceptance of the RSU, the number of RSUs granted and the number of underlying Shares represented by the RSUs, the vesting criteria and conditions, the vesting schedule, the

exercise price of the RSUs (where applicable) and such other details as our Board considers necessary and are not inconsistent with the RSU Scheme, and will require the RSU Selected Participant to undertake to hold the RSU on the terms on which it is granted and to be bound by the provisions of the RSU Scheme.

(b) Acceptance of an offer

A RSU Selected Participant may accept an offer of the grant of RSUs in such manner as set out in the RSU Grant Letter. Once accepted, the RSUs are deemed granted from the date of the RSU Grant Letter (the “**RSU Grant Date**”).

(c) Restrictions on Grants

Our Board may not grant any RSUs to any RSU Selected Participant in any of the following circumstances:

- the requisite approvals for such grant from any applicable regulatory authorities (including in particular foreign exchange registration requirements) have not been obtained;
- the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the RSUs or in respect of the RSU Scheme, unless our Board determines otherwise;
- where granting the RSUs would result in a breach by our Company, any member of our Group or any of their directors of any applicable laws, rules or regulations; or
- where such grant of any RSUs would result in a breach of the limits of the RSU Scheme (as set out in paragraph (f) below).

(f) Maximum number of Shares that may be granted under the RSU Scheme

The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been canceled in accordance with the rules of the RSU Scheme) shall be such number of Shares held or to be held by the Scheme Custodian for the purpose of the RSU Scheme from time to time, but provided that the total number of Shares that may be allotted or issued to the Scheme Custodian by our Company under the RSU Scheme shall be no more than 20,000,000 Shares, representing approximately 2.00% of the share capital of our Company as of the date of adoption of the RSU Scheme. The total number of Shares subject to the RSU Scheme may be adjusted upon the occurrence of any alteration in the capital structure of our Company.

(g) Rights attached to RSUs

Save as described in the rules of the RSU Scheme (the “**RSU Scheme Rules**”), a RSU Selected Participant does not have any contingent interest in any Shares underlying the RSUs unless and until such Shares are actually transferred to the RSU Selected Participant. Further, a RSU Selected Participant may not exercise voting rights in respect of the Shares underlying the RSUs until they are transferred to him/her and, unless otherwise specified by our Board in its entire discretion in the RSU Grant Letter to the RSU Selected Participant, nor does he/she have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the RSUs.

(h) *Rights attached to Shares*

The Scheme Custodian shall be entitled to, as the holder of the Shares underlying the RSUs before their transfer to the relevant RSU Grantee(s), vote, or abstain from voting, or appoint one or more proxies to vote any or all of the Shares that may be held by it from time to time in a manner as it in its discretion sees fit.

Any Shares transferred to a RSU Selected Participant in respect of any RSUs will be subject to all the provisions of the Articles. Subject to the preceding paragraph and if so specified in the RSU Grant Letter, the Scheme Custodian shall hold for the RSU Selected Participants' benefit the dividends and other distributions generated from such Shares before they are transferred to the RSU Selected Participant. Such Shares will rank *pari passu* with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of our Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of our Company is closed, the first day of the reopening of the register of members.

(i) *Assignment of RSUs*

The RSUs granted pursuant to the RSU Scheme are personal to each RSU Selected Participant, and are not assignable. RSU Selected Participant(s) are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favor of any other person over or in relation to any property held by the Scheme Custodian (as defined in paragraph (k) below) on trust for the RSU Scheme, the RSUs, or any interest or benefits therein.

(j) *Vesting of RSUs*

Our Board can determine the vesting criteria, conditions and the time schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the RSU Grant Letter.

Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, our Board will send a vesting notice (the “**Vesting Notice**”) to each of the relevant RSU Selected Participants. The Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

(k) *Appointment of the Scheme Custodian*

Our Board has appointed the Scheme Custodian as the trustee to assist with, among others, the administration and vesting of RSUs granted pursuant to of the RSU Scheme. Our Board may (i) allot and issue Shares to the Scheme Custodian to be held by it, which will be used to satisfy the Shares underlying the RSUs upon exercise and/or (ii) direct and procure the Scheme Custodian to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the Shares underlying the RSUs upon exercise. The Scheme

Custodian shall timely inform our Board on the Shares and funds (if any) held by it, and our Board shall procure that sufficient Shares and/or funds are provided to the Scheme Custodian by whatever means as our Board may in its absolute discretion determine to enable the Scheme Custodian to satisfy its obligations in connection with the administration of the RSU Scheme. All the Shares underlying the RSUs granted and to be granted under the RSU Scheme will be transferred, allotted or issued to the Scheme Custodian.

(l) Exercise of RSUs

RSUs held by a RSU Selected Participant that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the RSU Selected Participant serving an exercise notice in writing on the Scheme Custodian and copied to our Company. Any exercise of RSUs must be in respect of board lots of 4,000 Shares each or an integral multiple thereof (except where the number of RSUs which remains unexercised is less than one board lot).

In an exercise notice, the RSU Selected Participant shall request the Scheme Custodian to, and our Board shall direct and procure the Scheme Custodian to, within five business days (being a day other than a Saturday or Sunday or days on which a tropical cyclone warning number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9 am and 5 pm on which the Hong Kong Stock Exchange is open for trading and clearing banks in Hong Kong and the PRC are open for transactions of normal banking business), transfer the Shares underlying the RSUs exercised (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the RSU Selected Participant which our Company has allotted and issued to the Scheme Custodian as fully paid up Shares or which the Scheme Custodian has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder, subject to the RSU Selected Participant paying the exercise price (where applicable) and all tax, stamp duty, levies and charges applicable to such transfer to the Scheme Custodian or as the Scheme Custodian directs.

At the sole discretion of our Board, our Board may direct the Scheme Custodian to pay market value of the Shares in lieu of the transfer of the Shares (together with, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) but less all tax, stamp duty, levies and charges applicable to such payment as may be reasonably determined by our Board.

The RSU Selected Participant shall serve the exercise notice within three months after receiving the Vesting Notice. The Scheme Custodian will not be bound to hold the Shares underlying the RSUs vested for the RSU Participant after this three (3) months period. If the exercise notice is not served during this three (3) months period or the Shares underlying the RSUs exercised cannot be transferred to the RSU Selected Participant pursuant to the preceding paragraph due to the RSU Selected Participant not being able to provide sufficient information to effect the transfer (the “**Unclaimed Shares**”), the RSUs vested or exercised (as the case may be) shall lapse unless otherwise agreed by our Board at its absolute discretion and in this case, our Board shall at its sole discretion either direct the Scheme Custodian to continue to hold the all or part of the Unclaimed Shares or to dispose of any or all of such Unclaimed Shares in a manner as our Board sees fit.

(m) *Rights on a takeover*

If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of our Shareholders (or Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, a RSU Selected Participant's outstanding RSUs will vest immediately, even if the vesting period has not yet commenced.

(n) *Rights on a compromise or arrangement*

If a compromise or arrangement between our Company and our Shareholders or creditors is proposed in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies and a notice is given by our Company to our Shareholders to convene a general meeting to consider and if thought fit, approve such compromise or arrangement and such Shareholders' approval is obtained, a RSU Selected Participant's outstanding RSUs will vest immediately, even if the vesting period has not yet commenced.

(o) *Rights on voluntary winding-up*

If an effective resolution is passed during the RSU Scheme Period for the voluntary winding-up of our Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSUs shall be treated as having vested immediately. No Shares will be transferred, and no cash alternative will be paid, to the RSU Selected Participant, but the RSU Selected Participant Grantee will be entitled to receive out of the assets available in liquidation on an equal basis with our Shareholders such sum as they would have received in respect of the number of Shares that they would have held after the RSUs are vested.

(p) *Lapse of RSUs*

(a) *Full lapse of RSU*

Any unvested RSU will automatically lapse immediately where:

- (i) the RSU Selected Participant's employment or service terminates for any reason; or
- (ii) the RSU Selected Participant makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favor of any other person over or in relation to any RSUs or any interests or benefits pursuant to the RSUs.

(b) *If at any time, a RSU Selected Participant:*

- (i) ceases to be an employee;
- (ii) fails, during the course of his/her employment, to devote the whole of his/her time and attention to the business of our Group or to use his best endeavors to develop the business and interests of our Group;
- (iii) is concerned during the course of his/her employment with our Group (without the prior written consent of our Company) with any business other than that of our Group;
- (iv) is in breach of his/her contract of employment with or any other obligation to our Group and any restrictive covenants; and/or undertakings set out in the RSU Scheme; and/or

- (v) has become insolvent or has been adjudged to be a bankrupt, or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offense involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at law or pursuant to any applicable laws or under the RSU Participant's service contract with our Company or the relevant member of our Group, then all vested and unvested RSUs shall automatically lapse and such RSU Selected Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares. For the avoidance of doubt, the matters that are set out in (b)(ii) to (v) above are matters to be solely and finally determined by our Board in its sole and absolute discretion.

(q) Cancellation of RSUs

Our Board may at its discretion cancel any RSU that has not vested or lapsed, provided that:

- (a) our Company or our subsidiaries pay to the RSU Selected Participant an amount equal to the fair value of the RSU at the date of the cancellation as determined by our Board, after consultation with our auditors or an independent financial advisor appointed by our Board;
- (b) our Company or our relevant subsidiary provides to the RSU Selected Participant a replacement award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the RSUs to be canceled; or
- (c) our Board makes any arrangement as the RSU Selected Participant may agree in order to compensate him/her for the cancellation of the RSUs.

(r) Reorganization of capital structure

In the event of any capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of our Company, our Board may make such equitable adjustments, designed to protect the RSU Selected Participants' interests, to the number of Shares underlying the outstanding RSUs or to the amount of the equivalent value, as it may deem appropriate at its absolute discretion.

(s) Amendment of the RSU Scheme

Save as provided in the RSU Scheme Rules, our Board may alter any of the RSU Scheme Rules at any time. Written notice of any amendment to the RSU Scheme Rules shall be given to all RSU Selected Participants.

Any alterations to the RSU Scheme Rules which are of a material nature or any changes to the terms of the RSUs granted which shall operate to affect materially adversely any subsisting rights of any RSU Selected Participant shall be subject to the consent of the RSU Selected Participants amounting to not less than three-fourths in nominal value of all underlying RSUs so held by the RSU Selected Participants on the date of the relevant resolution being passed by our Board in approving the amendment of the RSU Scheme Rules or the terms of the RSUs granted (as the case may be), except where the alterations or changes take effect automatically under the existing terms of the RSU Scheme Rules. Our Board's determination as to whether any proposed

alteration to the RSU Scheme Rules or the terms of the RSUs granted (as the case may be) is material shall be conclusive.

(t) *Termination of the RSU Scheme*

Our Board may terminate the RSU Scheme at any time before the expiry of the RSU Scheme Period. The provisions of the RSU Scheme shall remain in full force and effect in respect of RSUs which are granted pursuant to the rules of the RSU Scheme prior to the termination of the operation of the RSU Scheme. Our Company or our relevant subsidiary shall notify the Scheme Custodian and all RSU Selected Participants of such termination and of how any property held by the Scheme Custodian on trust for the RSU Selected Participants (including, but not limited to, any Shares held) and the outstanding RSUs shall be dealt with.

(u) *Administration of the RSU Scheme*

Our Board has the power to administer the RSU Scheme, including the power to construe and interpret the rules of the RSU Scheme and the terms of the RSUs granted under it. Our Board may delegate the authority to administer the RSU Scheme to a committee of our Board. Our Board may also appoint one or more independent third party service providers to assist in the administration of the RSU Scheme and delegate such powers and/or functions relating to the administration of the RSU Scheme as our Board in its absolute discretion thinks fit.

Our Board has appointed the Scheme Custodian to administer the RSU Scheme.

Our Board's determinations under the RSU Scheme need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted, RSUs under it. If a Director is a RSU Selected Participant he/she may, notwithstanding his/her own interest and subject to our Articles, vote on any Board resolution concerning the RSU Scheme (other than in respect of his/her own participation in it), and may retain RSUs under it.

By accepting any RSUs under the RSU Scheme, each RSU Selected Participant waives any right to contest, amongst other things, the value and number of RSUs or Shares or equivalent value of cash underlying the RSUs or Shares and our Board's administration of the RSU Scheme.

(v) *RSUs to be granted*

On December 25, 2020, our Board has resolved to grant to 17 selected participants under the RSU Scheme 2,170,000 RSUs (representing 2,170,000 underlying Shares). This grant will be made immediately prior to the completion of the Global Offering. The Shares underlying RSUs to be granted will represent approximately 0.18% of the issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised.

All of the selected participants are employees of our Group, and none of them is a connected person of our Company. The selected participants of the RSUs are not required to pay our Company for the grant of any of the RSUs under the RSU Scheme, nor are they required to pay our Company upon the vesting or exercise of the RSUs.

As of the Latest Practicable Date, all RSUs that will be granted were held by the RSU Nominee. These RSUs to be granted will not cause any dilution of shareholding of our Shareholders.

The RSUs granted to each of the RSU Selected Participants shall be vested in accordance with the following vesting schedule and conditions:

- (i) 25% of the RSUs will vest on April 1, 2022, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2021 having been fulfilled;
- (ii) 25% of the RSUs will vest on April 1, 2023, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2022 having been fulfilled;
- (iii) 25% of the RSUs will vest on April 1, 2024, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2023 having been fulfilled; and
- (iv) 25% of the RSUs will vest on April 1, 2025, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2024 having been fulfilled.

Our Company shall comply with such provisions of the Listing Rules as may be applicable in relation to the grant to Directors or connected persons, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

2. SA Scheme

The following is a summary of the principal terms of the rules of the SA Scheme (the “**SA Scheme Rules**”) adopted by a resolution of our Shareholders on June 25, 2019. The SA Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

On December 25, 2020, our Board has resolved to grant to five selected participants under the Share Award Scheme 80,000,000 Share Awards (representing 80,000,000 underlying Shares). This grant will be made immediately prior to the completion of the Global Offering. For further details, please refer to the paragraphs “(m) Share Awards granted” below. The Shares underlying Share Awards to be granted will represent approximately 6.64% of the issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised.

As of the Latest Practicable Date, all Shares underlying the Shares Awards that will be granted were held by the SA Nominee. These Share Awards to be granted will not cause any dilution of shareholding of our Shareholders.

(a) Purpose of the SA Scheme

The purpose of the SA Scheme is to (i) to recognize and motivate the contribution of key management personnel and core employees of the Group, (ii) to help the Group retain and attract the grantees of the Share Awards (the “**SA Selected Participants**”), who are directors (whether executive or non-executive), senior managers or consultants of the Company or any member of the Group (the

“SA Eligible Participants”), in attaining the long term business objectives of the Company, and (iii) to further align the interests of the SA Selected Participants directly to the shareholders of the Company through ownership of Shares.

The Board selects the SA Eligible Participants to receive Share Awards under the SA Scheme.

(b) Terms of the SA Scheme

The SA Scheme shall be valid and effective for a period of ten years, commencing on June 25, 2019 (the “SA Scheme Period”), after which no further Share Awards will be granted, and thereafter for so long as there are any non-vested Share Awards granted under the SA Scheme prior to the expiration of the SA Scheme, in order to give effect to the unlocking of the Share Awards or otherwise as may be required in accordance with the SA Scheme Rules.

(c) Grant of Share Awards

(a) Making an offer

The Company shall issue a letter or notice to each SA Selected Participant in such form as our Board may determine (the “SA Grant Letter”). The SA Grant Letter will specify the SA Selected Participant’s name, the manner of acceptance of the Share Award(s), the last day for acceptance by the SA Selected Participant, the number of Shares underlying the Share Award, the grant price for acceptance for the Shares in acceptance of the Share Award(s), and the date on which the Share Award is unlocked (the “Unlock Date”). The Board will also determine in the SA Grant Letter any time-based, performance-based or any other restrictions and other criteria and conditions (collectively, the “SA Unlock Restrictions”) and the time period and scheme (the “SA Restricted Period”) that will need to be satisfied before the Share Award unlocks, and the SA Unlock Restrictions and the SA Restricted Period shall be stated in the letter for the SA Grant Letter. Please also see “(i) Further Restrictions on Share Awards” below.

(b) Acceptance of an offer

A SA Selected Participant may accept an offer of the grant of Share Award(s) in such manner as set out in the SA Grant Letter. Once accepted, the Share Award(s) are deemed granted from the date of the SA Grant Letter (the “SA Grant Date”).

(d) Return of the Share Awards

To the extent that any of the Share Awards is not unlocked, lapsed and/or otherwise repurchased in accordance with the terms of the SA Scheme Rules (the “SA Returned Shares”), the Scheme Custodian shall hold them in accordance with the SA Scheme Rules for the purpose of the SA Scheme.

(e) Maximum number of Share Awards

The Company shall not make any grant of Share Award which would result in the aggregate number of the Shares underlying all grants made pursuant to the SA Scheme to exceed 80,000,000 Shares without approval by a Board resolution.

(f) Assignment of Share Awards

The Share Awards granted pursuant to the SA Scheme but not yet unlocked shall be personal to the SA Selected Participant to whom it is made and shall not be assignable or transferable, and no SA Selected Participant shall in any way sell, transfer, charge, pledge, hypothecate, mortgage, encumber, dispose of or create any interest in favor of any other person over or in relation to any Share Award, or enter in any agreement to do so.

(g) Interest in the assets of the Scheme Trust

A SA Selected Participant shall have only a contingent interest in the Share Award subject to the such Share Award being unlocked in accordance with the terms of the SA Scheme and no instruction may be given by a SA Selected Participant to the Scheme Custodian in respect of the Share Award and any other property of the Scheme Trust, and the Scheme Custodian shall not follow any instructions given by a SA Selected Participant given by him/her in respect of his/her Share Award or any other property of the Scheme Trust.

(h) Administration of the SA Scheme

The SA Scheme shall be subject to the administration of our Board, and the decision of our Board shall be final and binding on all parties affected thereby. Our Board may delegate the authority to administer the SA Scheme to a committee of the Board or any person(s) as deemed appropriate at the sole discretion of the Board or the committee of the Board. The Board has delegated the authority to administer the Share Award Scheme (the “**Authorized Administrator**”). The powers of our Board and/or the Authorized Administrator include but are not limited to:

- (i) construe and interpret the SA Scheme Rules and the terms of the Share Awards granted under the SA Scheme;
- (ii) decide how the unlocked Share Awards will be settled;
- (iii) grant Share Awards to those SA Eligible Participants who it shall select from time to time;
- (iv) determine the terms and conditions of the Share Awards; and
- (v) take such other steps or actions to give effect to the terms and intent of the SA Scheme Rules.

(i) Further Restrictions on Share Awards

In addition to the Restricted Period, each Share Award shall be subject to a further restricted period starting from the date of grant of such Share Award and ending upon the date when the Shares first become listed on the Hong Kong Stock Exchange and the date upon which the relevant SA Selected Participant completes the relevant approval and filing procedures in respect of his/her Share Awards/Shares in accordance with the Huifa [2012] No. 7 Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning the Domestic Individuals’ Participation in the Exchange Administration of Equity Incentive Plans of Overseas Listed Companies (if applicable) and other applicable laws and regulations (whichever is later) (the “**Lockup Restricted Period**”).

The Share Awards and any interest therein may not be enjoyed, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the SA Selected Participants, except by will or the laws of descent and distribution, during the Restricted Period (including the Lockup Restricted Period).

(j) Obtaining of Share Awards

The Company will issue an unlock notice (the “**Unlock Notice**”) to the relevant SA Selected Participant in respect of the relevant share awards after the restriction criteria, conditions and time schedule have been reached, fulfilled or waived in accordance with the terms of the SA Scheme. Prior to receipt of the Unlock Notice, a SA Selected Participant may not exercise any voting rights nor have any rights in respect of the Shares underlying the Share Awards, including but not limited to, any cash or non-cash income, dividends or distributions, all of which shall be retained by the Scheme Custodian in accordance with the term of the SA Scheme.

Share Awards held by a SA Selected Participant that are unlocked as evidenced by the SA Unlock Notice may be obtained (in whole or in part) by the SA Selected Participants upon the expiry of SA Restricted Period and the lapse of all SA Unlock Restrictions (if any). Our Board and/or the Authorized Administrator may decide at its absolute discretion to direct and procure the Scheme Custodian to, within a reasonable time, transfer the Shares underlying the Share Awards (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the SA Selected Participant which our Company has allotted and issued to the Scheme Custodian or which the Scheme Custodian has either acquired by purchasing existing Share Awards or by receiving existing Shares from any shareholder of our Company, as the case may be, subject to the SA Selected Participant paying all tax, stamp duty, levies and charges applicable to such transfer.

(k) Lapse of Share Awards

Any Share Award will automatically lapse under the scenarios set out below:

- (i) the SA Selected Participant’s employment with or service for our Group terminates for any reason (except for circumstances set out in (ii) below), in which case any Share Awards that are still within the SA Restricted Period will not unlock, but any unlocked Share Awards may still be transferred to the SA Selected Participant subject to a first right of refusal by the Scheme Custodian (if so instructed by the Board) to repurchase the unlocked Share Awards at price that is determined by the Board by reference to the fair market value of the Shares; or
- (ii) the SA Selected Participant has ceased employment with the Group for cause (including without limitation, consistently poor performance, violates rules under his/her respective local labor laws, refuses to comply with a lawful request from the Company, and breach of the staff rules and regulations), in which case all Share Awards that are not yet transferred to the SA Selected Participant will no longer be available. For the avoidance of doubt, the Board and/or the Authorized Administrator shall have sole discretion in determining whether an employee has ceased employment with the Group for cause under this provision.

In the case where the Share Awards have lapsed, the Shares underlying such Share Awards shall become SA Returned Shares. See “(d) Return of the Share Awards” above.

(l) Appointment of the Scheme Custodian

The Scheme Custodian is the trustee appointed to assist with the administration of the SA Scheme and are holding and will hold the Shares underlying the Share Awards.

(m) Share Awards granted

On December 25, 2020, our Board has resolved to grant to five selected participants under the Share Award Scheme 80,000,000 Share Awards (representing 80,000,000 underlying Shares). This grant will be made immediately prior to the completion of the Global Offering. The Shares underlying Share Awards to be granted will represent approximately 6.64% of the issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised.

Three of the selected participants are our executive Directors, namely Mr. Liu Lei, Mr. Zhu Boyang and Ms. Suo Yan, who will be granted 60,000,000 Share Awards in the aggregate, representing approximately 4.98% of the issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. Two of the remaining selected participants are employees of our Group, and none of them are connected persons of our Company, and they together will be granted 20,000,000 Share Awards in the aggregate, representing approximately 1.66% of the issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. The selected participants of the Share Awards are not required to pay our Company for the grant of any of the Share Awards under the Share Award Scheme, nor are they required to pay our Company upon the unlocking of the Share Awards.

As of the Latest Practicable Date, all Shares underlying the Share Awards that will be granted were held by the SA Nominee. These Share Awards to be granted will not cause any dilution of shareholding of our Shareholders.

The Share Awards granted to Mr. Zhu Boyang will unlock on the business day following the day on which dealings in the Shares on the Hong Kong Stock Exchange commences. The remaining Share Awards granted shall be unlocked in accordance with the following schedule and conditions:

- (i) 25% of the Share Awards will vest on April 1, 2022, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2021 having been fulfilled;
- (ii) 25% of the Share Awards will vest on April 1, 2023, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2022 having been fulfilled;
- (iii) 25% of the Share Awards will vest on April 1, 2024, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2023 having been fulfilled; and
- (iv) 25% of the Share Awards will vest on April 1, 2025, subject to certain conditions on the market capitalization of our Company or the audited annual revenue or the audited profits after tax of our Group for the year ending December 31, 2024 having been fulfilled.

Details of the Share Awards that will be granted to our executive Directors under the SA Scheme are set out in the table below:

<u>Name of grantees of Share Awards</u>	<u>Position held with our Group</u>	<u>Address</u>	<u>Number of Shares represented by the Share Awards</u>	<u>Approximate percentage shareholding^(Note 1)</u>
Mr. Liu Lei	Executive Director and chief operating officer	Room 1305, Block G Xiang Jing Garden No. 11, Yongcui Road Baiyun District Guangzhou China	20,000,000	1.66%
Mr. Zhu Boyang . . .	Executive Director, chief financial officer and joint company secretary	Flat B, 29/F, Block 5 The Visionary 1 Ying Hong Street Tung Chung New Territories Hong Kong	20,000,000	1.66%
Ms. Suo Yan	Executive Director and senior vice president	Room 605, Building 2 15 Bei Feng Wo Lu Haidian District Beijing China	20,000,000	1.66%

Note:

(1) The percentages shown are for illustrative purpose only and are calculated based on the number of Shares in issue immediately following completion of the Global Offering, and assuming that all the Share Awards are fully unlocked upon completion of the Global Offering and that the Over-allotment Option is not exercised.

H. OTHER INFORMATION

1. Litigation

As of the Latest Practicable Date, save as disclosed in this prospectus, no member of our Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance was known to our Directors to be pending or threatened against our Group, that would have a material adverse effect on its business, financial condition or results of operations.

2. Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor's fees payable by us in respect of the Sole Sponsor's services as sponsor for the Listing is HK\$5.0 million.

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option). All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

3. No Material Adverse Change

Save as disclosed in the section headed “Summary—Recent Developments” in this prospectus and save for the expenses incurred and accrued in connection with the Listing, our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2020 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

4. Tax and other indemnities

(a) Tax on Dividend

No tax is payable in Hong Kong in respect of dividend paid by us.

(b) Profits Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profit tax, which is currently imposed at the rate of 16.5% on corporations and at a rate of 15.0% on unincorporated businesses. Gains from sales of the Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

(c) Stamp Duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5.0 is currently payable on any instrument of transfer of shares.

(d) Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

(e) Deed of Indemnity

Our Controlling Shareholders and our Company entered into the deed of indemnity on December 22, 2020 (the “**Deed of Indemnity**”). Pursuant to the Deed of Indemnity given by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of its subsidiaries) and conditional on the fulfillment of all conditions set out in “Structure of the Global Offering—Conditions of the Global Offering” in this prospectus, each of our Controlling Shareholders has unconditionally and irrevocably, jointly and severally covenanted, agreed and undertaken to indemnify and keep each of the members of our Company (for itself and as trustee for each of the subsidiaries) indemnified at all times on demand from and against any taxation falling on any members of our Group resulting from or by reference to any revenue (including any form of government financial assistance, subsidy or rebate), income, profits or gains granted, earned, accrued, received or made (or

deemed to have been granted, earned, accrued, received or made) on or before the Listing Date or any event, transaction, act or omission occurring or deemed to occur on or before the Listing Date whether alone or in conjunction with any other event, act or omission occurring or deemed to occur on or before the Listing Date and whether or not such taxation is chargeable against or attributable to any other person, firm or company. For the avoidance of doubt, the aforesaid provision shall require each of our Controlling Shareholders to indemnify and at all times keep each of the members of our Group indemnified, in each case, in respect of any additional taxation which may fall on our Company or any other members of our Group in respect of a taxation claim resulting from a reassessment or similar action by a taxation authority against any member of our Group of taxation due and whether or not such reassessment is effected in respect of taxation which our Company or any other members of our Group had previously reached agreement with a taxation authority.

Under the Deed of Indemnity, our Controlling Shareholders have also unconditionally and irrevocably, jointly and severally agreed and undertaken to indemnify and at all times keep indemnified our Company and each of the relevant members of our Group on demand from and against all sums, outgoings, fees, demands, claims, damages, losses, costs, charges, liabilities, fines, penalties, orders and expenses incurred or suffered or loss of profits, benefits or other commercial advantages suffered by our Company and/or other relevant members of our Group resulting from (i) any and all of the non-compliances with the applicable laws, rules or regulations, by our Company and/or any members of our Group in their respective places of incorporations or operation which has occurred at any time on or before the Listing Date; (ii) any litigation, arbitration, claims (including counter-claims), complaints, demands and/or legal proceedings, whether of criminal, administrative, contractual, tortious or otherwise nature instituted by or against our Company and/or any members of our Group in relation to events occurred on or before the Listing Date; (iii) the Reorganization; and (iv) any losses that our Group may incur in relation to the social insurance fund and housing provident fund contribution non-compliances before the Listing Date.

However, the indemnities given by our Controlling Shareholders under the Deed of Indemnity do not cover, and our Controlling Shareholders shall be under no liability in respect of, any liability on taxation and taxation claim:

- (i) to the extent that provision has been made for such taxation or taxation claim in the audited consolidated financial statements of our Group or the audited financial statements of any of the members of our Group for an accounting period ended on or before June 30, 2020;
- (ii) to the extent that such liability arises or is incurred as a consequence of any change in the law, rules or regulations, or the interpretation or practice thereof by any statutory or governmental authority (in Hong Kong, the PRC or elsewhere), including without limitation the Inland Revenue Department and the tax bureaus of the PRC, having retrospective effect coming into force after the Listing Date or to the extent that such liability arises or is increased by an increase in rates of taxation or other penalties after the Listing Date with retrospective effect;

- (iii) falling on any members of our Group in respect of any accounting period commencing on or after June 30, 2020 unless such liability would not have arisen but for some act or omission of, or transaction entered into by, any of our Controlling Shareholders or any members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring), otherwise than:
 - (1) in the ordinary course of business, or in the ordinary course of acquiring or disposing of capital assets, on or before the Listing Date; or
 - (2) pursuant to a legally binding commitment created on or before the date of the Deed of Indemnity or pursuant to any statement of intention made in this prospectus;
- (iv) to the extent that such liability is discharged by another person who is not a member of our Group and that no member of our Group is required to reimburse such person in respect of the discharge of such liability; or
- (v) to the extent of any provision or reserve made for such liability in the audited financial statements referred to in paragraph (i) above which is finally established to be an overprovision or an excessive reserve provided that the amount of any such provision or reserve applied to reduce our Controlling Shareholders' liability in respect of such liability shall not be available in respect of any such liability arising thereafter.

(f) Consultation with professional advisors

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the tax implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. None of our Company, the Sole Sponsor, the Underwriters, any of their respective directors, 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 for, purchase, holding or disposal of, or dealing in, the Shares.

5. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;
 - (iv) no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of any member of our Group; and
 - (v) no founders, management or deferred shares of our Company or any of our subsidiaries has been issued or agreed to be issued;

- (b) save as disclosed in this prospectus, none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (c) our Company has no outstanding convertible debt securities or debentures;
- (d) 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;
- (e) there is no arrangement under which future dividend are waived or agreed to be waived;
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system; and
- (g) our Cayman Islands principal share register will be maintained by our principal share registrar, Appleby Global Services (Cayman) Limited in the Cayman Islands and our Hong Kong branch share register will be maintained by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands.

6. Qualifications of experts

The following are the qualifications of experts who have opined or advised on information contained in this prospectus:

<u>Name</u>	<u>Qualification</u>
ABCI Capital Limited	A licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Fangda Partners	Legal advisors of our Company as to the laws of the PRC
Appleby	Legal advisors of our Company as to the laws of the Cayman Islands
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588)
China Insights Industry Consultancy Limited	Industry consultant

7. Consent of Experts

Each of ABCI Capital Limited, Fangda Partners, Appleby, PricewaterhouseCoopers and China Insights Industry Consultancy Limited has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion and/or legal memorandum (as the case may be) and references to its name included in the form and context in which it respectively appears. None of the experts named above has any shareholding interests 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. Promoters

Our Company has no promoter for purposes of the Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given, nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

9. Preliminary Expenses

The preliminary expenses of our Company are approximately US\$2,750.0 and have been paid by our Company.

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of binding all persons concerned by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

11. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).