

APPENDIX VII

STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

On June 11, 2004, the predecessor of our Company, Shanghai Kaka Cosmetic Co., Ltd. (上海卡卡化妝品有限公司), was established as a limited liability company in Shanghai, the PRC, with a registered capital of RMB0.5 million. On June 8, 2015, our Company was renamed as Shanghai Chicmax Cosmetic Co., Ltd. (上海上美化妝品有限公司). On December 24, 2020, our Company was converted into a joint stock company with limited liability and renamed as Shanghai Chicmax Cosmetic Co., Ltd. (上海上美化妝品股份有限公司), with the promoters being Mr. Lyu Yixiong, Hongyin Investment, Nanyin Investment, Shanghai Kans, Mr. Zhang Huai’an, Youngor Investment, Ximei Investment, Shanghai Yingfu, Shanghai Shengyan and Anxin Zhipu Investment.

We have established a place of business in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, and have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 17, 2022. Mr. Li Kin Wai (李健威) has been appointed as our authorised representative for the acceptance of services of process and notices on behalf of our Company in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as the address of our principal place of business in Hong Kong.

As we are incorporated in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” of this Document and Appendices V and VI to this Document.

B. Changes in the Share Capital of our Company

On January 25, 2021, the Company completed the SAMR registration in respect of the increase of its registered capital from RMB180 million to RMB360 million.

Upon completion of the [REDACTED], without taking into account any H Shares which may be issued pursuant to the [REDACTED], our registered share capital will be increased to RMB[REDACTED], comprising [REDACTED] Domestic Shares and [REDACTED] H Shares to be issued and sold under the [REDACTED], representing approximately [REDACTED], and [REDACTED] of our registered capital, respectively.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

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(b) Changes in the share capital of our subsidiaries

The following changes in the share capital of our subsidiaries took place during the two years immediately preceding the date of this Document:

Nippon Shuichi Cosmetics Co., Ltd. (日本秀一化粧品株式會社)

- On December 31, 2020 the share capital of Nippon Shuichi decreased from JPY434.85 million to JPY80 million.
- On April 15, 2022, the share capital of Nippon Shuichi increased from JPY80 million to JPY475.6 million.
- On December 1, 2022, the share capital of Nippon Shuichi decreased from JPY475.6 million to JPY80 million.

Shanghai Aoye Cosmetic Co., Ltd. (上海澳葉化妝品有限公司)

- On January 11, 2021, the registered share capital of Shanghai Aoye Cosmetic Co., Ltd. (上海澳葉化妝品有限公司) increased from RMB0.6 million to RMB1 million.

Shanghai Maiba Network Technology Co., Ltd. (上海麥叭網絡科技有限公司)

- On April 8, 2021, the registered share capital of Shanghai Maiba Network Technology Co., Ltd. (上海麥叭網絡科技有限公司) increased from RMB0.3 million to RMB1 million.

Shanghai Leading Investment Co., Ltd. (上海潮尚投資有限公司)

- On August 17, 2021, the registered capital of Leading Investment increased from RMB100 million to RMB200 million.

Shanghai Asnami Cosmetic Co., Ltd. (上海安彌兒化妝品有限公司)

- On September 14, 2021, the registered share capital of Shanghai Asnami Cosmetic Co., Ltd. (上海安彌兒化妝品有限公司) increased from RMB5 million to RMB10 million.

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Shanghai Qingdao Enterprise Management Co., Ltd. (上海青道企業管理有限公司)

- On November 3, 2021, the registered share capital Shanghai Qingdao Enterprise Management Co., Ltd. (上海青道企業管理有限公司) increased from RMB1 million to RMB15.3 million.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this Document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Document which are or may be material, and a copy of each has been published on the Exchange's website and our Company's own website:

- (a) the promoter's agreement dated December 1, 2020 entered into among Mr. Lyu Yixiong (呂義雄), Shanghai Hongyin Investment Co., Ltd. (上海紅印投資有限公司), Shanghai Nanyin Investment Co., Ltd. (上海南印投資有限公司), Shanghai Kans Cosmetics Co., Ltd. (上海韓束化妝品有限公司) (currently renamed as Shanghai Kans Enterprise Management Co., Ltd. (上海韓束企業管理有限公司)), Mr. Zhang Huai'an (張懷安), Youngor Investment Co., Ltd. (雅戈爾投資有限公司), Shanghai Ximei Investment Center (Limited Partnership) (上海希美投資中心(有限合夥)), Shanghai Yingfu Enterprise Management Partnership (Limited Partnership) (上海盈輔企業管理合夥企業(有限合夥)), Shanghai Shengyan Business Management Centre (上海盛顏商務管理中心), and Shenzhen Anxin Zhipu Investment Consulting Partnership (Limited Partnership) (深圳安信智普投資諮詢合夥企業(有限合夥)), pursuant to which our Company was converted into a joint stock company with limited liability;
- (b) the second supplemental agreement to the capital increase agreement dated May 11, 2021 entered into among Shanghai Ximei Investment Center (Limited Partnership) (上海希美投資中心(有限合夥)), Mr. Lyu Yixiong (呂義雄), Shanghai Kans Cosmetics Co., Ltd. (上海韓束化妝品有限公司) (currently renamed as Shanghai Kans Enterprise Management Co., Ltd. (上海韓束企業管理有限公司)) and our Company, pursuant to which the rights and obligations of our Company under the supplemental agreement to the capital increase agreement shall be terminated immediately upon the signing of the second supplemental agreement to the capital increase agreement;

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- (c) the third supplemental agreement to the capital increase agreement dated December 10, 2021 entered into among Shanghai Ximei Investment Center (Limited Partnership) (上海希美投資中心(有限合夥)) (“**Ximei Investment**”), Mr. Lyu Yixiong (呂義雄), Shanghai Kans Cosmetics Co., Ltd. (上海韓束化妝品有限公司) (currently renamed as Shanghai Kans Enterprise Management Co., Ltd. (上海韓束企業管理有限公司)) and our Company, pursuant to which the customary special rights granted to Ximei Investment, including but not limited to anti-dilution rights, redemption rights and liquidation preferences, shall lapse or be terminated upon the submission of the application documents for the [REDACTED] to the China Securities Regulatory Commission and shall become effective immediately in the event that the application for [REDACTED] is rejected, denied or refused or approval for [REDACTED] is not granted; and
- (d) the [REDACTED].

B. Intellectual Property Rights

(a) Patents

As of the Latest Practicable Date, our Group has the following patents which are considered by us to be or may be material to our business:

No.	Parent Owner	Type	Patent	Patent No.	Application Date	Grant Date
1	Suzhou Industrial Park Lizi Cosmetic Co., Ltd.	Invention patent	4-(1-phenylethyl)-1,3-dihydroxybenzene liposome and its preparation method (4-(1-苯乙基)-1,3-二羥基苯脂質體及其製備方法)	2009100455129	January 19, 2009	June 22, 2011
2	Shanghai Zhongyi	Invention patent	A composite whitening agent nanostructured lipid carrier and its preparation method (一種複合美白劑納米結構脂質載體及其製備方法)	201310199916X	May 24, 2013	April 9, 2014

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No.	Parent Owner	Type	Patent	Patent No.	Application	
					Date	Grant Date
3	Shanghai Zhongyi	Invention patent	A natural flower petal and the cosmetic product using the natural flower petal (一種天然花瓣和採用該天然花瓣的化妝品)	2013101992989	May 24, 2013	May 21, 2014
4	Shanghai Zhongyi	Invention patent	A self-foaming serum and its preparation method (一種自發泡精華液及其製備方法)	2015100919557	March 2, 2015	December 1, 2017
5	Shanghai Zhongyi	Invention patent	A self-foaming sunscreen cream and its preparation method (一種自發泡防曬乳及其製備方法)	2015100921415	March 2, 2015	December 1, 2017
6	Shanghai Zhongyi	Invention patent	A preparation method of compound mystery fruit leaf extract and its application (一種複方神秘果葉提取物的製備方法及其應用)	2015106385074	September 29, 2015	February 22, 2017
7	Shanghai Zhongyi	Invention patent	Astragalus submicron lipid plasmid and its preparation method (紫壇芪亞微米脂質粒及其製備方法)	2014106404070	November 13, 2014	January 12, 2018
8	Shanghai Zhongyi	Invention patent	A self-foaming foundation and its preparation method (一種自發泡粉底及其製備方法)	2015100919542	March 2, 2015	January 5, 2018
9	Shanghai Zhongyi	Invention patent	Soothing and anti-irritant herbal compositions for external use and their preparation method (具有舒敏抗刺激功效的外用中藥組合物及其製備方法)	2015101988145	April 21, 2015	April 3, 2018

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No.	Parent Owner	Type	Patent	Patent No.	Application	
					Date	Grant Date
10	Shanghai Zhongyi	Invention patent	A self-foaming cosmetic composition and its preparation method (一種自發泡化妝品組合物及其製備方法)	2015100921608	March 2, 2015	May 4, 2018
11	Shanghai Zhongyi	Invention patent	A self-foaming cream and its preparation method (一種自發泡膏霜及其製備方法)	2015100921970	March 2, 2015	May 4, 2018
12	Shanghai Zhongyi	Invention patent	Mascara containing foaming agent and its preparation method (一種含有發泡劑的睫毛膏及其製備方法)	2015100922530	March 2, 2015	June 19, 2018
13	Shanghai Zhongyi	Invention patent	A composition containing tremella fuciformis extract and its application in personal care products (一種含有銀耳提取物的組合物及在個人護理品中的應用)	201710637437X	July 31, 2017	June 22, 2018
14	Shanghai Zhongyi	Invention patent	A whitening and brightening combination and its preparation method (一種美白提亮組合及其製備方法)	2017106375160	July 31, 2017	July 10, 2018
15	Shanghai Zhongyi	Invention patent	Bread-type multi-pore polyurethane foam (麵包型多孔聚氨酯泡沫)	2015100518034	January 30, 2015	August 28, 2018
16	Shanghai Zhongyi	Invention patent	An oil-water double-layer makeup remover and its preparation method (一種油水雙層卸妝液及其製備方法)	2018100408447	January 16, 2018	April 5, 2019

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
No.	Parent Owner	Type	Patent	Patent No.	Application	
					Date	Grant Date
17	Shanghai Zhongyi	Invention patent	A relatively mild, clear soap-based cleansing formulation (一種相對溫和的透明皂基清潔製劑)	2017106495139	August 2, 2017	November 19, 2019
18	Shanghai Zhongyi	Invention patent	A water-in-oil type solid foundation cream and its preparation method (一種油包水型固態粉底膏及其製備方法)	2018102876136	April 3, 2018	May 11, 2021
19	Shanghai Zhongyi	Invention patent	Use of a combined fermentation product of the thermophilic bacterial and yeast (一種嗜熱棲熱菌和酵母組合發酵產物的用途)	2018103583185	April 20, 2018	September 27, 2019
20	Shanghai Zhongyi	Invention patent	A suspension oil bead makeup containing sucrose acetate isobutyrate and its preparation method (一種含有乙酸異丁酸蔗糖酯的懸浮油珠化妝水及其製備方法)	2018105365359	May 30, 2018	May 11, 2021
21	Shanghai Zhongyi	Invention patent	Discoloration inhibiting composition, external preparation for skin and application (抑制變色組合物、皮膚外用製劑及應用)	2018113894405	November 21, 2018	February 11, 2022
22	Shanghai Zhongyi	Invention patent	A cleaning preparation that can stabilize high-concentration adenosine and its preparation method (一種可以穩定高濃度腺苷的清潔製劑及其製備方法)	2019101259336	February 20, 2019	January 7, 2022
23	Shanghai Zhongyi	Invention patent	A cosmetic reagent (一種化妝品試劑)	2019111321155	November 19, 2019	August 19, 2022

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No.	Parent Owner	Type	Patent	Patent No.	Application	
					Date	Grant Date
24	Shanghai Zhongyi	Invention patent	A massage ointment and its preparation method (一種按摩油膏及其製備方法)	2020102535529	April 2, 2020	June 14, 2022
25	Shanghai Zhongyi	Invention patent	A pectin mask and its preparation method (一種果膠面膜及其製備方法)	2020111169856	October 19, 2020	August 23, 2022
26	Shanghai Zhongyi	Invention patent (in Japan)	Use of a combined fermentation product of the thermophilic bacterial and yeast (一種嗜熱棲熱菌和酵母菌組合發酵產物的用途)	6793692	August 9, 2018	November 12, 2020

(b) Trademarks

As of the Latest Practicable Date, the following trademarks have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Trademark Registrant	Trademark	Registration Number	Place of Registration	Class	Valid Period
1	Shanghai Chicmax		51599800	PRC	3	August 14, 2021 – August 13, 2031
2	Shanghai Chicmax		16895816	PRC	3	October 28, 2016 – October 27, 2026
3	Shanghai Chicmax		26156559	PRC	3	August 21, 2018 – August 20, 2028
4	Shanghai Chicmax		24855696	PRC	3	June 21, 2018 – June 20, 2028
5	Shanghai Chicmax		18499171	PRC	3	January 14, 2017 – January 13, 2027
6	Shanghai Chicmax		3584042	PRC	3	June 28, 2015 – June 27, 2025
7	Shanghai Chicmax		15186300	PRC	3	October 21, 2015 – October 20, 2025

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No.	Trademark Registrant	Trademark	Registration Number	Place of Registration	Class	Valid Period
8	Shanghai Chicmax		18793399	PRC	3	May 21, 2017 – May 20, 2027
9	Shanghai Chicmax		15186211	PRC	3	December 7, 2015 – December 6, 2025
10	Shanghai Chicmax		26557327	PRC	3	October 21, 2018 – October 20, 2028
11	Shanghai Chicmax		38190757	PRC	3	April 21, 2020 – April 20, 2030
12	Shanghai Chicmax		20305714	PRC	3	July 28, 2019 – July 27, 2029
13	Shanghai Chicmax		18516465	PRC	3	November 7, 2017 – November 6, 2027
14	Shanghai Chicmax		38802735	PRC	3	February 7, 2021 – February 6, 2031
15	Shanghai Chicmax		23768936	PRC	3	April 14, 2018 – April 13, 2028
16	Shanghai Chicmax		25542599	PRC	3	July 28, 2018 – July 27, 2028
17	Shanghai Chicmax		50881944	PRC	3	September 7, 2021 – September 6, 2031
18	Shanghai Yiye		15491508	PRC	3	November 28, 2015 – November 27, 2025
19	Shanghai KPC		27429177	PRC	3	October 21, 2018 – October 20, 2028
20	Shanghai KPC		45819203	PRC	3	January 7, 2021 – January 6, 2031
21	Shanghai Asnami		27907749	PRC	3	November 14, 2018 – November 13, 2028
22	Shanghai Asnami		30514537	PRC	3	February 14, 2019 – February 13, 2029
23	Shanghai Asnami		30620275	PRC	3	February 14, 2019 – February 13, 2029
24	Shanghai Chicmax		302922110	Hong Kong	3	March 12, 2014 – March 11, 2024

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No.	Trademark Registrant	Trademark	Registration Number	Place of Registration	Class	Valid Period
25	Shanghai Chicmax		303216519	Hong Kong	3	November 27, 2014 – November 26, 2024
26	Shanghai Chicmax		303220749	Hong Kong	3	December 2, 2014 – December 1, 2024
27	Shanghai Chicmax		303501639	Hong Kong	3	August 11, 2015 – August 10, 2025
28	Shanghai Chicmax	CHICMAX	305727088	Hong Kong	3	August 24, 2021 – August 23, 2031
29	Shanghai Chicmax	CHICMAX	305727079	Hong Kong	35	August 24, 2021 – August 23, 2031
30	Shanghai Chicmax		305727105	Hong Kong	3	August 24, 2021 – August 23, 2031
31	Shanghai Chicmax		305727097	Hong Kong	35	August 24, 2021 – August 23, 2031

The class number represents the specifications of products or services which have already been applied for or registered. Detailed specifications of the products or services represented by that class number are set out in the relevant [REDACTED] or registration certificates.

(c) Domain Name

As of the Latest Practicable Date, the following domain names have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Domain Name	Registered Owner	Effective Period
1	www.chicmaxgroup.com	Shanghai Chicmax	July 22, 2016 – July 22, 2023
2	www.chicmax.net	Shanghai Chicmax	November 4, 2015 – November 4, 2023
3	www.chicmaximage.com	Shanghai Chicmax	July 8, 2021 – July 8, 2023
4	www.kans.cn	Shanghai Chicmax	May 24, 2004 – May 24, 2023
5	www.oneleafchina.com	Shanghai Chicmax	July 22, 2014 – July 22, 2023
6	www.baby-elephant.cn	Shanghai Chicmax	June 26, 2015 – June 26, 2023

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It is estimated that under the arrangements currently in force, the aggregate amounts of remuneration payable by our Company to our Directors and Supervisors for the year ending December 31, 2022 is approximately RMB6,228,568 (excluding any discretionary bonus).

There is no arrangement under which any Director or Supervisor has waived or agreed to waive any remuneration of benefits in kind during the Track Record Period.

4. DISCLOSURE OF INTERESTS

A. Substantial Shareholders

For information on the persons (other than our Directors, Supervisors and chief executive of the Company) who will, immediately following the completion of the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company, please see below:

Name of Substantial Shareholder	Class of Shares to be held after the [REDACTED]	Nature of Interest	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
			Number of Shares	Approximate percentage in the Company	Number of Shares	Approximate percentage in the relevant class of Shares of the Company	Approximate percentage in the Company
Mr. Lyu Yixiong	Domestic shares	Beneficial interest	147,440,000(L)	40.96%	[REDACTED]	[REDACTED]	[REDACTED]
	H shares		-	-	[REDACTED]	[REDACTED]	[REDACTED]
	Domestic Shares	Interest in controlled corporation ⁽²⁾	181,112,560(L)	50.31%	[REDACTED]	[REDACTED]	[REDACTED]
	H shares		-	-	[REDACTED]	[REDACTED]	[REDACTED]
Hongyin Investment	Domestic Shares	Beneficial interest	108,000,000(L)	30.00%	[REDACTED]	[REDACTED]	[REDACTED]
	H shares		-	-	[REDACTED]	[REDACTED]	[REDACTED]
Nanyin Investment	Domestic Shares	Beneficial interest	60,880,000(L)	16.91%	[REDACTED]	[REDACTED]	[REDACTED]
	H shares		-	-	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) (L) denotes long position.

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- (2) As at the Latest Practicable Date, Mr. Lyu Yixiong holds 93.33% equity interest in Hongyin Investment, 83.74% equity interest in Nanyin Investment, and the entire equity interest in Shanghai Kans and Shanghai Shengyan. Therefore, Mr. Lyu Yixiong is deemed to be interested in the shares held by Hongyin Investment, Nanyin Investment, Shanghai Kans and Shanghai Shengyan.

Save as disclosed above, so far as our Directors, Supervisors, and chief executives of our Company are not aware of any person, not being a Director, Supervisor, and chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of Our Group which, once our H Shares are [REDACTED], would have to be disclosed to us under the provisions of Division 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Group.

B. Directors, Supervisors or Chief Executives

Save as disclosed above in “– 4. Disclosure of Interests – A. Substantial Shareholders” in this section, immediately following completion of the [REDACTED] (and assuming the [REDACTED] is not exercised), none of our Directors, Supervisors or chief executive of the Company has any interest and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which has been taken or is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

C. Disclaimers

Save as disclosed in this Document:

- (a) none of our Directors, Supervisors or chief executive of Our Company has any interests and short positions in the shares, underlying shares and debentures of Our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are [REDACTED]. For this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors;

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- (b) none of our Directors or Supervisors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once our Shares are [REDACTED] on the Stock Exchange;
- (c) none of our Directors or Supervisor nor any of the parties listed in “– 6. Other Information – G. Qualification of Experts” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business;
- (d) none of our Directors or Supervisor nor any of the parties listed in “– 6. Other Information – G. Qualification of Experts” of this Appendix is interested in our promotion, or in any assets which have, within two years immediately preceding the issue of this Document, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
- (e) none of the parties listed in the paragraph headed “– 6. Other Information – G. Qualification of Experts” of this Appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and
- (f) save as disclosed in the section headed “Business” in this document, none of our Directors or Supervisors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

5. EMPLOYEE SHARE OWNERSHIP PLAN

We have established an employee share ownership plan (“**ESOP**”) since 2016 to attract and retain the talents, to provide incentives that align the interests of shareholders, the Company and employees, and to facilitate the long-term development of the Company. The terms of the ESOP are not subject to the provisions of Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the ESOP.

As of the Latest Practicable Date, all the Shares underlying the ESOP have been issued and granted, and to the extent that there is any change to the grants under the ESOP after the [REDACTED], the Company will comply with the applicable Listing Rules (including the requirements under Chapter 14A of the Listing Rules applicable to grants to connected persons, if any).

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(a) ESOP Platforms

There are three employee share ownership platforms (the “**ESOP Platforms**”) for the ESOP, namely (i) Hongyin Investment, (ii) Nanyin Investment and (iii) Shanghai Chengyin.

As of the Latest Practicable Date, Hongyin Investment and Nanyin Investment holds 30.00% and 16.91% equity interest in the Company, respectively, and Shanghai Chengyin holds 5% equity interest in Nanyin Investment.

Participants of the ESOP (the “**ESOP Participants**” and each an “**ESOP Participant**”) shall indirectly hold equity interest in the Company through holding shares of Hongyin Investment, Nanyin Investment or Shanghai Chengyin transferred by Mr. Lyu Yixiong pursuant to the ESOP.

Set out below is the shareholding structure of the ESOP platforms as of the Latest Practicable Date:

- **Hongyin Investment:** Hongyin Investment is a limited liability company incorporated under the laws of the PRC on February 11, 2015 and is an incentive platform for employees of our Group who hold shares in Hongyin Investment. Hongyin Investment is held by (i) Mr. Lyu Yixiong, our executive Director, as to 93.33%, (ii) Ms. Luo Yan (羅燕), our executive Director, as to 1.67%. The remaining 2% and 3% equity interests in Hongyin Investment are held by three employees of the Group and three former employees of the Group, respectively.
- **Nanyin Investment:** Nanyin Investment is a limited liability company incorporated in the PRC on February 11, 2015 and is an incentive platform for employees of our Group who hold shares in Nanyin Investment. Nanyin Investment is held by (i) Mr. Lyu Yixiong, our executive Director, as to 83.74%, (ii) Mr. Feng Yifeng (馮一峰), our executive Director, as to 1.77%, (iii) Ms. Song Yang (宋洋), our executive Director, as to 1.77%, (iv) Mr. Li Tao (李濤), Ms. Shi Tenghua (施滕花), Ms. Cao Ying (曹瑛), our Supervisors, as to 0.059%, 0.59% and 0.18%, respectively, and (v) Shanghai Chengyin, another incentive platform, as to 5%. The remaining 3.99%, 1.89% and 1% equity interests in Nanyin Investment are held by 17 employees of the Group, 2 former employees of the Group, and Ms. Lyu Lichun (呂麗純), a sibling of Mr. Lyu Yixiong, respectively.
- **Shanghai Chengyin:** Shanghai Chengyin is a limited liability company incorporated in the PRC on February 8, 2021 and is an incentive platform for employees of our Group who hold shares in Shanghai Chengyin. Shanghai Chengyin is held by Mr. Lyu Yixiong, our executive Director, as to 76.34%, and the remaining 22.48% and 1.18% equity interests in Shanghai Chengyin is held by 19 employees of the Group and 1 former employee of the Group, respectively.

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The specific terms and conditions of the ESOP for each ESOP Participant is subject to the agreement entered into between (i) the relevant ESOP Platforms (ii) Mr. Lyu Yixiong and (iii) the relevant ESOP Participants.

(b) Shares and Share Price Granted under the ESOP

On July 20, 2016, respective agreements were entered into between Hongyin Investment, Mr. Lyu Yixiong and the relevant ESOP Participants, pursuant to which the relevant equity interest in Hongyin Investment was transferred to eligible grantees in their capacity as employees of the Group. The price per share granted to each ESOP Participant under the ESOP is RMB1.00 and each ESOP Participant shall pay the relevant price to Mr. Lyu Yixiong on the date of transfer. Depending on the clauses of each agreement, some of the ESOP Participants are not allowed to transfer or in any way dispose of the shares for a period of four (4) or five (5) years commencing on the date when the registration of the transfer of equity interest is completed.

Between March 2021 and July 2022, respective agreements were entered into between Nanyin Investment or Shanghai Chengyin (as the case may be), Mr. Lyu Yixiong and the relevant ESOP Participants, pursuant to which the relevant equity interest in Nanyin Investment or Shanghai Chengyin was transferred to eligible grantees in their capacity as employees of the Group. The price per share granted to each ESOP Participant under the ESOP is RMB1.00 and each ESOP Participant shall pay the relevant price to Mr. Lyu Yixiong on the date of transfer of the equity interest. Depending on the clauses of each agreement, some of the ESOP Participants are not allowed to transfer or in any way dispose of the shares for a period of four (4) years commencing on January 1, 2021 or for a period of two and a half (2.5) years or four (4) years commencing on July 1, 2022, respectively.

As all the underlying shares of the ESOP have been issued and held by Hongyin Investment and Nanyin Investment, the ESOP will not cause any dilution of the shareholding of our Shareholders, including Mr. Lyu Yixiong, immediately after the [REDACTED]. For further details on the interest of our persons and employees connected granted under the ESOP, see “Statutory and General Information – 5. Employee Share Ownership Plan – (a) ESOP Platforms”.

(c) Repurchase of Shares Granted

Under the following circumstances, Mr. Lyu Yixiong has the right to purchase the shares transferred under the ESOP at the grant price of RMB1.00 per share:

- (i) the termination of the ESOP Participant’s employment relationship with the Company or any of its subsidiaries for any reasons during the share transfer restriction period (if any) as specified in the agreements entered into between the relevant ESOP Platforms, Mr. Lyu Yixiong and the relevant ESOP Participants;

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- (ii) the transfer, disposal, or pledge of the shares by the ESOP Participant during the share transfer restriction period (if any) as specified in the agreements entered into between the relevant ESOP Platforms, Mr. Lyu Yixiong and the relevant ESOP Participants without the approval of the relevant ESOP Platforms; or
- (iii) any violation of law, breach of professional ethics, confidential information leakage, corruption or other malpractices of the ESOP Participant.

6. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under the PRC law is likely to fall upon our Company or any member of our Group.

B. Litigation

As of the Latest Practicable Date, save as disclosed in this Document, we were not involved in any material litigation, arbitration or administrative proceedings, and so far as our Directors are aware, no such material litigation, arbitration or administrative proceedings are pending or threatened against any member of our Group.

C. Joint Sponsors

Each of the Joint Sponsors has declared its independence pursuant to Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the Listing Committee for [REDACTED] of, and [REDACTED] to deal in, our H Shares, including any [REDACTED] which may be issued pursuant to the exercise of the [REDACTED]. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

We have entered into an engagement agreement with the Joint Sponsors, pursuant to which we agreed to pay a total amount of US\$500,000 to each of the Joint Sponsors for acting as a sponsor to our Company in the [REDACTED].

D. Compliance Adviser

We have appointed Maxa Capital Limited as our compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

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F. Promoters

The promoters of our Company are Mr. Lyu Yixiong, Hongyin Investment, Nanyin Investment, Shanghai Kans, Mr. Zhang Huai’an, Youngor Investment, Ximei Investment, Shanghai Yingfu, Shanghai Shengyan and Anxin Zhipu Investment. For details of our promoters, see “History, Conversion and Corporate Structure” of this document.

Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or other interest have been paid, allotted or given to the above promoters in connection with the [REDACTED] or related transactions in this Document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given their opinions or advice in this Document, are as follows:

Name	Qualification
J.P. Morgan Securities (Far East) Limited	Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 6 (Advising on corporate finance) of the regulated activities as defined under the SFO
China International Capital Corporation Hong Kong Securities Limited	Type 1 (Dealing in securities), Type 2 (Dealing in futures contracts), Type 4 (Advising on securities), Type 5 (Advising on futures contracts) and Type 6 (Advising on Corporate Finance) of the regulated activities as defined under the SFO
CLSA Capital Markets Limited	Type 4 (Advising on securities) and Type 6 (Advising on Corporate Finance) of the regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
Commerce & Finance Law Offices	PRC Legal advisors

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L. Related Party Transactions

Within the two years immediately preceding the date of this Document, we have entered into the related party transactions as described in Note 37 to the financial information in the Accountant's Report set out in Appendix I.

M. Agency Fees or Commissions Paid or Payable

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

N. Miscellaneous

Save as disclosed in this Document:

- (a) within the two years immediately preceding the date of this Document, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued or agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (f) within the two years immediately preceding the date of this Document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (i) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

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- (j) the Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited liability company and does not expect to be subject to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》).

O. Bilingual Document

The English language and Chinese language versions of this Document 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).