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1. FURTHER INFORMATION ABOUT OUR COMPANY

(i) Incorporation

Our Company was incorporated on 31 March 2020 in the Cayman Islands as an exempted company with limited liability under the Companies Act. We have established a principal place of business in Hong Kong at Unit 12, 12/F., Tower A, New Mandarin Plaza, No. 14 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•] 2022. Mr. Yang and Mr. Chan Ngai Fan have been appointed as the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong.

As we are incorporated in the Cayman Islands, our corporate structure, Memorandum and Articles of Association are subject to the laws of the Cayman Islands. A summary of our constitution and the relevant aspects of Cayman Islands company law is set out in Appendix III to this document.

(ii) Changes in Share Capital of our Company

- (a) on 31 March 2020, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. The authorised share capital was US\$50,000 divided into 50,000 shares of par value of US\$1 each;
- (b) on 31 March 2020, one share of par value US\$1 was allotted and issued fully-paid to the subscriber, an Independent Third Party, which in turn transferred such share to Shengyao Investment at par. On the same date, 16,684, 9,070, 8,165, 4,765, 4,405, 3,710, 2,270 and 930 shares of a par value of US\$1 each were allotted and issued all credited as fully-paid to Shengyao Investment, Trendy Peak, Prosperous Season, Best Talent, Chang Nan Financial, Pluto Universal, Mass Jovial and Cheerly Success respectively;
- (c) on 3 November 2020, the authorised share capital of the Company was increased from US\$50,000 divided into 50,000 shares of a par value of US\$1 each to US\$100,000 divided into 100,000 shares of a par value of US\$1 each by the creation of additional 50,000 shares of a par value of US\$1 each. On the same date, our Company allotted and issued 2,632 shares of a par value of US\$1 each to Mr. Su at the consideration of US\$2,632; and

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- (d) on 20 June 2022, pursuant to the written resolutions passed by our Shareholders, each of the issued and unissued shares of a par value of US\$1.0 in the share capital of the Company was subdivided into 100 Shares of a par value of US\$0.01 each, such that the Company’s authorised share capital is US\$100,000 divided into 10,000,000 Shares of a par value of US\$0.01 each; and
- (e) on [•], the authorised share capital if our Company was increased from US\$100,000 divided into 10,000,000 Shares of a par value of US\$0.01 each to US\$[80,000,000] divided into [8,000,000,000] Shares of a par value of US\$0.01 each.

Save for aforesaid and as mentioned in the paragraph headed “— 1. Further Information about our Company — (iv) Written Resolutions of our Shareholders passed on [•]” below, there has been no alteration in the share capital of our Company since its incorporation.

(iii) Share Capital of our Company after the [REDACTED]

Immediately following the completion of the [REDACTED] but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and the options that may be granted under the Share Option Scheme, the authorised share capital of our Company will be US\$[80,000,000] divided into 8,000,000,000 Shares and the issued share capital of our Company will be US\$[REDACTED] divided into [REDACTED] Shares, all fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.

Other than the exercise of the [REDACTED], the exercise of any options which may be granted under the Share Option Scheme or the exercise of the general mandate to issue Shares referred to in the paragraph headed “— 1. Further Information about our Company — (iv) Written Resolutions of our Shareholders passed on [•]”, our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this Appendix and the section headed “History, Reorganisation and Corporate Structure” in this document, there has been no alteration in the share capital of our Company since our incorporation.

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(iv) Written Resolutions of our Shareholders passed on [•]

Pursuant to the resolutions in writing passed by our Shareholders on [•]:

- (a) our Company approved and adopted the Memorandum and Articles of Association with effect from the [REDACTED];
- (b) conditional upon (i) the [REDACTED] granting the [REDACTED] of, and [REDACTED] in, the Shares in issue and Shares to be issued pursuant to the [REDACTED], the [REDACTED], the exercise of the [REDACTED] and the Shares to be issued upon the exercise of any options which may be granted under the Share Option Scheme; (ii) the [REDACTED] having been fixed on or around the [REDACTED]; (iii) the execution and delivery of the [REDACTED] on or around the [REDACTED]; and (iv) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the [REDACTED]) (for itself and on behalf of the [REDACTED]) and the [REDACTED] not being terminated in accordance with their respective terms or otherwise:
 - (i) the [REDACTED] and the [REDACTED] were approved and our Directors were authorised to effect the same and to allot and issue the new Shares pursuant to the [REDACTED] and the [REDACTED];
 - (ii) the proposed [REDACTED] of our Shares on the Stock Exchange was approved and our Directors were authorised to implement such [REDACTED];
 - (iii) the [REDACTED] was approved and our Directors were authorised to effect the same and to allot and issue up to [REDACTED] Shares upon the exercise of the [REDACTED]; and
 - (iv) conditional on the share premium account of our Company having been credited as a result of the allotment and issue of the [REDACTED] pursuant to the [REDACTED], our Directors were authorised to allot and issue a total of [REDACTED] Shares credited as fully paid at par by way of capitalisation of the sum of US\$[REDACTED] standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares;

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- (c) a general unconditional mandate was granted to our Directors to, inter alia, issue, allot and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that:
- (1) the aggregate number of Shares allotted and issued or agreed to be allotted and issued by our Directors shall not exceed:
 - (i) 20% of the aggregate number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (but excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme); and
 - (ii) the aggregate number of Shares repurchased by our Directors (if any) under the general mandate to repurchase Shares referred to below;
 - (2) the aggregate number of the Shares which our Directors are authorised to allot and issue under this mandate will not be reduced by the allotment and issue of Shares pursuant to:
 - (i) a rights issue;
 - (ii) 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 our Articles;
 - (iii) any specific authority granted by the Shareholders in general meeting; or
 - (iv) the exercise of any options which may be granted under the Share Option Scheme;
 - (3) this general mandate to issue Shares will expire at the earliest of:
 - (i) the conclusion of our next annual general meeting;
 - (ii) the expiration of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or

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- (iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;
- (d) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase Shares with a total number not exceeding 10% of the aggregate number of Shares in issue or to be issued immediately following the completion of the [REDACTED] and the [REDACTED] (excluding any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme). This general mandate relates only to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are [REDACTED] (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with the Listing Rules and all applicable laws. Such mandate will expire at the earliest of:
 - (i) the conclusion of our Company's next annual general meeting;
 - (ii) the expiration of the period within which the next annual general meeting is required by our Articles or the Companies Act or any other applicable law of the Cayman Islands to be held; or
 - (iii) the time when such mandate is varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;
- (e) the general unconditional mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate number of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (d) above (up to 10% of the aggregate number of the Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED], excluding any Shares which may fall to be issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme); and
- (f) conditional on (1) the Listing Committee of the Stock Exchange granting the [REDACTED] of, and [REDACTED] in, the new Shares to be issued pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme, and (2) the [REDACTED] of the Shares on the Main Board of the Stock Exchange, (i) the adoption of the Share Option Scheme was approved and (ii) our Directors were authorised to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme.

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2. OUR SUBSIDIARIES

The particulars of our subsidiaries are provided in the Accountants’ Report, the text of which is set out in Appendix I in this document.

3. CHANGES IN SHARE CAPITAL OF OUR SUBSIDIARIES

Save as disclosed in the section headed “History, Reorganisation and Corporate Structure”, there has been no other changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. CORPORATE REORGANISATION

The companies comprising our Group underwent the Reorganisation in preparation for the [REDACTED] of the Shares on the Stock Exchange. Please refer to the paragraph headed “History, Reorganisation and Corporate Structure — Reorganisation” in this document for further details.

5. SHARE REPURCHASE MANDATE

This section includes information relating to the repurchase by our Company of the Shares, including information required by the Stock Exchange to be included in this document concerning such repurchase.

A. Relevant Legal and Regulatory Requirements

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

(i) *Shareholders’ Approval*

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

Pursuant to the written resolutions passed by our Shareholders on [•], a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be [REDACTED] (and which is recognised by the SFC and the Stock Exchange for this purpose) such number of Shares

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as will represent up to 10% of the number of shares of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares which may be issued pursuant to any exercise of the [REDACTED] or the options which may be granted under the Share Option Scheme), such mandate to remain in effect until (i) the conclusion of the next annual general meeting of our Company, or (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or (iii) such mandate being revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first (the "**Relevant Period**").

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association, the Companies Act, the Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Subject to the foregoing, such repurchases by our Company may only be made out of our Company's profits, our Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. Any premium payable on a purchase over the par value of the Shares to be purchased must have been provided for out of either or both of the profits of our Company or our Company's share premium account. If authorised by the Articles and subject to the provisions of the Companies Act, a repurchase of shares may also be made out of capital.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. 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 Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the 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 Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities on the 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 Stock Exchange.

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

(iv) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase our Directors resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as cancelled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorised share capital under the Companies Act.

(v) 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: (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required by the Listing Rules); and (b) the deadline for a listed company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly 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 Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the 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.

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(vii) Core Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person" (as defined in the Listing Rules), that is, a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or their close associates, and a core connected person is prohibited from knowingly selling his/her securities to the company on the Stock Exchange.

B. 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 the 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.

C. Funding of Repurchases

In repurchasing securities, a listed company may only apply funds legally available for such purpose in accordance with its Memorandum and 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 document 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 have a material adverse effect on our Company's working capital and/or our Company's gearing position as compared with the position disclosed in this document. 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 position which in the opinion of our Directors are from time to time appropriate for our Company.

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D. General

Exercise in full of the current Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] and assuming the [REDACTED] is not exercised, could accordingly result in up to approximately [REDACTED] 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 (as defined in the Listing Rules) have any present intention to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the 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 Takeover 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 the 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 [REDACTED] of Shares on the 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 immediately after the [REDACTED] of the Shares on the Stock Exchange.

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 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.

No repurchase of Shares has been made by our Company since its incorporation.

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6. FURTHER INFORMATION ABOUT OUR BUSINESS

A. 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 document and are or may be material:

- (1) the Deed of Indemnity;
- (2) the Deed of Non-competition; and
- (3) the [REDACTED].

B. Our Intellectual Property Rights








As at the Latest Practicable Date, we had registered the following intellectual property rights which are material in relation to our business.

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(i) Trademarks

As at the Latest Practicable Date, members of our Group have registered the following trademarks in the PRC, which are material to our business:

No.	Trademark	Type and class	Registered owner	Place of registration	Registration number	Expiry date/renewal date
1		30	Jiangxi Zhengwei	PRC	24265515	13 May 2028
2		31	Jiangxi Zhengwei	PRC	24265772	13 May 2028
3		29	Jiangxi Zhengwei	PRC	24265445	13 May 2028
4		31	Jiangxi Zhengwei	PRC	24265718	13 May 2028
5		5	Jiangxi Zhengwei	PRC	24264516	13 May 2028
6		5	Jiangxi Zhengwei	PRC	12778322	6 January 2025
7		30	Jiangxi Zhengwei	PRC	10819049	20 July 2023

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No.	Trademark	Type and class	Registered owner	Place of registration	Registration number	Expiry date/renewal date
8		29	Jiangxi Zhengwei	PRC	10818927	20 July 2023
9		30	Jiangxi Zhengwei	PRC	8435218	20 July 2031
10		29	Jiangxi Zhengwei	PRC	8435191	20 September 2031
11		29	Jiangxi Zhengwei	PRC	3482705	27 July 2024
12		42	Jiangxi Zhengwei	PRC	57436131	20 January 2032
13		38	Jiangxi Zhengwei	PRC	57459620	20 January 2032
14		29	Nanchang Kaixing	PRC	15701522	13 January 2026
15		29	Nanchang Kaixing	PRC	12468470	27 September 2024
16		9	Jiangxi Zhengwei	PRC	57435497	20 April 2032

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As at the Latest Practicable Date, members of our Group have registered the following trademark in Hong Kong, which is material to our business:

<u>Trademark</u>	<u>Type and Class</u>	<u>Registered Owner</u>	<u>Place of Registration</u>	<u>Registration Number</u>	<u>Expiry Date/Renewal Date</u>
	29, 30, 31	Our Company	Hong Kong	305246497	14 April 2030

(ii) Domain Name

As at the Latest Practicable Date, our Group had registered the following domain name which is material to our business:

<u>Domain name</u>	<u>Owner</u>	<u>Date of registration</u>	<u>Expiry date</u>
zhengwei100.com	Jiangxi Zhengwei	20 May 2021	20 May 2023

Information contained in the above website does not form part of this document.

(iii) Patents

As at the Latest Practicable Date, members of our Group had registered the following patents which are material to our business:

<u>No.</u>	<u>Patent</u>	<u>Patentee(s)</u>	<u>Registration no.</u>	<u>Place of application</u>	<u>Patent type</u>	<u>Term</u>
1	Pesticide residue detection method based on geometric measurement of light spot (基於光斑幾何量測量的農藥殘留檢測方法)	Jiangxi Zhengwei	ZL201611091979.3	PRC	Invention	1 December 2016 to 30 November 2036
2	A kind of food quality visual detection device and method (一種食品品質可視化檢測裝置和方法) .	Jiangxi Zhengwei	ZL201310479761.5	PRC	Invention	15 October 2013 to 14 October 2033

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No.	Patent	Patentee(s)	Registration no.	Place of application	Patent type	Term
3	A kind of method for growing organic lotus seeds (一種有機蓮子的種植方法).	Jiangxi Zhengwei	ZL202011529493.X	PRC	Invention	22 December 2020 to 21 December 2040
4	A kind of cultivation method of selenium-enriched tea tree mushroom (一種富硒茶樹菇栽培的方法)	Guangchang Zhenglian	ZL201410501834.0	PRC	Invention	27 September 2014 to 26 September 2034
5	A kind of lotus seed core drilling machine (一種蓮子鑽芯機) . .	Guangchang Zhenglian	ZL201310054977.7	PRC	Invention	21 February 2013 to 20 February 2033
6	A kind of portable high pressure steam steriliser for food production (一種食品生產用手提式高壓蒸汽滅菌器)	Guangchang Zhenglian	ZL202121746204.1	PRC	Utility model	29 July 2021 to 28 July 2031
7	A kind of device for the detection of aspergillus flavus (一種用於檢測黃曲霉素的檢測裝置) . .	Guangchang Zhenglian	ZL202121748446.4	PRC	Utility model	29 July 2021 to 28 July 2031
8	A kind of portable, multi-functional food safety testing device (一種便攜式的多功能食品安全檢測設備)	Guangchang Zhenglian	ZL202121748495.8	PRC	Utility model	29 July 2021 to 28 July 2031

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No.	Patent	Patentee(s)	Registration no.	Place of application	Patent type	Term
9	A kind of device for quantitative detection of pesticide residues in food (一種食品中農藥殘留定量檢測裝置)	Guangchang Zhenglian	ZL202121746172.5	PRC	Utility model	29 July 2021 to 28 July 2031
10	A kind of efficient sterilisation device for food production (一種用於食品生產的高效殺菌裝置) . .	Guangchang Zhenglian	ZL202123096387.X	PRC	Utility model	10 December 2021 to 9 December 2031
11	A kind of salt analysis device for food testing (一種食品檢測用鹽析裝置)	Jiangxi Zhengwei	ZL202023291582.3	PRC 食品溯源	Utility model	31 December 2020 to 30 December 2030
12	A kind of stirrer for food testing (一種食品檢測用攪拌器) . .	Jiangxi Zhengwei	ZL202023296102.2	PRC	Utility model	31 December 2020 to 30 December 2030
13	A RFID-based Food Traceability System (用於食品溯源的RFID設備)	Jiangxi Zhengwei	ZL202220315564.4	PRC	Utility model	16 February 2022 to 15 February 2032

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(iv) Copyrights

As at the Latest Practicable Date, members of our Group had registered the following copyright which are material to our business:

No.	Copyright owner	Copyright	Certificate number	Copyright completion date	First issue date	Registration number
1.	Jiangxi Zhengwei. . .	Food Safety Traceability Monitoring System V1.0 (食品安全溯源監測系統V1.0)	4980548	3 December 2019	4 December 2019	2020SR0101852
2.	Jiangxi Zhengwei. . .	Full-process Traceability System for Cold Chain of Aquatic Products V1.0 (水產品冷鏈全程溯源系統V1.0)	4980626	2 December 2019	3 December 2019	2020SR0101930
3.	Jiangxi Zhengwei. . .	RFID-based Food Traceability System V1.0 (基於RFID的食品溯源系統V1.0)	4977065	13 November 2019	18 November 2019	2020SR0098369
4.	Jiangxi Zhengwei. . .	Agricultural Product Quality and Safety Traceability System V1.0 (農產品質量安全追溯系統V1.0)	1684253	15 September 2016	23 September 2016	2017SR098969
5.	Jiangxi Zhengwei. . .	Food Heavy Metal Monitoring System V1.0 (食品重金屬監測系統V1.0)	1405468	6 May 2016	9 June 2016	2016SR226851

Save as disclosed above, there are no other trademarks, domain names, patents, copyrights or other intellectual property rights which are material in relation to our business.

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7. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Disclosure of Interests

(i) Disclosure of interests and short positions of our Directors and our chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations

Immediately following the completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and options which may be granted under the Share Option Scheme), the interests or short positions of Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the 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 as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are [REDACTED] will be as follows:

Long position in our Shares

Name of Director	Capacity/Nature of Interest	Number of Shares held/interested	Approximate percentage of shareholding (%)
Mr. Yang	Interest in a controlled corporation	[REDACTED] ⁽¹⁾	[REDACTED]
	Interest in a controlled corporation	[REDACTED] ⁽²⁾	[REDACTED]
	Interest of spouse	[REDACTED] ⁽³⁾	[REDACTED]
Ms. Lin	Interest in a controlled corporation	[REDACTED] ⁽⁴⁾	[REDACTED]
	Interest of spouse	[REDACTED] ⁽³⁾	[REDACTED]
Mr. Li Hui	Interest in a controlled corporation	[REDACTED] ⁽⁵⁾	[REDACTED]

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Notes:

- (1) Our Company is held as to [REDACTED]% by Shengyao Investment immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon any exercise of the [REDACTED] and options which may be granted under the Share Option Scheme). The issued share capital of Shengyao Investment is ultimately wholly-owned by Mr. Yang. Therefore, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Shengyao Investment for the purpose of the SFO.
- (2) Our Company is held as to [REDACTED]% by Prosperous Season immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon any exercise of the [REDACTED] and options which may be granted under the Share Option Scheme). The issued share capital of Prosperous Season is wholly-owned by Nanchang Tongli LP, which is a limited partnership established in the PRC managed and controlled by Mr. Yang as the general partner. Accordingly, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Prosperous Season for the purpose of the SFO.
- (3) Mr. Yang and Ms. Lin are spouses. Under the SFO, each of Mr. Yang and Ms. Lin is deemed to be interested in the Shares that the other person is interested in.
- (4) Our Company is held as to [REDACTED]% by Trendy Peak immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon any exercise of the [REDACTED] and options which may be granted under the Share Option Scheme). The issued share capital of Trendy Peak is ultimately wholly-owned by Ms. Lin. Therefore, Ms. Lin is deemed, or taken to be, interested in all the Shares held by Trendy Peak for the purpose of the SFO.
- (5) Our Company is held as to [REDACTED]% by Best Talent immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon any exercise of the [REDACTED] and options which may be granted under the Share Option Scheme). The issued share capital of Best Talent is ultimately wholly-owned as to 57.14%, 23.81% and 19.05% by Mr. Li Hui, Mr. Wu Bangjun and Mr. Luo Zikang, respectively. Therefore, Mr. Li Hui is deemed, or taken to be, interested in all the Shares held by Best Talent for the purpose of the SFO.

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(ii) Disclosure of interests under the SFO and disclosure of interests for substantial Shareholders

So far as is known to any Director or chief executive of our Company, immediately following completion of the [REDACTED] and the [REDACTED] but without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and options that may be granted under the Share Option Scheme, the following persons (other than a Director or chief executive of our Company) will have an interest or short position in the Shares or the underlying Shares which must be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

<u>Name</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares held/Underlying Shares held</u>	<u>Approximate percentage of shareholding in our Company</u>
			(%)
Shengyao Investment	Beneficial owner	[REDACTED] ⁽¹⁾	[REDACTED]
Trendy Peak	Beneficial owner	[REDACTED] ⁽²⁾	[REDACTED]
Nanchang Tongli LP	Interest in a controlled corporation	[REDACTED] ⁽³⁾	[REDACTED]
Prosperous Season	Beneficial owner	[REDACTED] ⁽³⁾	[REDACTED]
Best Talent	Beneficial owner	[REDACTED] ⁽⁴⁾	[REDACTED]
Changnan Fund	Interest in a controlled corporation	[REDACTED] ⁽⁵⁾	[REDACTED]
Chang Nan Financial	Beneficial owner	[REDACTED] ⁽⁵⁾	[REDACTED]
Pluto Universal	Beneficial owner	[REDACTED] ⁽⁶⁾	[REDACTED]
Mr. Lei	Interest in a controlled corporation	[REDACTED] ⁽⁶⁾	[REDACTED]

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Notes:

- (1) Shengyao Investment is wholly owned by Mr. Yang. Accordingly, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Shengyao Investment for the purpose of the SFO.
- (2) Trendy Peak is wholly-owned by Ms. Lin. Accordingly, Ms. Lin is deemed, or taken to be, interested in all the Shares held by Trendy Peak for the purpose of the SFO.
- (3) Prosperous Season is wholly-owned by Nanchang Tongli LP, which is a limited partnership established in the PRC managed and controlled by Mr. Yang as the general partner. Accordingly, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Prosperous Season for the purpose of the SFO.
- (4) Best Talent is wholly-owned as to 57.14%, 23.81% and 19.05% by Mr. Li Hui, Mr. Wu Bangjun and Mr. Luo Zikang, respectively. Accordingly, Mr. Li Hui is deemed, or taken to be, interested in all the Shares held by Best Talent for the purpose of the SFO.
- (5) Chang Nan Financial is wholly-owned by Changnan Fund, a limited liability company established under the laws of the PRC and is ultimately wholly-owned by Nanchang Science Industry and Information Technology Bureau* (南昌縣科技和工業信息化局).
- (6) Pluto Universal is wholly-owned by Mr. Lei. Accordingly, Mr. Lei is deemed, or taken to be, interested in all the Shares held by Pluto Universal for the purpose of the SFO.

B. Particulars of Directors’ Service Contract and Appointment Letters

(i) Executive Director

Each of our executive Directors has entered into a service contract with our Company for an initial fixed term of three years commencing from the [REDACTED], 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. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

(ii) Independent non-executive Directors

Each of our independent non-executive Directors has signed an appointment letter with our Company for an initial fixed term of three years commencing from the [REDACTED], 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. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

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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)).

C. Directors' Remuneration

Please refer to the paragraph headed "Directors and Senior Management — Remuneration of Directors and Senior Management" in this document for further information on the Directors' remuneration.

There was no arrangement under which a Director waived or agreed to waive any remuneration for the Track Record Period.

D. Agency Fees or [REDACTED] Received

Save as disclosed in this document, no [REDACTED], discounts, agency fees, [REDACTED] or other special terms have been granted to our Directors or the experts named in the paragraph headed "— 9. Other Information — G. Qualifications of Experts" in this appendix in connection with the issue or sale of any of our capital within the two years ended on the date of this document.

E. Related-Party Transactions

During the two years preceding the date of this document, we were not engaged in any related party transactions save as disclosed in note 40 to the Accountants' Report set out in Appendix I to this document.

F. Disclaimers

Save as disclosed in this document and as at the Latest Practicable Date:

- (a) none of our Directors or chief executive of our Company has any interests or short positions 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 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 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

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Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange;

- (b) so far as is known to any Director, 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 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 the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (c) none of our Directors nor any of the persons listed in the paragraph headed "— 9. Other Information — G. Qualifications of Experts" below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, 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 document 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 the [REDACTED], none of the persons listed in the paragraph headed "— 9. Other Information — G. Qualifications of Experts" below 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 [REDACTED], none of the persons listed in the paragraph headed "— 9. Other Information — G. Qualifications of Experts" below is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (g) none of our Directors or their respective close associates nor, to the knowledge of our Directors, any Shareholders who held more than 5% of the total Shares as at the Latest Practicable Date had any interest in the five largest customers or the five largest suppliers of our Company; and

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- (h) no remuneration or other benefits in kind have been paid by any member of our Group to any Director since the date of incorporation of our Company, nor are any remuneration or benefits in kind payable by any member of our Group to any Director in respect of the current financial year under any arrangement in force as at the Latest Practicable Date.

8. SHARE OPTION SCHEME

Summary of terms

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of our Shareholders passed on [•] adopted by a resolution of the Board on [•] (the “**Adoption Date**”). The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in our Company and help motivate them to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Executives (as defined below), to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

(b) Who may join

The Board may, at its absolute discretion, offer options (“**Options**”) to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to:

- (i) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group (“**Executive**”), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (“**Employee**”);
- (ii) a director or proposed director (including an independent non-executive director) of any member of our Group;

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- (iii) a direct or indirect shareholder of any member of our Group; and
- (iv) an associate of any of the persons referred to in paragraphs (i) to (iii) above (the person referred above are the “**Eligible Persons**”).

(c) Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the Shares in issue as at the [REDACTED] (such 10% limit representing [REDACTED] Shares excluding Shares which may fall to be issued upon the exercise of the [REDACTED] granted by our Company) (the “**Scheme Mandate Limit**”) provided that:

- (i) our Company may at any time as our Board may think fit seek approval from our Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10% of our Shares in issue as at the date of approval by our Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other schemes of our Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of our Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Our Company shall send to our Shareholders a circular containing the details and information required under the Listing Rules;
- (ii) our Company may seek separate approval from our Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by our Company before such approval is obtained. Our Company should issue a circular to our Shareholders containing the details and information required under the Listing Rules; and
- (iii) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Group shall not exceed 30% of our Company’s issued share capital from time to time. No Options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

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(d) Maximum entitlement of each participant

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period exceeds 1% of our Company's issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in our Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant shall be separately approved by our Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. Our Company shall send a circular to our Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such grant shall be taken as the offer date for the purpose of calculating the subscription price of those Options.

(e) Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for [REDACTED] the Shares on the Stock Exchange or an integral multiple thereof).

(f) Granting Options to connected persons

Subject to the terms in the Share Option Scheme, only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a director, chief executive or a substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of our Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

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Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director of our Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5.0 million,

such further grant of Options must be approved by our Shareholders (voting by way of a poll). Our Company shall send a circular to our Shareholders containing the information required under the Listing Rules. The grantee, his associates and all core connected persons (as defined in the Listing Rules) of our Company must abstain from voting in favour at such general meeting.

Approval from our Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates. The grantee, his associates and all core connected persons (as defined in the Listing Rules) of our Company must abstain from voting in favour at such general meeting.

(g) Restriction on the time of grant of Options

The Board shall not grant any Option under the Share Option Scheme after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for our Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.

(h) Minimum holding period, vesting and performance target

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated

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in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.

(i) Amount payable for Options and offer

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 28 days after the offer date (the "**Acceptance Date**"). Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for [REDACTED] Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

(j) Subscription

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (i) the nominal value of a Share;

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- (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (iii) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days (as defined in the Listing Rules) immediately preceding the offer date.

(k) Exercise of Option

- (i) An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option period in the manner as set out in this Share Option Scheme by the grantee (or his or her legal personal representative(s)) by giving notice in writing to our Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of a certificate from our auditors pursuant to the Share Option Scheme, our Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his or her legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his or her legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.
- (ii) The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter.
- (iii) The exercise of any Option shall be subject to the members of our Company in general meeting approving any necessary increase in the authorised share capital of our Company.
- (iv) Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
 - (1) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement pursuant to the terms of the Share Option Scheme exists with respect to such grantee, he or she (or his or her legal representative(s)) may exercise the Option up to the grantee's entitlement

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immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his or her death or permanent disability or such longer period as the Board may determine;

- (2) in the event that the grantee ceases to be an Executive for any reason (including his or her employing company ceasing to be a member of our Group) other than his or her death, permanent disability, retirement pursuant to such retirement scheme applicable to our Group at the relevant time or the transfer of his or her employment to an affiliate company or the termination of his or her employment with the relevant member of our Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (3) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of our Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by our Company;
- (4) if a compromise or arrangement between our Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his or her legal representatives or receiver) may until the expiry of the earlier of:
 1. the Option period;
 2. the period of two months from the date of such notice; or
 3. the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his or her Option.

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- (5) in the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her options at any time not later than two Business Days (as defined in the Listing Rules) prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day (as defined in the Listing Rules) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

(l) Life of Share Option Scheme

Subject to the terms of this Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

(m) Lapse of Share Option Scheme

An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

- (i) the expiry of the Option period;
- (ii) the expiry of any of the period referred to paragraphs related to exercise of the Option;
- (iii) subject to the terms of the period mentioned in the paragraph headed "8. Share Option Scheme — (k) Exercise of Option" in this section, the date of the commencement of the winding-up of our Company;
- (iv) there is an unsatisfied judgment, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;

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- (v) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in this Share Option Scheme with respect to the exercise of the Option; and
- (vi) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

(n) Adjustment

In the event of any alteration to the capital structure of our Company while any Option remains exercisable, whether by way of capitalisation of profits or reserves, right issue, consolidations, reconstruction, sub-division or reduction of the share capital of our Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (i) the maximum number of Shares subject to the Share Option Scheme; and/or
- (ii) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (iii) the subscription price of each outstanding Option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors appointed by our Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (i) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the auditors shall confirm to the Board in writing that the adjustments satisfy this requirement;
- (ii) any such adjustments shall be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable same as (but shall not be greater than) it was before such event;
- (iii) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

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- (iv) any such adjustments shall be made to in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (v) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

(o) Cancellation of Options not exercised

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the "**Cancellation Date**"):

- (i) the grantee commits or permits or attempts to commit or permit a breach of restriction on transferability of Option or any terms or conditions attached to the grant of the Option;
- (ii) the grantee makes a written request to the Board for the Option to be cancelled; or
- (iii) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of our Company or its subsidiary.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

(p) Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the allotment date or, (ii) if that date falls on a day when the register of members of our Company is closed, the first date of the re-opening of the register of members. Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the allotment date or, (ii) if that date falls on a day when the register of members of our Company is

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closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date.

Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

(q) Termination

Our Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme. Upon termination of the Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

(r) Transferability

The Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding Option or part thereof granted to such grantee.

(s) Alteration of Share Option Scheme

The Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of our Shareholders in general meeting:

- (i) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Share Option Scheme);
- (ii) any alteration to the provisions of the Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantee;

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(iii) any change to the authority of the Board or any person or committee delegated by the Board pursuant to the Share Option Scheme to administer the day-to-day running of the Scheme; and

(iv) any alteration to the aforesaid alternation provisions,

provided always that the amended terms of the Share Option Scheme shall comply with the requirements set out in the note to rule 17.03(13) of the Listing Rules and the supplementary guidance being the attachment to FAQ No. 072/2020 released by the Stock Exchange on 6 November 2020 and/or any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(t) Cancellation of options

Our Board may cancel an option granted but not exercised with the approval of the grantee of such option. No options may be granted to an Eligible Participant in place of his cancelled options unless there are available unissued options (excluding the cancelled options) within the Limit from time to time.

(u) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or our Board may at any time terminate the Share Option Scheme and in such event no further options shall be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(v) Administration of the Share Option Scheme

The Share Option Scheme shall be administered by our Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

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(w) Condition of the Share Option Scheme

The Share Option Scheme is conditional on:

- (i) the Listing Committee granting [REDACTED] of and permission to [REDACTED] the Shares which fall to be issued pursuant to the exercise of any such options which may be granted under the Share Option Scheme;
- (ii) the pass of the resolutions by the Shareholders to approve and adopt the Share Option Scheme and to authorise the Board to grant options under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any options; and
- (iii) the commencement of [REDACTED] in our Shares on the Stock Exchange.

(x) Present status of the Share Option Scheme

As at the Latest Practicable Date, no option has been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee for [REDACTED] of and permission to [REDACTED] the Shares which fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

9. OTHER INFORMATION

A. Litigation

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

B. Sole 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 [REDACTED] is approximately HK\$[REDACTED].

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The Sole Sponsor has made an application on behalf of our Company to the [REDACTED] Committee for the [REDACTED] of, and permission to [REDACTED], the Shares in issue and to be issued pursuant to the [REDACTED] (including the additional Shares which may be issued pursuant to the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme). All necessary arrangements have been made to enable such Shares to be admitted into [REDACTED].

C. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2021 (being the date to which the latest audited combined financial statements of our Group were prepared).

D. Deed of Indemnity

Pursuant to the Deed of Indemnity given by each of our Controlling Shareholders in favour of our Company (and its subsidiaries) and conditional on the [REDACTED], our Controlling Shareholders have agreed and undertaken to jointly and severally agree, covenant and undertake with each of the member of our Group that he/she/it will indemnify each of the members of our Group against taxation falling on any member of our Group resulting from or by reference to any income, profits or gains, transactions, events, acts, omissions, matters or things earned, accrued or received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the date of the [REDACTED].

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:

- (a) to the extent that provision has been made in the audited combined accounts of our Group or the audited accounts of any of the members of our Group for an accounting period ended on or before 31 December 2021; or
- (b) falling on any members of our Group in respect of any accounting period commencing on or after 31 December 2021 unless such liability would not have arisen but for some act or omission of, or transaction entered into by, 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 in the ordinary course of business, or in the ordinary course of acquiring or disposing of capital assets, on or before the [REDACTED]; or

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- (c) 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 practise thereof by any statutory or governmental authority (in Hong Kong, the PRC or elsewhere), including without limitation the Inland Revenue Department and the tax bureau of the PRC, having retrospective effect coming into force after the [REDACTED] or to the extent that such liability arises or is increased by an increase in rates of taxation or other penalties after the [REDACTED] with retrospective effect; or
- (d) to the extent that such liability is discharged by another person who is not a member of our Group and that none of the member of our Group is required to reimburse such person in respect of the discharge of such liability; or
- (e) to the extent of any provision or reserve made for such liability in the audited accounts referred to in Clause (a) 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.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries.

E. Taxation of Holders of Shares

(a) Hong Kong

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.26% of the consideration or, if higher, the value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

Under present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

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(c) Consultation with professional advisers

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, the Directors or the other parties involved in the [REDACTED] can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

F. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (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 [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of any member of our Group;
 - (v) no founders, management or deferred shares of our Company or any of its subsidiaries has been issued or agreed to be issued;
- (b) 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;

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- (d) there has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this document;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system.

G. Qualifications of Experts

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

<u>Name</u>	<u>Qualification</u>
Grand Moore Capital Limited	Licensed corporation under the SFO permitted to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Allbright Law Offices (Fuzhou)	PRC Legal Advisers
BDO Limited	Certified public accountants
Appleby	Legal advisers to our Company as to Cayman Islands laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

H. Consents of Experts

Each of the experts stated in the paragraph headed “— 9. Other Information — G. Qualifications of Experts” in this appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (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.

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I. Promoter

Our Company has no promoter for purposes of the Listing Rules. Save as disclosed in this document, within the two years immediately preceding the date of this document, 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 [REDACTED] and the related transactions described in this document.

J. Preliminary Expenses

The preliminary expenses incurred by our Company in respect of our incorporation were US\$3,900 and were paid by our Company.

K. Binding Effect

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

L. 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 Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).