OVERVIEW

Mr. Wu, the founder, chairman of the Board and a Controlling Shareholder of our Group, is a serial entrepreneur with a proven record of successful entrepreneurship who has over 20 years of experience covering the whole baijiu industry chain from production to sales and distribution, including the founding of *Jinliufu* more than 20 years ago, which is a renowned baijiu brand in China. For the biography of Mr. Wu, see "Director and Senior Management." In 2003, Mr. Wu led the acquisition of and started to manage *Xiang Jiao* and *Kai Kou Xiao* related businesses through Hunan Xiangjiao. In 2009, Mr. Wu acquired and commenced to manage our major brands, *Zhen Jiu* and *Li Du*, through Zhenjiu Brewing and Jiangxi Lidu, respectively. After years of development and under the leadership of Mr. Wu, our Group has developed into a leading baijiu company in China devoted to offering premium baijiu products featuring sauce aroma profile.

KEY MILESTONES

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

Years	Milestones
2003	Mr. Wu led the acquisition of and started to manage *Xiang Jiao* and *Kai Kou Xiao* related businesses through Hunan Xiangjiao.
2006	Lidu Yuan Dynasty baijiu distillery site was accredited by the State Council as a National Major Historical and Cultural Site Protected (全國重點文物保護單位).
2009	*Zhen Jiu* and *Li Du* related businesses were acquired by Mr. Wu.
2011	One of the trademarks under our flagship brand, *Zhen Jiu*, was awarded with the designation of China Well-known Trademark (中國馳名商標).
2011	Hunan Xiangjiao was awarded as one of the key national leading enterprises for agricultural industrialization.
2014	*Zhen Jiu* was awarded as one of the five most outstanding brands in the Guizhou liquor industry.
2015	Our product Li Du Sorghum 1955 (李渡高粱1955) won the Grand Gold Medal in the Spirits Selection organized by Concours Mondial de Bruxelles.
2018	*Li Du*'s distillery was awarded the national AAAA-level tourist attraction as well as a national industrial heritage.
2018	Our product Red Diamond Xiang Jiao (湘窖·紅鑽) won the Grand Gold Medal in the Spirits Selection organized by Concours Mondial de Bruxelles.
2018	*Xiang Jiao*'s distilleries was awarded with the designation of the national AAAA-level tourist attraction.
2021	Our product Zhen 30 (珍三十) won the Grand Gold Medal in the Spirits Selection organized by Concours Mondial de Bruxelles. Our products Zhen 30 (珍三十) and Zhen 15 (珍十五) product series won the Grand Gold Medal from 2021 San Francisco World Spirits Competition in the U.S..
2022	The annual production capacity of base liquor of *Zhen Jiu* has expanded to 35,000 tons.

OUR CORPORATE DEVELOPMENTS

Our Major Operating Subsidiaries

Since our inception, our business operations have been carried out by our operating subsidiaries established in the PRC. Set out below are the major corporate developments of our subsidiaries which made significant contribution to the operation of our Group during the Track Record Period:

Zhenjiu Brewing

Zhenjiu Brewing was established in the PRC with limited liability on September 28, 2009, with an initial registered capital of RMB20 million which had been fully paid up on September 22, 2009, by its then shareholder, Vats Liquor, a company controlled by Mr. Wu. In 2009, *Zhen Jiu* related businesses was acquired by Mr. Wu and injected to Zhenjiu Brewing through his controlled entity from Guizhou Zhenjiu Distillery (貴州珍酒廠), the state-owned operating entity of *Zhen Jiu*. Zhenjiu Brewing primarily engages in the production of *Zhen Jiu* and it is also the current onshore holding company of our Group.

After a series of share transfers and increases of registered share capital, as of January 1, 2020, Zhenjiu Brewing was wholly owned by Jindong Group, a company controlled by Mr. Wu, with a registered share capital of RMB50 million, which had been fully paid up on March 8, 2013. In July 2021, the registered share capital of Zhenjiu Brewing was increased to RMB300 million by way of capital injection from Jindong Group.

After a series of shares transfers and capital increases as part of the Reorganization, in November 2021, Zhenjiu Brewing was wholly owned by Guizhou Zhenjiu, with a registered capital of RMB309,278,350.52, which was fully paid-up on October 11, 2021. See " — Reorganization" in this section for further details.

Pursuant to a shareholder resolution of Zhenjiu Brewing in December 2021, the registered capital of Zhenjiu Brewing was further increased to RMB1,500 million by way of capital injection from Guizhou Zhenjiu, which had been fully paid up on August 5, 2022.

Zhenjiu Sales

Zhenjiu Sales primarily engages in the sales and distribution of *Zhen Jiu*. It was established in the PRC with limited liability on October 15, 2009, with a registered capital of RMB2 million which had been fully paid up on September 22, 2009, by its then shareholder, Vats Liquor, a company controlled by Mr. Wu.

After a series of share transfers, as of January 1, 2020, Zhenjiu Sales was wholly owned by Zhenjiu Brewing. There has been no change of shareholding or share capital of Zhenjiu Sales since then and up to the Latest Practicable Date.

Hunan Xiangjiao

Hunan Xiangjiao was established in the PRC with limited liability on November 7, 2003, with an initial registered capital of RMB20 million which had been fully paid up on October 22, 2003. At the time of its establishment, Hunan Xiangjiao was held by Jindong Group as to 60% and Shaoyang Distillery (邵陽市酒廠), a then wholly owned subsidiary of Jindong Group, as to 40%. After its establishment, Mr. Wu led the acquisition of *Xiang Jiao* and *Kai Kou Xiao* related businesses from Shaoyang Distillery and then injected them to Hunan Xiangjiao. He started to manage relevant businesses through Hunan Xiangjiao after the injection, which primarily engages in the production of *Xiang Jiao* and *Kai Kou Xiao*. Throughout the Track Record Period, common control had been exercised by Mr. Wu over Hunan Xiangjiao for the purpose of applying merger accounting.

After the completion of a series of share transfers and increases in registered share capital, including the investments of RMB1.01 million (representing 1% of the share capital of Hunan Xiangjiao) in 2014 from ChinaNet, a company controlled by Mr. Ng, and his agreement of disposal of the relevant shares to Jindong Group in 2019, Hunan Xiangjiao was wholly owned by Jindong Group. After the completion of the shares transfer as set out in " — Reorganization — 2. Onshore Reorganization and Investments — Transfer of Hunan Xiangjiao and Jiangxi Lidu to Zhenjiu Brewing", Hunan Xiangjiao has been wholly owned by Zhenjiu Brewing up to the Latest Practicable Date.

Hunan Xiangjiao Sales

Hunan Xiangjiao Sales primarily engages in the sales of *Xiang Jiao* and *Kai Kou Xiao*. It was established in the PRC with limited liability on November 28, 2001, with an initial registered capital of RMB520,000 which had been fully paid up. On the date of its establishment, Hunan Xiangjiao Sales was held by Shaoyang Distillery (邵陽市酒廠) as to approximately 88% with the remaining stake held by its subsidiaries. Shaoyang Distillery and its subsidiaries were then Independent Third Parties and were subsequently acquired by Jindong Group in 2003. Throughout the Track Record Period, common control had been exercised by Mr. Wu over Hunan Xiangjiao Sales for the purpose of applying merger accounting.

After a series of share transfers, as of January 1, 2020, Hunan Xiangjiao Sales was wholly owned by Hunan Xiangjiao. After a series of capital injections from Hunan Xiangjiao, as of the Latest Practicable Date, the registered share capital of Hunan Xiangjiao Sales is RMB5 million, which had been fully paid up on October 15, 2021.

Jiangxi Lidu

Jiangxi Lidu was established with limited liability on April 8, 2002, with an initial registered capital of HK$15 million which had been fully paid up on March 17, 2004, by its then shareholder, Heng Yuan Tuo Zhan Tou Zi Co., Ltd. (恒源拓展投資有限公司), an Independent Third Party which was then controlling *Li Du* related businesses. In 2009, Mr. Wu acquired the entire shares of Jiangxi Lidu from Heng Yuan Tuo Zhan Tou Zi Co., Ltd through his controlled entity. Jiangxi Lidu primarily engages in the production of *Li Du*.

After a series of share transfers and change of registered share capital, as of January 1, 2020, Jiangxi Lidu was indirectly wholly owned by Jindong Group, with a registered share capital of RMB12.24 million which had been fully paid up on May 31, 2012.

After the completion of the shares transfer as set out in " — Reorganization — 2. Onshore Reorganization and Investments — Transfer of Hunan Xiangjiao and Jiangxi Lidu to Zhenjiu Brewing", Jiangxi Lidu has been wholly owned by Zhenjiu Brewing up to the Latest Practicable Date.

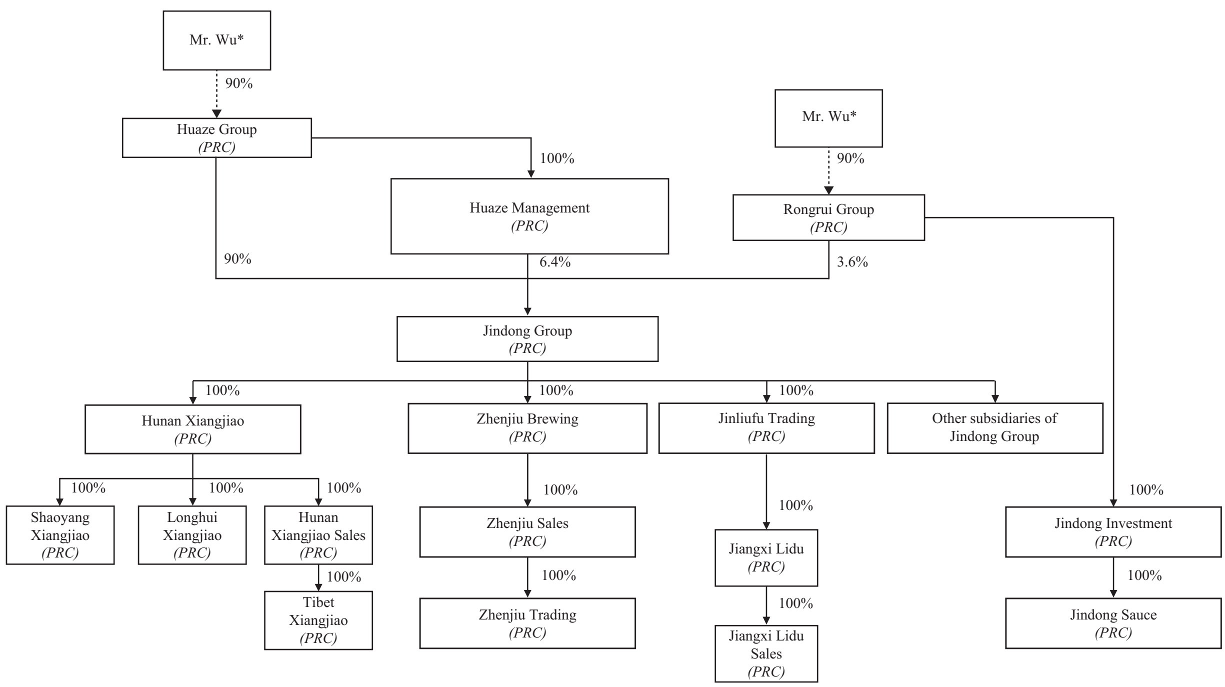
Jiangxi Lidu Sales

Jiangxi Lidu Sales primarily engages in the sales of *Li Du*. Jiangxi Lidu Sales was established with limited liability in the PRC by Jiangxi Lidu on June 16, 2015, with a registered capital of RMB3 million which had been fully paid up on April 1, 2017. There has been no change of direct shareholding or share capital of Jiangxi Lidu Sales since then and up to the Latest Practicable Date.

REORGANIZATION

In preparation for the Listing, we underwent the Reorganization pursuant to which our Company became the holding company and listing vehicle of our Group.

The following chart sets forth our shareholding structure immediately before the Reorganization:



Note:

* Huaze Group and Rongrui Group are held by Mr. Wu as to 90% and Mr. Yan Tao as to 10%, respectively.

1. Offshore Reorganization and Change of Share Capital

Incorporation of our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 24, 2021. On incorporation, the authorized share capital of our Company was US$50,000 divided into 50,000 ordinary shares of US$1 each, and one fully-paid Share was allotted and issued to an Independent Third Party and then transferred to Zhenjiu Holding, a company wholly owned by Mr. Wu, at par.

Acquisition of Vats Hunan and China Wine

On October 7, 2021, VATS International Investment Limited (華澤國際投資有限公司), a company wholly owned by Mr. Wu, transferred its entire equity interests in Vats Hunan to our Company at a consideration of US$1. Since October 7, 2021, Vats Hunan has been wholly owned by our Company.

China Wine was incorporated in Hong Kong with limited liability on March 9, 2009. At the time of its incorporation, it was wholly owned by Mr. Wu with an authorized share capital of HK$50,000 divided into 50,000 shares of HK$1 each. There is no change of share capital since its incorporation. Since July 22, 2013, China Wine has been wholly owned by Vats Hunan.

2021 Share Subdivision

On November 25, 2021, pursuant to a shareholders' resolution, each of the shares with a par value of US$1 was sub-divided into 10,000 Shares with a par value of US$0.0001 each and the authorized share capital of our Company was US$50,000 divided into 500,000,000 Shares of US$0.0001 each (the "**2021 Share Subdivision**").

2. Onshore Reorganization and Investments

Transfer of Jindong Sauce to Zhenjiu Brewing

Pursuant to an agreement entered into between Jindong Investment and Zhenjiu Brewing on May 20, 2021, Jindong Investment, a wholly owned subsidiary of Rongrui Group, transferred its entire equity interests in Jindong Sauce, a company primarily engaged in the manufacture of sauce aroma baijiu, to Zhenjiu Brewing at a consideration of RMB5.3 million which was fully paid up, based on then net assets of Jindong Sauce. Upon completion of the share transfer, Jindong Sauce became wholly owned by Zhenjiu Brewing.

Capital Injection to Zhenjiu Brewing by ChinaNet

Pursuant to an agreement entered into among Jindong Group, ChinaNet and Zhenjiu Brewing on September 13, 2021, ChinaNet subscribed for 3% of the equity interest of Zhenjiu Brewing by a capital injection of RMB11,752,577, which was based on arm's length negotiations between our Company and Mr. Ng with reference to the valuation of the total equity of Zhenjiu Brewing, having considered (i) the long-term business relationship that Mr. Ng had with Mr. Wu, and (ii) earlier mutual understanding between Mr. Wu and Mr. Ng regarding Mr. Ng's potential investment in the liquor business controlled by Mr. Wu. The consideration of the capital injection was fully settled on October 11, 2021. Upon completion of the capital injection, Zhenjiu Brewing's registered share capital increased from RMB300 million to RMB309,278,351, and Zhenjiu Brewing was owned by Jindong Group as to 97% and ChinaNet as to 3%.

Transfer of Hunan Xiangjiao and Jiangxi Lidu to Zhenjiu Brewing

On September 10, 2021, pursuant to an agreement entered into by Zhenjiu Brewing and Jindong Group, Jindong Group transferred its entire equity interests in Hunan Xiangjiao to Zhenjiu Brewing at a consideration of RMB110 million, with reference to the valuation of the total equity of Hunan Xiangjiao as appraised by an independent valuer. Upon completion of the share transfer, Hunan Xiangjiao was wholly owned by Zhenjiu Brewing.

On the same date, pursuant to an agreement entered into by Jinliufu Trading and Zhenjiu Brewing, Jinliufu Trading transferred all of its equity interest in Jiangxi Lidu to Zhenjiu Brewing at a consideration of RMB20 million, with reference to the valuation of the total equity of Jiangxi Lidu as appraised by an independent valuer. Upon completion of the share transfer, Jiangxi Lidu is wholly owned by Zhenjiu Brewing.

Transfer of Zhenjiu Brewing to Guizhou Zhenjiu

On October 18, 2021, Guizhou Zhenjiu was established in the PRC by China Wine with limited liability and a registered capital of RMB320 million. Pursuant to an agreement entered into by Jindong Group, ChinaNet and Guizhou Zhenjiu on October 23, 2021, Jindong Group and ChinaNet transferred their entire equity interests in Zhenjiu Brewing to Guizhou Zhenjiu at a consideration of RMB380 million and RMB11,752,577, respectively, with reference to the valuation of the total equity of Zhenjiu Brewing as appraised by an independent valuer. Upon completion of the share transfer in November 2021, Zhenjiu Brewing was wholly owned by Guizhou Zhenjiu.

Our PRC Legal Advisor has confirmed that all the equity transfers and increases in the registered capital of our PRC subsidiaries as described above have been properly and legally completed, and our Group has obtained all necessary regulatory approvals in respect of such transfers and capital increases that our Group had to obtain from PRC regulatory authorities.

PRE-IPO INVESTMENTS

Investment by ChinaNet

As part of the Reorganization, pursuant to an agreement entered into among Jindong Group, ChinaNet and Zhenjiu Brewing on September 13, 2021, ChinaNet subscribed for 3% of the equity interest of Zhenjiu Brewing by a capital injection of RMB11,752,577. For details, see " — Reorganization — 2. Onshore Reorganization and Investments — Capital Injection to Zhenjiu Brewing by ChinaNet" in this section.

On November 4, 2021, our Company allotted and issued 96 and 3 ordinary shares to Zhenjiu Holding and ChinaNet, respectively, at par, after which our Company was owned by Zhenjiu Holding as to 97% and ChinaNet as to 3%. Upon completion of the 2021 Share Subdivision, 970,000 and 30,000 ordinary shares of our Company were held by Zhenjiu Holding and ChinaNet, respectively.

First Investment by Zest Holdings

In 2010, an affiliate of Kohlberg Kravis Roberts & Co. L.P. (the manager of the general partner of the indirect shareholder of Zest Holdings, our Pre-IPO Investor) invested in Vats Liquor, a company listed on the ChiNext market of the Shenzhen Stock Exchange (stock code: 300755) and controlled by Mr. Wu. Taking a favorable view to the prospects of baijiu industry in China and our Group, on November 13, 2021, our Company and Zest Holdings (among other parties) entered into the series A preferred shares subscription agreement, pursuant to which our Company allotted and issued 3,402,805 Series A Preferred Shares to Zest Holdings at a consideration of US$300 million, 44,229,280 ordinary shares to Zhenjiu Holding and 1,367,915 ordinary shares to ChinaNet by way of capitalization issue, on November 25, 2021. After the completion of the aforesaid share issuance, our shareholding structure was as follows:

Name of Shareholders	Ordinary Shares	Series A Preferred Shares	Aggregate Number of Shares	Percentage of Shares in the Total Issued Share Capital
Zhenjiu Holding	45,199,280	–	45,199,280	90.4%
Zest Holdings	–	3,402,805	3,402,805	6.8%
ChinaNet	1,397,915	–	1,397,915	2.8%
Total	**46,597,195**	**3,402,805**	**50,000,000**	**100%**

Second Investment by Zest Holdings

Pursuant to the series A preferred shares subscription agreement dated May 20, 2022 entered into by our Company and Zest Holdings (among other parties), our Company allotted and issued 5,612,625 Series A Preferred Shares to Zest Holdings on June 6, 2022, at a consideration of US$500 million. After the completion of the aforesaid share issuance and as of the Latest Practicable Date, our shareholding structure was as follows:

Name of Shareholders	Ordinary Shares	Series A Preferred Shares	Aggregate Number of Shares	Percentage of Shares in the Total Issued Share Capital
Zhenjiu Holding	45,199,280	–	45,199,280	81.28%
Zest Holdings	–	9,015,430	9,015,430	16.21%
ChinaNet	1,397,915	–	1,397,915	2.51%
Total	**46,597,195**	**9,015,430**	**55,612,625**	**100%**

Principal terms of the Pre-IPO Investments

The table below summarizes the principal terms of the Pre-IPO Investments:

Name of Pre-IPO investor:	**ChinaNet**	**Zest Holdings**	
Date of agreement:	September 13, 2021	November 13, 2021	May 20, 2022
Amount of consideration paid:	RMB11,752,577	US$300 million	US$500 million

Post-money valuation:	RMB391,752,567.00	US$4,459,033,312.00	US$4,954,243,780.76
Basis of determination of the consideration:	Arm's length negotiations between our Company and Mr. Ng with reference to the valuation of the total equity of Zhenjiu Brewing, having considered (i) the long-term business relationship that Mr. Ng had with Mr. Wu, and (ii) earlier mutual understanding between Mr. Wu and Mr. Ng regarding Mr. Ng's potential investment in the liquor business controlled by Mr. Wu	Arm's length negotiation between our Company and Zest Holdings, with reference to the operational and financial performance and business scale of the Group	
Consideration payment date:	October 11, 2021	November 26, 2021	June 6, 2022
Cost per Share[(1)] *(approximation)*:	RMB0.17	US$1.76	US$1.78
Discount to mid-point of the Offer Price range[(2)] *(approximation)*:	98.39%[(3)]	N/A	N/A
Lock-up Undertaking	Please refer to the subsection headed "Underwriting — Lock-up Arrangements — Undertaking by our Pre-IPO Investors".		
Use of proceeds:	We utilized the proceeds from the Pre-IPO Investments for our business operations, construction of new baijiu production facilities and as general working capital of our Group. As of the Latest Practicable Date, proceeds raised from the Pre-IPO Investments had been fully utilized.		
Strategic benefits to our Group:	Considering the experience of the Pre-IPO Investors in capital markets, their investments in the consumer industry and their business network, our Directors believe that investments from the Pre-IPO Investors will benefit our Group's business development. The Directors also believe that the Pre-IPO Investors can provide insights and recommendation in formulating our strategy in future business development.		

Notes:

(1) calculated based on the amount of investments made by the relevant Pre-IPO Investors and number of Shares held by them immediately upon the completion of the Share Subdivision.

(2) calculated based on (i) the Offer Price of HK$11.88 per Share, being the mid-point of the indicative Offer Price range, (ii) the Share Subdivision being completed, and (iii) the exchange rate as set out in the section headed "Information about this prospectus and the Global Offering — Exchange Rate Conversion."

(3) The difference in the prices offered to ChinaNet and Zest Holdings were primarily attributable to Mr. Wu and the Group's willingness to introduce Mr. Ng as a strategic investor of the Group based on an mutual understanding regarding Mr. Ng's potential investment in the liquor business controlled by Mr. Wu reached between Mr. Ng and Mr. Wu, where, subject to the interest of the investee companies, Mr. Wu would favorably consider further investments to be made by Mr. Ng. Such understanding was reached at a time when Mr. Ng was an early-stage investor of Hunan Xiangjiao with the initial investment dating back to 2014. Through such relationship, Mr. Wu and Mr. Ng built up and strengthened mutual trust throughout their years as shareholders of Hunan Xiangjiao, and Mr. Ng also gained abundant confidence in the industry insights, entrepreneurship experience and management capabilities of Mr. Wu in the liquor industry. Consideration was also given to the fact that ChinaNet's investment in the Group was made with no customary special rights granted (unlike Zest Holdings) at such a time with higher investment risk when (i) there was no market valuation from professional institutional investors that could be benchmarked by the Group and Mr. Ng since the Group had not conducted any external equity financing before, and (ii) there was uncertainty as to whether the construction of our new baijiu production facilities which was of strategic importance to our future development would materialize before attracting scalable financing from institutional investors like Zest Holdings.

Information regarding the Pre-IPO Investors

ChinaNet

ChinaNet was incorporated in Hong Kong with limited liability on November 17, 2000. It is a wholly owned subsidiary of Copland Investments Limited, which is in turn wholly owned by Naputa Investment Inc.. Naputa Investment Inc. is wholly owned by Mr. Ng, our executive Director and company secretary. For the biography of Mr. Ng, see "Directors and Senior Management."

Zest Holdings

Zest Holdings was incorporated in Singapore with limited liability on June 30, 2021. Zest Holdings is wholly-owned by Zest Holdings I Pte. Ltd., a company incorporated in Singapore, which is held as to 74.17% by KKR Asian Fund IV Zest AIV L.P., a limited partnership established in Ontario, Canada, and its general partner is KKR AFIV Zest AIV (GP) Limited, a company incorporated in the Cayman Islands. Maples FS Limited, a company incorporated in the Cayman Islands, holds 100% shareholding interests in KKR AFIV Zest AIV (GP) Limited as trustee under a trust fund declared under the laws of the Cayman Islands, and Kohlberg Kravis Roberts & Co. L.P. acts as the investment manager of KKR AFIV Zest AIV (GP) Limited. Kohlberg Kravis Roberts & Co. L.P. is ultimately controlled by KKR & Co Inc., which is a leading global investment firm listed on the New York Stock Exchange (symbol: KKR).

Special Rights of the Pre-IPO Investors

All of our Pre-IPO Investors are bound by the terms of the currently effective memorandum and articles of association of the Company (the "**Current M&A**"), which will be replaced by our Articles effective upon Listing. Pursuant to the Current M&A, all special rights, except the redemption rights, granted to the Zest Holdings, including but not limited to dividend right, right of first refusal, co-sale right, liquidation rights, will be terminated immediately before the Listing. No special rights has been or will be granted to ChinaNet.

The redemption rights of the Zest Holdings shall cease to be exercisable immediately before the first filing of the listing application by our Company with the Stock Exchange, and shall resume to be exercisable upon the earliest of (i) the withdrawal of the listing application by the Company, (ii) the rejection of the listing application by the Stock Exchange, or (iii) the expiry of 12 months from the day of the first filing of the listing application by the Company if no qualified IPO has been consummated by then, or such later date as Zest Holdings and the Company agree in writing. Considering the redemption rights granted to Zest Holdings have been suspended before the first filing of the listing application by our Company with the Stock Exchange and may only resume if the Listing does not take place, the aforesaid arrangements comply with paragraph 3.6(c) of Guidance Letter HKEX-GL43-12.

Joint Sponsors' Confirmation

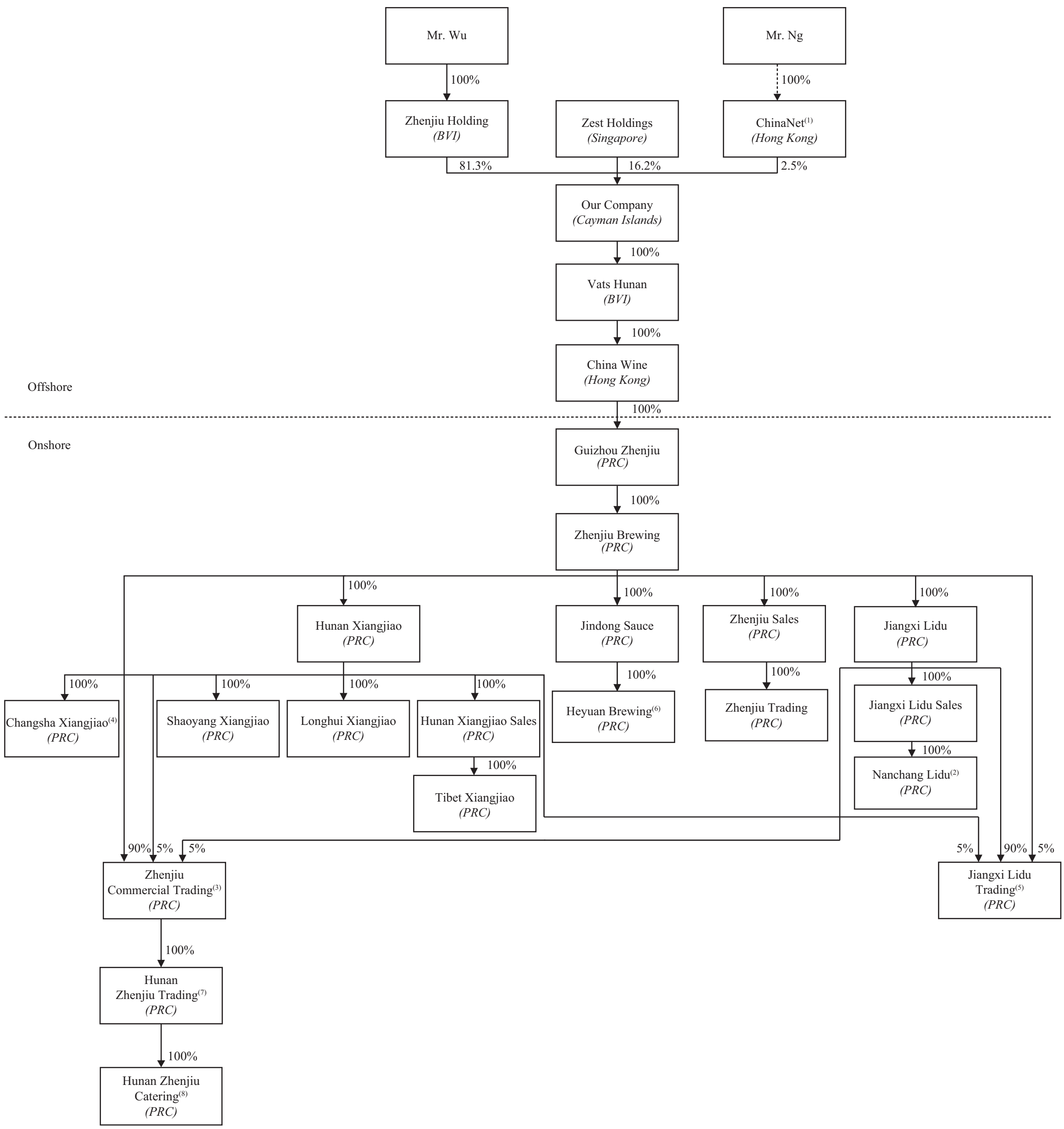
On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the first filing of the listing application by our Company with the Stock Exchange; and (ii) the termination or cessation of special rights granted to the Pre-IPO Investors as disclosed in "Special Rights of the Pre-IPO Investors" above, the Joint Sponsors confirm that the investments by the Pre-IPO Investors are in compliance with Guidance Letter HKEX-GL29-12 issued in January 2012 and updated in March 2017 by the Stock Exchange, Guidance Letter HKEX-GL43-12 issued in October 2012 and updated in July 2013 and in March 2017 by the Stock Exchange and the Guidance Letter HKEX-GL44-12 issued in October 2012 and updated in March 2017 by the Stock Exchange.

Public Float

Upon completion of the Global Offering (assuming that Over-allotment Option is not exercised), the Shares held by (i) Zhenjiu Holding, which is wholly owned by Mr. Wu, our executive Director, chairman of the Board and a Controlling Shareholder, (ii) Zest Holdings, our substantial shareholder, and (iii) ChinaNet, which is controlled by Mr. Ng, our executive Director, will not be counted towards public float. We have applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted our Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules. For details, see "Waivers — Public Float Requirement."

CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE REORGANIZATION AND THE PRE-IPO INVESTMENTS

The following chart sets forth our corporate and shareholding structure immediately after the completion of the Reorganization and the Pre-IPO Investments but before the completion of the Global Offering:



Notes:

(1) For the shareholding of ChinaNet, see " — Pre-IPO Investments" in this section.
(2) Nanchang Lidu was established in the PRC on September 24, 2021.
(3) Zhenjiu Commercial Trading was established in the PRC on December 10, 2021.
(4) Changsha Xiangjiao was established in the PRC on December 22, 2021.
(5) Jiangxi Lidu Trading was established in the PRC on December 15, 2021.
(6) Heyuan Brewing was established in the PRC on April 29, 2022.

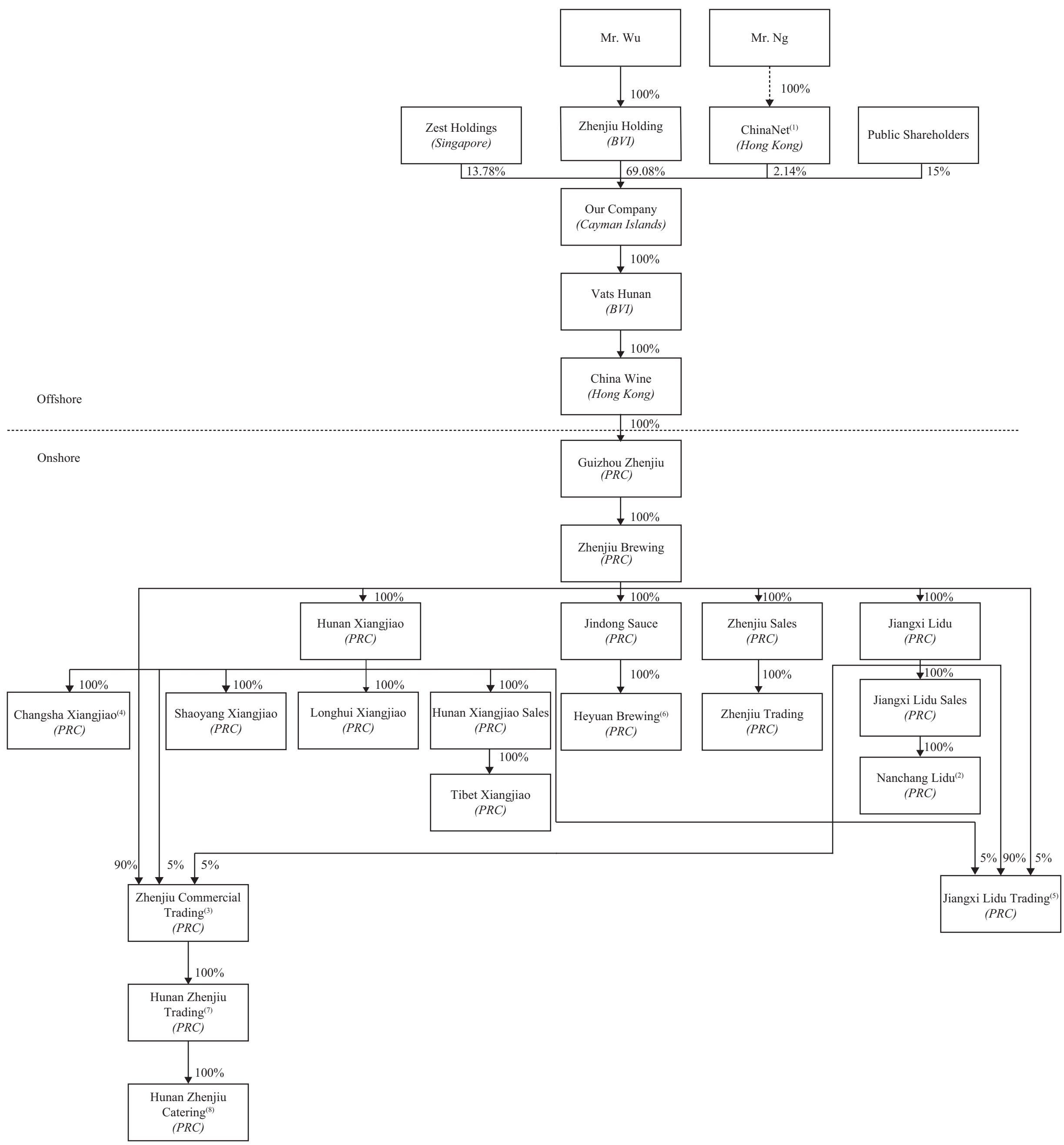
(7) Hunan Zhenjiu Trading was established in the PRC on September 26, 2022.
(8) Hunan Zhenjiu Catering was established in the PRC on November 24, 2022.

SHARE SUBDIVISION AND SHARE REDESIGNATION

Pursuant to the written resolutions of our Shareholders passed on April 11, 2023, (i) each of our issued and unissued ordinary shares of US$0.0001 each was subdivided into 50 Shares of US$0.000002 each and, (ii) each issued and unissued Series A Preferred Share of US$0.0001 was subdivided into 50 Series A Preferred Share of US$0.000002 each. In addition, the Series A Preferred Shares will be converted into Shares on a one-to-one basis by way of re-designation upon the Global Offering becoming unconditional. Following such share subdivision and re-designation, our authorized share capital consists of US$50,000 divided into 25,000,000,000 Shares with a par value of US$0.000002 each.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth our corporate and shareholding structure immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Note:

(1) - (8) Please refer to notes in " — Corporate Structure Immediately after the Completion of the Reorganization and the Pre-IPO Investments" in this section above.

PRC REGULATORY REQUIREMENTS

According to the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") jointly issued by MOFCOM, the SASAC, the STA, the CSRC, SAIC and the SAFE, on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals from MOFCOM or the department of commerce at the provincial level when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the opinion that prior CSRC approval for the Global Offering is not required because (i) Guizhou Zhenjiu was established as a foreign-owned enterprise by means of direct investment rather than the merger or acquisition by our Company under the M&A Rules, (ii) before the acquisition of Zhenjiu Brewing by Guizhou Zhenjiu, Zhenjiu Brewing is a foreign-invested enterprise rather than a domestic company for the purpose of M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Advisor.

According to SAFE Circular 37 and SAFE Notice 13, PRC residents shall register with local branches of SAFE or qualified banks in connection with their direct establishment or indirect control of an offshore entity, or a special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes to the special purpose vehicle (including any change to its basic information). If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches or qualified banks, the PRC subsidiary may be prohibited from distributing its profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiary. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. As advised by our PRC Legal Advisor, Mr. Wu had completed the registrations as required by SAFE Circular 37.