

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act on September 24, 2021. Our registered office address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. As our Company is incorporated in the Cayman Islands, our operation is subject to the relevant laws and regulations of the Cayman Islands, the Articles and the Memorandum. A summary of the relevant laws and regulations of the Cayman Islands and of our constitution is set out in “Summary of the Constitution of our Company and Cayman Islands Company Law” in Appendix III.

Our registered place of business in Hong Kong is at Room 1504, Berkshire House, 25 Westlands Road, Taikoo Place, Quarry Bay, East District, Hong Kong Island, Hong Kong. We have registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on December 28, 2021 with the Registrar of Companies in Hong Kong. Mr. NG Kwong Chue Paul (吳光曙), our executive Director and company secretary, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process in Hong Kong is the same as our principal place of business in Hong Kong as set out above in this prospectus.

As of the date of this prospectus, our Company’s head office is located at 8th Floor, Jiahe Guoxin Building, No.15, Baiqiao Avenue, Dongcheng District, Beijing, People’s Republic of China.

2. Changes in Share Capital of Our Company

Save as disclosed in “History, Development and Corporate Structure”, there has been no alternation in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report as set out in Appendix I to this prospectus.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this prospectus:

On December 8, 2021, the registered capital of Guizhou Zhenjiu was increased from RMB320 million to RMB700 million.

On December 13, 2021, the registered capital of Guizhou Zhenjiu was increased from RMB700 million to RMB1,500 million.

On December 16, 2021, the registered capital of Zhenjiu Brewing was increased from RMB309,278,351 to RMB1.5 billion.

On August 25, 2021, the registered capital of Hunan Xiangjiao Sales was increased from RMB1 million to RMB5 million.

Save as disclosed above and in the section headed “History, Development and Corporate Structure”, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

4. Written Resolutions Passed by Our Shareholders on April 11, 2023

Written resolutions of our Shareholders were passed on April 11, 2023 pursuant to which, among others:

- (a) conditional upon (1) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as stated in this prospectus and such listing and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (2) the Offer Price having been determined; and (3) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
 - (i) each issued and unissued ordinary share in the then authorized share capital of the Company with a par value of US\$0.0001 be subdivided into 50 Shares with a par value of US\$0.000002 and each issued and unissued Series A Preferred Share in the then authorized share capital of the Company with a par value of US\$0.0001 be subdivided into 50 Series A Preferred Shares with a par value of US\$0.000002;
 - (ii) immediately prior to the completion of the Global Offering, each of the issued Series A Preferred Share of US\$0.000002 be converted into one Share of US\$0.000002 each by redesignation and re-classification of each Preferred Share in issue as a Share on a one-for-one basis, such that the authorized share capital of the Company is US\$50,000 divided into 25,000,000,000 Shares with a par value of US\$0.000002 each, with effect from the Listing Date;
 - (iii) the Global Offering (including the Over-allotment Option) were approved, and the proposed allotment and issue of the Offer Shares under the Global Offering were approved, and the Board was authorized to determine the Offer Price for, and to allot and issue the Offer Shares;
 - (iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or

unconditionally to be allotted and issued, otherwise than by way of the Global Offering, rights issue or pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by the Company from time to time or, pursuant to the exercise of any options which may be granted under the Share Incentive Plan or allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option;

- (v) a general unconditional mandate (the “**Repurchase 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 securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option;
 - (vi) the general unconditional mandate as mentioned in paragraph (iii) above was extended by the addition to the aggregate nominal value 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 nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (v) above up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option; and
 - (vii) the acknowledgement by all the Preferred Shareholders of the agreed conversion number as applicable and the resolution not to exercise the right to further adjustment of conversion ratio;
- (b) our Company conditionally approved and adopted the Memorandum and Articles with effect from the Listing; and
 - (c) our Company conditionally approved and adopted the Post-IPO Equity Incentive Plan with effect from the Listing.

Each of the general mandates referred to in paragraphs (a)(iv), (a)(v) and (a)(vi) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of the Shareholders in general meeting either unconditionally or subject to condition;
- the expiration of the period within which the next annual general meeting of our Company is required to be held under the applicable laws of the Cayman Islands or the Articles of Association; or
- when revoked or varied by an ordinary resolution of the Shareholders in a general meeting of our Company.

5. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this prospectus concerning the repurchase of our own securities.

(a) Provision of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' Approval

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

Pursuant to a resolution passed by our Shareholders on April 11, 2023, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Global Offering (excluding any Shares which may be issued under the Over-allotment Option), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase 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. As a matter of Cayman Islands law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(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 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 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. A 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

The listing of all purchased securities (whether on the Stock Exchange or otherwise) is automatically canceled and the relative certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the Directors resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as canceled 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 authorized share capital under Cayman Islands law.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive 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 under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's 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), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. 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 repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase 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 or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares 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. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to Cayman Companies Act, out of capital.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 3,271,331,050 Shares in issue immediately following the completion of the Global Offering, but assuming the Over-allotment Option is not exercised, could accordingly result in up to approximately 327,133,105 Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

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 in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert 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. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 15% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) which are or may be material were entered into by members of our Group within the two years preceding the date of this prospectus:

- (a) the shareholders agreement dated November 13, 2021 entered into among our Company, Mr. Wu, Zhenjiu Holding, ChinaNet, Zest Holdings, Guizhou Zhenjiu, Zhenjiu Brewing, Hunan Xiangjiao and Jiangxi Lidu, pursuant to which certain shareholder rights were agreed among the parties;
- (b) the amended and restated shareholders agreement dated May 20, 2022 entered into among our Company, Mr. Wu, Zhenjiu Holding, ChinaNet, Zest Holdings, Guizhou Zhenjiu, Zhenjiu Brewing, Hunan Xiangjiao and Jiangxi Lidu, pursuant to which certain shareholder rights were agreed among the parties;

- (c) the Deed of Non-competition; and
- (d) the Hong Kong Underwriting Agreement.

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we are the owner of the following material registered trademarks, details of which are as follows:



No.	Trademark	Registered Owner	Place of Registration	Expiration Date (dd/mm/yyyy)
1		Zhenjiu Brewing	PRC	13/11/2025
2	老珍酒	Zhenjiu Brewing	PRC	27/2/2030
3		Zhenjiu Brewing	PRC	13/2/2032
4		Zhenjiu Brewing	PRC	13/7/2031
5		Zhenjiu Brewing	PRC	27/3/2033
6	珍酒佳品	Zhenjiu Brewing	PRC	6/12/2030
7	珍酒酒中珍品	Zhenjiu Brewing	PRC	6/5/2031
8	珍酒体验馆	Zhenjiu Brewing	PRC	13/11/2030
9	珍酒珍八	Zhenjiu Brewing	PRC	27/10/2027
10	珍酒珍三十	Zhenjiu Brewing	PRC	6/5/2030
11	珍酒珍十五	Zhenjiu Brewing	PRC	27/12/2030
12	珍酒映山红	Zhenjiu Brewing	PRC	6/6/2032
13	石子铺	Zhenjiu Brewing	PRC	13/4/2032
14	珍酒庄园	Zhenjiu Brewing	PRC	6/3/2032

No.	Trademark	Registered Owner	Place of Registration	Expiration Date (dd/mm/yyyy)
15		Zhenjiu Brewing	PRC	20/2/2032
16		Zhenjiu Brewing	PRC	27/12/2031
17		Zhenjiu Brewing	PRC	6/12/2031
18		Hunan Xiangjiao	PRC	13/11/2027
19		Hunan Xiangjiao	PRC	13/2/2028
20	湘窖红钻	Hunan Xiangjiao	PRC	27/2/2030
21	湘窖水晶	Hunan Xiangjiao	PRC	6/7/2029
22		Hunan Xiangjiao	PRC	6/2/2031
23		Hunan Xiangjiao	PRC	27/10/2030
24	湘窖龙匠明月	Hunan Xiangjiao	PRC	20/4/2031
25	湘窖龙匠天和	Hunan Xiangjiao	PRC	20/4/2031
26	湘窖龙匠人和	Hunan Xiangjiao	PRC	20/4/2031
27	湘窖龙匠地和	Hunan Xiangjiao	PRC	27/4/2031
28	湘窖龙匠红日	Hunan Xiangjiao	PRC	6/4/2031
29	湘窖龙匠紫星	Hunan Xiangjiao	PRC	13/4/2031
30	湘窖龙窖封坛贰号	Hunan Xiangjiao	PRC	13/4/2031

No.	Trademark	Registered Owner	Place of Registration	Expiration Date (dd/mm/yyyy)
31		Hunan Xiangjiao	PRC	28/2/2033
32	湘窖福酱	Hunan Xiangjiao	PRC	6/7/2032
33		Jiangxi Lidu	PRC	28/2/2033
34	李渡王	Jiangxi Lidu	PRC	13/9/2028
35	李渡元窖	Jiangxi Lidu	PRC	13/9/2031
36		Jiangxi Lidu	PRC	13/7/2029
37	李渡古窖陈香	Jiangxi Lidu	PRC	20/9/2028
38		Jiangxi Lidu	PRC	6/12/2027
39	李渡元启	Jiangxi Lidu	PRC	27/3/2030
40	汤司令	Jiangxi Lidu	PRC	20/3/2030
41	李渡	Jiangxi Lidu	PRC	13/4/2031
42	李渡元始天珍	Jiangxi Lidu	PRC	20/6/2031
43	李渡头牌	Jiangxi Lidu	PRC	27/8/2031
44	李渡宋宴	Jiangxi Lidu	PRC	27/8/2031
45	李渡万寿宫	Jiangxi Lidu	PRC	13/9/2031
46	李渡宋香	Jiangxi Lidu	PRC	20/8/2031

<u>No.</u>	<u>Trademark</u>	<u>Registered Owner</u>	<u>Place of Registration</u>	<u>Expiration Date (dd/mm/yyyy)</u>
47		Jiangxi Lidu Sales	PRC	6/3/2031
48	李渡高粱	Jiangxi Lidu	PRC	6/7/2032
49	李渡封坛	Jiangxi Lidu	PRC	13/8/2032
50		ZJLD Group Inc	Hong Kong	13/1/2032

As of the Latest Practicable Date, we had applied for the registration of the following trademarks, which we consider to be material to our business:

<u>No.</u>	<u>Trademark</u>	<u>Applicant</u>	<u>Place of Registration</u>	<u>Application Date</u>
1	 珍酒	Zhenjiu Brewing	PRC	May 24, 2021
2	珍十五	Zhenjiu Brewing	PRC	November 28, 2022
3	珍三十	Zhenjiu Brewing	PRC	November 28, 2022
4	 珍酒	Zhenjiu Brewing	PRC	November 28, 2022
5	 珍酒	Zhenjiu Brewing	PRC	November 28, 2022
6	湘窖红色记忆	Hunan Xiangjiao	PRC	January 16, 2023
7	湘窖龍匠	Hunan Xiangjiao	PRC	February 7, 2023
8	开口笑特曲T10	Hunan Xiangjiao	PRC	March 13, 2023
9	开口笑特曲T15	Hunan Xiangjiao	PRC	March 13, 2023
10	李渡古微	Jiangxi Lidu	PRC	October 14, 2022
11	李渡	Jiangxi Lidu	PRC	November 10, 2022

(b) Domain Name

As of the Latest Practicable Date, we had registered the following domain names which we consider to be material to our business:

No.	Domain Name	Registered Owner	Expiration Date (dd/mm/yyyy)
1.	gzzjc.cn	Zhenjiu Brewing	31/10/2023
2.	zjld.com	Zhenjiu Brewing	19/10/2025
3.	湘窖酒业.com	Hunan Xiangjiao	18/08/2023*
4.	湘窖酒业.net	Hunan Xiangjiao	19/08/2023*
5.	湘窖酒业.cn	Hunan Xiangjiao	25/07/2023*
6.	湖南湘窖.com	Hunan Xiangjiao	25/03/2024
7.	湖南湘窖.net	Hunan Xiangjiao	25/03/2024
8.	湖南湘窖.cn	Hunan Xiangjiao	25/03/2024
9.	xiangjiaojiu.com	Hunan Xiangjiao	26/08/2023*
10.	lidujiu.com	Jiangxi Lidu Sales	09/01/2026
11.	zjld.com.hk	ZJLD Group Inc	14/01/2033
12.	zjld.hk	ZJLD Group Inc	30/12/2032

Note:

* The Company expects to make a renewal application on or before the expiration date.

(c) Patents

As of the Latest Practicable Date, we are the owner of the following material patents, details of which are as follows:

No.	Patent description	Registered Owner	Place of Registration
1	A production technology of sauce aroma liquor (一種醬香型白酒的生產工藝)	Zhenjiu Brewing	PRC
2	A campylobacter and its use (一種彎曲芽孢桿菌及其用途)	Zhenjiu Brewing	PRC
3	Brewery boiler steam feed water device (釀酒鍋爐蒸汽給水裝置)	Zhenjiu Brewing	PRC
4	Beer starch saccharification variable proportion mixing device (啤酒澱粉糖化變比例混合裝置)	Zhenjiu Brewing	PRC
5	Crushing and drying machine (粉碎晾糟機)	Zhenjiu Brewing	PRC
6	Liquor box (Sealed Zhen Jiu) (酒盒 (封壇珍酒))	Zhenjiu Brewing	PRC
7	Liquor bottle (Sealed Zhen Jiu) (酒瓶 (封壇珍酒))	Zhenjiu Brewing	PRC
8	Liquor bottle (Zhen Jiu Classic 1975) (酒瓶 (珍酒經典 1975))	Zhenjiu Brewing	PRC
9	Liquor box (Zhen Jiu Classic 1975) (酒盒 (珍酒經典 1975))	Zhenjiu Brewing	PRC

No.	Patent description	Registered Owner	Place of Registration
10	Liquor bottle (Zhen Jiu Zhen 30) (酒瓶 (珍酒 - 珍三十))	Zhenjiu Brewing	PRC
11	Liquor bottle (Zhen Jiu Zhen 15 Jiang Xin) (酒瓶 (珍酒 - 珍十五匠心))	Zhenjiu Brewing	PRC
12	Liquor box (Lao Zhen Jiu) (酒盒 (老珍酒))	Zhenjiu Brewing	PRC
13	Liquor box (Zhen Jiu Zhen 10) (酒盒 (珍酒 珍十))	Zhenjiu Brewing	PRC
14	Liquor bottle (Zhen Jiu Zhen 15) (酒瓶 (珍酒 珍十五))	Zhenjiu Brewing	PRC
15	Liquor box (Zhen Jiu Zhen 30) (酒盒 (珍酒 珍三十))	Zhenjiu Brewing	PRC
16	Liquor bottle (Zhen Jiu Zhen 10) (酒瓶 (珍酒 珍十))	Zhenjiu Brewing	PRC
17	Liquor box (Zhen Jiu Zhen 15) (酒盒 (珍酒 珍十五))	Zhenjiu Brewing	PRC
18	Liquor bottle (Kai Kou Xiao 20) (酒瓶 (開口笑酒 20))	Hunan Xiangjiao	PRC
19	Liquor box (Kai Kou Xiao 20) (酒盒 (開口笑酒 20))	Hunan Xiangjiao	PRC
20	Liquor box (Xiang Jiao Yao Qing 12987 Classic) (酒盒 (湘窖要情 12987經典))	Hunan Xiangjiao	PRC
21	Liquor bottle (Xiang Jiao Yao Qing 12987 Classic) (酒瓶 (湘窖要情 12987經典))	Hunan Xiangjiao	PRC
22	Liquor bottle (Xiang Jiao Red Diamond) (酒瓶 (湘窖酒紅鑽))	Hunan Xiangjiao	PRC
23	Liquor bottle (Shaoyang Daqu cellar stored 1988) (酒瓶 (邵陽大曲酒窖藏1988))	Hunan Xiangjiao	PRC
24	Packaging Kit (Kai Kou Xiao aged liquor 12) (包裝套件 (開口笑十二年陳釀酒))	Hunan Xiangjiao	PRC
25	Liquor box (Xiang Jiao Long Jiang Heaven and Earth Edition) (酒盒 (湘窖龍匠天和地和版))	Hunan Xiangjiao	PRC
26	Liquor bottle (Shaoyang Daqu Tequ) (酒瓶 (邵陽大曲特曲))	Hunan Xiangjiao	PRC
27	Liquor bottle (Xiang Jiao Long Jiang Heaven and Earth Series) (酒瓶 (湘窖龍匠天地人和系列))	Hunan Xiangjiao	PRC
28	Packaging kit (Xiang Jiao Red Diamond) (包裝套件 (湘窖紅鑽))	Hunan Xiangjiao	PRC
29	Liquor bottle (Shaoyang Daqu blue bottle) (酒瓶 (邵陽大曲藍瓶))	Hunan Xiangjiao	PRC

No.	Patent description	Registered Owner	Place of Registration
30	Packaging kit (Kai Kou Xiao aged liquor 15) (包裝套件 (開口笑十五年陳釀酒))	Hunan Xiangjiao	PRC
31	Packaging kit (Xiang Jiao Crystal Diamond) (包裝套件 (湘窖酒水晶鑽))	Hunan Xiangjiao	PRC
32	Liquor bottle (Kai Kou Xiao Fu Sauce Liquor) (酒瓶 (開口笑福醬酒))	Hunan Xiangjiao	PRC
33	Liquor bottle (Xiang Jiao Yao Qing) (酒瓶 (湘窖 要情酒))	Hunan Xiangjiao	PRC
34	Liquor box (Li Du Sorghum 1308) (酒盒 (李渡高粱1308))	Jiangxi Lidu	PRC
35	Packaging kit (Li Du Sorghum) (包裝套件 (李渡高粱酒))	Jiangxi Lidu	PRC
36	Liquor bottle (Treasure Li Du) (酒瓶 (國寶李渡))	Jiangxi Lidu	PRC
37	Liquor box (Treasure Li Du) (酒盒 (國寶李渡))	Jiangxi Lidu	PRC
38	Liquor bottle base (酒瓶底座)	Jiangxi Lidu	PRC
39	Liquor bottle (Li Du Jiao Ling) (酒瓶 (李渡窖齡))	Jiangxi Lidu	PRC
40	Packaging kit (Li Du Yuanshi Tianzhen Liquor) (包裝套件 (李渡元始天珍酒))	Jiangxi Lidu	PRC
41	Flagon (Li Du Song Banquet) (酒壺 (李渡宋宴))	Jiangxi Lidu Sales	PRC
42	Liquor bottle (Longevity Palace) (酒瓶 (萬壽宮))	Jiangxi Lidu Sales	PRC
43	Liquor jar (Treasure Sealed Jar) (酒壇 (國寶封壇))	Jiangxi Lidu Sales	PRC
44	Liquor bottle (Li Du Sorghum Ulaanbaatar Commemorative Edition) (酒瓶 (李渡高粱烏蘭巴托紀念版))	Jiangxi Lidu Sales	PRC
45	Liquor bottle (Li Du Sorghum 1308 Collection) (酒瓶 (李渡高粱1308典藏))	Jiangxi Lidu Sales	PRC

As of the Latest Practicable Date, we had applied for the registration of the following patents, which we consider to be material to our business:

<u>No.</u>	<u>Patent Description</u>	<u>Applicant</u>	<u>Place of Registration</u>	<u>Application Date</u>
1	A method and equipment for steaming rice husk with liquor tail steam (一種利用釀酒尾汽清蒸稻殼的方法及設備)	Hunan Xiangjiao	PRC	January 8, 2018
2	A sealing method of pit bottom well and pit surface in maotai-flavor pit (一種醬香型窖池窖底井和窖面的密封方法)	Hunan Xiangjiao	PRC	June 20, 2022
3	A production method of asymmetric maotai-flavor liquor (一種非對稱性的醬香型白酒生產方法)	Hunan Xiangjiao	PRC	June 20, 2022

(d) Copyrights

As of the Latest Practicable Date, we are the owner of the following material copyrights, details of which are as follows:

<u>No.</u>	<u>Copyright Name</u>	<u>Registered Owner</u>	<u>Place of Registration</u>
1.	Zhenjiu Xiaojiao Applet V1.0 (珍酒小窖小程序V1.0)	Zhenjiu Sales	PRC
2.	Lidu brand icon (李渡品牌圖標)	Jiangxi Lidu	PRC
3.	National treasure little commander (國寶小司令)	Jiangxi Lidu	PRC
4.	Lidu Cloud Store System V1.0 (李渡雲店鋪系統V1.0)	Jiangxi Lidu Sales	PRC

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' Service Contracts and Appointment Letters

(a) Executive Directors

Each of our executive Directors has entered into service contract with our Company on April 11, 2023. The initial term of their respective service contracts shall commence from the Listing Date until terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other not less than three months' prior notice.

(b) Non-executive Directors and Independent non-executive Directors

Each of the non-executive Directors and independent non-executive Directors has entered into an appointment letter with our Company on April 11, 2023. The initial term for their appointment letters shall

commence from the Listing Date for a period of three years until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice.

2. Directors' Remuneration

Save as disclosed in the sections headed "Directors and Senior Management" and "Appendix I — Accountants' Report" in this prospectus, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

3. Disclosure of Interests

Save as disclosed in the section headed "Substantial Shareholders", immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), the interests or short positions of our Directors and chief executives in the Shares, underlying Shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have 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/or short positions (as applicable) which he/she is taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

(i) Interest in our Company

Shareholder	Capacity / Nature of interest	Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the Global Offering	
		Number	Approximate Percentage	Number	Approximate Percentage
Mr. Ng ⁽¹⁾	Interest in controlled corporation	1,397,915	2.51%	69,895,750	2.14%
Naputa Investment Inc. ⁽¹⁾	Interest in controlled corporation	1,397,915	2.51%	69,895,750	2.14%
Copland Investments Limited ⁽¹⁾	Interest in controlled corporation	1,397,915	2.51%	69,895,750	2.14%
ChinaNet ⁽¹⁾	Beneficial Owner	1,397,915	2.51%	69,895,750	2.14%

Note:

- (1) ChinaNet is a wholly owned subsidiary of Copland Investments Limited, a company wholly owned by Naputa Investment Inc., which is wholly owned by Mr. Ng. By virtue of the SFO, Mr. Ng is deemed to be interested in the Shares in which ChinaNet is interested in.

(ii) Interest in our Company's associated corporation

Name of Director	Name of associated corporation	Nature of interest	Percentage of shareholding
Mr. Wu	Zhenjiu Holding	Beneficial owner	100%

4. Disclaimers

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;
- (b) none of the Directors or the experts named in the paragraph headed “E. Other Information — 6. Consents of Experts” in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (c) save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this prospectus;
- (d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group as a whole;
- (e) save as disclosed in the section headed “Substantial Shareholders” and this section, taking no account of any Shares which may be taken up under the Global Offering, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, 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 member of the Group;
- (f) save as disclosed in the section headed “Substantial Shareholders” and this section, none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the 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 into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon;

- (g) save in connection with the Underwriting Agreements, none of the experts listed in the paragraph headed “E. Other Information — 6. Consents of Experts” in this Appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (h) so far as is known to our Directors, none of our Directors or their respective close associates or Shareholders (who to the knowledge of our Directors owns more than 5% of the number of our issued shares) has any interest in our five largest suppliers;
- (i) there is no arrangement under which future dividends are waived or agreed to be waived;
- (j) the Group has no outstanding convertible debt securities or debentures; and
- (k) there is no hire or hire purchase of plant to or by any member of the Group.

D. POST-IPO EQUITY INCENTIVE PLAN

A summary of the principal terms of the Post-IPO Equity Incentive Plan conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by resolution of our Shareholders on April 11, 2023 is as follows.

(a) Purpose

The purpose of the Post-IPO Equity Incentive Plan is to incentivize and reward the Eligible Participants (as defined below) for their contribution to the Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company.

(b) Eligible Participants

The Board (which expression shall, for the purpose of this paragraph, include the Board or a duly authorized committee thereof) may, at its absolute discretion, offer to grant an option or a share award to subscribe for such number of Shares as the Board may determine to (a) an employee (whether full time or part-time) or a director of our Company or any of its subsidiaries (the “**Eligible Employee(s)**”) and (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Entity Participant(s)**”), together with the Eligible Employees referred as the “**Eligible Participant(s)**”).

The eligibility of any Eligible Participants shall be determined by the Board from time to time on the basis of the Board’s opinion as to, among others, the participant’s individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with or actual degree of involvement in and/or cooperation with the Group and the actual or potential contribution to the development and growth of the Group, and the amount of support, assistance, guidance, advice, effort and contributions the Eligible Participants have exerted and given towards the success of the Group.

(c) *Maximum number of Shares*

- (i) Subject to paragraphs (iii) and (iv) below, the total number of Shares which may be issued upon exercise of all options and share awards to be granted under the Post-IPO Equity Incentive Plan shall not in aggregate exceed 5% of the relevant class of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange (the “**Plan Mandate Limit**”), being 163,566,552 Shares (excluding any Shares which may be issued upon the exercise of the Over-allotment Option). Options and share awards lapsed in accordance with the terms of the Post-IPO Equity Incentive Plan will not be counted for the purpose of calculating the Plan Mandate Limit.
- (ii) Subject to paragraph (iii) below, the Plan Mandate Limit may be refreshed at any time after three years from the date of Shareholders’ approval for the last refreshment (or the date on which the Post-IPO Equity Incentive Plan is adopted, as the case may be) by approval of its Shareholders in general meeting provided that (1) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of our Company and their respective associates) must abstain from voting in favor of the relevant resolution at the general meeting; and (2) our Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules. The requirements under (1) and (2) of this paragraph do not apply if the refreshment is made immediately after an issue of securities by our Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the plan mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the plan mandate immediately before the issue of securities, rounded to the nearest whole Share.
- (iii) The total number of Shares which may be issued upon exercise of all options and share awards to be granted under the Post-IPO Equity Incentive Plan and any other plans of our Company under the plan mandate as refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed plan mandate.
- (iv) Without prejudice to paragraph (iii) above, our Company may seek separate Shareholders’ approval in a general meeting to grant options and/or share awards beyond the Plan Mandate Limit to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options and/or share awards to be granted, the purpose of granting options and/or share awards to the specified participants with an explanation as to how the terms of the options and/or share awards will serve such purpose and all other information required under the Listing Rules.

(d) *Maximum entitlement of a grantee*

Where any grant of options or share awards to a participant would result in the Shares issued and to be issued upon exercise of all options and/or share awards granted and to be granted to such participant (excluding any options and share awards lapsed in accordance with the terms of the Post-IPO Equity

Incentive Plan) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options and/or share awards to be granted to such participant must be fixed before Shareholders' approval.

(e) Grant and exercise of options and share awards

The Board or a duly authorized committee thereof may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit when making such offer to the Eligible Participants, including, without limitation, conditions as to performance criteria (such as growth rate of revenue, earnings per share and/or total shareholders' return) to be satisfied or achieved by the Eligible Participants and/or our Company and/or the Group which must be satisfied before an option or a share award can be exercised.

An offer of the grant of an option or a share award shall be made to any Eligible Participants by letter in such form as the Board or a duly authorized committee thereof may from time to time determine specifying the number of Shares, the vesting period, the subscription price, the option period, the date by which the grant must be accepted and further requiring the Eligible Participants to hold the option or share award on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Equity Incentive Plan. An option or a share award shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the option or share award duly signed by the grantee together with a payment to our Company and/or any of its subsidiaries of HK\$1 (or the equivalent of HK\$1 in the local currency of any jurisdiction where our Company and/or its subsidiaries operate, as the Board or a duly authorized committee thereof may in its absolute discretion determine) by way of consideration for the grant thereof is received by our Company within the time period specified in the offer of the grant of the option or share award.

An option or a share award 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 in favor of any third party over or in relation to any option or share award. Any breach of the foregoing by the grantee shall entitle our Company to cancel any outstanding entitlement of such grantee.

An option may be exercised in accordance with the terms of the Post-IPO Equity Incentive Plan at any time during a period to be determined and notified by the Board to each grantee, which period may commence on a day falling at least 12 months after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date on which an option is offered to a participant, subject to the provisions for early termination under the Post-IPO Equity Incentive Plan. In any event, the minimum period for which an option or a share award must be held before it can be vested and exercised (if applicable) shall be 12 months.

(f) Subscription price

The amount payable for each Share to be subscribed for under an option (the “**Subscription Price**”) in the event of the option being exercised shall be determined by the Board or a duly authorized committee thereof at its absolute discretion, which shall be not less than the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and
- (iii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant.

The amount payable for each Share to be subscribed for under a share award (the “**Purchase Price**”) shall be determined by the Board or a duly authorized committee thereof at its absolute discretion, based on considerations such as the prevailing closing price of the Shares, the purpose of the share award and the contribution of the Eligible Participant.

(g) Options and share awards granted to connected persons

- (i) Any grant of options or share awards to a director, chief executive or substantial shareholder of the Company, or any of their associates must be approved by the independent non-executive Director (excluding any independent non-executive Director who is the grantee of the options or share awards).
- (ii) Where any grant of share awards (excluding grant of options) to a director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the shares issued and to be issued in respect of all share awards granted (excluding any share awards lapsed in accordance with the terms of the Post-IPO Equity Incentive Plan) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of share awards must be approved by the Shareholders at a general meeting of our Company, with voting to be taken by way of poll.
- (iii) Where any grant of options or share awards to an independent non-executive Director or a substantial shareholder of our Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options lapsed in accordance with the terms of the Post-IPO Equity Incentive Plan) under the Post-IPO Equity Incentive Plan and any other plans of our Company to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of options or share awards must be approved by the Shareholders at a general meeting of our Company, with voting to be taken by way of poll.

Our Company shall send a circular to the Shareholders containing all information as required under the Listing Rules in this regard. The grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting (except where any core connected person

intends to vote against the proposed grant and his/her intention to do so has been stated in the aforesaid circular). Any change in the terms of an option or a share award granted to a Director, a chief executive, a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner if the initial grant of the options or share awards requires such approval.

(h) Restriction of grant of options and share awards

No option or share awards shall be offered or granted:

- (i) to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until (and including) the trading day after the relevant price sensitive or inside information has been announced in accordance with the applicable provisions of law or the Listing Rules;
- (ii) to any Eligible Participant during the period commencing one month immediately before the following (whichever is earlier):
 - (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 our Company's annual, quarterly (if any) or half-yearly results; and
 - (b) the deadline for our Company to publish an announcement of its annual, quarterly (if any) or half-yearly results;

and ending on the date of the results announcement. No option or share award shall be granted during any period of delay in the publication of a results announcement;

- (iii) to any Director (except where the Subscription Price is to be determined by the Board or a duly authorized committee thereof at the time of exercise of the option):
 - (a) during the period of 60 days immediately preceding the publication of the annual results of our Company or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; or
 - (b) during the period of 30 days immediately preceding the publication of the quarterly (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Lapse of options and share awards

Any option or share award shall elapse automatically and not be exercisable on the earliest of:

- (i) the expiry of the option period or other applicable exercisable periods under the Post-IPO Equity Incentive Plan;

- (ii) the expiry of the periods or the occurrence of the relevant event referred to in (l)(i) and (l)(iii) below;
 - (iii) subject as provided in the Post-IPO Equity Incentive Plan, the date of the commencement of the winding-up of our Company;
 - (iv) the date on which the grantee commits a breach of relevant clauses that rights are personal to the grantee; or
 - (v) the occurrence or non-occurrence of any event, expiry of any period, or non-satisfaction of any condition, as specified in the letter containing the offer or grant of the relevant option or share award.
- (j) *Voting and dividend rights*

No grantee shall enjoy any of the rights of a Shareholder (including but not limited to voting, dividend, transfer rights or any other rights attached to a Share) by virtue of the grant of an option or a share award pursuant to the Post-IPO Equity Incentive Plan, unless and until the registration of the grantee (or such other person as may succeed to the grantee's title by operation of applicable laws and in compliance with the terms of the Post-IPO Equity Incentive Plan) as the holder thereof.

For the avoidance of doubt, the trustee holding unvested Shares under the Post-IPO Equity Incentive Plan, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

(k) *Effects of alterations in the capital structure of our Company*

In the event of a capitalization issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option or a share award remains outstanding, such corresponding adjustment (if any) certified by the auditors for the time being or an independent financial advisor to our Company as fair and reasonable will be made to:

- (a) the number of Shares to which the option or the share award relates, so far as outstanding, and/or
- (b) the Subscription Price of any unexercised option and the Purchase Price of any outstanding share awards, provided that (i) any such alteration shall give a grantee the same proportion of the issued share capital (rounded to the nearest whole Share) to which the grantee was entitled prior to such alteration; (ii) any such adjustments shall be made on the basis that the aggregate Subscription Price and Purchase Price payable by a grantee on the full exercise of any option or share award shall remain as nearly as possible the same as it was before such event; and (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, such auditors or independent financial advisor must confirm to the Board in writing that the adjustments comply with the relevant provisions of the Listing Rules (or any guideline or supplementary guideline as may be issued by the Stock Exchange from time to time).

(l) Rights on ceasing employment, death, or dismissal

- (i) If the grantee of an option or a share award is an employee and ceases to be an employee for any reason other than death, or for serious misconduct or other grounds referred to in sub-paragraph (iii) below before exercising his/her option or share award in full, the option or share award (to the extent not already exercised) will lapse automatically on the date of cessation of his/her employment or engagement with the Group.
- (ii) If the grantee of an option or a share award is an employee and ceases to be an employee by reason of his/her death, before exercising the option or share award in full, his/her legal personal representative(s), or, as appropriate, the grantee may exercise the option or share award (to the extent not already exercised) in whole or in part within a period of 12 months following the date of death of the grantee.
- (iii) If the grantee of an option or a share award is an employee and ceases to be an employee by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offense involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment summarily, his/her option or share award will lapse automatically on the date of cessation of his/her employment with the Group.

(m) Rights on takeover and plans of compromise or arrangement

If a general or partial offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of a plan of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) our Company shall use its best endeavors to procure that such offer is extended to all the grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the options and/or share awards granted to them, Shareholders of our Company). If such offer becomes or is declared unconditional, the grantee (or his/her legal personal representative(s)) shall be entitled to exercise the grantee's outstanding entitlement in full at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

(n) Rights on a voluntary winding-up

In the event of an effective resolution being passed for the voluntary winding-up of our Company or an order of the court being made for the winding-up of our Company, notice thereof shall be given by our Company to grantees with options and/or share awards outstanding in full or in part at such date. If a grantee immediately prior to such event had any outstanding entitlement, the grantee (or his legal personal representative(s)) may by notice in writing to our Company within 21 days after the date of such resolution elect to be treated as if the entitlement had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price or Purchase Price for the Shares in respect of which the notice is given, whereupon the grantee shall be duly transferred with the relevant Shares (or treated as

such by our Company) and entitled to receive out of the assets available in the liquidation pari passu with the holders of Shares such sum as would have been received in respect of the Shares that are the subject of such election.

(o) Ranking of Shares

The Shares underlying the options and the share awards will be subject to all the provisions of the Articles of Association of our Company for the time being in force and will rank pari passu with the fully paid Shares in issue on the date of such transfer and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of such transfer other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor falls before the date of such transfer.

(p) Duration

The Post-IPO Equity Incentive Plan shall be valid and effective for a period of 10 years commencing on the date when the Post-IPO Equity Incentive Plan becomes unconditional, after which period no further options or share awards will be granted by the provisions of the Post-IPO Equity Incentive Plan, but the provisions of the Post-IPO Equity Incentive Plan shall remain in full force and effect to the extent necessary to give effect to the exercise of any options or share awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Equity Incentive Plan.

(q) Alteration of the Plan

The Board may subject to the rules of the Post-IPO Equity Incentive Plan amend any of the provisions of the Post-IPO Equity Incentive Plan at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Any alterations to the terms and conditions of the Post-IPO Equity Incentive Plan which are of a material nature, and any change to the terms of any options or share awards granted to the advantage of Eligible Participants, shall be subject to the approval of the Shareholders in general meeting and, where required under the Listing Rules, the Stock Exchange.

Any change to the terms of options or share awards granted to a Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options or share awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be). Such requirement does not apply where the alterations take effect automatically under the existing terms of the Post-IPO Equity Incentive Plan.

(r) Cancellation of options and share awards

Any cancellation of options or share awards granted may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation. Where our Company cancels options and/or

share awards granted to a participant and makes a new grant to the same participant, such new grant may only be made under the Post-IPO Equity Incentive Plan with available Plan Mandate Limit approved by the Shareholders. The options or share awards canceled will be regarded as utilized for the purpose of calculating the Plan Mandate Limit.

(s) Clawback

The Board may, at its absolute discretion, determine such malus and/or clawback provisions to be applied to an option and a share award or an offer of grant so as to provide, upon the occurrence of the applicable malus and/or clawback event(s) such as serious misconduct, a material misstatement in our Company's financial statements and fraud. If the Board exercises its discretion under this paragraph, it will give the relevant grantee written notice of such determination and the Board's interpretation of and determination pursuant to this paragraph shall be final, conclusive and binding.

(t) Termination

Our Company by resolution in general meeting or the Board may at any time terminate the operation of the Post-IPO Equity Incentive Plan and in such event no further options or share awards will be offered but the provisions of the Post-IPO Equity Incentive Plan shall remain in full force in all other respects. All options and share awards granted prior to such termination shall continue to be valid and exercisable in accordance with the terms of the Post-IPO Equity Incentive Plan.

(u) Value of option and share awards

Our Directors consider it inappropriate to disclose the value of options and/or share awards which may be granted under the Post-IPO Equity Incentive Plan as if they had been granted as of the Latest Practicable Date. Any such valuation will have to be made on the basis of a certain option and/or share awards pricing model or other method that depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options or share awards have been granted, certain variables are not available for calculating the value of options or share awards. Our Directors believe that any calculation of the value of options and share awards granted as of the Latest Practicable Date would be based on a number of speculative assumptions that are not meaningful and would be misleading to investors.

(v) General

As of the Latest Practicable Date, no options or share awards had been granted or agreed to be granted under the Post-IPO Equity Incentive Plan.

E. OTHER INFORMATION

1. Estate Duty

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

2. Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$1 million for acting as the sponsor for the Listing.

4. Compliance Advisor

Our Company has appointed Somerley Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
Goldman Sachs (Asia) L.L.C.	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor Registered in accordance with the Accounting and Financial Reporting Council Ordinance

<u>Name</u>	<u>Qualification</u>
Conyers Dill & Pearman	Legal advisors to the Company as to Cayman Islands laws
King & Wood Mallesons	Legal advisor to the Company as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry Consultant

As at the Latest Practicable Date, none of the experts named above had any shareholding interest 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 any member of our Group.

7. Agency Fees or Commissions Paid or Payable

Save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company within the two years immediately preceding the date of this prospectus.

8. No Material Adverse Change

The Directors confirm that there has been no material adverse change in our financial or trading position since December 31, 2022 (being the date to which the latest audited financial statements of our Group were made up) up to the date of this prospectus.

9. Other Disclaimers

- (a) Within the two years immediately preceding the date of this prospectus:
- (i) save as disclosed in the section headed “History, Development and Corporate Structure”, no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and
 - (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;
- (b) Our Directors confirm that:
- (i) save as disclosed in the section headed “History, Development and Corporate Structure”, there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

- (iii) save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.
- (c) none of our Directors or proposed Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.
- (d) We do not have any promoters. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus within the two years immediately preceding the date of this prospectus.
- (e) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

10. Binding Effect

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

11. Bilingual Prospectus

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