

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 24 November 2022. Our Company established a principal place of business in Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 3 February 2023 and our principal place of business in Hong Kong is at Room 1603, 16/F, China Building, 29 Queen's Road Central, Central, Hong Kong. Loong & Yeung of Room 1603, 16/F, China Building, 29 Queen's Road Central, Central, Hong Kong has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company is incorporated in the Cayman Islands, our Company is subject to the relevant laws of the Cayman Islands and the constitution which comprises the Memorandum and the Articles. A summary of the relevant aspects of the Companies Act and certain provisions of our constitution is set out in Appendix III to this prospectus.

2. Changes in share capital of our Company

- (a) As at the date of incorporation of our Company, the authorised share capital was HK\$380,000 divided into 38,000,000 Shares. One fully-paid Share was allotted and issued to the initial subscriber, which was then transferred to Zi Yue.
- (b) On 9 May 2023, our sole shareholder, Zi Yue, resolved to increase the authorised share capital of our Company from HK\$380,000 to HK\$7,800,000 by the creation of 742,000,000 additional Ordinary Shares, each ranking pari passu with the Ordinary Shares then in issue in all respects.
- (c) Pursuant to step 4 of the Reorganisation, on 9 May 2023, an aggregate of 40,491,580 Ordinary Shares were allotted and issued to the allottees as set out in the paragraph headed "History, Development and Reorganisation — Reorganisation — Step 4: Subscription of new shares by the BVI companies set up by the Original Owners".
- (d) On 11 May 2023, our Shareholders resolved to set up a class of Preferred Shares and re-designate the authorised share capital of our Company from HK\$7,800,000 divided by 780,000,000 Ordinary Shares of HK\$0.01 each to HK\$7,800,000 divided by of 775,000,000 Ordinary Shares of HK\$0.01 each and 5,000,000 Preferred Shares of HK\$0.01 each.

- (e) Pursuant to step 6 of the Reorganisation, on 16 May 2023, 4,791,427 Preferred Shares were allotted and issued to Taobao China.
- (f) Pursuant to step 7 of the Reorganisation, on 16 May 2023, 457,404 Ordinary Shares were allotted and issued to Easygo.

Save as disclosed above and in the paragraph headed “Written resolutions of our Shareholders dated 1 December 2023” below, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document. Upon the Listing and pursuant to the Memorandum and Articles of Association, all Preferred Shares will be converted into Ordinary Shares on a one-to-one basis by way of re-designation to Ordinary Shares on the Listing Date.

3. Written resolutions of our Shareholders dated 1 December 2023

Pursuant to the written resolutions of our Shareholders entitled to vote at general meetings of our Company, which were passed on 1 December 2023:

- (a) our Company conditionally approved and adopted the amended and restated Memorandum and Articles of Association to take effect from the Listing Date;
- (b) the authorised share capital of our Company was increased from HK\$7,800,000 divided by 775,000,000 ordinary shares of HK\$0.01 each and 5,000,000 preferred shares of HK\$0.01 each to HK\$20,000,000 divided by 1,920,000,000 ordinary shares of HK\$0.01 each and 80,000,000 preferred shares of HK\$0.01 each by the creation of 1,145,000 additional ordinary shares and 75,000,000 additional preferred shares, each ranking *pari passu* with the respective class of shares then in issue in all respects;
- (c) pursuant to section 10.3 of Schedule A to the amended and restated articles of association of the Company before this written resolutions (the “**Previous Articles**”), each issued preferred share shall be automatically converted into one ordinary share with effect from the Listing Date (the “**Conversion**”);
- (d) upon the Conversion becoming effective, all of the issued and unissued preferred shares shall be automatically re-designated into ordinary shares pursuant to section 10.5 of Schedule A to the Previous Articles, and the authorised share capital of the Company is changed from HK\$20,000,000 divided by 1,920,000,000 ordinary shares of par value of HK\$0.01 each and 80,000,000 preferred shares of par value of HK\$0.01 each to HK\$20,000,000 divided by 2,000,000,000 ordinary shares of par value of HK\$0.01 each, each ranking *pari passu* with the existing issued Shares of the Company in all respects;

- (e) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, including any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and (ii) 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 the date falling 30 days after the date of this prospectus:
- (i) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer to rank *pari passu* with the then existing Shares in all respects;
 - (ii) conditional further on the share premium account of our Company being credited as a result of the Share Offer, the Capitalisation Issue be approved, and our Directors were authorised to capitalise an amount of HK\$5,942,595.88 standing to the credit of the share premium account of our Company and to appropriate such amount as capital to pay up in full at par 594,259,588 new Shares for allotment and issue to the person(s) whose name(s) appear on the register of members of our Company at the close of business on 18 December 2023 in proportion (as nearly as possible without involving fractions) to its/their then existing shareholdings in our Company, each ranking *pari passu* in all respects with our Shares then in issue, and our Directors were authorised to give effect to such capitalisation and distributions; and
 - (iii) the Over-allotment Option was approved and the Directors were authorized to allot and issue any Shares which may be required to be issued if the Over-allotment Option is exercised.
- (f) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue or any Shares allotted and issued in lieu of the whole or part of a dividend on Shares or similar arrangement in accordance with the Memorandum and the Articles or pursuant to a specific authority granted by our Shareholders in general meeting or pursuant to the Capitalisation Issue and the Share Offer, Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares, and to make or grant offers, agreements or options which might require the exercise of such power, with such number of Shares not

exceeding 20% of the total number of the Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer, and such mandate to remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting;
- (g) a general unconditional mandate was given to our Directors authorising them 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 recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the total number of the Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer, and such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting; and
- (h) the general unconditional mandate mentioned in sub-paragraph (f) above was extended by the addition to the number of Shares which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (g) above, provided that such extended amount shall not exceed 10% of the total number of the Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer.

4. Corporate reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the Listing, details of which are set out in the section headed “History, Development and Reorganisation — Reorganisation” in this prospectus. Following the Reorganisation, our Company became the holding company of our Group.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountants’ Report, the text of which is set forth in Appendix I to this prospectus. The following alteration in the share or registered capital of our subsidiaries have taken place within two years immediately preceding the date of this prospectus:

Hangzhou FAR

On 31 October 2022, the registered capital of Hangzhou FAR was decreased from RMB47,914,271 to RMB45,283,008.

On 30 November 2022, the registered capital of Hangzhou FAR was increased from RMB45,283,008 to RMB45,740,412.

Save as disclosed above and in the section headed “History, development and reorganisation — Reorganisation”, there have been no alterations in the capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Repurchase of the Shares by our Company

This section includes information required by the Stock Exchange to be included in the prospectus concerning the repurchase of our Shares by our Company.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid 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, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our Shareholders passed on 1 December 2023, a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors authorising our Directors to exercise all powers of our Company to purchase on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares representing up to 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer, and the Repurchase Mandate shall remain in effect until the earliest of the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held, or the time when the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of funds

Any repurchase must be funded out of funds legally available for the purpose in accordance with the Articles, the applicable laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own 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.

Any repurchases by our Company may be made out of profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account before or at the time our Shares are repurchased or, if authorised by the Articles and subject to the Companies Act, out of capital.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a “core connected person” (as defined in the Listing Rules), which includes a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchases

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

(c) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 780,000,000 Shares in issue after completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised), could accordingly result in up to 78,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchased Mandate must be fully paid up.

(d) Funding of repurchase

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

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

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company if the Repurchase Mandate is exercised.

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, the Articles and the applicable laws from time to time in force in the Cayman Islands.

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, 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 (as defined in the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence which may arise under the Takeovers Code as a result of a repurchase of Shares if made immediately after the Listing pursuant to the Repurchase Mandate. At present, so far as is known to our Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase the Shares pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules). No core connected person (as defined in the Listing Rules) of our Company has notified our Company that he 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 THE BUSINESS OF OUR COMPANY**1. Summary of material contracts**


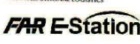



The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) Zhongtai Repurchase Agreement;
- (b) Anhui Guoyuan Repurchase Agreement;
- (c) Easygo HK Agreement;
- (d) Original Owners Acquisition Agreement;
- (e) Original Owners Subscription Agreement;
- (f) Alibaba Acquisition Agreement;
- (g) Taobao Subscription Agreement;
- (h) New Shareholders Agreement;
- (i) Easygo Share Swap Agreement;
- (j) Deed of Non-Competition;
- (k) Deed of Indemnity;
- (l) Cornerstone Investment Agreements; and
- (m) Public Offer Underwriting Agreement.

2. Intellectual property rights of our Group


(a) Trademarks

- (i) As at the Latest Practicable Date, our Group had registered the following trademarks, which are material in relation to our business:

| No. | Trademark | Registered owner | Place of registration | Class | Registration number | Expiry date |
|-----|--|------------------|-----------------------|-------|---------------------|------------------|
| 1. |  | Hangzhou FAR | PRC | 39 | 4444539 | 20 August 2028 |
| 2. |  | Hangzhou FAR | PRC | 39 | 6629792 | 6 July 2032 |
| 3. |  | Hangzhou FAR | PRC | 39 | 9676191 | 20 August 2032 |
| 4. |  | Hangzhou FAR | PRC | 42 | 8670846 | 6 November 2031 |
| 5. |  | Hangzhou FAR | PRC | 39 | 9676208 | 6 August 2032 |
| 6. |  | Hangzhou FAR | PRC | 31 | 40233238 | 27 August 2030 |
| 7. |  | Hangzhou FAR | PRC | 39 | 40225900 | 27 August 2030 |
| 8. |  | Hangzhou FAR | PRC | 44 | 40213162 | 20 October 2030 |
| 9. |  | Hangzhou FAR | PRC | 9 | 10136050 | 27 December 2032 |
| 10. |  | Hangzhou FAR | PRC | 42 | 10136087 | 6 January 2033 |
| 11. |  | Hangzhou FAR | PRC | 35 | 10136062 | 6 January 2033 |
| 12. |  | Hangzhou FAR | PRC | 35 | 65885615 | 6 January 2033 |
| 13. |  | Hangzhou FAR | PRC | 39 | 65879668 | 6 January 2033 |
| 14. |   | HK FAR | Hong Kong | 39 | 306132366 | 14 December 2032 |

| No. | Trademark | Registered owner | Place of registration | Class | Registration number | Expiry date |
|-----|--|------------------|-----------------------|-------|---------------------|------------------|
| 15. |  | Hangzhou FAR | PRC | 35 | 65874058 | 6 March 2033 |
| 16. |  JINGYUAN SUPPLY CHAIN | Hangzhou FAR | PRC | 39 | 65882630 | 6 March 2033 |
| 17. |  | HK FAR | Hong Kong | 39 | 306132375 | 14 December 2032 |
| 18. |  FAR INTERNATIONAL LOGISTICS | HK FAR | Hong Kong | 39 | 306154551 | 18 January 2033 |

(ii) As at the Latest Practicable Date, our Group had applied for registration of the following trademarks, the registration of which has not yet been granted:

| No. | Trademark | Applicant | Place of Application | Class | Application number | Application date |
|-----|--|--------------|----------------------|-------|--------------------|------------------|
| 1. |  FAR INTERNATIONAL LOGISTICS | Hangzhou FAR | PRC | 35 | 68947574 | 21 December 2022 |

(b) Patents

As at the Latest Practicable Date, we have registered the following patents which, in the opinion of our Directors, are material to our business:

| No. | Patent Name | Registered Owner | Place of Registration | Patent Number | Patent Type | Application Date | Expiry Date |
|-----|--|------------------|-----------------------|------------------|---------------|------------------|------------------|
| 1. | Self-identifying cargo loading carrier* | Hangzhou FAR | PRC | ZL201721582753.3 | Utility Model | 23 November 2017 | 22 November 2027 |
| 2. | Logistics transportation device for user self-service pick-up* | Hangzhou FAR | PRC | ZL201721583621.2 | Utility Model | 23 November 2017 | 22 November 2027 |
| 3. | Self-guiding cargo transport vehicle* | Hangzhou FAR | PRC | ZL201721583390.5 | Utility Model | 23 November 2017 | 22 November 2027 |

(c) Domain names

As at the Latest Practicable Date, the Group has the following material registered domain names:

| Domain name | Registrant | Date of registration | Date of expiry |
|-----------------------------------|----------------------|----------------------|-------------------|
| <i>colt-uk.com</i> | Hangzhou FAR | 17 July 2017 | 17 July 2024 |
| <i>coomao.com</i> | Hangzhou FAR | 14 August 2008 | 14 August 2024 |
| <i>far800.com</i> | Hangzhou FAR | 28 September 2014 | 28 September 2024 |
| <i>far900.com</i> | Hangzhou FAR | 18 June 2020 | 18 June 2024 |
| <i>farlogistics.com</i> | Hangzhou FAR | 28 April 2004 | 28 April 2024 |
| <i>farlogistics.cn</i> | Hangzhou FAR | 28 April 2004 | 28 April 2024 |
| <i>szunicon.com</i> | Shenzhen Global Link | 12 June 2009 | 12 June 2025 |
| <i>httx56.com</i> | Shenzhen Global Link | 24 August 2012 | 24 August 2025 |
| <i>ydyd.online</i> | Hangzhou FAR | 8 November 2022 | 14 November 2024 |

C. FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS

1. Disclosure of interests

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

As at the Latest Practicable Date and immediately following completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, the interests or short positions of our Directors and the chief executive of our Company in our Shares, underlying Shares and debentures of our 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 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 recorded in the register referred to therein or which will be required to be notified to us 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:

| Name | Capacity/nature of interest | Number of Shares held/ interested in after completion of the Capitalisation Issue and Share Offer | Approximate Percentage of shareholding after completion of the Capitalisation Issue and the Share Offer |
|---|--------------------------------------|--|--|
| Mr. Wang (<i>Note 1</i>) | Interest in a controlled corporation | 263,189,164 | 33.7422% |
| Yang Zhilong (<i>Note 2</i>). | Interest in a controlled corporation | 11,239,147 | 1.4409% |
| Zhu Jiong (<i>Note 3</i>). | Interest in a controlled corporation | 4,942,745 | 0.6337% |

Notes:

- (1) Immediately following the completion of the Capitalisation Issue and the Share Offer, Zi Yue and Gensis FAR will hold 221,213,154 and 41,976,010 Shares, representing approximately 28.3607% and 5.3815% of the entire issued share capital of our Company, respectively. Zi Yue is entirely owned by Mr. Wang. Therefore, Mr. Wang is deemed to be interested in the Shares held by Zi Yue by virtue of the SFO. Gensis FAR is wholly-owned by Hangzhou Aiyuan L.P.. Mr. Wang is interested in approximately 37.88% of the equity interest in Hangzhou Aiyuan L.P.. Therefore, Mr. Wang is deemed to be interested in the Shares held by Gensis FAR by virtue of the SFO.

- (2) Immediately following the completion of the Capitalisation Issue and the Share Offer, Ren He International Holdings Limited will hold 11,239,147 Shares, representing approximately 1.4409% of the entire issued share capital of our Company. Ren He International Holdings Limited is entirely owned by Mr. Yang Zhilong. Therefore, Mr. Yang Zhilong is deemed to be interested in the Shares held by Ren He International Holdings Limited by virtue of the SFO.
- (3) Immediately following the completion of the Capitalisation Issue and the Share Offer, Seven Big Dipper Holdings Limited will hold 4,942,745 Shares, representing approximately 0.6337% of the entire issued share capital of our Company. Seven Big Dipper Holdings Limited is entirely owned by Mr. Zhu Jiong. Therefore, Mr. Zhu Jiong is deemed to be interested in the Shares held by Seven Big Dipper Holdings Limited by virtue of the SFO.

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

So far as is known to our Directors and taking no account of any Shares which may be taken up under the Share Offer, and Shares to be issued pursuant to the exercise of the Over-allotment Option, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the Capitalisation Issue and the Share Offer, have interests or short positions in Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Long Position in the Shares

| Name | Capacity/nature of interest | Number of Shares held/ interested in after completion of the Capitalisation Issue and Share Offer | Approximate Percentage of shareholding after completion of the Capitalisation Issue and the Share Offer |
|---------------------------------|---|---|---|
| Zi Yue | Beneficial Owner ¹ | 221,213,154 | 28.3607% |
| Gensis FAR | Beneficial Owner ¹ | 41,976,010 | 5.3815% |
| Lao Minzhong. | Interest of spouse ² | 263,189,164 | 33.7422% |
| Taobao China | Beneficial Owner ³ | 67,041,663 | 8.5951% |
| Taobao Holding Limited. | Interest in a controlled corporation ³ | 67,041,663 | 8.5951% |
| Alibaba Holding | Interest in a controlled corporation ³ | 67,041,663 | 8.5951% |
| Ye Jianrong (葉建榮) | Interest in a controlled corporation ⁴ | 51,699,152 | 6.6281% |

| Name | Capacity/nature of interest | Number of Shares held/ interested in after completion of the Capitalisation Issue and Share Offer | Approximate Percentage of shareholding after completion of the Capitalisation Issue and the Share Offer |
|---|---|---|---|
| Hangzhou Gongshu State-owned Innovation Development Co., Ltd. (杭州拱墅國投創新發展有限公司) | Interest in a controlled corporation ⁵ | 45,470,849 | 5.8296% |
| Hangzhou City Gongshu District State-owned Investment Holding Group Co., Ltd. (杭州市拱墅區國有投資控股集團有限公司) | Interest in a controlled corporation ⁵ | 45,470,849 | 5.8296% |

Notes:

- (1) Zi Yue is entirely owned by Mr. Wang. Therefore, Mr. Wang is deemed to be interested in the Shares held by Zi Yue by virtue of the SFO. Gensis FAR shall be interested in approximately 5.3815% shareholding of our Company immediately following completion of the Capitalisation Issue and Share Offer. Gensis FAR is wholly-owned by Hangzhou Aiyuan L.P. Mr. Wang is interested in approximately 37.88% of the equity interest in Hangzhou Aiyuan L.P.. Therefore, Mr. Wang is deemed to be interested in the Shares held by Gensis FAR by virtue of the SFO.
- (2) Ms. Lao Minzhong is the spouse of Mr. Wang. Accordingly, for the purpose of the SFO, Ms. Lao Minzhong is deemed, or taken to be, interested in the Shares in which Mr. Wang is interested.
- (3) Taobao China is 100% owned by Taobao Holding Limited, which is in turn 100% owned by Alibaba Holding.
- (4) Coast Harvest shall be interested in approximately 4.2616% shareholding of our Company immediately following completion of the Capitalisation Issue and Share Offer. Mr. Ye Jianrong is interested in 85% of the shareholding in Coast Harvest. Therefore, Mr. Ye Jianrong is deemed to be interested in the Shares held by Coast Harvest by virtue of the SFO. Skill Lead shall be interested in approximately 2.3665% shareholding of our Company immediately following completion of the Capitalisation Issue and Share Offer. Skill Lead is entirely owned by Mr. Ye Jianrong. Therefore, Mr. Ye Jianrong is deemed to be interested in the Shares held by Skill Lead by virtue of the SFO.
- (5) Summit Acute shall be interested in approximately 3.4409% shareholding of our Company immediately following completion of the Capitalisation Issue and Share Offer. Summit Charm shall be interested in approximately 2.3887% shareholding of our Company immediately following completion of the Capitalisation Issue and Share Offer. Both companies are indirectly and wholly-owned by Hangzhou Gongshu State-owned Innovation Development Co., Ltd. (杭州拱墅國投創新發展有限公司), which is in turn wholly-owned by Hangzhou City Gongshu District State-owned Investment Holding Group Co., Ltd. (杭州市拱墅區國有投資控股集團有限公司), a wholly state-owned company established in accordance with the PRC Company Law on 10 June 2008. Therefore, each of Hangzhou Gongshu State-owned Innovation Development Co., Ltd. and Hangzhou City Gongshu District State-owned Investment Holding Group Co., Ltd. is deemed to be interested in the Shares held by Summit Acute and Summit Charm by virtue of the SFO.

2. Particulars of service contracts

Each Director has entered into a service agreement with our Company for an initial term of 3 years with effect from the Listing Date. The terms and conditions of each of such service agreements are similar in all material aspects. The term of service shall be renewed and extended automatically by 1 year on the expiry of such initial term subject to retirement by rotation and re-election at an annual general meeting of our Company at least once every three years and until terminated by either party giving at least 1 month's written notice of non-renewal before the expiry of the initial term.

Save as disclosed in this subsection, no Director has entered into any service agreement with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Remuneration of Directors

- (a) The aggregate amount of remuneration paid to our Directors by our Group in respect of the three years ended 31 December 2022 and the six months ended 30 June 2023 were approximately RMB2,029,000, RMB3,077,000, RMB3,013,000 and RMB1,493,000, respectively.
- (b) Under the arrangements currently in force, the aggregate emoluments (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to our Directors for the year ending 31 December 2023 will be approximately RMB2,124,000.

- (c) Under the arrangements currently proposed, conditional upon the Listing, the basic annual remuneration (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

| Executive Directors | <i>RMB</i> |
|--|------------|
| Mr. Wang Quan | 408,000 |
| Ms. Zhang Min | 600,000 |
| Mr. Yang Zhilong | 258,000 |
| Mr. Zhang Guangyang | 360,000 |
| Mr. Zhu Jiong | 258,000 |
| Non-executive Director | |
| Mr. Wang Tiantian | Nil |
| Independent non-executive Directors | |
| Mr. Ye Xingyue | 80,000 |
| Mr. Ren Tiangan | 80,000 |
| Mr. Sun Peng | 80,000 |

4. Disclaimers

1. Fees or commission received

Save as disclosed in the section headed “Underwriting” in this prospectus, none of our Directors or the experts named in the paragraph headed “E. Other information — 7. Consents of experts” in this Appendix had received any agency fee or commissions from our Group within the two years preceding the date of this prospectus.

2. *Related party transactions*

Details of the related party transactions are set out under Note 34 to the Accountants' Report set out in Appendix I to this prospectus.

3. *Disclaimers*

Save as otherwise disclosed in this section:

- (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 our Directors and any member of our Group;
- (b) none of our Directors or the experts named in the paragraph headed "E. Other information — 6. Qualifications 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 our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors or the experts named in the paragraph headed "E. Other information — 7. Consents of experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of our Directors or the experts named in the paragraph headed "E. Other information — 7. Consents of experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (e) none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Capitalisation Issue and the Share Offer, have any interest in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will 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 other member of our Group;

- (f) none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of the associated corporations (within the meaning of the SFO) which, once our Shares are listed on the Stock Exchange, 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 any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to our Company and the Stock Exchange;
- (g) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the top five customers or the top five suppliers of our Group in each year during the Track Record Period; and
- (h) no remuneration or other benefits in kind have been paid by any member of our Group to any Director since the date of incorporation of our Company, nor are any remuneration or benefits in kind payable by any member of our Group to any Director in respect of the current financial year under any arrangement in force as at the Latest Practicable Date.

D. OTHER INFORMATION

1. Tax and other indemnities

Our Controlling Shareholders have, under the Deed of Indemnity as referred to in the paragraph headed “B. Further information about the business of our Company — Summary of material contracts” in this Appendix, given joint and several indemnities to our Company for itself and as trustee for and on behalf of its subsidiaries in connection with, among other things:

- (a) any liability for Hong Kong estate duty which might be payable by any member of our Group under or by virtue of the provisions of section 35 and/or section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or any other similar legislation in any relevant jurisdiction outside Hong Kong arising on the death of any person at any time by reason of any transfer of any property to any member of our Group on or before the date on which the Share Offer becomes unconditional;

- (b) any taxation which might be payable by any member of our Group (i) in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which Share Offer becomes unconditional; or (ii) in respect of or in consequence of any act, omission, transaction, matter, thing or event occurring or deemed to occur on or before the date on which the Share Offer becomes unconditional, but the Indemnifiers will, however, not be liable under the Deed of Indemnity for taxation to the extent that, among others:
- (i) specific provision, reserve or allowance has been made for such taxation liability or taxation claim in the audited consolidated financial statements of any member of our Group for the Track Record Period; or
 - (ii) the taxation liability arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the date on which the Share Offer becomes unconditional; or
 - (iii) the taxation liability arises in the ordinary course of business of our Group after 30 September 2022 up to and including the date on which the Share Offer becomes unconditional.
- (c) any penalty, claims, actions, demands, proceedings, actions, judgments, losses, liabilities, damages, costs, administrative or other charges, fees, expenses and fines of whatever nature (which shall include legal fees and costs) which may be imposed on, suffered or incurred by any member of our Group as a result of or in connection with (i) any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings (whether criminal, administrative, contractual, tortious or otherwise), instituted by or against any member of our Group in relation to any act, non-performance, omission, events or otherwise occurred on or before the date on which the Share Offer becomes unconditional; (ii) the implementation of the Reorganisation undergone by our Group in preparation for the Listing and/or disposal or acquisition of the equity interest in any member of our Group since the date of incorporation of each member of our Group and up to the date on which the Share Offer becomes unconditional; and (iii) any non-compliance with the applicable laws, rules or regulations by any member of our Group on or before the date on which the Share Offer becomes unconditional except that provision, reserve or allowance has been made for such liabilities in the audited consolidated financial statements of our Company or any other member of our Group for the Track Record Period (if any).

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands is likely to fall on our Group.

2. Litigation

Our Directors confirmed that as at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group.

3. Sponsor

The Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein (including any Shares falling to be issued pursuant to the exercise of the Over-allotment Option).

The Sponsor has confirmed to the Stock Exchange that it satisfies the independence test as stipulated under Rule 3A.07 of the Listing Rules.

We agreed to pay HK\$8,800,000 to the Sole Sponsor for purposes of services provided by the Sole Sponsor in the capacity of sponsor.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company approximately US\$62,000 and were paid by our Company.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

6. Qualifications of experts

The following are the respective qualifications of the experts who have given their opinion or advice which is contained in this prospectus:

| Name | Qualification |
|--|---|
| Grand Moore Capital Limited | A licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| SHINEWING (HK) CPA Limited | Certified Public Accountants Registered Public Interest Entity Auditor |
| Allbright Law Offices | Legal advisers to our Company as to PRC laws |
| Appleby | Legal advisers to our Company as to the laws of the Cayman Islands |
| Frost & Sullivan | Independent industry consultant |
| SHINEWING Tax And Business Advisory Limited | Transfer pricing consultant |
| K&L Gates | Legal advisers to our Company as to US tariff laws |

7. Consents of experts

Each of the experts named in paragraph 6 of this Appendix has given and has not withdrawn their respective consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

8. Binding effect

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

9. Registration procedures

Our register of members will be maintained by our Share Registrar, Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Share Registrar. All necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement.

10. No material adverse change

Save for the expenses expected to be incurred in connection with the Listing, our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Company or its subsidiaries since 30 June 2023 (being the date to which the latest audited financial statements of our Group were made up), and there is no event since 30 June 2023 which would materially affect the information shown in our consolidated financial information included in the Accountants' Report set forth in Appendix I to this prospectus.

11. Registration procedures

The principal register of members of our Company in the Cayman Islands will be maintained by the Cayman Islands Principal Register and a branch register of members of our Company will be maintained by Computershare Hong Kong Investor Services Limited. Save where our Directors agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

12. Taxation of holders of Shares**(a) Hong Kong**

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfer of shares of Cayman Islands exempted companies except those which hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisers*

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

13. Miscellaneous

- (a) Save as otherwise disclosed in the sections headed “History, development and reorganisation” and “Financial Information” of and the section headed “Accountants’ Report” of Appendix I to this prospectus, within the two years immediately preceding the date of this prospectus:
- (i) no share or loan capital of our Company or any of the subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of the subsidiaries and no commission has been paid or is payable in connection with the issue or sale of any capital of our Company or any of the subsidiaries;
 - (iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares or debenture of any of our Company or the subsidiaries;
 - (iv) no founder, management or deferred shares or any debentures of our Company have been issued or agreed to be issued; and
 - (v) no share or loan capital of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (b) Save as disclosed in the section headed “Underwriting” in this prospectus, none of the parties listed in the paragraph headed “Consents of experts” in this Appendix is interested legally or beneficially in any securities of our Company or any of its subsidiaries; or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities of our Company or any of its subsidiaries;
- (c) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus;
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system;
- (e) Our Group has no outstanding convertible debt securities;
- (f) Our Directors have been advised that, under Cayman Islands law, the use of a Chinese name pre-approved by the Registrar of Companies in the Cayman Islands by our Company in conjunction with the English name does not contravene Cayman Islands law; and
- (g) The English text of this prospectus shall prevail over the Chinese text.

14. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided in sections 4 and 5 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).