

**1. FURTHER INFORMATION ABOUT OUR GROUP****A. Incorporation**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 14, 2018 under the Companies Act. Our registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Our Company has established a principal place of business in Hong Kong at, 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong and has been registered in Hong Kong as a registered non-Hong Kong company under Part 16 of the Companies Ordinance on April 17, 2020. Ms. Cheung Yuet Fan has been appointed by us as our authorized representative for the acceptance of service of process and notices on behalf of us in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as the address of our principal place of business in Hong Kong.

As we are incorporated in the Cayman Islands, our corporate structure, the Memorandum and the Articles are subject to the relevant laws and regulations of the Cayman Islands. A summary of certain relevant aspects of the laws and regulations of the Cayman Islands and a summary of the relevant provisions of our Memorandum and Articles are set out in Appendix III to this prospectus.

**B. Changes in Share Capital**

The authorized share capital of our Company as at the date of its incorporation was US\$50,000 divided into 50,000 shares with par value of US\$1.00 each. The following sets out the changes in the share capital of our Company since its date of incorporation up to the date of this prospectus:

- (a) on November 14, 2018, one share with par value of US\$1.00 was allotted and issued, credited as fully paid, to the initial subscriber, which was subsequently transferred to First Oriental on the same day. On the same day, 49,999 shares with par value of US\$1.00 each were also allotted and issued, credited as fully paid, to First Oriental;
- (b) on May 1, 2020, the authorized share capital of our Company was increased from US\$50,000 divided into 50,000 shares with par value of US\$1.00 each to US\$2,000,000 divided into 2,000,000 shares with par value of US\$1.00 each by the creation of an additional 1,950,000 shares with par value of US\$1.00 each;
- (c) on May 1, 2020, 100,000 shares with par value of US\$1.00 each were allotted and issued, credited as fully paid, to First Oriental;
- (d) on May 1, 2020, each issued and unissued share with par value of US\$1.00 in our Company was subdivided into 1,000 Shares with par value of US\$0.001 each, such that the authorized share capital of our Company has become US\$2,000,000 divided into 2,000,000,000 Shares with par value of US\$0.001 each; and
- (e) on November 18, 2022, 2,000,000 Shares with par value of US\$0.001 each were allotted and issued, credited as fully paid, to First Oriental.

Assuming that the Global Offering becomes unconditional, immediately following completion of the Capitalization Issue and the Global Offering (without taking into account of any Share which may be issued upon exercise of the Over-allotment Option and the options that may be granted under the Share Option Scheme), the issued share capital of our Company will be US\$1,000,000 divided into 1,000,000,000 Shares, all fully paid or credited as fully paid and 1,000,000,000 Shares will remain unissued.

Other than Shares to be issued under the Capitalization Issue, the Global Offering and pursuant to the exercise of the Over-allotment Option, the options that may be granted under the Share Option Scheme and the general mandate to issue Shares referred to in the paragraph headed “C. Written resolutions of our Sole Shareholder Passed on November 18, 2022” in this sub-section, our Directors do not have any present intention to issue any Share out of the authorized but unissued share capital of our Company and, without the prior approval of the Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as disclosed above and in the section headed “History, Reorganization and Corporate Structure — Reorganization” in this prospectus, there has been no alteration in the authorized and issued share capital of our Company since its incorporation and up to the date of this prospectus.

#### C. **Written Resolutions of our Sole Shareholder Passed on November 18, 2022**

Pursuant to the written resolutions of our sole Shareholder passed on November 18, 2022:

- (a) conditional upon and with effect from the Listing, the Memorandum and the Articles were approved and adopted;
- (b) conditional upon the fulfillment or waiver of the conditions set out in the section headed “Structure and Conditions of the Global Offering” in this prospectus and subject to the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the issue of the new Shares under the Global Offering, our Directors were authorized to allot and issue a total of 598,000,000 Shares credited as fully paid at par to the Shareholder(s) whose names appear on the register of members of our Company at the close of business on the date immediately prior to the Listing Date in proportion to their then existing shareholdings in our Company, each ranking *pari passu* in all respects with the then existing issued Shares, by way of capitalization of an amount of US\$598,000 standing to the credit of the share premium account of our Company;
- (c) conditional upon the fulfillment or waiver of the conditions set out in the section headed “Structure and Conditions of the Global Offering” in this prospectus, the Global Offering and the Over-allotment Option were approved;
- (d) a general unconditional mandate (the “**Issuing Mandate**”) was given to our Directors to exercise all powers of our Company to allot (including the power to make and grant offers, agreements and options which would or might require Shares to be allotted and issued), otherwise than pursuant to, or in consequence of a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or other similar arrangement or pursuant to a specific authority granted by

the Shareholders in general meeting, Shares with a total number not exceeding 20% of the number of Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (not including any Share which may be issued upon the exercise of the Over-allotment Option and the options that may be granted under the Share Option Scheme) whereas such Issuing Mandate is to remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of our Company; (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; and (iii) the passing of an ordinary resolution by the Shareholders at a general meeting revoking, varying or renewing the Issuing Mandate, provided that the Issuing Mandate may only be exercised in compliance with the applicable requirements of the Listing Rules;

- (e) a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors to exercise all powers of our Company to repurchase on the Stock Exchange, Shares with a total number not exceeding 10% of the number of Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (not including any Share which may be issued upon the exercise of the Over-allotment Option and the options that may be granted under the Share Option Scheme) whereas such Repurchase Mandate is to remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of our Company; (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; and (iii) the passing of an ordinary resolution by the Shareholders at a general meeting revoking, varying or renewing such Repurchase Mandate;
- (f) the Issuing Mandate was extended by the addition to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issuing Mandate of the number of Shares repurchased by our Company pursuant to and in accordance with the Repurchase Mandate; and
- (g) the Share Option Scheme was approved and that our Directors or any committee established by our Board were authorized, at their sole discretion, to (i) administer the Share Option Scheme; (ii) modify and/or amend the Share Option Scheme from time to time as required by the Stock Exchange; (iii) grant options to subscribe for Shares under the Share Option Scheme up to the limit referred to in the Share Option Scheme; (iv) allot and issue Shares pursuant to the exercise of any of the share options (the “**Share Options**”) which may be granted under the Share Option Scheme; (v) make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be allotted and issued upon the exercise of the Share Options; and (vi) take all such actions as they consider necessary, desirable or expedient to implement or give effect to the Share Option Scheme.

#### **D. Reorganization**

In preparation for the Global Offering, our Group has undertaken the Reorganization, details of which are set forth in the section headed “History, Reorganization and Corporate Structure — Reorganization” in this prospectus.

**E. Particulars and Changes in the Share Capital of our Subsidiaries**

There has been no change in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

**F. Repurchase by our Company of our own Securities**

The Repurchase Mandate was granted to our Directors by our Shareholder pursuant to a written resolution of our then sole Shareholder dated November 18, 2022 authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange, Shares with a total number not exceeding 10% of the number of Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (not including any Share which may be issued upon the exercise of the Over-allotment Option and the options that may be granted under the Share Option Scheme) whereas such Repurchase Mandate is to remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of our Company; (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; and (c) the passing of an ordinary resolution by the Shareholders at a general meeting revoking, varying or renewing such Repurchase Mandate.

This paragraph contains information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

**(a) Provision of the Listing Rules**

Subject to certain restrictions, the Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own securities on the Stock Exchange, the most important of which are summarized below.

**(i) Shareholders' approval**

The Listing Rules provide that all proposed repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of a specific approval of a specific transaction, or by way of a general mandate.

**(ii) Source of funds**

Any repurchase of securities of the Company must be financed out of funds legally available for the purpose in accordance with the Listing Rules, the Articles and the applicable laws and regulations. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

**(iii) Trading restrictions**

Our Company may not issue or announce a proposed issue of Shares for a period of 30 days after repurchase of Shares, without the prior approval of the Stock Exchange.

Our Company may not purchase our Shares on the Stock Exchange (i) if the repurchase would result in the number of Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange; (ii) if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange (iii) 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; (iv) knowingly from a core connected person on the Stock Exchange; (v) at any time after inside information has come to our knowledge until the information is made publicly available, including one month 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 our 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 our Company to announce our results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, unless the circumstances are exceptional.

Our Company is required to procure that the broker appointed by us to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchases as the Stock Exchange may request.

(iv) *Status of repurchased Shares*

All repurchased Shares (whether effected on the Stock Exchange or otherwise) will be automatically canceled and the certificates for those Shares will be canceled and destroyed. Under the Companies Act, our Company's repurchased Shares shall be treated as canceled on repurchase and the amount of our Company's issued share capital shall be diminished by the aggregate nominal value of the repurchased Shares (although the authorized share capital of our Company will not be reduced as a result of the repurchase).

In addition, the Stock Exchange may prohibit a repurchase of the Shares on the Stock Exchange if our Company has breached the Listing Rules.

(v) *Procedural and reporting requirements*

As required by the Listing Rules, repurchases of Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange the business day following any day on which our Company has made a purchase of Shares, reporting the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant, and the aggregate prices paid. In addition, our Company's annual report is required to disclose details regarding repurchases of Shares made during the year, including the number of Shares repurchased each month, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid. The Directors' report shall contain reference to the purchases made during the year and the directors reasons for making such purchases.

(vi) *Core connected persons*

The Listing Rules prohibit our Company from knowingly repurchasing the Shares on the Stock Exchange from a “core connected person” which includes a Director, chief executive and substantial Shareholder of our Company or any of the 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 our and our Shareholders’ best interests for our Directors to have general authority from the Shareholders to enable our Company to execute repurchases of the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit us and our Shareholders.

(c) *Funding of repurchases*

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

On the basis of our Company’s current financial position as disclosed in this prospectus and taking into account our Company’s current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our Company’s working capital and/or our Company’s gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our Company’s working capital requirements or the gearing 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 1,000,000,000 Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (not including any Share which may be issued upon the exercise of the Over-allotment Option and the options which may be granted under the Shares Option Scheme), could accordingly result in up to approximately 100,000,000 Shares being repurchased by our Company during the period prior to:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders at a general meeting revoking, varying, or renewing such Repurchase Mandate,

whichever is the earliest.

None of our Directors, to the best of their knowledge and having made all reasonable enquiries, nor any of their close associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Share 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, the Articles and the applicable laws and regulations of the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition of voting rights for the purpose 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 his/her/their interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As First Oriental will be interested in 75% of our total issued Shares immediately upon completion of the Global Offering (without taking into account of any Share which may be issued upon exercise of the Over-allotment Option and the options that may be granted under the Share Option Scheme), our Directors are not aware of any consequences which would arise under the Takeovers Code as a result of repurchases of Shares pursuant to the Repurchase Mandate in part or in full.

No core connected persons of our Company have notified us that he/she/it has a present intention to sell Shares to our Company nor, save as disclosed in the section headed "Underwriting" in this prospectus, have undertaken not to sell any such securities to our Company, if the Repurchase Mandate is exercised. No Share has been repurchased by our Company (whether on the Stock Exchange or otherwise) during the previous six months from the date of this prospectus.

## **2. FURTHER INFORMATION ABOUT OUR BUSINESS**

### **A. Summary of Material Contracts**

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

- (a) the Share Subscription and Set-off Agreement dated November 18, 2022 entered into between Buyang International Holding Inc (步陽國際控股有限公司) and First Oriental Limited, pursuant to which First Oriental Limited agreed to subscribe for, and Buyang International Holding Inc agreed to allot and issue 2,000,000 shares of Buyang International Holding Inc at the consideration of HK\$1,410,336.64 which shall be set-off by the amount due to First Oriental Limited by Buyang International Holding Inc of HK\$1,410,336.64;
- (b) the deed of indemnity dated November 18, 2022 and executed by Xu Buyun (徐步雲), Chen Jiangyue (陳江月), TopSun Investment Holding Company Limited and First Oriental Limited in favor of Buyang International Holding Inc (for itself and as trustee for each of its subsidiaries), particulars of which are set out in the paragraph headed "5. OTHER INFORMATION — C. Deed of Indemnity" in this Appendix;



- (c) the cornerstone investment agreement dated November 24, 2022 entered into between Arda (HK) Investment Co., Limited, Buyang International Holding Inc, Zhongtai International Capital Limited and Zhongtai International Securities Limited, pursuant to which Arda (HK) Investment Co., Limited has agreed to subscribe, at the Offer Price, for Shares of Buyang International Holding Inc in an aggregate amount of HK\$30.0 million (excluding brokerage and levy); and
- (d) the Hong Kong Underwriting Agreement.

## B. Intellectual Property Rights

### (a) Trademarks

As at the Latest Practicable Date, we were the registered owner of and had the right to use the following trademarks which may be material to our business:

| No. | Trademark   | Place of Registration     | Trademark No. | Registered owner | Class(es) | Valid Period                            |
|-----|---|---------------------------|---------------|------------------|-----------|---|
| 1.  |    | EU and Russian Federation | 1196442       | Buyang Wheel     | 12        | December 17, 2013 to December 17, 2023  |
| 2.  |  | PRC                       | 12297304      | Buyang Wheel     | 12        | August 28, 2014 to August 27, 2024      |
| 3.  |  | U.S.                      | 4603860       | Buyang Wheel     | 12        | September 16, 2014 to December 17, 2023 |
| 4.  |  | PRC                       | 13620221      | Buyang Wheel     | 12        | March 7, 2015 to March 6, 2025          |
| 5.  |  | PRC                       | 13620243      | Buyang Wheel     | 12        | August 21, 2015 to August 20, 2025      |
| 6.  |  | PRC                       | 16654453      | Buyang Wheel     | 12        | May 28, 2016 to May 27, 2026            |
| 7.  |  | PRC                       | 39121100      | Buyang Wheel     | 12        | February 14, 2020 to February 13, 2030  |
| 8.  | ABTMotorsport   | PRC                       | 39125371      | Buyang Wheel     | 12        | April 14, 2020 to April 13, 2030        |
| 9.  |  | Hong Kong                 | 305206798     | Buyang Wheel     | 12, 35    | March 3, 2020 to March 2, 2030          |



*(b)* Design patents

As at the Latest Practicable Date, we were the registered owner of various design patents. The following table sets forth certain of these design patents which may be material to our business:

| No. | Title                                       | Place of registration | Registration No.    | Registered owner | Publication date |
|-----|---|-----------------------|---------------------|------------------|------------------|
| 1.  | Automobile Wheel (D1501)*<br>(汽車輪轂 (D1501)) | PRC                   | ZL 2019 3 0472308.X | Buyang Wheel     | January 21, 2020 |
| 2.  | Automobile Wheel (D1497)*<br>(汽車輪轂 (D1497)) | PRC                   | ZL 2019 3 0472359.2 | Buyang Wheel     | January 21, 2020 |
| 3.  | Automobile Wheel (1341)*<br>(汽車輪轂 (1341))   | PRC                   | ZL 2019 3 0472381.7 | Buyang Wheel     | January 21, 2020 |
| 4.  | Automobile Wheel (D1502)*<br>(汽車輪轂 (D1502)) | PRC                   | ZL 2019 3 0472301.8 | Buyang Wheel     | January 21, 2020 |
| 5.  | Automobile Wheel (1364)*<br>(汽車輪轂 (1364))   | PRC                   | ZL 2019 3 0472294.1 | Buyang Wheel     | January 21, 2020 |
| 6.  | Automobile Wheel (1510)*<br>(汽車輪轂 (1510))   | PRC                   | ZL 2019 3 0472288.6 | Buyang Wheel     | January 21, 2020 |
| 7.  | Automobile Wheel (1439)*<br>(汽車輪轂 (1439))   | PRC                   | ZL 2019 3 0472280.X | Buyang Wheel     | January 21, 2020 |
| 8.  | Automobile Wheel (1438)*<br>(汽車輪轂 (1438))   | PRC                   | ZL 2019 3 0472310.7 | Buyang Wheel     | January 21, 2020 |

| No. | Title                                      | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|--|-----------------------|------------------------|------------------|------------------|
| 9.  | Automobile Wheel (1359)*<br>(汽車輪轂(1359))   | PRC                   | ZL 2019 3<br>0472292.2 | Buyang Wheel     | January 21, 2020 |
| 10. | Automobile Wheel (1427)*<br>(汽車輪轂(1427))   | PRC                   | ZL 2019 3<br>0472377.0 | Buyang Wheel     | January 21, 2020 |
| 11. | Automobile Wheel (D1576)*<br>(汽車輪轂(D1576)) | PRC                   | ZL 2019 3<br>0685044.6 | Buyang Wheel     | May 8, 2020      |
| 12. | Automobile Wheel (D1562)*<br>(汽車輪轂(D1562)) | PRC                   | ZL 2019 3<br>0685045.0 | Buyang Wheel     | May 12, 2020     |
| 13. | Automobile Wheel (D1561)*<br>(汽車輪轂(D1561)) | PRC                   | ZL 2019 3<br>0685054.X | Buyang Wheel     | May 15, 2020     |
| 14. | Automobile Wheel (1565)*<br>(汽車輪轂(1565))   | PRC                   | ZL 2019 3<br>0685059.2 | Buyang Wheel     | May 12, 2020     |
| 15. | Automobile Wheel (1564)*<br>(汽車輪轂(1564))   | PRC                   | ZL 2019 3<br>0685060.5 | Buyang Wheel     | May 12, 2020     |
| 16. | Automobile Wheel (1550)*<br>(汽車輪轂(1550))   | PRC                   | ZL 2019 3<br>0685064.3 | Buyang Wheel     | May 12, 2020     |
| 17. | Automobile Wheel (D1567)*<br>(汽車輪轂(D1567)) | PRC                   | ZL 2019 3<br>0685435.8 | Buyang Wheel     | May 12, 2020     |

| No. | Title                                      | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|--|-----------------------|------------------------|------------------|------------------|
| 18. | Automobile Wheel (1570)*<br>(汽車輪轂(1570))   | PRC                   | ZL 2019 3<br>0685458.9 | Buyang Wheel     | May 12, 2020     |
| 19. | Automobile Wheel (1556)*<br>(汽車輪轂(1556))   | PRC                   | ZL 2020 3<br>0410136.6 | Buyang Wheel     | December 1, 2020 |
| 20. | Automobile Wheel (1508)*<br>(汽車輪轂(1508))   | PRC                   | ZL 2020 3<br>0410118.8 | Buyang Wheel     | December 1, 2020 |
| 21. | Automobile Wheel (1582)*<br>(汽車輪轂(1582))   | PRC                   | ZL 2020 3<br>0410753.6 | Buyang Wheel     | December 1, 2020 |
| 22. | Automobile Wheel (1109A)*<br>(汽車輪轂(1109A)) | PRC                   | ZL 2020 3<br>0410135.1 | Buyang Wheel     | December 1, 2020 |
| 23. | Automobile Wheel (1511)*<br>(汽車輪轂(1511))   | PRC                   | ZL 2020 3<br>0410117.3 | Buyang Wheel     | December 1, 2020 |
| 24. | Automobile Wheel (1583)*<br>(汽車輪轂(1583))   | PRC                   | ZL 2020 3<br>0410752.1 | Buyang Wheel     | December 1, 2020 |
| 25. | Automobile Wheel (1560)*<br>(汽車輪轂(1560))   | PRC                   | ZL 2020 3<br>0410133.2 | Buyang Wheel     | December 1, 2020 |
| 26. | Automobile Wheel (1544)*<br>(汽車輪轂(1544))   | PRC                   | ZL 2020 3<br>0410727.3 | Buyang Wheel     | December 1, 2020 |

| No. | Title   | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|---|-----------------------|------------------------|------------------|------------------|
| 27. | Automobile Wheel (1594)*<br>(汽車輪轂(1594))      | PRC                   | ZL 2020 3<br>0410165.2 | Buyang Wheel     | December 1, 2020 |
| 28. | Automobile Wheel (1592)*<br>(汽車輪轂(1592))      | PRC                   | ZL 2020 3<br>0410155.9 | Buyang Wheel     | December 1, 2020 |
| 29. | Automobile Wheel (1593)*<br>(汽車輪轂(1593))      | PRC                   | ZL 2020 3<br>0410154.4 | Buyang Wheel     | December 1, 2020 |
| 30. | Automobile Wheel (1526)*<br>(汽車輪轂(1526))      | PRC                   | ZL 2020 3<br>0410728.8 | Buyang Wheel     | December 8, 2020 |
| 31. | Automobile Wheel (1585)*<br>(汽車輪轂(1585))      | PRC                   | ZL 2020 3<br>0410171.8 | Buyang Wheel     | December 8, 2020 |
| 32. | Automobile Wheel (1510)*<br>(汽車輪轂(1510))      | PRC                   | ZL 2020 3<br>0410141.7 | Buyang Wheel     | December 8, 2020 |
| 33. | Automobile Wheel (1612)*<br>(汽車輪轂(1612))      | PRC                   | ZL 2020 3<br>0410164.8 | Buyang Wheel     | December 8, 2020 |
| 34. | Automobile Wheel (941-2095)* (汽車輪轂(941-2095)) | PRC                   | ZL 2021 3<br>0230979.2 | Buyang Wheel     | July 30, 2021    |
| 35. | Automobile Wheel (956-1880)* (汽車輪轂(956-1880)) | PRC                   | ZL 2021 3<br>0230978.8 | Buyang Wheel     | July 30, 2021    |

| No. | Title   | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|---|-----------------------|------------------------|------------------|------------------|
| 36. | Automobile Wheel<br>(1050-1880)* (汽車輪轂(1050-1880))      | PRC                   | ZL 2021 3<br>0231002.2 | Buyang Wheel     | July 30,<br>2021 |
| 37. | Automobile Wheel<br>(1068-1780)* (汽車輪轂(1068-1780))      | PRC                   | ZL 2021 3<br>0230980.5 | Buyang Wheel     | July 30,<br>2021 |
| 38. | Automobile Wheel<br>(1669-2010)* (汽車輪轂(1669-2010))      | PRC                   | ZL 2021 3<br>0229521.5 | Buyang Wheel     | July 30,<br>2021 |
| 39. | Automobile Wheel<br>(1670-2210)* (汽車輪轂(1670-2210))      | PRC                   | ZL 2021 3<br>0229300.8 | Buyang Wheel     | July 30,<br>2021 |
| 40. | Automobile Wheel<br>(1681-2210)* (汽車輪轂(1681-2210))      | PRC                   | ZL 2021 3<br>0229299.9 | Buyang Wheel     | July 30,<br>2021 |
| 41. | Automobile Wheel<br>(1682-2010)* (汽車輪轂(1682-2010))      | PRC                   | ZL 2021 3<br>0229297.X | Buyang Wheel     | July 30,<br>2021 |
| 42. | Automobile Wheel<br>(D1673-2095)*<br>(汽車輪轂(D1673-2095)) | PRC                   | ZL 2021 3<br>0229511.1 | Buyang Wheel     | July 30,<br>2021 |

| No. | Title  | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|--|-----------------------|------------------------|------------------|------------------|
| 43. | Automobile Wheel<br>(1056-1990)* (汽車輪轂(1056-1990)) | PRC                   | ZL 2021 3<br>0231000.3 | Buyang Wheel     | August 3, 2021   |
| 44. | Automobile Wheel<br>(1195-1985)* (汽車輪轂(1195-1985)) | PRC                   | ZL 2021 3<br>0231006.0 | Buyang Wheel     | August 3, 2021   |
| 45. | Automobile Wheel<br>(1095-1880)* (汽車輪轂(1095-1880)) | PRC                   | ZL 2021 3<br>0230563.0 | Buyang Wheel     | August 6, 2021   |
| 46. | Automobile Wheel<br>(1176-1780)* (汽車輪轂(1176-1780)) | PRC                   | ZL 2021 3<br>0231021.5 | Buyang Wheel     | August 6, 2021   |
| 47. | Automobile Wheel<br>(1256-2010)* (汽車輪轂(1256-2010)) | PRC                   | ZL 2021 3<br>0249703.9 | Buyang Wheel     | August 6, 2021   |
| 48. | Automobile Wheel<br>(1257-1880)* (汽車輪轂(1257-1880)) | PRC                   | ZL 2021 3<br>0249725.5 | Buyang Wheel     | August 6, 2021   |
| 49. | Automobile Wheel<br>(1266-1990)* (汽車輪轂(1266-1990)) | PRC                   | ZL 2021 3<br>0249710.9 | Buyang Wheel     | August 6, 2021   |

| No. | Title   | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|---|-----------------------|------------------------|------------------|------------------|
| 50. | Automobile Wheel<br>(1304-1880)* (汽車輪轂(1304-1880))      | PRC                   | ZL 2021 3<br>0249698.1 | Buyang Wheel     | August 6, 2021   |
| 51. | Automobile Wheel<br>(1617-2085)* (汽車輪轂(1617-2085))      | PRC                   | ZL 2021 3<br>0249728.9 | Buyang Wheel     | August 6, 2021   |
| 52. | Automobile Wheel<br>(1660-2010)* (汽車輪轂(1660-2010))      | PRC                   | ZL 2021 3<br>0229301.2 | Buyang Wheel     | August 6, 2021   |
| 53. | Automobile Wheel<br>(D1197-2110)*<br>(汽車輪轂(D1197-2110)) | PRC                   | ZL 2021 3<br>0250014.X | Buyang Wheel     | August 6, 2021   |
| 54. | Automobile Wheel<br>(D1677-1880)*<br>(汽車輪轂(D1677-1880)) | PRC                   | ZL 2021 3<br>0249979.7 | Buyang Wheel     | August 6, 2021   |
| 55. | Automobile Wheel<br>(1053-1880)* (汽車輪轂(1053-1880))      | PRC                   | ZL 2021 3<br>0231001.8 | Buyang Wheel     | August 10, 2021  |
| 56. | Automobile Wheel<br>(1121-1880)* (汽車輪轂(1121-1880))      | PRC                   | ZL 2021 3<br>0230562.6 | Buyang Wheel     | August 10, 2021  |



| No. | Title  | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|--|-----------------------|------------------------|------------------|------------------|
| 57. | Automobile Wheel<br>(1241-1880)* (汽車輪轂(1241-1880)) | PRC                   | ZL 2021 3<br>0249700.5 | Buyang Wheel     | August 10, 2021  |
| 58. | Automobile Wheel<br>(1248-1985)* (汽車輪轂(1248-1985)) | PRC                   | ZL 2021 3<br>0249724.0 | Buyang Wheel     | August 10, 2021  |
| 59. | Automobile Wheel<br>(1318-1985)* (汽車輪轂(1318-1985)) | PRC                   | ZL 2021 3<br>0249720.2 | Buyang Wheel     | August 10, 2021  |
| 60. | Automobile Wheel<br>(1383-1880)* (汽車輪轂(1383-1880)) | PRC                   | ZL 2021 3<br>0249695.8 | Buyang Wheel     | August 10, 2021  |
| 61. | Automobile Wheel<br>(1392-1880)* (汽車輪轂(1392-1880)) | PRC                   | ZL 2021 3<br>0249702.4 | Buyang Wheel     | August 10, 2021  |
| 62. | Automobile Wheel<br>(1416-1880)* (汽車輪轂(1416-1880)) | PRC                   | ZL 2021 3<br>0249692.4 | Buyang Wheel     | August 10, 2021  |
| 63. | Automobile Wheel<br>(1600-2085)* (汽車輪轂(1600-2085)) | PRC                   | ZL 2021 3<br>0249689.2 | Buyang Wheel     | August 10, 2021  |

| No. | Title  | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|--|-----------------------|------------------------|------------------|------------------|
| 64. | Automobile Wheel<br>(D983-1985)* (汽車輪轂(D983-1985))   | PRC                   | ZL 2021 3<br>0250063.3 | Buyang Wheel     | August 10, 2021  |
| 65. | Automobile Wheel<br>(D1057-2010)* (汽車輪轂(D1057-2010)) | PRC                   | ZL 2021 3<br>0250070.3 | Buyang Wheel     | August 10, 2021  |
| 66. | Automobile Wheel<br>(D1147-1985)* (汽車輪轂(D1147-1985)) | PRC                   | ZL 2021 3<br>0250069.0 | Buyang Wheel     | August 10, 2021  |
| 67. | Automobile Wheel<br>(D1667-1980)* (汽車輪轂(D1667-1980)) | PRC                   | ZL 2021 3<br>0250082.6 | Buyang Wheel     | August 10, 2021  |
| 68. | Automobile Wheel<br>(1356-1880)* (汽車輪轂(1356-1880))   | PRC                   | ZL 2021 3<br>0249727.4 | Buyang Wheel     | August 17, 2021  |
| 69. | Automobile Wheel<br>(D1018-1990)* (汽車輪轂(D1018-1990)) | PRC                   | ZL 2021 3<br>0250076.0 | Buyang Wheel     | August 17, 2021  |
| 70. | Automobile Wheel<br>(D1473-2010)* (汽車輪轂(D1473-2010)) | PRC                   | ZL 2021 3<br>0250062.9 | Buyang Wheel     | August 17, 2021  |

| No. | Title   | Place of registration | Registration No.       | Registered owner | Publication date |
|-----|---|-----------------------|------------------------|------------------|------------------|
| 71. | Automobile Wheel<br>(D1674-1980)*<br>(汽車輪<br>轂(D1674-1980)) | PRC                   | ZL 2021 3<br>0250037.0 | Buyang Wheel     | August 17, 2021  |

(c) **Internet domain**

As at the Latest Practicable Date, we were the registered owner of the following internet domain which may be material to our business:

| No. | Domain Name | Registrant   | Date of registration | Expiry date       |
|-----|-------------|--------------|----------------------|-------------------|
| 1   | bywheel.com | Buyang Wheel | February 26, 2008    | February 26, 2024 |

Save as disclosed herein, there were no other trademarks, design patents or other intellectual property rights which are material to our business as at the Latest Practicable Date.

### 3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### A. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Global Offering, the following persons will have or deemed or taken to have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any other members of our Group:

#### *Interests or short positions in our Shares or underlying Shares*

| Name of Shareholder         | Nature of Interest                              | Number of Shares <sup>1</sup> | Approximate % of Interest in our Company            |   |
|-----------------------------|---|-------------------------------|---|---|
|                             |   |                               | Assuming the Over-allotment Option is not Exercised | Assuming the Over-allotment Option is Exercised in Full |
| Mr. Xu                      | Interest in controlled corporation <sup>2</sup> | 750,000,000(L)                | 75.00%  | 72.29%  |
| Ms. Chen                    | Interest of spouse <sup>3</sup>                 | 750,000,000(L)                | 75.00%  | 72.29%  |
| TopSun <sup>4</sup>         | Interest in controlled corporation <sup>2</sup> | 750,000,000(L)                | 75.00%  | 72.29%  |
| First Oriental <sup>4</sup> | Beneficial owner                                | 750,000,000(L)                | 75.00%  | 72.29%  |

Notes:

1. (L) denotes long position.

2. As at the Latest Practicable Date, the entire shareholding interest of First Oriental was held by TopSun which was owned as to 70% by Mr. Xu and 30% by Ms. Chen. Accordingly, each of Mr. Xu and TopSun is deemed to be interested in all the Shares held by First Oriental under the SFO.
3. Ms. Chen is the spouse of Mr. Xu. Accordingly, Ms. Chen is deemed to be interested in all the Shares that Mr. Xu is interested in under the SFO.
4. Mr. Xu, our chairman and non-executive Director, is a director of each of TopSun and First Oriental.

Save as disclosed above, so far as it is known to our Directors, no person has an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any other members of our Group.

## B. Directors

Save as disclosed below, immediately following the completion of the Global Offering, none of the Directors and the chief executive of our Company will have any interests or short positions in the Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules, to be notified to us and the Stock Exchange; or (iii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein.

### (a) Interest in our Shares or underlying Shares

| <u>Name of Director</u> | <u>Nature of Interest</u>                       | <u>Number of Shares<sup>1</sup></u> | <u>Approximate Percentage of Interest in our Company<sup>2</sup></u> |
|-------------------------|---|-------------------------------------|--|
| Mr. Xu                  | Interest in controlled corporation <sup>3</sup> | 750,000,000(L)                      | 75.00%   |

Notes:

1. (L) denotes long position.
2. Without taking into account of any Share that may be issued upon the exercise of the Over-allotment Option.
3. Such 750,000,000 Shares are held by First Oriental, a company indirectly owned as to 70.0% by Mr. Xu. Accordingly, Mr. Xu is deemed to be interested in all the Shares held by First Oriental under the SFO.

*(b) Interest in associated corporations*

| <u>Name of Director</u> | <u>Name of Associated Corporation</u> | <u>Nature of Interest</u>          | <u>Number of Shares in/Registered Capital of the Associated Corporation<sup>1</sup></u> | <u>Approximately Percentage of Interest in the Associated Corporation</u> |
|-------------------------|---------------------------------------|------------------------------------|---|---|
| Mr. Xu                  | First Oriental <sup>2</sup>           | Interest in controlled corporation | 50,000 shares (L)   | 100%  |
|                         | TopSun <sup>2</sup>                   | Beneficial owner                   | 35,000 shares (L)   | 100%  |
|                         |                                       | Interest of spouse <sup>3</sup>    | 15,000 shares (L)   |   |

Notes:

- (L) denotes long position.
- First Oriental is interested in 75% of the issued Shares and is wholly-owned by TopSun immediately following completion of the Capitalization Issue and the Global Offering (without taking into account of any Share that may be issued upon the exercise of the Over-allotment Option) and, accordingly, each of First Oriental and TopSun is a holding company of our Company within the meaning of the SFO.
- Such 15,000 shares of TopSun are held by Ms. Chen, the spouse of Mr. Xu. Accordingly, Mr. Xu is deemed to be interested in all the Shares held by Ms. Xu under the SFO.

**C. Particulars of Service Contracts and Appointment Letters***(a) Executive Directors*

Each of our executive Directors has entered into a service agreement with our Company under which they have agreed to act as our executive Directors for an initial term of three years commencing from the Listing Date. Either party has the right to give not less than three months' written notice to terminate the service agreement.

*(b) Non-executive Directors*

Each of our non-executive Directors has signed a service agreement with our Company with no fixed term of appointment but subject to the retirement and re-election requirements under the Articles. Either party has the right to give not less than two months' written notice to terminate the letter of appointment.

*(c) Independent Non-executive Directors*

Each of our independent non-executive Directors has signed an appointment letter with our Company under which they have agreed to continue to act as our independent non-executive Directors for a further term of three years commencing from the Listing Date. Either party has the right to give not less than two months' written notice to terminate the letter of appointment.

Save as disclosed above, none of our Directors has entered or is proposed to enter into a 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)).

**D. Directors' Remuneration**

The aggregate remuneration (including directors' fees, salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions) paid to our Directors by us for the year ended December 31, 2021 was approximately RMB1.2 million. Details of the remuneration of our Directors during the Track Record Period are set out in Note 8 to the Accountants' Report in Appendix I to this prospectus.

Based on the arrangements currently in force, it is estimated that the aggregate directors' fees, salaries, allowance and benefits in kind and retirement scheme contributions, but excluding any commission or discretionary bonus, to be paid to our Directors by us will be approximately RMB1.5 million for the year ending December 31, 2022.

**E. Agency Fees or Commissions Paid or Payable**

None of the Directors had received any commissions, discounts, agency fees, brokerages or other special terms from us in connection with the issuance or sale of any our capital within the two years preceding the date of this prospectus.

**F. Disclaimers**

Save as disclosed in the sub-section headed "3. Further Information about our Directors and Substantial Shareholders — A. Substantial Shareholders", none of our Directors is a director or employee of a company which has an interest in our share capital that has to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO after the Listing as at the date of this prospectus.

**4. SHARE OPTION SCHEME**

The followings are the principal terms of the Share Option Scheme conditionally adopted under the written resolution of our Sole Shareholder passed on November 18, 2022:

**A. Purpose**

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions the Eligible Participants (as defined in paragraph B below) have had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimize their performance efficiency for the benefit of our Group; and
- (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

**B. Who may join**

Our Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as our Board may determine at an exercise price determined in accordance with paragraph F below to the following persons (the “**Eligible Participants**”):

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries;
- (iii) any advisors, consultants, suppliers, customers and agents to our Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of our Board, will contribute or have contributed to our Group, the assessment criteria of which are:
  - (aa) contribution to the development and performance of our Group;
  - (bb) quality of work performed for our Group;
  - (cc) initiative and commitment in performing his/her duties; and
  - (dd) length of service or contribution to our Group.

**C. Acceptance of an offer of options**

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the document constituting acceptance of the option duly signed by the grantee, together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs L, M, N, O and P, an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for Shares in respect of which the notice is given.

Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors of our Company or the approved independent financial advisor as the case may be pursuant to paragraph R, our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.



The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorized share capital of our Company.

**D. Maximum number of Shares**

The maximum number of Shares in respect of which options may be granted (including Shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue on the Listing Date, being 100,000,000 Shares (the “**Scheme Limit**”), excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue (the “**New Scheme Limit**”) as of the date of the approval by our Shareholders in general meeting; and/or
- (ii) grant options beyond the Scheme Limit to Eligible Participants specifically identified by our Board. The circular issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of the Shares in issue from time to time (the “**Maximum Limit**”). No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial advisor shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph R below whether by way of capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

**E. Maximum number of options to any one individual**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme and any other share option schemes of our Company but subsequently canceled (the “**Canceled Shares**”)) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company to our Shareholders containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to

such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and

- (ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which our Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the exercise price of our Shares. Our Board shall forward to such Eligible Participant an offer document in such form as our Board may from time to time determine or, alternatively, documents accompanying the offer document which state, among other things:
  - (aa) the Eligible Participant's name, address and occupation/position;
  - (bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
  - (cc) the date upon which an offer for an option must be accepted;
  - (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph C;
  - (ee) the number of Shares in respect of which the option is offered;
  - (ff) the exercise price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;
  - (gg) the date of the expiry of the option;
  - (hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph C; and
  - (ii) such other terms and conditions (including, without limitation, any minimum period for which an option shall be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with the Share Option Scheme and the Listing Rules.

#### **F. Price of Shares**

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, except that such price will not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

**G. Granting options to connected persons**

Any grant of options to a Director, chief executive or substantial shareholder of our Company or any of their respective associates is required to be approved by our independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, canceled and outstanding) to such person under the Share Option Scheme and any other share option schemes of our Company in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of our Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange at the date of each grant,

such further grant of options will be subject to the approval of our independent non-executive Directors as referred to in this paragraph, the issue of a circular by our Company and the approval of our Shareholders in general meeting on a poll at which such proposed grantees, their associates and all core connected persons of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant, which must be fixed before our Shareholders' meeting and the date of our Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from our independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to our independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

**H. Restrictions on the times of grant of Options**

An offer of the grant of an option may not be made after inside information has come to the knowledge of our Company until the information has been announced in accordance with the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of our Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approving our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of the results for any year or half-year under the Listing Rules, or quarterly or any other interim period (where our Company has elected to publish them),

and ending on the actual date of publication of the results announcement for such year, half year, quarterly or interim period (as the case may be).

**I. Rights are personal to grantee**

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

**J. Time of exercise of option and duration of the Share Option Scheme**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by our Board in its absolute discretion, except that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the Listing Date. Subject to earlier termination by our Company in general meeting or by our Board, the Share Option Scheme shall be valid and effective for a period of ten years from the Listing Date.

**K. Performance target**

A grantee may be required to achieve certain performance targets as our Board may then specify before any options granted under the Share Option Scheme can be exercised.

**L. Rights on ceasing employment/death**

If the grantee of an option ceases to be an Eligible Participant:

- (i) by any reason other than death, ill-health, injury, disability or termination of his relationship with our Company and/or any of its subsidiaries on one of more of the grounds specified in paragraph M below,

the option to the extent not already exercised on the date of such cessation (which date shall be, in relation to a grantee who is an Eligible Participant by reason of his employment with our Group or any related entities, the last actual working day with our Group or the related entity whether salary is paid in lieu of notice or not) shall lapse automatically on the date of cessation; or

- (ii) by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of our Board) and none of the events which would be a ground for termination of his relationship with our Group under paragraph M has occurred, the grantee or his personal representative(s) may exercise the option within a period of 12 months (or such longer period as our Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the options in full (to the extent not already exercised).

**M. Rights on dismissal**

If the grantee of an option ceases to be an Eligible Participant on the grounds that he has been guilty of serious misconduct, or has become insolvent, bankrupt or has made any arrangements or compromises with his creditors generally, or has been convicted of any criminal offense involving his integrity or honesty, his option will lapse and not be exercisable on and after the date of termination of his employment.

**N. Rights on takeover**

If a general or partial offer (whether by way of takeover offer, repurchase offer or scheme of arrangement or otherwise in like manner) is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

**O. Rights on winding-up**

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

**P. Rights on compromise or arrangement between our Company and its members or creditors**

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members and/or creditors summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee shall be entitled to exercise all or any of his options in whole or in part at any time prior

to 12:00 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full (but only upon the extent not already exercised).

**Q. Ranking of Shares**

Our Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights including those arising on liquidation of our Company as attached to the other fully-paid Shares in issue on the date of issue, except that they will not rank for any rights for dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of allotment.

**R. Effect of alterations to capital**

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, consolidation, subdivision or reduction of capital of our Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any outstanding options, the method of exercise of the options and/or the exercise price per Share of each outstanding option as the auditors of our Company or an independent financial advisor shall certify in writing to our Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to share option schemes. The capacity of the auditors of our Company or the approved independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the equity capital of our Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to share option schemes) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration provided that no such alteration shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**S. Expiry of option**

An option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by our Board;
- (ii) the expiry of any of the periods referred to in paragraphs L, N, O or P;
- (iii) the date upon which the scheme of arrangement of our Company referred to in paragraph P becomes effective;
- (iv) subject to paragraph O, the date of commencement of the winding-up of our Company;
- (v) the date upon which the grantee ceases to be an Eligible Participant by reason of such grantee's termination of his relationship on the grounds that he has been guilty of serious misconduct, or has become insolvent, bankrupt or has made arrangements or compromises with his creditors generally, or has been convicted of any criminal offense involving his integrity or honesty. A resolution of our Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date upon which our Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph I above or the options are canceled in accordance with paragraph U below.

**T. Alteration of the Share Option Scheme**

The Share Option Scheme may be altered in any respect by resolution of our Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; or
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted;

shall first be approved by our Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme must still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

**U. Cancellation of Options**

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event that any option is canceled pursuant to paragraph I.



**V. Termination of the Share Option Scheme**

Our Company may by resolution in general meeting or our Board may at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

**W. Administration of our Board**

The Share Option Scheme shall be subject to the administration of our Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (except as otherwise provided therein) shall be final and binding on all parties.

**X. Conditions of the Share Option Scheme**

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;
- (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s) by the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and the Sole Global Coordinator) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
- (iii) the passing of the necessary resolutions by our Shareholders to approve and adopt the rules of the Share Option Scheme and to authorize our Board to grant options under the Share Option Scheme and to allot and issue Shares pursuant to exercise of any options; and
- (iv) the commencement of dealings in our Shares on the Stock Exchange.

If the conditions in paragraph X above are not satisfied within six calendar months from the date of approval of the Share Option Scheme by our Shareholders:

- (i) the Share Option Scheme shall forthwith terminate;
- (ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

**Y. Disclosure in annual and interim reports**

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

As at the Date of this Prospectus, no option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 100,000,000 Shares in total.

**5. OTHER INFORMATION****A. Estate Duty**

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group in the Cayman Islands.

**B. Material Litigation**

Save as disclosed in “Business — Regulatory compliance and legal proceedings”, our Group is not involved in any litigation, arbitration, claims or administrative proceedings of material importance and, so far as we are aware, no litigation, arbitration, claims or administrative proceedings of material importance is pending or threatened against us as of the Latest Practicable Date.

**C. Deed of Indemnity**

The Controlling Shareholders have entered into the Deed of Indemnity with and in favor of our Company (for itself and as trustee for each of its subsidiaries) whereby conditional on the conditions set out in the paragraph headed “Structure and Conditions of the Global Offering — Conditions of the Global Offering” in this prospectus having been fulfilled, the Controlling Shareholders shall give indemnities on a joint and several basis in respect of, among other matters:

- (a) any taxation, including estate duty, falling on any company of our Group in any part of the world resulting from or by reference to any income, profits or gains earned accrued or received on or before the Listing Date or any event on or before the Listing Date whether alone or in conjunction with other circumstances;
- (b) any liabilities paid or payable by any company of our Group in connection with any tax, duty, excise, customs, charges, fees or expenses in connection with the operation and/or business of our Group on or before the Listing Date;
- (c) any expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (including but not limited to legal and other professional costs), charges, liabilities, fines,

penalties incurred by any company of our Group in connection with any breach of laws, rules and regulations by any company of our Group on or before the Listing Date;

- (d) any liabilities, damages, costs, charges, fees, expenses and interests incurred by any company of our Group in connection with any legal action or proceeding of whatever nature and irrespective of where instituted which any company of our Group is a party of whatever capacity or otherwise involved, provided that the cause of action for such legal action or proceeding has occurred before the Listing Date;
- (e) without prejudice to the generality of the forgoing, any losses, liabilities, damages, costs, fees, expenses and interests incurred by any company of our Group in connection with the receipt of payment by any company of our Group from party other than the contracted customer of our Group before the Listing Date;
- (f) without prejudice to the generality of the forgoing, any expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (including but not limited to legal and other professional costs), charges, liabilities, fines, penalties incurred by any company of our Group in connection with Buyang Wheel's failure to obtain the environmental impact assessment approval in relation to its technological upgrade project between 2011 and 2012 until Buyang Wheel having obtained such approval from Jinhua Municipal Bureau of Ecology and Environment\* (金華市生態環境局) on January 2, 2020; and
- (g) without prejudice to the generality of the forgoing, any claims, fines or other liabilities and economic losses resulting from Buyang Wheel's failure to register for and/or contribute to social insurance fund and housing provident fund during the Track Record Period and up to the Listing Date as disclosed in "Business — Regulatory Compliance and Legal Proceedings — Non-compliance in relation to employee benefit",

save and except that the Controlling Shareholders shall be under no liability under the Deed of Indemnity:

- (a) to the extent that provision has been made for such taxation or liability in the audited consolidated accounts of our Group or the audited accounts of the relevant company of our Group as at May 31, 2022;
- (b) to the extent covered by any insurance policy taken out by the relevant company of our Group;
- (c) to the extent that such claim arises or is incurred as a consequence of any retrospective change in the laws or regulations or practices by the relevant authorities coming into force after the Listing Date or to the extent that such claim arises or is increased by an increase in the rate of taxation after the Listing Date with retrospective effect;
- (d) to the extent that such taxation or liability is caused by the act or omission of, or transaction voluntarily effected by, any company of our Group which is carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after May 31, 2022;

- (e) to the extent that such taxation or liability would not have arisen but for any act or omission of any company of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected after the Listing Date; and
- (f) to the extent that any provision or reserve made for taxation in the accounts of our Group which is finally established to be an over-provision or an excessive reserve shall be applied to reduce the liabilities of the Controlling Shareholders.

#### D. The Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Division for the listing of, and permission to deal in, our Shares on the Stock Exchange.

The Sole Sponsor confirmed that it satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will charge a total amount of HK\$6.1 million to act as the sponsor in connection with the Listing.

#### E. Preliminary Expenses

The preliminary expenses relating to the incorporation of our Company are approximately RMB32,700 and are paid or payable by our Company.

#### F. Promotor

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

#### G. Qualification of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (WUMP) Ordinance) who have given opinions or advice in this prospectus are as follows:

| Name   | Qualification   |
|--|---|
| Zhongtai International Capital Limited               | Licensed corporation permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO  |
| Conyers Dill & Pearman                               | Cayman Islands attorneys-at-law   |
| KPMG   | Certified Public Accountants<br><br>Public Interest Entity Auditor recognized in accordance with the Accounting and Financial Reporting Council Ordinance |
| Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. | Industry consultant   |

| Name   | Qualification                                     |
|--|---|
| King & Wood Mallesons Beijing                                    | Legal advisors as to PRC laws                     |
| Hogan Lovells  | Legal advisors as to International Sanctions laws |
| Mr. Brian T.Y. Lo  | Barrister-at-law in Hong Kong                     |
| KWM Europe LLP   | Legal advisors as to English laws                 |
| King & Wood Mallesons Law Offices (Foreign Law Joint Enterprise) | Legal advisors as to Japanese laws                |
| TGS Baltic   | Legal advisors as to Lithuanian laws              |
| Jackson, Etti & Edu  | Legal advisors as to Nigerian laws                |
| The Law Firm of Wael Alissa in association with Dentons & Co.    | Legal advisors as to Saudi Arabian laws           |
| Lee and Li, Attorneys-at-Law                                     | Legal advisors as to Taiwanese laws               |
| Trench & Associates DMCC   | Legal advisors as to UAE laws                     |
| Yuan Law Group PC  | Legal advisors as to U.S. laws                    |

Save in connection with the Underwriting Agreements, each of the experts listed above (i) do not have any interest, either direct or indirect, in our promotion, 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, (ii) is not materially interested in any contract or arrangement subsisting as at the date of this prospectus which is significant to our business, and (iii) do not have any shareholding in any member of our Group nor the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

#### **H. Consent of Experts**

Each of the experts as referred to in the section headed “5. Other Information — G. Qualification of Experts” above in this Appendix has given and has not withdrawn its written consent to the issue of this prospectus with the statement(s) made by it and/or contained in its report and/or letter and/or opinion (as the case may be) and references to its name included herein in the form and context in which it is included.

#### **I. 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 (WUMP) Ordinance so far as applicable.

**J. Other Disclaimers**

Save as disclosed in this prospectus:

- (a) none of the Directors is:
  - (i) interested in our promotion, or in any assets which have, within the two years immediately preceding the date of this prospectus, been 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; or
  - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant to our business;
- (b) within the two years preceding the date of this prospectus, (i) we have not issued nor agreed or proposed to issue any share or loan capital as fully or partly paid up either for cash or for a consideration other than cash; (ii) no commission, other than the commission to the Underwriters, had been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any share in or debentures of our Company; and (iii) no commission, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group;
- (c) no share or loan capital is under option or is agreed conditionally or unconditionally to be put under option;
- (d) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (e) none of our equity and debt securities is listed on or dealt in any other stock exchange nor is any listing or permission to deal is being or is proposed to be sought;
- (f) there are no arrangements under which future dividends are waived or agreed to be waived;
- (g) there are no contracts for hire or hire purchase of any plant to or by us for a period of over one year which are substantial in relation to our business;
- (h) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (i) we have no outstanding debenture or convertible debt securities; and
- (j) all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

**K. Bilingual Prospectus**

The English and Chinese 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).

In the case of any discrepancies between the English language version and the Chinese version of this prospectus, the English version shall prevail.