This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read the entire document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Who We Are

We are a baijiu company in China devoted to offering premium baijiu products featuring sauce aroma profile. According to Frost & Sullivan, we ranked 14th among all baijiu companies in China with a market share of 0.8%, in terms of revenue in 2021. We have grown significantly faster than the industry average during the Track Record Period. Our growth capitalized on the increasing popularity of sauce aroma baijiu across China and consumer preferences towards premiumization, and we are expected to continue to benefit from these market trends. We operate four major baijiu brands in China, including our flagship brand *Zhen Jiu* (珍酒), a thriving brand *Li Du* (李渡), as well as two regional leading brands *Xiang Jiao* (湘窖) and *Kai Kou Xiao* (開口笑). Leveraging these renowned brands, we promote traditional Chinese baijiu culture by developing a broad selection of fragrant, mellow baijiu products to appeal to different consumer preferences and capture broader market opportunities.

We aspire to carry forward rich culture heritage and turn every drop of aromatic baijiu into a joyful and memorable moment. Since our inception, we have been striving to make the best-quality products and bring cheerfulness to baijiu consumer community. We are committed to the traditional time-honored baijiu-making techniques and reinvigorating them by taking advantage of modern technologies to develop iconic recipes and tastes. We selectively locate all of our production facilities for sauce aroma baijiu in Guizhou's Zunyi region, a place that is widely considered ideal for making fine sauce aroma baijiu in China, to secure the unique texture and taste of our *Zhen Jiu* products.

Our Market Opportunities

Baijiu is China's national liquor and the world's most consumed liquor. Baijiu accounted for 69.5% of the alcoholic beverage market in China in terms of revenue in 2021, exceeding wine's 49.9% market share in French alcoholic beverage market and beer's 50.5% market share in the U.S. alcoholic beverage market in the same period, according to Frost & Sullivan. The market size of baijiu industry in China is expected to grow from RMB621.1 billion in 2022 to RMB769.5 billion in 2026, at a CAGR of 5.5% driven primarily by the premiumization trend and high growth potential of sauce aroma baijiu.

Baijiu products in China are classified into four price hierarchies, i.e., deluxe, premium, mid-range and low-end. Leveraging our insight into the premiumization trend as well as our rich heritage and strong brand recognition, we primarily target our products at the premium and above baijiu market. As a percentage of our total revenue, revenue generated from our premium and above baijiu products increased from 51.8% in 2020 to 65.4% in 2022. We have built our flagship brand *Zhen Jiu*, our thriving brand *Li Du* and regional leading brand *Xiang Jiao* into brands focusing on producing and marketing premium and above baijiu products. In 2022, *Zhen Jiu*, *Li Du* and *Xiang Jiao* generated 68.4%, 76.7% and 74.7% of their respective total revenue from premium and above baijiu products. According to Frost & Sullivan, based on its consumer survey, consumers generally consider our *Zhen Jiu*, *Li Du* and *Xiang Jiao* brands as brands focusing on premium and above baijiu products. We have also strategically focused on the marketing of our premium and above baijiu products to boost consumer awareness of our premium brand positioning. For example, we have established a sales team with approximately 1,100 team members as of the Latest Practicable Date, dedicated to the sales and marketing of premium and above baijiu products. The market size of premium and above baijiu in China is expected to grow at the fastest rate among all price ranges, at a CAGR of 12.3% from 2022 to 2026, from RMB234.1 billion in 2022 to RMB371.9 billion in 2026, according to Frost & Sullivan. The market share of premium and above baijiu in China's baijiu market is expected to grow from 37.7% in 2022 to 48.3% in 2026. To better adapt to the premiumization trend in baijiu market, we are further expanding our premium and above product portfolio, increasing our baijiu production capacity for premium and above baijiu and growing our multi-channel sales network characteristic with immersive promotion strategy. We expect that revenue contribution from our premium and above baijiu products will continue to grow in absolute amount and as a percentage of our total revenue.

With sauce aroma baijiu being our major growth engine, we produce and sell sauce aroma, mixed aroma and strong aroma baijiu. According to Frost & Sullivan, in 2021, the market size of these three baijiu aroma profiles was approximately RMB506.9 billion, accounting for nearly 85% of the total market size, with the sauce aroma profile having the highest growth potential. As a percentage of our total revenue, revenue generated from our sauce aroma baijiu products increased from 59.6% in 2020 to 71.4% in 2022. The market size of sauce aroma baijiu in China is expected to grow at a CAGR of 12.2% from 2022 to 2026, from RMB203.3 billion in 2022 to RMB321.7 billion in 2026. The market share of sauce aroma baijiu in China's baijiu market is expected to grow from 32.7% in 2022 to 41.8% in 2026, surpassing that of strong aroma baijiu and becoming the largest among all aroma profiles. While experiencing growing popularity among consumers, premium sauce aroma baijiu has been in short supply due to the intricate process and longer period of production, and the scarcity of suitable terroir. As a result, sauce aroma baijiu, which accounts for only 8.4% of the total baijiu production in China, generated 31.5% of the revenue and over 45% of the profit of China's entire baijiu industry in 2021. The growing popularity of sauce aroma baijiu underpins promising growth potential. We believe we are well positioned to continue to benefit from this trend, especially with the continued growth of our flagship sauce aroma brand *Zhen Jiu*.

Our Growth Engines

We have built three tiers of growth engines consisting of a brand portfolio with precise product positioning targeting diverse consumer preferences and geographic areas. Our flagship brand *Zhen Jiu* is our major growth engine that continuously delivers strong and sizable growth across China. *Zhen Jiu*, primarily targeting sauce aroma baijiu lovers, was the fifth largest sauce aroma baijiu brand in terms of revenue in China in 2021, and achieved the fastest growth among the top five sauce aroma baijiu brands in China in the same year, according to Frost & Sullivan. *Zhen Jiu* ranked the fourth and the third, respectively, among all sauce aroma baijiu brands in China and in Guizhou in terms of annual production capacity of base liquor by the end of 2022, according to the same source. *Li Du*, our second growth engine, is expected to create additional momentum for continued growth. *Li Du* is a thriving brand featuring premium and above mixed aroma baijiu products, and has gained great success and is expanding into the national market. *Li Du* was the fifth largest mixed aroma baijiu brand in terms of revenue in China in 2021, and achieved the fastest growth among the top five mixed aroma baijiu brands in China in the same year, according to Frost & Sullivan. Our *Xiang Jiao* and *Kai Kou Xiao*, regional leading brands in the Hunan market, are expected to continue to contribute to our long-term sustainable growth. Through dynamic management of our brand portfolio and leveraging our expertise to identify favorable market trends, our three tiers of growth engines as a whole are well positioned to drive strong and sustainable growth over the long term.

During the Track Record Period, we achieved strong growth and outstanding profitability. In 2020, 2021 and 2022, our total revenue reached RMB2,398.9 million, RMB5,101.6 million and RMB5,855.9 million, respectively, representing an increase by 112.7% from 2020 to 2021 and an increase by 14.8% from 2021 to 2022. In 2020, 2021 and 2022, our net profit margin was 21.7%, 20.2% and 17.6%, respectively, while our adjusted net profit margin (non-IFRS measure) for the same periods was 21.7%, 21.0% and 20.4%, respectively.

OUR COMPETITIVE STRENGTHS AND GROWTH STRATEGIES

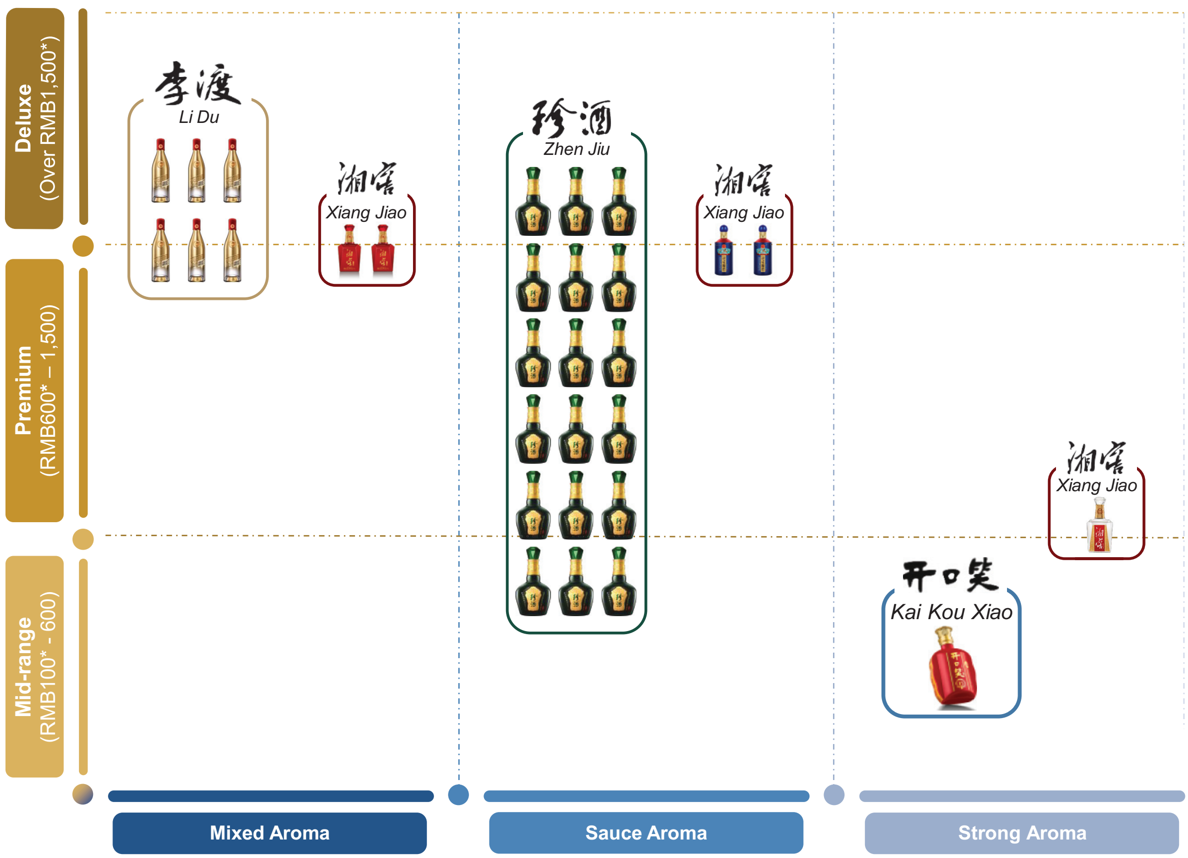
We believe the following strengths have contributed to our continuous growth and differentiated us from our competitors.

- A leading baijiu company carrying forward rich heritage and winning strong brand recognition.
- Three tiers of growth engines driving strong and sustainable growth.
- Sizable production capacity located in scarce and top baijiu production regions underpinning our core competitiveness and long-term growth potential.
- Meticulous baijiu-making techniques and solid product development capabilities demonstrated by well-liked products.
- Extensive multi-channel sales network characterized by immersive promotion strategies.
- Stringent quality control system assuring consistent and premium quality.
- Insightful founder and experienced senior management supported by skilled employees with strong industry experience.

Our growth strategies include continuing to enhance brand awareness and recognition, further expanding our production capacity to strengthen our core competitiveness, enhancing product development and expanding product portfolio, continuing to expand our sales network, soliciting and retaining quality talents, and committing to sustainable development.

OUR BRANDS AND PRODUCTS

We primarily operate four baijiu brands in China, including our flagship brand *Zhen Jiu*, a thriving brand *Li Du*, as well as two regional leading brands *Xiang Jiao* and *Kai Kou Xiao*. We position our four baijiu brands to target different consumer preferences and geographic areas in China, with our product portfolio covering three aroma profiles across different price ranges, as illustrated in the following diagram.



*Note: Price range refers to recommended retail price per volume of 500ml; * means including.*

The following table sets out a breakdown of our sales volume and average selling price by baijiu brand, our revenue in absolute amounts and as percentages of total revenue by baijiu brand, and our gross profit margin by baijiu brand, for the periods indicated.

	For the year ended December 31,														
	2020					2021					2022				
	Sales Volume (tons)	Revenue (RMB in thousand)	Average Selling Prices (RMB in thousand /ton)	% of Total Revenue	Gross Profit Margin (%)	Sales Volume (tons)	Revenue (RMB in thousand)	Average Selling Prices (RMB in thousand /ton)	% of Total Revenue	Gross Profit Margin (%)	Sales Volume (tons)	Revenue (RMB in thousand)	Average Selling Prices (RMB in thousand /ton)	% of Total Revenue	Gross Profit Margin (%)
Zhen Jiu	6,941	1,345,546	194	56.1	52.6	14,761	3,487,573	236	68.4	51.6	12,856	3,822,696	297	65.3	54.9
Li Du	1,687	359,225	213	15.0	68.4	2,750	649,954	236	12.7	66.8	2,076	886,850	427	15.1	64.9
Xiang Jiao	589	394,879	670	16.5	58.9	876	605,569	691	11.9	64.2	1,075	712,791	663	12.2	60.3
Kai Kou Xiao	1,920	172,033	90	7.1	36.8	2,484	256,579	103	5.0	39.8	3,011	338,675	112	5.8	38.5
Others*	8,305	127,232	15	5.3	2.4	5,427	101,918	19	2.0	5.1	4,855	94,905	20	1.6	5.7
Total	**19,443**	**2,398,915**	**123**	**100.0**	**52.2**	**26,299**	**5,101,593**	**194**	**100.0**	**53.5**	**23,875**	**5,855,917**	**245**	**100.0**	**55.3**

* *Note*: consisting primarily of baijiu products under the brand *Shao Yang*.

The following table sets forth a breakdown of our revenue by price range, in absolute amounts and as percentages of total revenue, for the periods indicated.

	For the year ended December 31,					
	2020		2021		2022	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Deluxe	378,375	15.8	908,090	17.8	1,438,700	24.6
Premium	862,712	36.0	1,933,552	37.9	2,388,084	40.8
Mid-range	1,002,503	41.8	2,149,229	42.1	1,931,076	33.0
Low-end	155,325	6.4	110,722	2.2	98,057	1.6
Total	**2,398,915**	**100.0**	**5,101,593**	**100.0**	**5,855,917**	**100.0**

OUR CUSTOMERS AND SALES CHANNELS

Our customers consist primarily of our distributors and direct sales clients. Revenue generated from our five largest customers in each of 2020, 2021 and 2022 accounted for 6.5%, 7.6% and 4.6% of our total revenue for the respective periods. We sell our baijiu products mainly through a nationwide network of distributors as well as via our direct sales team. We generally take into account a number of factors to set the prices of our baijiu products, including brand positioning, cost of production, market demand and competition. The following table sets forth a breakdown of our revenue and gross profit margin by sales channels for the periods indicated.

	For the year ended December 31,								
	2020			2021			2022		
	Revenue	Percentage of Revenue	Gross Profit Margin	Revenue	Percentage of Revenue	Gross Profit Margin	Revenue	Percentage of Revenue	Gross Profit Margin
	RMB	%	%	RMB	%	%	RMB	%	%
	(in thousands, except for percentages)								
Distributors									
Distribution partners	1,672,982	69.7	46.4	3,265,533	64.0	45.9	3,467,059	59.2	50.0
Featured stores	346,526	14.5	64.6	1,087,623	21.3	68.5	1,283,890	21.9	64.3
Retailers	93,805	3.9	65.3	176,023	3.5	65.0	448,948	7.7	66.0
Subtotal	2,113,313	88.1	50.2	4,529,179	88.8	52.1	5,199,897	88.8	54.9
Direct sales	285,602	11.9	67.5	572,414	11.2	65.0	656,020	11.2	58.5
Total	**2,398,915**	**100.0**	**52.2**	**5,101,593**	**100.0**	**53.5**	**5,855,917**	**100.0**	**55.3**

We have developed a variety of sales channels, allowing us to constantly expand our consumer outreach. We primarily rely on a nationwide network of distributors to promote and sell our baijiu products, consisting of (i) distribution partners, who primarily purchase our baijiu products from us and subsequently distribute them to sub-distributors, which are mainly retailers, such as supermarkets and tobacco and liquor stores, and end consumers, (ii) store partners, with whom we collaborate to develop featured stores, in which they not only sell our baijiu products, but also offer immersive, engaging consumer experience through versatile events, and (iii) retailers, primarily tobacco and liquor stores, restaurants and supermarkets, which sell our products directly to end consumers in their brick-and-mortar stores. Additionally, we also have dedicated direct sales force organized by brand and geographic areas who primarily serve end consumers and operate our online stores on various e-commerce platforms in China. For additional information about our distribution and sales network, including a discussion of our revenue generated from and gross margin for our different sales channels during the Track Record Period, see "Business — Sales and Distribution."

OUR PRODUCTION

We are committed to the time-honored traditional baijiu-making techniques and reinvigorating them by taking advantage of modern technologies to develop iconic tastes. Our flagship brand *Zhen Jiu* can trace its baijiu-making techniques to one of China's most prestigious baijiu brands. Building on the strong traditional Chinese baijiu culture in Lidu, Jiangxi, we pride ourselves on inheriting and reinvigorating the long-standing baijiu-making techniques and process. We strategically locate our production facilities in geographic regions most favorable for baijiu making, to ensure that our traditional baijiu-making techniques and local natural geographical advantages complement each other. The following table sets out certain details of our production facilities in operation as of the Latest Practicable Date.

Production Facility	Geographic Location	Major Brand(s) Served	Acreage(m^2)	Designed Production Capacity of Base Liquor (tons per year)	Utilization Rate during the Track Record Period (%)
Zhen Jiu (Shi Zi Pu) (十字鋪)	Zunyi, Guizhou	*Zhen Jiu*	315,422	15,000	98.7-103.2
Zhen Jiu (Zhao Jia Gou) (趙家溝)	Zunyi, Guizhou	*Zhen Jiu*	740,894	19,000	99.9(1)
Zhen Jiu (Moutai Town Shuang Long) (茅台鎮雙龍)	Zunyi, Guizhou	*Zhen Jiu*	125,501	1,000	N/A(2)
Li Du I	Lidu, Jiangxi	*Li Du*	14,975	400	86.1-87.4(3)
Li Du II	Lidu, Jiangxi	*Li Du*	58,098	1,600	86.1-87.4(3)
Xiang Jiao (Jiang Bei) (江北)	Shaoyang, Hunan	*Xiang Jiao* and *Kai Kou Xiao*	793,136	4,800	53.0-72.1

Notes:

(1) *Zhen Jiu* (Zhao Jia Gou) (趙家溝) commenced production in 2022 with a designed production capacity of 6,000 tons per year, and its corresponding utilization rate for the same year was 99.9%.

(2) *Zhen Jiu* (Moutai Town Shuang Long) (茅台鎮雙龍) was put into operation in 2023 with a designed production capacity of 1,000 tons per year and therefore its corresponding utilization rate for the Track Record Period is not available.

(3) Due to the proximity of *Li Du* I and *Li Du* II, we managed these two production facilities collectively and calculated the corresponding utilization rate as a whole during the Track Record Period.

During the Track Record Period, we gradually expanded our production capacity according to our expansion strategy and our forecast of market demand. We intend to further increase our overall production capacity progressively to satisfy market demand by expanding our existing production facilities and constructing new production facilities. As of the Latest Practicable Date, we had commenced the expansion of three existing production facilities, as well as the construction of one new production facility. These planned projects are expected to increase our annual production capacity of base liquor by 26,000 tons by 2024, among which 16,600 tons are for sauce aroma base liquor.

PROCUREMENT AND SUPPLIERS

We believe that maintaining high quality of our products depends largely on our ability to acquire the best available raw materials and other necessary supplies from reliable suppliers. We primarily procure raw materials and supplies, such as grains, and packaging materials and low value consumables such as baijiu bottles and packages, and base liquor. We particularly place a significant focus on the procurement of production materials, which have a material and direct impact on the quality and taste of our baijiu products, and in turn, our brand reputation. Purchases from our five largest suppliers in each of 2020, 2021 and 2022 accounted for 35.5%, 38.4% and 29.1% of our total purchases for the respective periods. For details, see "Business — Supply Chain Management — Our Suppliers."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this prospectus. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the year ended December 31,					
	2020		2021		2022	
	RMB	% of Revenue	RMB	% of Revenue	RMB	% of Revenue
	(in thousands, except percentages)					
Revenue	2,398,915	100.0	5,101,593	100.0	5,855,917	100.0
Cost of sales	(1,145,794)	(47.8)	(2,371,847)	(46.5)	(2,616,987)	(44.7)
Gross profit	**1,253,121**	**52.2**	**2,729,746**	**53.5**	**3,238,930**	**55.3**
Profit from operations	**741,302**	**30.9**	**1,466,570**	**28.7**	**1,595,192**	**27.2**
Profit attributable to equity shareholders of the Company for the year	**520,088**	**21.7**	**1,032,197**	**20.2**	**1,029,866**	**17.6**

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

	For the year ended December 31,		
	2020	2021	2022
	(RMB in thousands, except percentages)		
Profit attributable to equity shareholders of the Company for the year	**520,088**	**1,032,197**	**1,029,866**
Add:			
Listing expenses[(1)]	—	17,012	36,755
Changes in fair value in financial instruments issued to an investor[(2)]	—	21,617	130,668
Adjusted net profit (non-IFRS measure)	**520,088**	**1,070,826**	**1,197,289**
Adjusted net profit margin (non-IFRS measure)	**21.7%**	**21.0%**	**20.4%**

Notes:

(1) Listing expenses relate to this Global Offering of the Company.

(2) Changes in fair value in financial instruments issued to an investor arises from the changes in the fair value of our Series A Preferred Shares and warrants issued to Zest Holdings in connection with the Pre-IPO Investments. These changes in financial instruments are non-cash in nature. The warrants were terminated in June 2022 and accordingly we will no longer recognize any change in the fair value thereof. Upon completion of the Listing, the Series A Preferred Shares will be automatically converted into ordinary shares of our Company, and no profit or loss due to changes in the financial instruments will be recognized. As a result, this adjusted item will no longer exist after the Listing.

Our net profit increased from RMB520.1 million in 2020 to RMB1,032.2 million in 2021, primarily due to the increase in our revenue driven by the rising customer demand in China's sauce aroma baijiu market, our expanded sales network and our increasing brand recognition among consumers across China. Our net profit decreased slightly from RMB1,032.2 million in 2021 to RMB1,029.9 million in 2022, primarily because we recognized a loss of RMB130.7 million in changes in fair value in financial instrument issued to an investor in 2022, offset in part by an increase in our revenue. Our revenue growth in 2022 slowed down a bit primarily due to COVID-19 outbreaks and heightened pandemic-control measures adopted by local governments across China.

The following table sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this prospectus.

	As of December 31,		
	2020	2021	2022
	(RMB in thousands)		
Total non-current assets	829,729	2,330,116	3,812,989
Total current assets	3,816,279	5,314,339	7,245,900
Total assets	**4,646,008**	**7,644,455**	**11,058,889**
Total non-current liabilities	86,232	8,998,403	10,302,118
Total current liabilities	3,430,312	5,460,108	4,571,985
Total liabilities	**3,516,544**	**14,458,511**	**14,874,103**
Net current assets/(liabilities)	**385,967**	**(145,769)**	**2,673,915**
Net assets/(liabilities)	**1,129,464**	**(6,814,056)**	**(3,815,214)**

We recorded net current assets of RMB2,673.9 million as of December 31, 2022, as compared to net current liabilities of RMB145.8 million as of December 31, 2021. The change from net current liabilities position to net current assets position was attributable primarily to the increases in inventories of RMB1,489.2 million and income tax recoverable of RMB113.8 million, and the decreases in bank and other borrowings of RMB673.4 million and amounts due to related parties of RMB198.1 million.

We recorded net current liabilities of RMB145.8 million as of December 31, 2021, as compared to net current assets of RMB386.0 million as of December 31, 2020. The change from net current assets position to net current liabilities position was primarily due to the decrease in amounts due from related parties, which was offset by the distributions/dividends we declared in 2021 in an aggregate amount of RMB1,886.1 million.

We recorded net assets of RMB1,129.5 million as of December 31, 2020, and net liabilities of RMB6,814.1 million and RMB3,815.2 million as of December 31, 2021 and 2022, respectively. We turned into a net liabilities position from December 31, 2020 to December 31, 2021, primarily due to (i) remeasurement to fair value through equity upon issuance of Series A Preferred Shares resulting an decrease in net assets of RMB6,437.2 million, and (ii) the distributions/dividends we declared in 2021 in an aggregate amount of RMB1,886.1 million. Our net liabilities narrowed from December 31, 2021 to December 31, 2022, primarily due to (i) remeasurement to fair value through equity upon issuance of Series A Preferred Shares resulting an increase in net assets of RMB2,334.2 million, and (ii) termination of warrants of RMB472.2 million. The remeasurement to fair value through equity upon issuance represented the difference between the considerations received from the issuance of the Series A Preferred Shares and the fair value of the financial liabilities recognized at the date of the issuance of the Series A Preferred Shares.

We recorded total equity-deficit of RMB6,814.1 million and RMB3,815.2 million as of December 31, 2021 and December 31, 2022, respectively, primarily because we recorded financial instruments issued to an investor of RMB8,756.9 million and RMB10,253.8 million as liabilities, respectively. Our Series A Preferred Shares will automatically be converted into ordinary shares upon the Global Offering. As a result, the financial instruments issued to an investor will be transferred from financial liabilities to equity upon the Listing such that we would turn into a net assets position subsequently.

The following table sets forth our cash flows for the periods indicated:

	For the year ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Net cash generated from/(used in) operating activities	1,523,978	969,023	(710,616)
Net cash used in investing activities	(255,694)	(1,384,973)	(1,388,711)
Net cash (used in)/generated from financing activities	(1,068,294)	1,670,434	2,219,758
Net increase in cash and cash equivalents	**199,990**	**1,254,484**	**120,431**
Cash and cash equivalents at the beginning of the year	111,300	311,290	1,544,676
Effect of foreign exchange rate changes	–	(21,098)	18,275
Cash and cash equivalents at the end of the year	**311,290**	**1,544,676**	**1,683,382**

Net cash generated from operating activities decreased from RMB1,524.0 million in 2020 to RMB969.0 million in 2021, primarily due to the increase in inventories of RMB1,912.4 million as we have continued to expand our baijiu production catering to the growing market demand for our products.

Net cash used in operating activities for the year ended December 31, 2022 was RMB710.6 million, which consisted primarily of profit before taxation of RMB1,435.1 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) changes in fair value in financial instruments issued to an investor of RMB130.7 million, which was attributable primarily to changes in the valuation of our Company driven by our strong business growth and improved business outlook, and (ii) adjustments for depreciation expenses of RMB157.1 million. The amount was further adjusted by changes in working capital, primarily including (i) the increase in inventories of RMB1,489.2 million, as we continued to expand our baijiu production, (ii) the decrease in other payables and accruals of RMB319.2 million, and (iii) the increase in trade and bills receivables of RMB115.0 million.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	For the year ended December 31,		
	2020	2021	2022
Gross profit margin	52.2%	53.5%	55.3%
Net profit margin	21.7%	20.2%	17.6%
Adjusted net profit margin (non-IFRS measure)	21.7%	21.0%	20.4%
Return on assets[1]	13.6%	16.8%	11.0%

Notes:

(1) Equals profit attributable to equity shareholders of the Company for the year divided by the average of the beginning and ending total assets for that year and multiplied by 100%.

Rule 13.46(2) of the Listing Rules requires an overseas issuer to send an annual report or a summary financial report to its shareholders within four months after the end of the financial year to which the report relates. As this Prospectus already includes the financial information of the Company for the year ended December 31, 2022 as required under Appendix 16 of the Listing Rules, we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2022, which will not be in breach of the Articles of Association, laws and regulations of Cayman Islands or other regulatory requirements. In addition, we will issue an announcement by April 30, 2023 stating that we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2022 as the relevant financial information has been included in this Prospectus. Further, we have complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

RISK FACTORS

Our business and the Global Offering involve certain risks, including risks relating to (i) our business and industry; (ii) doing business in the PRC; and (iii) the Global Offering and our Shares. Some of the major risks we face include, but are not limited to, the following:

- Changes in consumer preferences, demand and spending patterns could materially and negatively affect our business and results of operations.
- Growth of our business will partially depend on the recognition of our brands, and any failure to maintain, protect and enhance our brands, including any negative publicity, would limit our ability to retain and expand our customer base, which would materially and adversely affect our business, financial condition and results of operations.
- The COVID-19 pandemic adversely affected, and may continue to affect, the demand for our products, our business operations and financial conditions.
- Our historical growth and profitability may not be indicative of our future financial performance, and we may not be able to sustain our revenue growth rate in the future. Our historical growth also makes it difficult to evaluate our future prospects and success.
- We operate in a highly competitive and rapidly evolving market in China.
- Our future success and growth potential are dependent on our ability to successfully implement our production capacity expansion plans.
- We rely on our distribution network to promote and sell baijiu products and generate a vast majority of revenue from our distributors.
- Our business and financial performance may be adversely affected by the uncertainties around macro-economic conditions in China, or a downturn, any adverse developments or changes in regulatory environment in China's baijiu industry. Specifically, the "Sangong Consumption Policy" (三公消費政策), which restricts government departments from incurring high administrative expenses for official receptions, purchases and business trips, has led to a decrease in baijiu consumption by government officials and had an impact on China's baijiu industry in the past several years after its first release in 2012.

- Any product quality issue could materially and adversely affect our results of operations.
- Changes to the pricing of our products could adversely affect our business, financial condition, results of operations and prospects.
- Changes in the availability and price of raw materials could have an adverse effect on our results of operations.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period, we had certain non-compliance incidents with respect to (i) properties and (ii) social insurance and housing provident funds. For details, see "Business — Properties" and "Business — Legal Proceedings and Compliance — Social Insurance and Housing Provident Funds." Our Directors confirm that we had complied with the relevant PRC laws and regulation in all material respects and except as disclosed in the "Business" section and in the "Risk Factors" section, we had obtained all requisite licenses, approvals and permits from relevant authorities in China during the Track Record Period and up to the Latest Practicable Date.

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised), Zhenjiu Holding will hold approximately 69.08% of the issued share capital of our Company. Zhenjiu Holding is wholly owned by Mr. Wu, our founder, chairman of the Board and a Controlling Shareholder. Accordingly, Zhenjiu Holding and Mr. Wu will be our Controlling Shareholders under the Listing Rules upon Listing. Mr. Wu indirectly controls companies which are engaged in the production and sale of baijiu products including Jinliufu (金六福), Yushuqian (榆樹錢), Jinyuanchun (今緣春), Yanfeng (雁峰), Wubi (無比), Linshui (臨水), Xiangshan (湘山) and Taibai (太白) (as and when controlled by Mr. Wu, collectively, the "**Excluded Baijiu Business**"). Having considered the price ranges, marketing positioning and profitability, types of aroma, distribution channels and geographic regions of baijiu products of the Group and the Excluded Baijiu Business, as well as the proposed business and corporate governance measures to be implemented upon Listing following the execution of the Deed of Non-competition (including the undertakings therein with respect to the Excluded Baijiu Business), the Directors of the Company are of the view that the competition between the Group and the Excluded Baijiu Business is not material and any conflict of interests can be effectively managed. For more details, see "Relationship with the Controlling Shareholders."

OUR PRE-IPO INVESTORS

Pre-IPO Investments in our Group were undertaken by ChinaNet and Zest Holdings, who are our Pre-IPO Investors. For details of background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see "History, Development and Corporate Structure — Pre-IPO Investments."

GLOBAL OFFERING STATISTICS

The Global Offering by us consists of:

- the offer by us of initially 49,070,000 Hong Kong Offer Shares, for subscription by the public in Hong Kong, referred to in this prospectus as the Hong Kong Public Offering; and
- the offer by us of initially 441,629,800 International Offer Shares, outside the U.S. (including to professional, institutional and other investors within Hong Kong) in offshore transactions in reliance on Regulation S and in the U.S. to qualified institutional buyers in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act, referred to in this Prospectus as the International Offering.

	Based on the Offer Price of HK$10.78 per Share	**Based on the Offer Price of HK$12.98 per Share**
Market capitalization of our Shares(1)	HK$35,265 million	HK$42,462 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share(2)	HK$3.79	HK$4.11

Notes:

* All statistics in this table are on the assumption that the Over-allotment Option is not exercised.

(1) The calculation of market capitalization is based on 3,271,331,050 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share is calculated after making the adjustments referred to "Appendix II — Unaudited Pro Forma Financial Information."

DIVIDENDS AND DIVIDEND POLICY

As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of accumulated losses does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. We have adopted our dividend policy and any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

Our Group declared an aggregate of RMB1,886.1 million of distributions/dividends in 2021. The actual payment of these distributions/dividends will not be made until the completion of the Global Offering as our Group is contractually not allowed to pay any distributions/dividends to the Controlling Shareholders prior to an initial public offering pursuant to the agreement with one of our Pre-IPO Investors. After offsetting amounts due from related parties, we recorded dividends payables of RMB135.7 million and RMB144.8 million as of December 31, 2021 and December 31, 2022, respectively. We expect to settle the dividends payables in full with our operating cash in January 2024. For details of such amounts due from related parties, see "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Amounts Due from Related Parties." Nevertheless, our Directors are of the view that these dividends payables to our Controlling Shareholders do not have any impact on our financial independence from our Controlling Shareholders because the payables will not materially adversely affect our liquidity, working capital or financial condition after the Listing. As of December 31, 2020, 2021 and 2022, we had cash at bank and on hand of RMB311.3 million, RMB1,544.7 million and RMB1,683.4 million, respectively.

Other than the foregoing, no other dividend was declared or paid throughout the Track Record Period and up to the date of this prospectus. Our Directors consider that dividends made during the Track Record Period are not indicative of our dividend payments in the future. See "Risk Factors — Risks Relating to the Global Offering and Our Shares — We cannot assure you whether and when we will declare and pay dividends in the future."

Purchasers of our Shares in the Global Offering will not be entitled to participate in the payment of our dividends payables of RMB144.8 million as of December 31, 2022.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$5,518 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$11.88 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus.

We intend to use the net proceeds as follows (based on the mid-point of the Offer Price range stated in this prospectus):

- approximately 55.0%, or HK$3,035 million, will be used over the next five years to fund the construction and development of our production facilities, thereby expanding our baijiu production capacity progressively.

- approximately 20.0%, or HK$1,104 million, will be used over the next five years in brand building and market promotion, with a goal to drive brand awareness and foster a growing loyal consumer base.

- approximately 10.0%, or HK$552 million, will be used over the next five years to expand our sales channels, with a goal to continue to drive revenue growth.

- approximately 5.0%, or HK$276 million, will be used over the next five years to automate and digitalize our business operations leveraging advanced technologies.

- the remaining approximately 10.0%, or HK$552 million, will be used for working capital and general corporate purposes.

For further details, see "Future Plans and Use of Proceeds."

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the mid-point of the Offer Price Range and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately HK$311 million, accounting for approximately of 5.3% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK$213 million, professional fees for our legal advisors and Reporting Accountants of HK$70 million and other fees and expenses of HK$28 million. An estimated amount of HK$93 million for our listing expenses, accounting for approximately 1.6% of our gross proceeds, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$218 million is expected to be recognized directly as a deduction from equity upon the Listing. We did not recognize any listing expenses in 2020. We recognized listing expenses of RMB17.0 million and RMB36.8 million in 2021 and 2022 in our consolidated statements of profit or loss and other comprehensive income, respectively.

RECENT DEVELOPMENTS

In February 2023, we obtained the land use right to a parcel of land located in Lidu, Jiangxi, with an aggregate area of 373,570 square meters. Such lands will be used to expand our production facilities. See "Business — Production Facilities — Planned Production Capacity Expansion."

The Impacts of and Our Responses to COVID-19

Since the beginning of 2022, the Omicron variant of COVID-19 has rebounded in China, which adversely impacted our normal business operations in every material aspects, including baijiu production, product sales and sales and marketing activities, throughout the year. In particular, while the fourth quarter is usually a peak season in a year for baijiu sales as Chinese people are anticipating family and friends gatherings during the upcoming New Year holidays and the Spring Festival, China's baijiu industry experienced tough times in the fourth quarter of 2022 amid the most difficult pandemic situation in China since the initial outbreak of COVID-19.

Another round of COVID-19 outbreaks throughout October and November 2022 resulted in multiple cities across China under lock-down. During the extensive lock-downs of the cities in China, we were not able to promote our baijiu products as planned to the extent customer visits or onsite events were required.

The mandatory closures of the featured stores and other points-of-sale where our baijiu products were on sale during this period also resulted in a decline in product sales and revenue. With respect to baijiu production, certain of our production facilities were temporarily shut down and/or operated with limited capacity amid the COVID-19 pandemic. China began to modify its zero-COVID policy in late 2022, and most of the travel restrictions and quarantine requirements were lifted in December 2022. There were significant surges of COVID-19 cases in many cities in China subsequently. The rapid spread of COVID-19 virus in a relatively short period of time has compelled people to stay at home and reduce banquets and social gatherings, which further caused temporary reductions in baijiu consumption, according to Frost & Sullivan. As a result of the foregoing, our revenue growth slowed and our net profit decreased from 2021 to 2022, and our sales for the first two months of 2023 were adversely affected. For the two months ended February 28, 2023, our shipment volume amounted to 5,150 tons and we recorded gross sales of RMB1,532.3 million.

Throughout the COVID-19 pandemic, we have taken various measures to mitigate the impacts of the COVID-19 pandemic on our baijiu production, product sales, supply chain and our staff. Such remedial measures include organizing online consumer events to improve consumer engagement, mobilizing internal and external resources to ensure logistics and securing resources supply. In addition, we have also implemented various precautionary policies to ensure the safety of our employees working remotely or onsite. For details, see "Financial Information — The Impacts of and Our Responses to COVID-19."

Recent Regulatory Update

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Administrative Measures**") and five supporting guidelines, which has become effective on March 31, 2023. Pursuant to the Trial Administrative Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC company limited by shares, and (ii) any offshore company that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after its application for overseas listing is submitted. See "Regulatory Overview — Regulations on M&A and Overseas Listings."

On the same date, the CSRC promulgated the Notice on the Arrangement for the Filing-based Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》) (the "**Arrangement for Filing-based Administration**") which, among others, clarifies that (1) the domestic enterprises that have already been listed overseas before the effective date of the Trial Administrative Measures (i.e., March 31, 2023) shall be deemed as existing applicants (存量企業) (the "**Existing Applicants**"). Existing Applicants are not required to complete the filing procedures immediately, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved; (2) a six-month transition period will be granted to domestic enterprises which, prior to the effective date of the Trial Administrative Measures, have already been approved by the overseas regulatory authorities or the overseas stock exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing), and such domestic enterprises complete their overseas offering and listing within such six-month period (i.e., before September 30, 2023), they will be deemed as Existing Applicants. Within such six-month transition period, however, if such domestic enterprises need to re-perform the overseas regulatory procedures for overseas securities offering and listing, or fail to complete their indirect overseas offering and listing, such domestic enterprises shall complete the filing procedures with the CSRC; (3) for applicants who have received approval from the CSRC for a direct overseas listing, they may continue to pursue the overseas listing during the validity period of the approval. Those who have not completed the overseas offering and listing upon the expiry of the approval period should file with the CSRC as required.

We have passed the hearing before March 31, 2023. Our PRC Legal Advisor is of the view that if there is no re-hearing required by the Stock Exchange and this Global Offering can be completed before September 30, 2023, we will not be required to file with the CSRC with respect to this Global Offering.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects of our Group since December 31, 2022, the end of the period reported in the Accountants' Report set out in Appendix I to this prospectus, and there is no event since December 31, 2022 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.