



LAISHI LIQUOR LIMITED ARBN 622 384 776

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Pre-Quotation Disclosure

NSX requires Laishi Liquor Limited (formerly, JGY Holdings Limited) (**Company**) to provide the following information for release to the market in connection with the re-quotation of its securities on NSX.

Capitalized terms which have not been otherwise defined in this document have the meaning given to them in the prospectus lodged by the Company with the Australian Securities and Investments Commission on 29 June 2022 (**Prospectus**).

Further explanation on the position described in the Prospectus in relation to the licencing requirements for the distributors of the Company

In the Prospectus, the Company disclosed in section 5.2(b) under the heading “Contractual risks” a risk relating to some of the Company’s wholesale customers not having food operation licences. The paragraph stated as follows:

“ Pursuant to the Food Safety Law of China, business entities engaging in food production need to have food production licence and those involved in food distribution whether wholesale or retail, need to have food operation licence. Neither licences can be held by an individual. Among 275 wholesale customers of Bainian Laishi, there are individuals and business entities which do not have food operation licences. If any of the wholesale customers is engaged in a business of re-selling baijiu, there is a risk that the relevant local authority may order the cessation of the re-selling activities and the arrangement between Bainian Laishi and the customer as well as imposing a fine amounting to 10 times the actual sales amount on the non-compliant party under the Food Safety Law of China.”.

NSX requested for further explanation on the above risk disclosure during its review of the Company’s listing application. Upon receiving the request, the Company commissioned an independent legal opinion from another Chinese law firm to further assess this risk in order to respond to NSX’s questions. Based on the legal opinion issued by Fujian Utrust Law Firm dated 9 September 2022, the Company provides the following confirmation as a pre-quotation disclosure:

- (a) Laishi China is compliant with all its licencing requirements in China and is therefore authorised to undertake its business activities as described in the Prospectus;
- (b) the counterparties to the Demonstration Store Cooperation Agreements (*i.e.* distributors) do not need a permit to sell Laishi China’s products as such baijiu products are considered to be “pre-packaged food” for which a permit or licence is not required under the relevant PRC laws; and
- (c) as a permit or a licence is not required for the sale of pre-packaged food,

- a. Laishi China will not be fined if a distributor does not have a licence or permit to sell Laishi China's baijiu products; and
- b. the Company does not currently have, nor consider it necessary to adopt, a policy to monitor whether Laishi China's distributors have a permit or licence to sell its products.

The Company will at all times be aware of any change in the regulatory and licensing requirements which affects its business as part of its contractual risk management process. The Company is aware that should any changes in any relevant Chinese laws which:

- (i) require a distributor who sells Laishi China's products to obtain a licence or to comply with other requirements to sell these products; and
- (ii) makes an upstream supplier such as Laishi China accountable for compliance failures of its downstream distributors,

it will promptly formulate and implement a policy to ensure and monitor Laishi China's distributors' compliance of these laws and licencing obligations.

For and on behalf of
LAISHI LIQUOR LIMITED



ZHANG Houyi
Managing director
16 November 2022