

IMPORTANT NOTICE

(NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR ANY U.S. PERSON)

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PROFESSIONAL INVESTORS (AS DEFINED BELOW) AND NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S (AS DEFINED BELOW).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (this “Offering Circular”) following this page, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE (A) TO ANY PERSON WHO IS NOT A “PROFESSIONAL INVESTOR” (WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG)); OR (B) ANY PERSON IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO, NOR TO ANY U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (“REGULATION S”) AND THE “SECURITIES ACT”, RESPECTIVELY). THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (WITHIN THE MEANING OF REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES OR ANY PERSON WHO IS NOT A “PROFESSIONAL INVESTOR” (WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG)). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN A FINAL OFFERING CIRCULAR THAT WILL BE DISTRIBUTED TO YOU ON OR PRIOR TO THE CLOSING DATE AND NOT ON THE BASIS OF THE ATTACHED OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be (a) a “professional investor” (within the meaning under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)); and (b) addressees outside the United States (as defined in Regulation S under the Securities Act) and not a U.S. person (as defined in Regulation S under the Securities Act). This Offering Circular is being sent at your request and by accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to the Issuer (as defined in this Offering Circular) and UBS AG Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited (together, the “Joint Lead Managers”) that (1) you and each customer that you represent are a “professional investor” (within the meaning under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) and a non-U.S. person outside the United States (within the meaning of Regulation S under the Securities Act) and the electronic mail address that you gave to the Issuer (as defined in this Offering Circular) and/or to us to which this electronic mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission and (2) and, to the extent you purchase the securities described in the attached Offering Circular you will be doing so pursuant to Regulation S under the Securities Act.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a non-U.S. person outside the United States and are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

Restrictions: This Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Issuer or the Joint Lead Managers or any person who controls the Joint Lead Managers or any director, officer, employee or agent of the Joint Lead Managers or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

Actions that You May Not Take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply through e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “SFA”) – The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).



MINISO Group Holding Limited

(incorporated in the Cayman Islands with limited liability)

U.S.\$550,000,000

0.50% Equity Linked Securities due 2032

Issue Price: 100.00% per cent.

The 0.50% Equity Linked Securities due 2032 in the aggregate principal amount of U.S.\$550,000,000 (the “**Securities**”) will be issued by MINISO Group Holding Limited (the “**Issuer**”). The issue price will be 100.00 per cent. of the aggregate principal amount of the Securities. In connection with the issue of the Securities, (a) Mini Investment Limited has entered into a securities lending deed with UBS AG, London Branch (the “**Securities Lending Deed**”), and (ii) the Issuer has entered into call option transactions with one or more of the Joint Lead Managers or its affiliates (each, a “**Option Counterparty**”) (x) call option transaction(s) involving the sale of call option(s) by the Option Counterparties to the Issuer with a strike price equal to the Exercise Price (the “**Lower Strike Option**”), and (y) call option transaction(s) involving the sale of call option(s) by the Issuer to the Option Counterparties exercisable at an overall average strike price of U.S.\$13.1317 (the “**Upper Strike Warrant**”, together with the Lower Strike Option, “**Call Spread Transactions**”).

The Securities will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*)) of the terms and conditions of the Securities (the “**Terms and Conditions**”) or the “**Conditions**”) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to Condition 4(a) (*Negative Pledge*) of the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

The Securities bear interest on their outstanding principal amount from and including the Issue Date (as defined below) at the rate of 0.50 per cent, per annum, payable semi-annually in arrear on January 14 and July 14 in each year (each an “**Interest Payment Date**”), commencing on July 14, 2025.

Subject to and as provided in the Conditions, each Security will, at any time on or after January 14, 2031 (the “**Initial Exercise Period Commencement Date**”) to the date falling 70 scheduled Trading Days prior to January 14, 2032 (the “**Maturity Date**”) (the “**Initial Exercise Period End Date**”) (both days inclusive) (the “**Initial Exercise Period**”), entitle the Security Holder to exchange such Security for an amount equal to the relevant Cash Settlement Amount (as defined in the Conditions). Subject to and as provided in the Conditions, the Exercise Right in respect of a Security may also be exercised, at the option of the Security Holder thereof, at any time from the date falling 69 scheduled Trading Days preceding the Maturity Date (the “**Final Exercise Period Commencement Date**”) to the date falling 10 scheduled Trading Days prior to the Maturity Date (the “**Final Exercise Period End Date**”) (both days inclusive) (the “**Final Exercise Period**”). Upon exercise of an Exercise Rights (as defined in the Conditions), the Issuer shall pay the relevant Security Holder the relevant Cash Settlement Amount in accordance with the Conditions.

The exercise price at which the Securities will be exchanged pursuant to the Conditions (the “**Exercise Price**”) will initially be HK\$64.395 per Share. The Exercise Price is subject to adjustment in the circumstances described under “*Terms and Conditions of the Securities – Exercise*”. The Closing Price (as defined in the Conditions) of the Shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” or the “**SEHK**”) on January 6, 2025 was HK\$51.05 per Share.

Unless previously redeemed, purchased and cancelled or unless the Exercise Right in respect of such Security has been exercised, the Issuer will redeem each Security at its principal amount on the Maturity Date, together with interest accrued but unpaid to but excluding such date. The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the date specified in the Tax Redemption Notice (as defined in the Conditions) for redemption at their principal amount, together with interest accrued but unpaid to but excluding such date (if any), in the event of certain changes in, or amendments to the laws or regulations of the Cayman Islands, Hong Kong or the PRC, or in each case, any political subdivision or any authority thereof or therein having power to tax, or certain change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after January 6, 2025, subject to the non-redemption option of each Security Holder after the exercise by the Issuer of its tax redemption option as described in the Conditions. The Issuer may also redeem in whole, but not in part, the Securities for the time being outstanding at the principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption (i) on giving not less than 30 nor more than 60 days’ notice to the Principal Agent and the Trustee in writing and to the Security Holders in accordance with the Conditions, at any time prior to the Maturity Date, provided that prior to the date on which the Issuer gives a redemption notice at least 90 per cent. in principal amount of the Securities originally issued has already been redeemed, purchased and cancelled or in respect of which Exercise Rights have been exercised. The Issuer will, at the option of the holder of any Security redeem all or some only of such holder’s Securities on January 14, 2028 and January 14, 2030 (each, a “**Put Option Date**”) their principal amount, together with interest accrued but unpaid to but excluding such date (if any). The holder of each Security will also have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Securities on the Relevant Event Redemption Date (as defined in the Conditions) at their principal amount, together with interest accrued but unpaid up to but excluding such date (if any) following the occurrence of (i)(x) the Shares ceasing to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange, (y) the Issuer voluntarily ceases to list or quote its ADSs on any of the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market; or (ii) a Change of Control (each as defined in the Conditions). See “*Terms and Conditions of the Securities – Redemption, Purchase and Cancellation*”.

For a detailed description of the Securities, see “*Terms and Conditions of the Securities*”.

The ordinary shares with a par value of U.S.\$0.00001 each of the Issuer (the “**Shares**”) are listed on the Main Board of the Hong Kong Stock Exchange under the stock codes “9896”. The American depositary shares of the Issuer (the “**ADSs**”), each representing four Shares are listed on the New York Stock Exchange under the symbol “MNSO”. With reference to the Administrative Measures for the Examination and Registration of Medium- and Long-Term Foreign Debts of Enterprises (《企業中長期外債審批登記管理辦法(國家發展和改革委員會令第五十六號)》) (“**Order 56**”) issued by the PRC National Development and Reform Commission (the “**NDRC**”) and effective from February 10, 2023, and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, the Issuer has registered the issuance of the Securities with the NDRC and obtained a certificate from the NDRC on July 10, 2024 evidencing such registration which remains valid and in full force and effect. The Issuer will undertake to file or cause to be filed the requisite information and documents within the relevant prescribed timeframes after the Issue Date to the NDRC or its competent local counterparts in accordance with Order 56 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time (the “**NDRC Post-Issuance Filing**”), which term for the avoidance of doubt, includes the initial NDRC Post-Issuance Filing with the NDRC or its competent local counterpart of the information and documents relating to the issue of the Securities that are required to be filed in accordance with Order 56 within ten Registration Business Days after the Issue Date (the “**Initial NDRC Post-Issuance Filing**”).

The Issuer will undertake to file or cause to be filed with the China Securities Regulatory Commission (the “**CSRC**”) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Securities in accordance with the CSRC Filing Rules (as defined in the Conditions) (the “**CSRC Post-Issuance Filings**”), which term for the avoidance of doubt, includes the CSRC Filing Report (as defined in the Conditions) and other requisite information and documents in respect of the Securities that are required to be filed with the CSRC within three Registration Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

Application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation of the Securities on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Approval in-principle from, admission to the Official List of the SGX-ST and the listing and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined below), any of its subsidiaries or associated companies, the Securities or the Shares. The Securities will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for so long as any of the Securities remains listed on the SGX-ST and the rules of the SGX-ST so require.

Investing in the Securities involves certain risks. Investors should be aware that there are risks relating to the exercise of Exercise Rights of the Securities, and there are various other risks relating to the Securities, the Issuer, its business and its jurisdiction of operations which investors should familiarise themselves with before making an investment in the Securities. See “*Risk Factors*” beginning on page 34.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act**”), or any other securities laws. The Securities are being offered and sold only outside the United States, to persons that are not U.S. persons, in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act (“**Regulation S**”). Unless so registered, the Securities may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and any other applicable securities law. For a description of certain restrictions on resales and transfers, see “*Subscription and Sale*” and “*Transfer Restrictions*.”**

The Securities will be represented by beneficial interests in a global certificate (the “**Global Certificate**”) in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about January 14, 2025 (the “**Issue Date**”) with, a common depositary for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, definitive certificates for Securities will not be issued in exchange for interests in the Global Certificate.

The Securities are not intended to be initially placed and may not be initially placed to “**connected persons**” of the Issuer as defined in the Listing Rules (“**Connected Persons**”). Each holder of the Securities (and the beneficial owners of the Securities, if applicable) will be deemed to have represented to the Issuer and UBS AG Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited (together, the “**Joint Lead Managers**”) that it is not a Connected Person of the Issuer, and will not after completion of the subscription of the Securities be a Connected Person of the Issuer. Each prospective investor will be deemed to have agreed with the Issuer and the Joint Lead Managers that it may, to the extent required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and/or the Hong Kong Stock Exchange and/or the Hong Kong Securities and Futures Commission (the “**SFC**”), disclose information about such potential investor (including but not limited to its name, company registration number and the number of Securities allotted to it) to certain parties.

Joint Lead Managers



UBS 瑞銀集團



HSBC

The date of this Offering Circular is January 9, 2025.

TABLE OF CONTENTS

NOTICE TO INVESTORS	ii
INCORPORATION BY REFERENCE	vi
CONVENTIONS THAT APPLY TO THIS OFFERING CIRCULAR.....	vii
SUMMARY	1
SUMMARY CONSOLIDATED FINANCIAL DATA	20
THE OFFERING	25
RISK FACTORS	34
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS.....	99
USE OF PROCEEDS	100
DIVIDEND POLICY	101
CAPITALIZATION AND INDEBTEDNESS.....	103
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	104
MANAGEMENT AND PRINCIPAL SHAREHOLDERS	117
TERMS AND CONDITIONS OF THE SECURITIES	122
PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM	158
DESCRIPTION OF SHARE CAPITAL	161
DESCRIPTION OF THE CALL SPREAD TRANSACTIONS	171
TAXATION	173
SUBSCRIPTION AND SALE	176
TRANSFER RESTRICTIONS	185
GENERAL INFORMATION	187

NOTICE TO INVESTORS

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Securities. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Each of the Issuer having made all reasonable enquiries confirms that (i) this Offering Circular contains all information with respect to the Issuer and its subsidiaries taken as a whole (collectively, the “**Group**”), and to the Shares, the Securities which is material in the context of the issue and offering of the Securities (including any information (if any) which is required by applicable laws of the British Virgin Islands, the Cayman Islands, the PRC and according to the particular nature of the Issuer, the Group, the Shares and the Securities, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Group and of the rights attaching to the Shares and the Securities), (ii) the statements contained in this Offering Circular relating to the Issuer and to the Group are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and to the Group, are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuer, the Group or the Shares or the Securities the omission of which would, in the context of the issue and offering of the Securities make any statement in this Offering Circular misleading in any material respect, (v) all reasonable enquiries has been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular, and (vi) this Offering Circular does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they are made, not misleading. Further, all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. Where information contained in this Offering Circular includes extracts from summaries of information and data from various published and private sources, the Issuer has taken reasonable care in reproducing or extracting the statistical, industry and market-related data included in this Offering Circular from various sources and accept responsibility for accurately reproducing such summaries and data only.

This Offering Circular does not constitute an offer or an invitation by or on behalf of the Joint Lead Managers, the Issuer to subscribe for or purchase any of the Securities or the Shares. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law in such jurisdictions where such an offer and sales is not permitted. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Securities or the distribution of this document in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Securities and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Hong Kong, Singapore, Japan, the PRC, European Economic Area (the “**EEA**”), the British Virgin Islands and the Cayman Islands, and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Securities, and distribution of this Offering Circular, see “*Subscription and Sale*”. The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Securities described in this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Securities. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

None of the Joint Lead Managers, The Bank of New York Mellon, London Branch (the “**Trustee**”) or the Agents (as defined in the Terms and Conditions) or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates has separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Securities or the Shares, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty, express or implied, by the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the Group and the merits and risks involved in investing in the Securities.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates accepts any responsibility for the contents of this Offering Circular. The Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives and affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates undertakes to review the Issuer’s or the Group’s business, financial condition, operations, prospects or affairs during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Securities of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates.

Approval-in-principle from, admission to the Official List of the SGX-ST and the listing of and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, the Securities or the Shares. In making an investment decision, prospective investors must rely on their examination of the Issuer, the Group and the terms of this offering, including the merits and risks involved. The Securities have not been approved or recommended by the SGX-ST, any Singapore or other regulatory authority. Furthermore, the contents of this Offering Circular have not been reviewed by the SGX-ST, any Singapore or other regulatory authority. The foregoing authorities have not passed upon or endorsed the merits of the offering or confirmed the accuracy or determined the adequacy of this Offering Circular. Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able or advisable to purchase the Securities under applicable laws or regulations.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Securities are not intended to be initially placed and may not be initially placed to any Connected Person. Each holder of Securities (and the beneficial owners of the Securities, if applicable) will be deemed to have represented to the Issuer and the Joint Lead Managers that it is not a Connected Person of the Issuer, and will not after completion of the subscription of the Securities be a Connected Person of the Issuer. Each prospective investor will be deemed to have agreed with the Issuer and the Joint Lead Managers that it may, to the extent required by the Listing Rules and/or the Hong Kong Stock Exchange and/or the SFC, disclose information about such potential investor (including but not limited to its name, company registration number and the number of Securities allotted to it) to certain parties.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both of their agent and their underlying client.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong Securities and Futures Commission Code of Conduct – Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this offering of the Securities, including the Joint Lead Managers, are “capital market intermediaries” (“**CMI**s”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as overall coordinators” (“**OC**s”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**association**”) with the issuer, the CMI or the relevant group company. Prospective investors associated with the issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their associations are hereby deemed not to be so associated. Where prospective investors disclose their associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors to whom the allocation of the Securities will be subject to restrictions or require prior consent from the Hong Kong Stock Exchange under the Listing Rules and other regulatory requirements or guidance issued by the Hong Kong Stock Exchange from time to time (the “**Hong Kong Stock Exchange Requirements**”) would be considered as “Restricted Investors.” The Securities may only be allocated to Restricted Investors in accordance with applicable Hong Kong Stock Exchange Requirements. Prospective Investors who are Restricted Investors should specifically disclose whether they are Restricted Investors when placing an order for the Securities. Prospective investors who do not disclose they are Restricted Investors are hereby deemed not to be Restricted Investors.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any initial purchaser(s), such prospective investor should indicate when placing an order if it is for a fund or portfolio where the initial purchaser(s) or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order.” If a prospective investor is otherwise affiliated with any initial purchaser(s), such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant initial purchaser(s) when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order.” Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMI's (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the initial purchaser(s) and/or any other third parties as may be required by the SFC Code, including to the issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the book-building process for this offering. Failure to provide such information may result in that order being rejected.

REGULATION S OFFERING – The Issuer and each of the Joint Lead Managers are relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The Securities are being initially offered and sold outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. By placing an order for the Securities, each of the prospective investors will be deemed to have made the acknowledgments, representations, warranties and agreements set forth under the heading “Transfer Restrictions” in this Offering Circular.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

INCORPORATION BY REFERENCE

The consolidated financial statements of the Issuer for the years ended June 30, 2022 and 2023, including the notes thereto (as disclosed in the Issuer’s 2022 annual report and 2023 annual report, respectively), and for the six months ended December 31, 2023, including the notes thereto (as disclosed in the Issuer’s 2023 annual report (for the six months ended December 31, 2023)), have been audited by KPMG, the independent auditors of the Issuer, in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, and are incorporated by reference in this Offering Circular. The consolidated financial statements of the Issuer for the six months ended June 30, 2024, including the notes thereto (as disclosed in the Issuer’s 2024 interim report, respectively), have been reviewed by KPMG in accordance with the Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and are incorporated by reference in this Offering Circular.

Copies of the Issuer’s 2022 annual report, 2023 annual report, 2023 annual report (for the six months ended December 31, 2023), and 2024 interim report can be downloaded from the website of the SEHK at <http://www.hkexnews.hk> and our website at <https://ir.miniso.com/> (the other contents of these websites do not form part of this Offering Circular). See also “Summary Consolidated Financial Data” for details.

Certain amounts and percentages included in this Offering Circular have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not exactly equal the total figure for that column. You should not construe any exchange rate translations as representations that the relevant exchange and amounts could actually be converted into the amounts expressed.

CONVENTIONS THAT APPLY TO THIS OFFERING CIRCULAR

In this Offering Circular, unless otherwise indicated or the context otherwise requires:

- “ADSs” refers to our American depositary shares, each representing four Shares, par value US\$0.00001 per share;
- “China” or “PRC” refers to the People’s Republic of China, and only in the context of describing PRC laws, regulations, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this Offering Circular, excludes Taiwan, the Hong Kong and Macau Special Administrative Regions;
- “core SKU” refers to SKU that generates over RMB50,000 in sales during a consecutive six-month period;
- “GMV” refers to the total value of all merchandises sold by us and our retail partners and distributors to end customers, before deducting sales rebates and including the VAT and sales taxes collected from consumers, as applicable, regardless of whether the merchandises are returned;
- “Hong Kong,” “HK” or “Hong Kong S.A.R.” refers to the Hong Kong Special Administrative Region of the PRC;
- “Listing Rules” refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
- “Hong Kong dollars” and “HK\$” refer to the legal currency of Hong Kong;
- “Hong Kong Stock Exchange” refers to the Stock Exchange of Hong Kong Limited;
- “IFRS” refers to IFRS Accounting Standards as issued by the International Accounting Standards Board;
- “MINISO,” “we,” “us,” “the Group,” “our company” and “our” refer to MINISO Group Holding Limited, our Cayman Islands holding company and its subsidiaries;
- “MINISO Retail Partner” refers to a franchisee under our MINISO Retail Partner model, a franchise-like store model with chain store characteristics, where the franchisee bears the store opening capital expenditure and store operating expenses to join our “MINISO” or “TOP TOY” branded retail store franchise. Other distinguishing features of the MINISO Retail Partner model include: (1) we retain ownership of inventory in the franchisee’s store before it gets sold to consumers; (2) we provide store management and consultation services to the franchisee for a fee, which include standardized guidance in certain key aspects of store operation; and (3) the franchisee keeps the remaining portion of the in-store sales proceeds after remitting a certain portion to us;
- “MINISO store” refers to any of the stores operated under the “MINISO” brand name, including those directly operated by us, those operated under the MINISO Retail Partner model, and those operated under the distributor model;
- “RMB” and “Renminbi” refer to the legal currency of China;
- “SGX-ST” refers to Singapore Exchange Securities Trading Limited;
- “SKU” refers to stock keeping unit;

- “TOP TOY” refers to pop toy products of our own brands or brands codeveloped with IP licensors that are sold under the TOP TOY label, and “pop toys” refer to toys infused with pop culture content featuring distinct designs and aesthetic sensibility, or licensed content featuring movie, animation, cartoon or game characters;
- “TOP TOY store” refers to any store operated under the “TOP TOY” brand name, including those directly operated by us and those operated under the MINISO Retail Partner model; and
- “US\$,” “U.S. dollars,” “\$,” and “dollars” refer to the legal currency of the United States.

We present our financial results in RMB. This Offering Circular contains translations from Renminbi to U.S. dollars solely for the convenience of the reader. Unless otherwise noted, all translations from Renminbi to U.S. dollars in this Offering Circular were made using the exchange rate at the end of each applicable reporting period, being RMB7.0999 to US\$1.00, the exchange rate as set forth in H.10 statistical release of the U.S. Federal Reserve Board on December 29, 2023 and RMB7.2672 to US\$1.00, the exchange rate as set forth in H.10 statistical release of the U.S. Federal Reserve Board on June 28, 2024, respectively. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, or at all. The exchange rate in effect as of January 3, 2025 was RMB7.3199 to US\$1.00.

On January 17, 2024, our board of directors approved a change of fiscal year end from June 30 to December 31. The primary purpose of changing our fiscal year end was to improve the consistency between financial reporting and our business operation as we formulate annual budgeting and assessment targets on a calendar year basis, and to align our financial reporting with that of our domestic peers to improve comparability on both a quarterly and an annual basis. Subsequently, we issued consolidated financial statements for the six months ended December 31, 2023. Our first full fiscal year following the change of fiscal year end was the fiscal year ended December 31, 2024. Unless otherwise noted, all references to “fiscal year” in this Offering Circular refer to the fiscal year which, prior to the transition period, ended on June 30, and, following the transition period, ends on December 31.

SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this Offering Circular. This summary is not complete and does not contain all of the information that you should consider before investing in the Securities. You should read the entire Offering Circular carefully and the other financial information appearing elsewhere or incorporated by reference in this Offering Circular.

Overview

We are a global value retailer offering a variety of trendy lifestyle products featuring IP design. We have successfully incubated two brands, MINISO and TOP TOY, since we opened our first store in China in 2013. In the fiscal year ended June 30, 2023, the six months ended December 31, 2023 and the six months ended June 30, 2024, we generated revenue of RMB10.9 billion, RMB7.3 billion (US\$1.0 billion) and RMB7.3 billion (US\$1.0 billion) from the MINISO brand, respectively with the aggregate GMV of the MINISO brand reaching approximately RMB20.5 billion, RMB13.7 billion (US\$1.9 billion) and RMB13.9 billion (US\$1.9 billion), respectively. TOP TOY, a new brand we launched in December 2020 to pioneer the concept of pop toy collection stores, achieved revenue of RMB533.4 million, RMB368.8 million (US\$52.0 million) and RMB428.9 million (US\$59.0 million), and a GMV of RMB774.4 million, RMB539.5 million (US\$76.0 million) and RMB625.4 million (US\$86.1 million) in the same year/periods.

We have built our flagship brand “MINISO” as a globally recognized retail brand and established a store network worldwide. As of September 30, 2024, we had in our extensive global store network of 7,186 MINISO stores throughout the world, including 4,250 MINISO stores in mainland China and 2,936 MINISO stores overseas. Observing an emerging pop toy culture, we introduced the “TOP TOY” brand with the goal of entering into the pop toy market and eventually building our platform of pop toys. We believe that our “TOP TOY” brand is highly complementary to our “MINISO” brand, as it caters to a broader consumer demographic with a much wider product price range and higher average order value. Our experience as a leading global value retailer has helped us realize our strategic goal with TOP TOY and make rapid headway in the pop toy market in China. As of September 30, 2024, we had a total of 234 TOP TOY stores.

Design, quality, and affordability are at the core of every MINISO product we deliver, and we continually roll out new products with these qualities. During the six months ended June 30, 2024, we launched an average of approximately 940 SKUs under the “MINISO” brand per month, and offered consumers a wide selection of approximately 10,100 core SKUs, the vast majority of which are under the “MINISO” brand. Our MINISO product offerings span 11 major categories, including home decor, small electronics, textile, accessories, beauty tools, toys, cosmetics, personal care, snacks, fragrance and perfumes, and stationery and gifts. Under the TOP TOY brand, we offered around 9,800 SKUs as of June 30, 2024 across major categories that include blind boxes, toy bricks, model figures, model kits, collectible dolls, Ichiban Kuji and other popular toys.

We believe a quality offline retail experience is essential for our ability to retain and attract consumers and maintain their engagement. We therefore promote a relaxing, treasure-hunting, and engaging shopping experience that appeals to all demographics regardless of their cultural background and the geographical location of the stores. Our focus on delivering distinct value propositions within a relaxing and engaging shopping environment generates excitement and encourages frequent visits, allowing us to build a large and loyal base of consumers mostly from the younger generations.

We pair value concepts with a touch of appeal, creativity and innovation, focusing on long-term sustainability instead of short-term profits. Our highly effective approach to retail, which mainly encompasses dynamic product development, an efficient supply chain, and deep operational know-how backed by digitalization, is critical to the success and forms the backbone of our business.

- **Dynamic product development.** The collective efforts of product managers, designers and suppliers help us achieve dynamic product development. Our experienced product managers are responsible for identifying trends, co-creating product designs in collaboration with our designers, coordinating with suppliers on production and bringing the finished products to market. We have made significant investment in our design capabilities by maintaining a

dedicated and capable in-house design team and partnering with capable third-party designers, and have established our MINISO Design Academy to fully integrate these design capabilities to create trendy, attractive and quality products. Our philosophy is to launch approximately 100 new MINISO SKUs every 7 days, carefully selected from a large library of 10,000 product ideas, which we refer to as the “711 philosophy.” We believe our efficiency and speed-to-market at large scale are difficult for competitors to replicate.

Our co-branding collaborations with IP licensors that own a number of popular brands allow us to capitalize on cultural phenomena or influential trends in mass media by featuring their elements in our product design and adding exciting diversity to our products. Our established co-branding relationships with IP licensors such as Disney, Sanrio and Universal are a strong testimony to our brand value and elevate our brand equity and awareness by unlocking new possibilities of product design. As a result, more consumers are attracted to MINISO and TOP TOY stores to enjoy a shopping experience replete with pleasant surprises.

- **Efficient supply chain.** Leveraging our unmatched and massive global supply chain, we source directly from qualified manufacturers that can meet our demands. Our large procurement volumes as a result of our scale further contribute to our procurement cost advantages. We maintain a mutually beneficial relationship with our suppliers and help them grow with us. In addition, we digitally integrate almost all of our suppliers and streamline the supply chain process through our supply chain management system and regularly assist suppliers in improving production efficiency and cost control, which enable us to continually optimize our supply chain efficiency. We believe our efficient supply chain sets the foundation for our competitive pricing strategy.
- **Deep operation know-how backed by digitalization.** We have accumulated in-depth operational know-how based on our deep insights into consumer tastes and preferences developed from serving millions of consumers on a daily basis. We use such know-how to optimize and systemize key aspects of store operation from welcoming ambience and friendly staff to easy-to-navigate store layout, and precise product curation.

Our technology augments our operational know-how by digitalizing every aspect of our business operations and giving us deeper insights into consumer preferences. With our self-developed intelligent store management tools, we are able to provide store managers with real-time sales and inventory data and inventory replenishment and merchandise display management suggestions based on big data analytics, and tailor our store merchandise selection accordingly. The real-time inventory level covers our directly operated stores and MINISO stores operated by MINISO Retail Partners in China. We monitor the store-level inventories mainly through our SAP ERP system, which has tailored inventory modules, and through our merchandise display management system, which is designed to visualize, synchronize and optimize shelf display management at the MINISO stores. By digitalizing the management of merchandise placement in each store, it allows us to centrally and digitally manage and adjust merchandise display in each store, monitor the in-store stock of specific products, maintain up-to-date records of the inventories kept by MINISO Retail Partners and optimize product replenishment. In addition, our store AI assistant can also generate and provide MINISO store managers with real-time inventory level and other important store operating metrics and their analytics, empowering the store managers to enhance merchandise management and monitor the store-level inventories.

We have also developed an AI store monitoring system that supports real-time automatic store-level management. We adopt AI image recognition technologies to facilitate real-time automatic store layout check, order/payment fraud detection, store congestion control and store worker attendance check, among other things. For example, leveraging image recognition and detection technologies, our AI store monitoring system detects any semblance of congestion near a store’s cash registers, and reminds store managers to add cashiers in time.

In addition, our data analytics capabilities and insights derived from proprietary consumer data have guided us in developing products that meet prevailing consumer tastes and preferences. Beyond our physical store premises, we have also engaged consumers through various online channels, including our MINISO membership program, Weixin mini-programs, third-party e-commerce and online-to-offline platforms, and store-based communities on Weixin. Such expanded consumer engagement, coupled with our data analytics capabilities, allow us to enhance the accuracy of our targeted marketing and consumer engagement efforts.

Our path to success in our home market, mainland China, where we had expanded to over 4,200 MINISO store as of September 30, 2024, depends on the effectiveness and scalability of our MINISO Retail Partner model. Under this model, MINISO Retail Partners mobilize their resources to open and operate MINISO stores at optimal locations and shoulder the associated capital expenditure and operating expenses, while we allow them to use our brand and provide them with valuable guidance on key aspects of store operation in exchange for a pre-agreed portion of in-store sales proceeds.

Our rich product design, relaxing shopping experience, efficient supply chain, and deep operation know-how backed by digitalization make our business highly scalable globally. Since we opened our first MINISO store in China in 2013, we had expanded to over 7,100 MINISO stores all over the world as of September 30, 2024. We accomplished such international store expansion under flexible models tailored to local conditions, including direct operation, the MINISO Retail Partner model, and partnership with local distributors. Our insights into local consumer tastes and preferences and our sourcing capabilities enable us to meet the local demands in each international market. As a testament to our expanding international operation, our revenue from overseas market accounted for 26.2%, 33.3% and 36.5% of our total revenue in the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023, respectively. For the six months ended June 30, 2023 and 2024, our revenue from overseas market accounted for 30.9% and 35.2% of our total revenue, respectively.

Our revenue was RMB10,085.6 million and RMB11,473.2 million in the fiscal years ended June 30, 2022 and 2023, respectively, and RMB7,632.5 million (US\$1,075.0 million) in the six months ended December 31, 2023. For the six months ended June 30, 2023 and 2024, we generated revenue of RMB6,206.3 million and RMB7,758.7 million (US\$1,067.6 million), respectively. Our gross profit was RMB3,069.8 million and RMB4,443.1 million in the fiscal years ended June 30, 2022 and 2023, respectively, and RMB3,241.0 million (US\$456.5 million) in the six months ended December 31, 2023. For the six months ended June 30, 2023 and 2024, our gross profit was RMB2,457.4 million and RMB3,389.8 million (US\$466.5 million), respectively. We recorded a profit of RMB639.7 million in the fiscal year ended June 30, 2022, a profit of RMB1,781.8 million in the fiscal year ended June 30, 2023, and a profit of RMB1,256.1 million (US\$176.9 million) in the six months ended December 31, 2023. For the six months ended June 30, 2023 and 2024, we recorded profit of RMB1,017.9 million and RMB1,177.4 million (US\$162.0 million), respectively.

Our Strengths

We believe that the following competitive strengths contribute to our success and set us apart from our competitors:

- global retailer of lifestyle products;
- frequently-refreshed product assortment with universal appeal;
- efficient and digitalized supply chain;
- in-depth know-how and digitalization driving operational excellence;
- multi-channel operation and consumer engagement;
- global scalability and capability of penetrating into different tiers of cities; and
- experienced founder and entrepreneurial management team.

Our Strategies

We intend to pursue the following strategies to achieve further success:

- Expand and upgrade our store network;
- Enhance product development and supply chain capabilities;
- Deepen consumer engagement and drive multi-channel experience;
- Strengthen technological capabilities;
- Continue to invest in branding and incubate new brands; and
- Strategically explore investment and acquisition opportunities.

Recent Developments

2024 Share Repurchase Program

On August 30, 2024, our board of directors authorized and approved a new share repurchase program, under which we may repurchase up to HK\$2 billion in value of our outstanding ordinary shares and/or ADSs over a period of 12 months starting from the approval date. The repurchases under this program may be made from time to time on the open market at prevailing market prices, in privately negotiated transactions, in block trades, and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations.

Acquisition of Equity Interest in Yonghui and Upcoming Extraordinary General Meeting

On September 23, 2024, Guangdong Juncai International Trading Co., Ltd., or Guangdong Juncai, one of our wholly-owned PRC subsidiaries, entered into share purchase agreements with certain shareholders of Yonghui Superstores Co., Ltd., or Yonghui, to acquire an aggregate of 29.4% of the issued and outstanding shares of Yonghui for a total cash consideration of approximately RMB6.3 billion, or the Proposed Acquisition. The completion of the Proposed Acquisition is subject to the satisfaction of certain conditions precedent, including our shareholders' approval. Yonghui is a retail chain operator featuring fresh produce management, mainly operating hypermarkets, supermarkets and community supermarkets in China, and has been listed on the Shanghai Stock Exchange (stock code: 601933) since 2010.

The share purchase agreements were entered into between Guangdong Juncai and the respective sellers. The Dairy Farm Company, Limited, the seller under one of the share purchase agreements, is an indirectly wholly-owned subsidiary of DFI Retail Group Holdings Limited, which is a member of the Jardine Matheson Group. Beijing Jingdong Century Trade Co., Ltd. and Suqian Hanbang Investment Management Co., Ltd., the sellers under the other share purchase agreement, are both indirectly wholly-owned subsidiaries of JD.com, Inc. (NASDAQ Trading Symbol: JD; HKEX Stock Codes: 9618 (HKD counter) and 89618 (RMB counter)). Pursuant to the share purchase agreements, at the completion of the transaction, Guangdong Juncai will pay to each seller a cash consideration based on a per share price of RMB2.35, which represents a premium of 3.1% to the closing price of Yonghui's shares on the Shanghai Stock Exchange on September 20, 2024, being the trading day immediately preceding the date of the share purchase agreements. We provided a guarantee to each of the sellers on the due performance of Guangdong Juncai in respect of its obligation under the respective share purchase agreements.

The consideration was arrived at based on normal commercial terms after arm's length negotiation among the parties to the share purchase agreements after taking into account, among others, the historical trading price of Yonghui's shares on the Shanghai Stock Exchange and its trend, the business and operations of Yonghui and the financial performance and prospects of the business operated by Yonghui. We believe the

Proposed Acquisition is in line with our overall strategy and is beneficial to our shareholders as a whole, on the basis that (i) we believe Yonghui's ongoing adjustment and reform in its stores is a revolutionary attempt to return to the essence of retail business; (ii) we can share resources with Yonghui through business cooperations to further enhance economies of scale, optimize the cost structure and create more value for consumers, which will thereby enhance our return on investment; and (iii) the Proposed Acquisition will expand our investment and operational channels in the daily necessities retail business, enabling us to diversify our cyclical business risks, which is of significant strategic importance to us. We expect to fund the transaction with a combination of internal financial resources and external financing. Upon completion, our interest in Yonghui will be accounted for as investment in associates using the equity method in our consolidated financial statements and the financial results of Yonghui will be reflected as share of profit of associates in our consolidated statement of profit and loss.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, or the Listing Rules) in respect of the Proposed Acquisition exceeds 100% on an aggregated basis pursuant to Rule 14.22 of the Listing Rules, the Proposed Acquisition constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

We will hold an extraordinary general meeting of our company on January 17, 2025, or the EGM, for our shareholders to consider and, if thought fit, pass resolutions to approve, among other things, the Proposed Acquisition. Mr. Ye, the chairman of the Board, an executive Director, the chief executive officer and the controlling shareholder of our company, has given an irrevocable undertaking to each of the sellers, to vote in favor of any resolution approving the Proposed Acquisition at the EGM. Subject to shareholders' approval, the completion of the Proposed Acquisition is expected to take place as soon as practicable thereafter and on the second trading day following the satisfaction of conditions precedent set forth in the share purchase agreements (or waived, as the case may be) or on such other date as may be agreed between the parties to the share purchase agreements.

For more information on the Proposed Acquisition, including certain financial information of Yonghui, management discussion and analysis of such financial information, certain unaudited pro forma financial information and the upcoming EGM, please refer to the shareholders' circular titled "Very Substantial Acquisition in Relation to the Acquisition of the Shares in the Target Company Listed on the Shanghai Stock Exchange and Notice of Extraordinary General Meeting" and other EGM materials published by us on the Hong Kong Stock Exchange on November 22, 2024 and available on our website at <https://ir.miniso.com>. For risks relating to the Proposed Acquisition, please refer to "Risk Factors – Risks Related to Our Business and Industry – We face risks relating to our acquisitions, investments and alliances."

September Quarter and First Nine Months of 2024 Unaudited Financial Results

On November 29, 2024, we published our September quarter and first nine months of 2024 unaudited financial results, or the Third Quarter Financial Information, which is available on our website at <https://ir.miniso.com>. The Third Quarter Financial Information has not been audited or reviewed by our auditor, and may be subject to adjustments if audited or reviewed. The Third Quarter Financial Information is deemed to be incorporated by reference into this Offering Circular. To the best of our knowledge, since June 30, 2024 (being the date on which our latest reviewed consolidated financial information was prepared), there has been no material adverse change in our business operations, our financial or trading position.

Our Corporate History and Development

We commenced our business operations in 2013 and established Miniso (Guangzhou) Co., Ltd., or Miniso Guangzhou, our current PRC holding company and one of our major operating entities in China, in October 2017. After Miniso Guangzhou was established, businesses that were originally conducted by our predecessor entity in China and related assets and liabilities were transferred to Miniso Guangzhou and its subsidiaries in China during the period from November 2017 to November 2018. Miniso Guangzhou also acquired the equity interests in certain companies that were ultimately controlled by Mr. Guofu Ye.

In December 2017, Miniso Guangzhou established Miniso (Hengqin) Enterprise Management Co., Ltd. in China, which serves as a licensor that licenses other parties the right to use our trademarks in China.

In May 2018, Miniso Guangzhou acquired all equity interest of (i) Miniso International (Guangzhou) Co., Ltd., or Miniso International, which was established in China in May 2017 by our predecessor entity, and (ii) Miniso Youxuan Technology (Guangzhou) Co., Ltd., or Miniso Youxuan, which was established as a wholly-owned subsidiary of Miniso International in China in August 2017. Miniso International primarily engages in international trade businesses. Miniso Youxuan and its subsidiaries are primarily responsible for implementing our e-commerce initiative.

During the period from September 2018 to September 2019, we (i) acquired 67% of the equity securities of PT. Miniso Lifestyle Trading Indonesia, which was established in January 2017 in Indonesia by a company controlled by Mr. Guofu Ye, (ii) established MIHK Management Inc. as the holding company of our business operations in Canada, (iii) acquired 100% of the equity securities of USA Miniso Depot Inc., which was established by an individual on behalf of Mr. Guofu Ye in the United States, (iv) acquired 100% of the equity securities of Miniso Life Style Private Limited, which was established in June 2017 in India by a company controlled by Mr. Guofu Ye, and (v) established Miniso Lifestyle Singapore Private Limited in Singapore in September 2019 as a wholly-owned subsidiary of Miniso Hong Kong Limited, which transferred all equity interests of Miniso Lifestyle Singapore Private Limited to Miniso Global Holding Limited in May 2020 during a reorganization discussed below. The main businesses operated by these subsidiaries are as follows:

- PT. Miniso Lifestyle Trading Indonesia primarily engages in selling our products to local distributors, which in turn sell our products to local consumers.
- MIHK Management Inc. conducts business operations in Canada through its subsidiaries. Prior to the establishment of Miniso Canada, our local distributors operated MINISO stores in Canada.
- USA Miniso Depot Inc. serves as the holding company of our business operations in the United States and operates our business in the United States through its subsidiaries.
- Miniso Life Style Private Limited primarily engages in import and export business, local distributions, and franchising activities.
- Miniso Lifestyle Singapore Private Limited primarily engages in international trade businesses in Singapore.

In addition to the above overseas operations, we also conduct business operations through subsidiaries in Hong Kong, Ukraine, and Vietnam. Besides, our products are sold in a number of other overseas markets such as Mexico, Philippines, Saudi Arabia and Italy through MINISO stores operated by our MINISO Retail Partners and/or local distributors.

During a reorganization in 2020, we established our current offshore holding structure. Specifically, we established MINISO Group Holding Limited in Cayman Islands in January 2020 as our offshore holding company. In the same month, MINISO Group Holding Limited further established in British Virgin Islands (i) Miniso Universal Holding Limited, or Miniso Universal, as our offshore holding company of our operations in China, and (ii) Miniso Global Holding Limited, or Miniso Global, as our offshore holding company of our overseas operations. In February 2020, Miniso Universal further established Miniso Development Hong Kong Limited, or Miniso Development HK, in Hong Kong to (a) hold Miniso Guangzhou, our PRC holding company, and (b) engage in overseas operations through entering into master license agreements and product sales agreements with overseas MINISO Retail Partners and local distributors.

After the completion of the reorganization in 2020, Miniso Global became the offshore holding company of our overseas operations and hold our overseas subsidiaries directly or indirectly through Miniso Investment Hong Kong Limited, or Miniso Investment HK, a subsidiary we established in Hong Kong in November 2017. Miniso Hong Kong Limited, or Miniso HK, which we established in Hong Kong in January 2018, currently serves as a licensor that licenses the right to use our trademarks to overseas parties. Miniso HK also enters into intellectual property related agreements for our overseas operations.

In September 2020, Miniso Guangzhou established TOP TOY (Guangdong) Technology Co., Ltd. (later renamed as TOP TOY (Guangdong) Cultural Creativity Co., Ltd.) in China, which primarily engages in our art toys business.

On October 15, 2020, we completed our initial public offering and listed the ADSs on the New York Stock Exchange under the symbol “MNSO.” We raised approximately US\$625.3 million in net proceeds from the issuance of new shares from the initial public offering after deducting underwriting commissions and the offering expenses payable by us.

In December 2020, we formed a joint venture, YGF Investment V Limited, or YGF Investment, in the British Virgin Islands with YGF MC Limited, a company jointly controlled by our controlling shareholders, Mr. Guofu Ye and Ms. Yunyun Yang, to acquire land use right of a parcel of land in Guangzhou and to establish a new headquarters building for MINISO through such joint venture’s subsidiary in Guangzhou. We hold 20% of the shares of YGF Investment, while YGF MC Limited hold the remaining 80%. The total investment for the headquarters building project was estimated to be approximately RMB2,885 million, including approximately RMB1,780 million as consideration for acquisition of land use right and the remaining as building costs. In October 2021, we acquired the remaining 80% equity interest in YGF Investment. The total consideration of this transaction was RMB694.5 million, representing the lower of the actual investment amount by YGF MC Limited as of August 31, 2021 and the appraisal value of the equity interests confirmed by a third-party valuation firm, deducted by the estimated accumulative loss of YGF Investment that YGF MC Limited should bear up to the closing of this transaction. The consideration for the acquisition was determined based on arm’s length negotiation among the parties and has been fully settled in cash on October 29, 2021. After the acquisition, YGF Investment became our wholly-owned subsidiary and we have also consolidated the financial results of YGF Investment into our financial statements since the completion of this acquisition.

On July 13, 2022, we completed a global offering of the Shares and listed the Shares on the Main Board of the Hong Kong Stock Exchange for trading under the stock code “9896.” We raised net proceeds of approximately HK\$482.1 million from the global offering after deducting underwriting commissions and other offering related costs and expenses payable by us, including the net proceeds we received from the partial exercise of the over-allotment option by the international underwriters. Upon the listing of the Shares on the Hong Kong Stock Exchange, we unwound our dual-class shareholding structure and all the issued shares of our company (including the Class B ordinary shares with super-voting rights) were converted and redesignated into ordinary shares which entitle holders to one vote for each share.

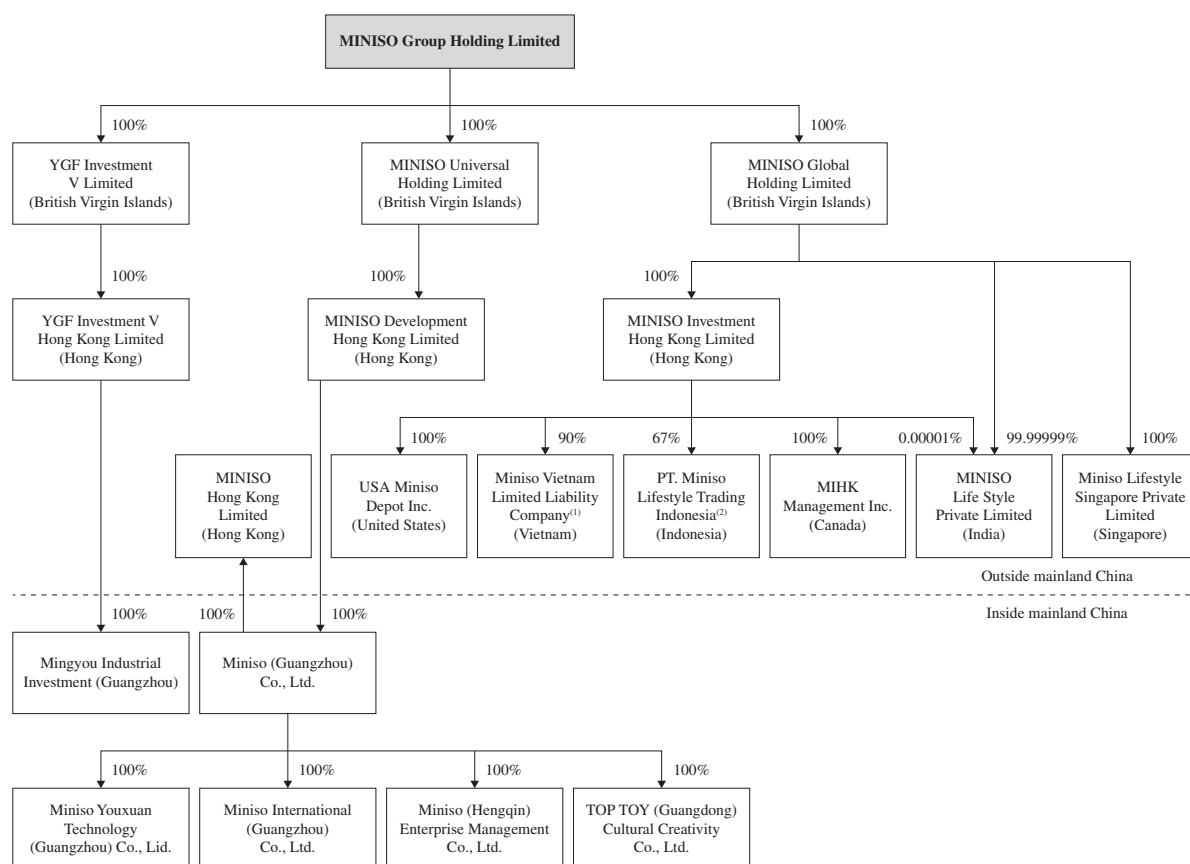
In November 2022, Miniso Investment HK acquired 90% of the total outstanding shares of Miniso Vietnam Limited Liability Company from a shareholder of such company. Miniso Vietnam Limited Liability Company was originally established by an individual distributor in Vietnam in August 2017. The remaining 10% of the total outstanding shares of Miniso Vietnam Limited Liability Company is currently held by this individual distributor. Miniso Vietnam Limited Liability Company primarily engaged in retailing and wholesales business.

On March 13, 2023, the Shares of our company were included in the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect programs. Effective from March 13, 2023, our company was also selected and included as a constituent stock of the following indexes by Hang Seng Indexes Company Limited: (i) Hang Seng Composite Index; (ii) Hang Seng Composite MidCap Index; (iii) Hang Seng Composite LargeCap & MidCap Index; (iv) Hang Seng Composite MidCap & SmallCap Index; (v) Hang Seng Composite Industry Index – Consumer Discretionary; and (vi) Hang Seng Stock Connect Greater Bay Area Composite Index.

On September 23, 2024, or Guangdong Juncai, one of our wholly-owned PRC subsidiaries, entered into share purchase agreements with certain shareholders of Yonghui to acquire an aggregate of 29.4% of the issued and outstanding shares of Yonghui for a total cash consideration of approximately RMB6.3 billion, or the Proposed Acquisition. The completion of the Proposed Acquisition is subject to the satisfaction of certain conditions precedent, including our shareholders' approval.

Our Organizational Structure

The following diagram illustrates our corporate structure consisting of our principal subsidiaries as of the date of this Offering Circular. We do not use a variable interest entity structure.



(1) The remaining 10% shares of Miniso Vietnam Limited Liability Company is held by an individual distributor in Vietnam.

(2) The remaining shares of PT. Miniso Lifestyle Trading Indonesia is held by PT. Mitra Retail Indonesia and PT. Yar Noor International as to 20% and 13%, respectively.

Summary of Risk Factors

Investing in the Securities offered herein involves risks. You should carefully consider all of the information in this Offering Circular before making an investment in the Securities. Below is a summary of material risks we face, organized under relevant headings. These risks are discussed more fully in the “Risk Factors” section of this Offering Circular.

Risks related to our business and industry

Risks and uncertainties related to our business and industry include, but are not limited to, the following:

- Our success depends upon the continued strength of our brands. If we are unable to maintain and enhance our brands, our business and operating results may be adversely affected;
- The growth and profitability of our business depend on the level of consumer demand and discretionary spending. A severe or prolonged economic downturn in China or around the world could materially and adversely affect consumer discretionary spending and therefore adversely affect our business, financial condition and results of operations;
- Our success is dependent on the continued popularity of our products, our continued innovation and successful launches of new products, and our anticipation of and timely responses to changes in consumer preferences;
- If we are unable to offer our products at prices that are highly appealing to consumers or maintain competitive prices, our business and results of operations would be materially and adversely affected;
- If we fail to offer high-quality products to consumers, our business, reputation, results of operations and financial condition will be materially and adversely affected;
- Expanding product offerings may expose us to new challenges and more risks;
- If we are unable to attract purchases from new and existing consumers, our business, financial condition and results of operations may be materially and adversely affected;
- We primarily rely on our retail partners and distributors to expand our store network. If we are unable to expand our store network successfully, our business, results of operations would be adversely affected;
- If we, our MINISO Retail Partners or local distributors fail to successfully operate MINISO stores, our business and results of operations would be adversely affected;
- Our international operations are subject to a variety of costs and legal, regulatory, political and economic risks;
- If our MINISO Retail Partners or local distributors do not satisfactorily fulfill their responsibilities and commitments, our brand image, results of operations could be materially harmed;
- If we fail to maintain the relationship with our MINISO Retail Partners or our local distributors or fail to attract new MINISO Retail Partners or local distributors to join our store network, our business, results of operations and financial condition could be materially and adversely affected;

- Illegal actions or misconduct of our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, third-party suppliers or other service providers, or any failure by them to provide satisfactory products or services could materially and adversely affect our business, reputation, financial condition and results of operations; and
- We face risks relating to our acquisitions, investments and alliances.

Risks related to doing business in China

A substantial portion of our business operations are conducted in China and we face various risks and uncertainties related to doing business in China, in particular, risks arising from the legal system in mainland China, including risks and uncertainties regarding the enforcement of laws and that rules and regulations in mainland China can change quickly with little advance notice, and the risk that the Chinese government may intervene or influence our operations at any time, or may exert more control over offerings conducted overseas and/or foreign investment in China-based issuers, which could result in a material change in our operations and/or the value of our securities. Risks and uncertainties related to doing business in China include, but are not limited to, the following:

- The PRC government has significant authority in regulating our operations and may influence our operations. It may exert more oversight and control over offerings conducted overseas by, and/or foreign investment in, China-based issuers, which could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and may cause the value of the Shares or the ADSs to significantly decline or be worthless. See “Risk Factors – Risks Related to Doing Business in China – The PRC government’s oversight and regulation over our business operations could result in a material change in our operations and the value of the Shares or the ADSs”;
- Changes in China’s or global economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations. See “Risk Factors – Risks Related to Doing Business in China – Changes in China’s or global economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations”;
- Uncertainties with respect to the legal system in mainland China could adversely affect us. Certain laws and regulations in mainland China can evolve quickly, which bring risks and uncertainties to their interpretation and enforcement. Administrative and court proceedings in mainland China may be protracted. Some government policies and internal rules may not be published on a timely manner. These risks and uncertainties may make it difficult for us to meet or comply with requirements under the applicable laws and regulations. See “Risk Factors – Risks Related to Doing Business in – Uncertainties in the interpretation and enforcement of laws and regulations in mainland China could limit the legal protections available to you and us”;
- Litigation and negative publicity surrounding China-based companies listed in the U.S. may result in increased regulatory scrutiny of us and negatively impact the trading price of the ADSs and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects. See “Risk Factors – Risks Related to Doing Business in China – Litigation and negative publicity surrounding China-based companies listed in the U.S. may result in increased regulatory scrutiny of us and negatively impact the trading price of the ADSs and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects”;

- MINISO Group Holding Limited is a Cayman holding company and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries or Hong Kong subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business. See “Risk Factors – Risks Related to Doing Business in China – MINISO Group Holding Limited is a Cayman holding company and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries or Hong Kong subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business”;
- We are required to complete filing procedures with the CSRC in connection with this offering. In addition, the approval of the CSRC or other PRC government authorities may be required in connection with future offerings or future issuance of securities abroad under mainland China law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval. See “Risk Factors – Risks Related to Doing Business in China – We are required to complete filing procedures with the CSRC in connection with this offering. In addition, the approval of the CSRC or other PRC government authorities may be required in connection with future offerings or future issuance of securities abroad under mainland China law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval”;
- The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors of the benefits of such inspections. See “Risk Factors – Risks Related to Doing Business in China – The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors of the benefits of such inspections”; and
- The ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. See “Risk Factors – Risks Related to Doing Business in China – The ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment”.

Risks related to the ADSs and the Shares

Risks and uncertainties related to the ADSs and the Shares include, but are not limited to, the following:

- The market price of the ADSs and the Shares has been volatile, which could result in substantial losses to investors; and
- Techniques employed by short sellers may drive down the market price of the Shares or the ADSs.

Risks related to the Securities and the Shares

Risks and uncertainties related to the Securities and the Shares include, but are not limited to, the following:

- The Securities will be unsecured obligations;
- The Trustee may request the Security Holders to provide an indemnity and/or security and/or pre-funding to its satisfaction;

- Holders of the Securities will not be entitled to rights with respect to the Shares, but will be subject to changes made with respect to the Shares; and
- Securities law restrictions on the resale of the Securities may limit Security Holders' ability to sell the Securities in the United States.

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, as amended by the Consolidated Appropriations Act, 2023 in December 2022, or the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the Public Company Accounting Oversight Board, or the PCAOB, for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In November 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of the annual report on Form 20-F for the fiscal year ended June 30, 2022. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended June 30, 2023 and do not expect to be so identified after we file our annual report on Form 20-F for the fiscal year ended December 31, 2024. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we continue to use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. For more details, see “Risk Factors – Risks Related to Doing Business in China – The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors of the benefits of such inspections” and “Risk Factors – Risks Related to Doing Business in China – The ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

Doing Business in China

A substantial portion of our business operations are conducted in China and we face various risks and uncertainties related to doing business in China. We are subject to complex and evolving laws and regulations in mainland China. For example, we face risks associated with regulatory approvals on offshore offerings and oversight on cybersecurity and data privacy, which may impact our ability to conduct certain businesses, accept foreign investments, or list on a United States or other foreign exchange. These risks could result in a material adverse change in our operations and the value of the ADSs, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or be worthless. For a detailed description of risks related to doing business in China, please refer to risks disclosed under “Risk Factors – Risks Related to Doing Business in China.”

The PRC government's significant authority in regulating our operations and its oversight over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. For example, the PRC Data Security Law and the PRC Personal Information Protection Law in 2021 posed additional challenges to our cybersecurity and data privacy compliance, including without limitation, challenges in discharging our extra responsibilities in relation to establishing data security management systems for our entire operational process, organizing education and training sessions on data security, employing corresponding technical and other necessary measures to safeguard data security, formulating internal management systems and operating procedures, adopting corresponding security technical measures, and preventing unauthorized access as well as breach, tampering, or loss of personal information. The Cybersecurity Review Measures issued by the Cyberspace Administration of China, or the CAC and several other governmental authorities in mainland China in December 2021 and the Regulations on Network Data Security Management or the Network Data Regulations published by the State Council on September 24, 2024, which became effective on January 1, 2025, also resulted in uncertainties and potential additional restrictions on China-based overseas-listed companies like us. For example, uncertainty exists as to how the Cybersecurity Review Measures and the Network Data Regulations may be interpreted or implemented and whether the PRC regulatory agencies, including the CAC, may adopt new regulations or detailed implementation rules and interpretation thereof. If the detailed rules or implementations mandate clearance of cybersecurity review and other specific actions to be completed by us, we will face uncertainties as to whether such clearance can be timely obtained, the failure of which may subject us to penalties, which could materially and adversely affect our business and results of operations and the price of the ADSs. See "Risk Factors – Risks Related to Our Business and Industry – Failure to protect personal or confidential information against security breaches could subject us to significant reputational, financial and legal consequences and substantially harm our business and results of operations" for additional details.

Furthermore, anti-monopoly regulators in mainland China have promulgated new anti-monopoly and competition laws and regulations and strengthened the enforcement under these laws and regulations. There remain uncertainties as to how the laws, regulations and guidelines recently promulgated will be implemented and whether these laws, regulations and guidelines will have a material impact on our business, financial condition, results of operations and prospects. If any non-compliance is identified by relevant authorities, we may be subject to fines and other penalties. See "Risk Factors – Risks Related to Our Business and Industry – Mainland China's M&A Rules and certain other regulations establish complex procedures for certain acquisitions of mainland China companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in mainland China." In addition, implementation of industry-wide regulations may cause the value of such securities to significantly decline. For more details, see "Risks Relating to Doing Business in China – The PRC government's oversight and regulation over our business operations could result in a material change in our operations and the value of the Shares or the ADSs."

Risks and uncertainties arising from the legal system in mainland China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in mainland China, could result in a material adverse change in our operations and the value of the ADSs. For more details, see "Risks Relating to Doing Business in China – Uncertainties in the interpretation and enforcement of laws and regulations in mainland China could limit the legal protections available to you and us."

In addition to our operations in mainland China, we have operations in Hong Kong. The operational risks associated with being based in and having operations in mainland China also apply to operations in Hong Kong. While entities and businesses in Hong Kong operate under different sets of laws from mainland China, the legal risks associated with being based in and having operations in mainland China could apply to our operations in Hong Kong, if the laws applicable to mainland China become applicable to entities and businesses in Hong Kong in the future.

We believe that there is uncertainty as to whether the courts of Hong Kong would (i) recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in Hong Kong against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States. A judgment of a court in the United States predicated upon U.S. federal or state securities laws may be forced in Hong Kong at common law by bringing an action in a Hong Kong court on that judgment for the amount due thereunder, and then seeking summary judgment on the strength of the foreign judgment, provided that the foreign judgment, among other things, is (i) for a debt or a definite sum of money (not being taxes or similar charges to a foreign government taxing authority or a fine or other penalty), and (ii) final and conclusive on the merits of the claim, but not otherwise. Such a judgment may not, in any event, be so enforced in Hong Kong if (a) it was obtained by fraud, (b) the proceedings in which the judgment was obtained were opposed to natural justice, (c) its enforcement or recognition would be contrary to the public policy of Hong Kong, (d) the court of the United States was not jurisdictionally competent, or (e) the judgment was in conflict with a prior Hong Kong judgment. Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, there is uncertainty as to the enforceability in Hong Kong, in original actions or in actions for enforcement, of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States or the securities laws of any State or territory within the United States.

There are relevant laws and regulations in Hong Kong regarding data security, such as the Personal Data (Privacy) Ordinance and the Unsolicited Electronic Messages Ordinance, which impose obligations regarding the collection and handling of personal data in Hong Kong. In addition, new laws or regulations related to data security in Hong Kong may be enacted or promulgated in the future, and such new laws and regulations may also have a material impact on our business in Hong Kong. As of the date of this Offering Circular, we have not received any notice or allegation from the governmental authority in Hong Kong alleging any breach or non-compliance of applicable data security laws..

Our business operations in Hong Kong are also subject to the Competition Ordinance in Hong Kong, which prohibits anti-competitive agreements, abuse of market power and anti-competitive mergers and acquisitions. As of the date of this Offering Circular, no issues relating to the Competition Ordinance or our compliance with the Competition Ordinance have resulted in any material impact on our ability to conduct business. We are not now nor have ever been a party to any inquiries or investigations relating to the Competition Ordinance.

As of the date of this Offering Circular, regulatory actions related to data security or anti-monopoly concerns in Hong Kong do not have a material impact on our ability to conduct business, accept foreign investment in the future, continue to list on a United States stock exchange or maintain our listing status on the Hong Kong Stock Exchange. However, new regulatory actions related to data security or anti-monopoly concerns in Hong Kong may be taken in the future, and such regulatory actions may have a material impact on our ability to conduct business, accept foreign investment, continue to list on a United States stock exchange or maintain our listing status on the Hong Kong Stock Exchange. For a detailed description of risks related to doing business in China, please refer to risks disclosed under “Risk Factors – Risks Related to Doing Business in China.”

Under the PRC Enterprise Income Tax Law, dividends paid by a foreign invested entity to any of its foreign non-resident enterprise investors are subject to a 10% withholding tax. Thus, the dividends, if and when payable by our subsidiaries in mainland China to their respective shareholders established in Hong Kong, would be subject to a 10% withholding tax. A lower tax rate will be applied if such foreign non-resident enterprise investor’s jurisdiction of incorporation has entered into a tax treaty or arrangement with mainland China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

Permissions Required from the PRC Authorities

Permissions required from the PRC authorities for our operations

Our operations in mainland China are governed by mainland China laws and regulations. As advised by JunHe LLP, our PRC legal adviser, except that (i) we are in the process of completing the commercial franchise filing for the “TOP TOY” brand, (ii) we have not obtained the certificate for fire control inspection for three of our directly operated TOP TOY stores and one of our directly operated MINISO stores, and (iii) the lease agreements for some of our leased properties in mainland China have not been registered with the relevant PRC government authorities in mainland China as required by mainland China laws, as of the date of this Offering Circular, our mainland China subsidiaries have obtained all requisite licenses and permits from the relevant mainland China government authorities for the business operations in mainland China. As of the date of this Offering Circular, ownership certificates or other similar proof of certain leased properties have not been provided to us by the relevant lessors. See “Risk Factors – Risks Related to Doing Business in China – Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations” and “Risk Factors – Risks Related to Doing Business in China – Our leased property interest may be defective and such defects may negatively affect our right to such leases” for more details. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future.

Our operations in Hong Kong are governed by Hong Kong laws and regulations. As of the date of this Offering Circular, our Hong Kong subsidiaries have obtained business registrations and other permits and certificates required for the rented premises, such as fire control certificates and certificate of completion for electricity work. These are the requisite licenses and permits from the government authorities in Hong Kong for our business operations in Hong Kong. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, and that the scope of our business operations in Hong Kong may change in the future, we may be required to obtain additional licenses, permits, filings or approvals for our business operations in Hong Kong in the future.

Permissions required from the PRC authorities for overseas financing activities

The PRC government has recently sought to exert more oversight over capital raising activities of listed companies that are conducted overseas and/or foreign investment in China-based issuers. In December 2021, the Cyberspace Administration of China, or the CAC, together with other authorities, jointly promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022 and replaced its predecessor regulation. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators, or the CIIOs, that procure internet products and services and network platform operators that conduct data process activities must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulates that network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange, and relevant governmental authorities may initiate cybersecurity review if such governmental authorities consider that relevant network products or services and data processing affect or may affect national security. As advised by JunHe LLP, our PRC legal adviser, we were not subject to the cybersecurity review requirement under the Cybersecurity Review Measures with regard to our initial public offering in the United States and our public offering and listing in Hong Kong because (i) our initial public offering in the United States was completed prior to the Cybersecurity Review Measures took effect, and (ii) our public offering and listing in Hong Kong was not regarded as a listing abroad within the meaning of the Cybersecurity Review Measures as confirmed by the China Cybersecurity Review, Certification and Market Regulation Big Data Center (formerly referred to as the China Cybersecurity Review Technology and Certification Center), an organization delegated by the CAC to receive consultations and applications for cybersecurity reviews, or the CCRC during a phone consultation conducted on March 25, 2022 by our PRC legal advisor, JunHe LLP.

On September 24, 2024, the State Council published the Regulations on Network Data Security Management, or the Network Data Regulations, which became effective on January 1, 2025. The Network Data Regulations restates and further specifies the legal requirements for personal information, important data, cross-border data transfer, network platform services, and data security. Among others, if the network data processing activities have or may have impact on national security, such activities shall be subject to national security review in accordance with relevant laws and regulations. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties.

As of the date of this Offering Circular, we have not been informed by any PRC governmental authorities that our products or services are deemed to be provided to any CIIOs, nor have we been identified as a CIIO by any PRC governmental authorities. As of the date of this Offering Circular, we have not received any notice from any PRC governmental authorities requiring us to undergo a cybersecurity review or network data security review by the CAC.

Since the measures are relatively new, uncertainties exist with respect to the interpretation and implementation of these regulations. In anticipation of the strengthened implementation of cybersecurity laws and regulations and the continued expansion of our business, we cannot rule out the possibility that we may be deemed to be a “critical information infrastructure operator” or a “network platform operator” that affects or may affect national security under the Cybersecurity Review Measures. If that were to happen, we would be required to follow cybersecurity review procedures. In addition to laws, regulations and other applicable rules regarding data privacy and cybersecurity, industry associations may propose new and different privacy standards. Any failure or perceived failure to comply with these laws, regulations or policy may result in inquiries and other proceedings or actions against us by governmental authorities, users, consumers or others, such as warnings, fines, penalties, required rectifications, service suspension or removal of mobile apps from the relevant app stores and/or other sanctions, as well as negative publicity and damage to our reputation, which could cause us to lose customers and business partners and have an adverse effect on our business and results of operations.

On February 17, 2023, China Securities Regulatory Commission, or the CSRC, released several regulations regarding the filing requirements for overseas offerings and listings by domestic companies, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (collectively, the “Overseas Listing Trial Measures”), which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that have completed overseas listings are not required to make any immediate filing with the CSRC. However, such companies will be required to comply with the filing requirements under the Overseas Listing Trial Measures if and when they pursue any future securities offerings and listings outside of mainland China, including but not limited to follow-on offerings and secondary listings, unless otherwise provided thereunder. Since we completed our initial public offering in the United States and our dual primary listing in Hong Kong prior to the Overseas Listing Trial Measures coming into effect, as advised by our PRC legal advisor, JunHe LLP, we were not required to submit filings to the CSRC under the Overseas Listing Trial Measures for these offerings.

The filing requirements for overseas financing activities discussed above are also applicable to indirect offshore issuance of securities and listings in the name of offshore enterprises of which the principal business activities are conducted in mainland China with the underlying equity, assets, income, or other similar interests in enterprises in mainland China. Were we to conduct such indirect issuance of securities and listings in the future, we would be subject to such filing requirements.

As advised by JunHe LLP, our PRC legal counsel, this offering of the Securities will be subject to the CSRC filing requirement, and hence we are required, and plan to, submit filings with the CSRC within three business days after we complete this offering. We may not be able to complete the filing if the filing materials are incomplete or do not meet the requirements of the CSRC. Any failure to obtain or delay in completing the CSRC filing for any of our offshore offerings may subject us to rectification order, warning, or fines imposed by the CSRC or other PRC regulatory authorities, which may materially and adversely affect our business, financial condition, and results of operations. For more detailed information, see “Risk

Factors – Risks Related to Doing Business in China – We are required to complete filing procedures with the CSRC in connection with this offering. In addition, the approval of the CSRC or other PRC government authorities may be required in connection with future offerings or future issuance of securities abroad under mainland China law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.”

As of the date of this Offering Circular, in connection with our issuance of securities to foreign investors, under current laws, regulations and regulatory rules in mainland China, we (i) are not required to obtain additional permissions or approvals from the CSRC, except for the required filing procedures with the CSRC in connection with this offering, (ii) are not required to go through cybersecurity review by the CAC, and (iii) have not been asked to obtain or were denied such permissions or approvals from other PRC government authorities with respect to previous issuances of securities by our company to foreign investors.

If the CSRC, CAC or other relevant regulatory agencies subsequently determine that approval or filing is required for any of our offshore offerings, future offerings of securities overseas or to maintain the listing status of the ADSs, we cannot guarantee that we will be able to obtain such approval or complete the filing in a timely manner, or at all. The CSRC, CAC or other regulatory agencies also may take actions requiring us, or making it advisable for us, not to proceed with such offering or maintain the listing status of our listed securities. If we proceed with any of such offering or maintain the listing status of our listed securities without obtaining the CSRC’s or other relevant regulatory agencies’ approval or filing to the extent it is required, or if we are unable to comply with any new approval requirements which might be adopted for offerings that we have completed prior to the publication of the above-referenced opinions, we may face regulatory actions or other sanctions from the CSRC, CAC or other regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in mainland China, limit our ability to pay dividends outside of mainland China, limit our operating privileges in mainland China, delay or restrict the repatriation of the proceeds from offering of securities overseas into mainland China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the listed securities.

Furthermore, if there are any other approvals, filings and/or other administration procedures to be obtained from or completed with the CSRC, CAC or other regulatory agencies as required by any new laws and regulations for any of our future proposed offering of securities overseas or the listing of the listed securities, we cannot assure you that we can obtain the required approval or complete the required filings or other regulatory procedures in a timely manner, or at all. Any failure to obtain the relevant approvals or complete the filings and other relevant regulatory procedures may subject us to regulatory actions or other sanctions from the CSRC or other regulatory agencies, which may have a material adverse effect on our business, financial condition or results of operations. Uncertainties and/or negative publicity regarding these regulations could also have a material adverse effect on the trading price of our listed securities.

Transfer of Funds and Other Assets Within Our Organization

We are not an operating company but a Cayman Islands holding company with operations primarily conducted by our subsidiaries in China, and to a lesser extent by our subsidiaries outside China. Our ability to pay dividends to the shareholders and to service any debt it may incur may depend upon dividends paid by our subsidiaries in mainland China. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to us. In addition, under PRC laws and regulations, our subsidiaries in mainland China are permitted to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Furthermore, our subsidiaries in mainland China are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies.

Furthermore, if certain procedural requirements are satisfied, the payment of current account items, including profit distributions and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from State Administration of Foreign Exchange, or the SAFE or its local branches. However, where RMB is to be converted into foreign currency and remitted out of

mainland China to pay capital expenses, such as the repayment of loans denominated in foreign currencies, or where foreign currency is converted into RMB and remitted into mainland China to purchase goods or services from our mainland China subsidiaries, prior approval from or registration with competent government authorities or its authorized banks is required. The PRC government may take measures at its discretion from time to time to restrict access to foreign currencies for current account or capital account transactions. If the foreign exchange administration system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our offshore intermediary holding companies or ultimate parent company, and therefore, our shareholders or investors in the ADSs. Further, we cannot assure you that new regulations or policies will not be promulgated in the future, which may further restrict the remittance of RMB out of mainland China. We cannot assure you, in light of the restrictions in place, or any amendment to be made from time to time, that our current or future mainland China subsidiaries will be able to satisfy their respective payment obligations that are denominated in foreign currencies, including the remittance of dividends outside of mainland China. As a result of the restrictions discussed above, to the extent cash in the business is in a mainland China entity, the funds may not be available to fund operations or for other use outside of mainland China due to interventions in or the imposition of restrictions and limitations on the ability of us or our mainland China subsidiaries by the PRC government to transfer cash. These restrictions and limitations imposed by the PRC government in mainland China are not applicable to cash transfers in and out of Hong Kong or our Hong Kong subsidiaries. If the laws applicable to mainland China become applicable to entities and businesses in Hong Kong in the future, funds in Hong Kong or in our Hong Kong subsidiaries may not be available to fund operations or for other use outside of Hong Kong. See “Risk Factors – Risks Related to Doing Business in China – MINISO Group Holding Limited is a Cayman holding company and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries or Hong Kong subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business” for more information.

Under PRC laws, MINISO Group Holding Limited may fund our subsidiaries in mainland China only through capital contributions or loans, subject to satisfaction of applicable government registration and approval requirements. In the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 and June 30, 2024, the amount of capital contribution made by MINISO Group Holding Limited and/or intermediate holding companies to our subsidiaries in mainland China was RMB1,332.0 million, RMB26.0 million, nil and RMB17.5 million (US\$2.4 million), respectively. No loans were extended by MINISO Group Holding Limited to our subsidiaries in mainland China during these periods. In addition, our subsidiaries in mainland China may receive cash payments from our certain offshore subsidiaries for product sales to such offshore subsidiaries. In the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 and June 30, 2024, our subsidiaries in mainland China received RMB1,824.4 million, RMB2,661.0 million, RMB158.7 million (US\$22.4 million) and RMB1,372.5 million (US\$188.9 million), respectively, from such payments. In the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 and June 30, 2024, no assets other than cash were transferred through our organization.

On August 19, 2021, our board of directors declared a cash dividend in the amount of US\$0.156 per ADS, or US\$0.039 per Share, payable as of the close of business on September 9, 2021 to shareholders of record as of the close of business on August 31, 2021. The aggregate amount of cash dividends paid was US\$47.2 million. On August 17, 2022, our board of directors declared another cash dividend in the amount of US\$0.172 per ADS, or US\$0.043 per Share, payable as of the close of business on September 9, 2022 to shareholders of record as of the close of business on August 31, 2022. The aggregate amount of cash dividends paid was US\$53.6 million. On August 22, 2023, our board of directors declared a cash dividend in the amount of US\$0.412 per ADS, or US\$0.103 per Share, payable as of the close of business on September 19, 2023 to shareholders of record as of the close of business on September 7, 2023. The aggregate amount of cash dividend paid was US\$128.8 million (RMB923.7 million). On March 12, 2024, our board of directors declared a cash dividend in the amount of US\$0.29 per ADS, or US\$0.0725 per Share to holders of ADSs and Shares of record as of the close of business on March 28, 2024, New York Time and Beijing/Hong Kong Time, respectively. The aggregate amount of cash dividend paid was US\$90.6 million (RMB643.2 million). All of the above-mentioned dividend distributions were funded by surplus

cash on our balance sheet. Other than these dividends, MINISO Group Holding Limited has not declared or paid any cash dividends. We intend to distribute dividends annually in the future representing no less than 50% of our annual adjusted net profit, a non-IFRS measure, which is defined as profit for the period excluding equity-settled share-based payment expenses. However, whether or not we actually distribute dividends and, if yes, when we are going to distribute dividends are at the discretion of our board of directors. See “Dividend Policy” for details. For mainland China and United States federal income tax considerations of an investment in the Securities, see “Taxation.”

In addition to the dividend policy discussed above, we have adopted cash management policies, including specific policies governing approvals with respect to fund transfers throughout our organization. Our management and the audit committee of the board of directors oversee our major financial risk exposures. We maintain an authorization policy on cash management, setting forth the scope of authority for certain treasury matters that are delegated by our board of directors to be approved by our management. Under this policy, certain treasury matters, such as intercompany loans, capital contribution made by our company and/or its intermediate holding companies to its subsidiaries and dividends distributed from our company’s subsidiaries to the holding company, are clearly defined, with the level of approval required for each matter specifically identified. When funding is required, we will obtain all necessary approvals from our management and relevant governmental authorities, including the SAFE.

Other than the transfers of funds within our organization discussed above, there were no other transfer of assets, dividends or distributions made between our company and our subsidiaries, and no transfer of cash or other assets, dividends or distributions made to U.S. investors for the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 and June 30, 2024. There are no additional tax consequences upon cash payments for capital contribution or product sales within our organization discussed above. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends to our shareholders, no Cayman Islands withholding tax will be imposed.

Corporate Information

Our principal executive offices are located at 8F, M Plaza, No. 109, Pazhou Avenue, Haizhu District, Guangzhou 510000, Guangdong province, the People’s Republic of China. Our telephone number at this address is +86 20 3622 8788. Our registered office in the Cayman Islands is located at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

Our corporate website is <https://ir.miniso.com>. The information contained on our website is not a part of this Offering Circular.

SUMMARY CONSOLIDATED FINANCIAL DATA

You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes included in our 2022 annual report, 2023 annual report, 2023 annual report (for the six months ended 31 December 2023), 2024 interim report and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” with respect to such interim financial information, each incorporated herein by reference.

The following selected consolidated statement of profit or loss data for the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023, selected consolidated statement of financial position data as of June 30, 2022 and 2023 and December 31, 2023, and selected consolidated statement of cash flows data for the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 have been derived from our audited consolidated financial statements included in our 2022 annual report, 2023 annual report and 2023 annual report (for the six months ended 31 December 2023), and, which are incorporated by reference into this Offering Circular. Our selected consolidated statement of profit or loss data for the six months ended June 30, 2023 and 2024, selected consolidated statement of financial position data as of June 30, 2024, and selected consolidated statement of cash flows data for the six months ended June 30, 2023 and 2024 were derived from our 2024 interim report, which is incorporated by reference into this Offering Circular. Our historical results do not necessarily indicate results expected for any future periods. Our consolidated financial statements for the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 are prepared and presented in accordance with IFRS and consolidated financial statements for the six months ended June 30, 2024 are prepared and presented in accordance with IAS 34.

The following table presents our selected consolidated statement of profit or loss data for the periods indicated:

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(Unaudited)						
	(in thousands)						
Selected consolidated statement of profit or loss data:							
Revenue	10,085,649	11,473,208	7,632,467	1,075,010	6,206,330	7,758,743	1,067,639
Cost of sales	(7,015,888)	(7,030,156)	(4,391,428)	(618,520)	(3,748,938)	(4,368,957)	(601,188)
Gross profit.....	3,069,761	4,443,052	3,241,039	456,490	2,457,392	3,389,786	466,451
Other income.....	25,931	17,935	18,993	2,675	3,624	12,698	1,747
Selling and distribution expenses ⁽¹⁾	(1,442,339)	(1,716,093)	(1,363,114)	(191,991)	(917,966)	(1,522,088)	(209,446)
General and administrative expenses ⁽¹⁾	(816,225)	(633,613)	(357,689)	(50,379)	(319,705)	(418,573)	(57,598)
Other net income.....	87,308	114,106	21,105	2,973	41,256	41,696	5,738
(Credit loss)/reversal of credit loss on trade and other receivables	(28,924)	1,072	(2,080)	(293)	4,788	(3,606)	(496)
Impairment loss on non-current assets ...	(13,485)	(3,448)	(4,547)	(640)	(3,448)	(5,104)	(702)

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(Unaudited)						
	(in thousands)						
Operating profit	882,027	2,223,011	1,553,707	218,835	1,265,941	1,494,809	205,694
Finance income	66,344	145,225	123,969	17,461	80,541	74,606	10,266
Finance costs.....	(33,396)	(34,622)	(25,202)	(3,550)	(18,277)	(40,595)	(5,586)
Net finance income	32,948	110,603	98,767	13,911	62,264	34,011	4,680
Share of (loss)/profit of equity-accounted investees, net of tax.....	(8,162)	–	268	38	–	301	41
Profit before taxation	906,813	2,333,614	1,652,742	232,784	1,328,205	1,529,121	210,415
Income tax expense.....	(267,070)	(551,785)	(396,665)	(55,869)	(310,287)	(351,742)	(48,401)
Profit for the year/period.....	639,743	1,781,829	1,256,077	176,915	1,017,918	1,177,379	162,014
Attributable to:							
Equity shareholders of the Company	638,170	1,768,926	1,248,405	175,834	1,004,836	1,170,102	161,013
Non-controlling interests.....	1,573	12,903	7,672	1,081	13,082	7,277	1,001
Earnings per ordinary share⁽²⁾							
– Basic	0.53	1.42	1.00	0.14	0.81	0.94	0.13
– Diluted	0.52	1.41	1.00	0.14	0.80	0.94	0.13

Notes:

(1) Equity-settled share-based payment expenses were allocated as follows:

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(Unaudited)						
	(in thousands)						
Equity-settled share-based payment expenses:							
Selling and distribution expenses	52,000	44,824	41,506	5,846	28,203	41,487	5,709
General and administrative expenses	30,835	18,058	4,926	694	8,099	23,020	3,167
Total	82,835	62,882	46,432	6,540	36,302	64,507	8,876

(2) For purposes of calculating basic and diluted earnings per share for the fiscal year ended June 30, 2022, the weighted average number of Shares in issue used in the calculation was 1,205,527,348 and 1,216,637,439, respectively. For purposes of calculating basic and diluted earnings per share for the fiscal year ended June 30, 2023, the weighted average number of Shares in issue used in the calculation was 1,243,320,377 and 1,250,545,116, respectively. For purposes of calculating basic and diluted earnings per share for the six months ended December 31, 2023, the weighted average number of Shares in issue used in the calculation was 1,244,926,865 and 1,251,635,862, respectively. For purposes of calculating basic and diluted earnings per share for the six months ended June 30, 2023, the weighted average number of Shares in issue used in the calculation was 1,244,510,782 and 1,250,102,079, respectively. For purposes of calculating basic and diluted earnings per share for the six months ended June 30, 2024, the weighted average number of Shares in issue used in the calculation was 1,242,154,721 and 1,247,504,123, respectively.

The following table presents our selected consolidated statement of financial position data as of the dates indicated:

	As of June 30,		As of December 31,		As of June 30,	
	2022	2023	2023		2024	
	RMB	RMB	RMB	US\$	RMB	US\$
	(Unaudited)					
	(in thousands)					
Selected consolidated statement of financial position data:						
Cash and cash equivalents.	5,348,492	6,489,213	6,415,441	903,596	6,233,089	857,702
Inventories.....	1,188,095	1,450,519	1,922,241	270,742	1,949,849	268,308
Trade and other receivables	1,056,198	1,150,156	1,518,357	213,856	1,614,148	222,114
Total current assets	8,072,562	9,904,005	10,327,634	1,454,617	10,432,971	1,435,625
Total assets.....	11,281,788	13,447,713	14,485,309	2,040,213	15,712,992	2,162,180
Trade and other payables ..	3,072,991	3,019,302	3,389,826	477,447	3,328,888	458,070
Total current liabilities....	3,788,671	3,885,595	4,406,979	620,710	4,390,396	604,139
Total liabilities	4,254,388	4,529,445	5,294,092	745,657	5,988,211	824,005
Total equity	7,027,400	8,918,268	9,191,217	1,294,556	9,724,781	1,338,174
Total equity and liabilities	11,281,788	13,447,713	14,485,309	2,040,213	15,712,992	2,162,180

The following table presents our selected consolidated statement of cash flows data for the periods indicated:

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(Unaudited)						
	(in thousands)						
Selected consolidated statement of cash flows data:							
Net cash generated from operating activities	1,406,262	1,666,030	1,097,541	154,585	1,232,774	1,293,756	178,027
Net cash (used in)/generated from investing activities.....	(2,125,918)	(293,406)	177,073	24,940	192,313	(387,957)	(53,385)
Net cash generated from/(used in) financing activities	(733,559)	(325,956)	(1,320,899)	(186,044)	(176,167)	(1,095,826)	(150,791)

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB (Unaudited)	US\$
(in thousands)							
Net increase/(decrease) in cash and cash equivalents.....	(1,453,215)	1,046,668	(46,285)	(6,519)	1,248,920	(190,027)	(26,149)
Cash and cash equivalents at beginning of year/period as presented in the consolidated statement of cash flows.....	6,771,653	5,348,492	6,489,213	913,987	5,186,601	6,415,441	882,794
Effect of movements in exchange rates on cash held	30,054	94,053	(27,487)	(3,872)	53,692	1,318	181
Cash and cash equivalents at the end of the fiscal year/period.....	5,348,492	6,489,213	6,415,441	903,596	6,489,213	6,226,732	856,826

Non-IFRS Financial Measure

In evaluating the business, we consider and use adjusted net profit as a supplemental measure to review and assess our operating performance. We define adjusted net profit as profit for the year/period excluding equity-settled share-based payment expenses.

We present the non-IFRS financial measure because it is used by our management to evaluate our operating performance and formulate business plans. The non-IFRS financial measure enables our management to assess our operating results without considering the impacts of the aforementioned non-cash items that we do not consider to be indicative of our operating performance in the future. Accordingly, we believe that the use of the non-IFRS financial measure provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

The non-IFRS financial measure is not defined under IFRS nor presented in accordance with IFRS. The non-IFRS financial measure has limitations as analytical tools. One of the key limitations of using the non-IFRS financial measure is that it does not reflect all items of income and expense that affect our operations. Further, the non-IFRS financial measure may differ from non-IFRS information used by other companies, including peer companies, and therefore their comparability may be limited.

The non-IFRS financial measure should not be considered in isolation or construed as an alternative to profit/(loss) or any other measure of performance prepared and presented in accordance with IFRS. Investors are encouraged to review our historical non-IFRS financial measure in light of the most directly comparable IFRS measure, as shown below. The non-IFRS financial measure presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting the usefulness of such measure when analyzing our data comparatively. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

We recorded adjusted net profit of RMB722.6 million and RMB1,844.7 million in the fiscal years ended June 30, 2022 and 2023, and RMB1,302.5 million (US\$183.5 million) in the six months ended December 31, 2023, respectively. For the six months ended June 30, 2023 and 2024, our adjusted net profit was RMB1,054.2 million and RMB1,241.9 million (US\$170.9 million), respectively. The following table reconciles our adjusted net profit for these periods to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit for the period.

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB (Unaudited)	US\$
(in thousands)							
Profit for the year/period	639,743	1,781,829	1,256,077	176,915	1,017,918	1,177,379	162,014
Add back:							
Equity-settled share-based payment expenses	82,835	62,882	46,432	6,540	36,302	64,507	8,876
Adjusted net profit	<u>722,578</u>	<u>1,844,711</u>	<u>1,302,509</u>	<u>183,455</u>	<u>1,054,220</u>	<u>1,241,886</u>	<u>170,890</u>

THE OFFERING

The following contains summary information about the Securities. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Securities” and “Provisions relating to the Securities in Global Form” shall have the same meanings in this summary. For a more complete description of the terms of the Securities, see “Terms and Conditions of the Securities” in this Offering Circular.

Issuer	MINISO Group Holding Limited
Issue	U.S. dollar-denominated 0.50 per cent. equity linked securities due 2032 in an aggregate principal amount of U.S.\$550,000,000.
Interest.....	Interest on the Securities will be payable at the rate of 0.50 per cent. per annum, payable semi-annually in arrear on January 14 and July 14 in each year, commencing on July 14, 2025.
Issue Price	100.00 per cent. of the principal amount of the Securities.
Issue Date	January 14, 2025
Maturity Date.....	January 14, 2032
Form and Denomination.....	The Securities will be issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$200,000 in excess thereof.
Status	The Securities will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.
Negative Pledge	So long as any Security remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer shall procure that none of its Principal Subsidiaries (other than any Listed Subsidiary or a Subsidiary of such Listed Subsidiary) will, create, permit to subsist or arise or have outstanding, any Encumbrance upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Securities are secured equally and rateably (i) therewith or by the same Encumbrance, (ii) by security which the Trustee may (but shall not be obliged to) in its absolute discretion deem not materially less beneficial to the interests of the Security Holders, or (iii) by such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

Initial Exercise Period During the Initial Exercise Period, subject to and as provided in the Conditions, each Security shall entitle the holder to exchange such Security for an amount equal to the relevant Cash Settlement Amount. The Issuer shall pay the relevant Security Holder the relevant Cash Settlement Amount in accordance with Condition 6 of the Conditions.

Subject to, and as provided in the Conditions, the Exercise Right in respect of a Security may be exercised, at the option of the Security Holder thereof, and subject to any applicable fiscal or other laws or regulations and as provided in the Conditions, at any time on or after January 14, 2031 (the “**Initial Exercise Period Commencement Date**”) to the date falling 70 scheduled Trading Days prior to the Maturity Date (the “**Initial Exercise Period End Date**”) (both days inclusive) or, if such Security is to be redeemed pursuant to Condition 8(b) of the Conditions or Condition 8(c) of the Conditions prior to the Initial Exercise Period End Date, not later than the 10th business day before the date fixed for redemption thereof pursuant to Condition 8(b) of the Conditions or Condition 8(c) of the Conditions, unless there shall be default in making payment in respect of such Security on such date fixed for redemption, in which event the Exercise Right may be exercised up to the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given to Security Holders in accordance with Condition 16 of the Conditions or, if earlier, the date falling 10th scheduled Trading Days prior to the Maturity Date (the “**Initial Exercise Period**”), provided that, in each case, if such final date for the exercise of Exercise Rights is not a business day at the place aforesaid, then the period for exercise of Exercise Rights by Security Holders shall end on the immediately preceding business day at the place aforesaid. See Condition 6(a)(i) of the Conditions.

Final Exercise Period Subject to, and as provided in the Conditions, the Exercise Right in respect of a Security may be exercised, at the option of the Security Holder thereof, and subject to any applicable fiscal or other laws or regulations and as hereinafter provided, at any time from the date falling 69 scheduled Trading Days preceding the Maturity Date (the “**Final Exercise Period Commencement Date**”) to the date falling 10 scheduled Trading Days prior to the Maturity Date (the “**Final Exercise Period End Date**”) (both days inclusive) or, if such Security is to be redeemed pursuant to Condition 8(b) of the Conditions or Condition 8(c) of the Conditions prior to the Final Exercise Period End Date, not later than the 10th business day before the date fixed for redemption thereof pursuant to Condition 8(b) of the Conditions or Condition 8(c) of the Conditions, unless there shall be default in making payment in respect of such Security on such date fixed for redemption, in which event the Exercise Right may be exercised up to the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given to Security Holders in accordance with Condition 16 of the Conditions or, if earlier, the date falling 10 scheduled Trading Days prior to the Maturity Date (the “**Final Exercise Period**”) in each case, provided that, if such final date for the exercise of Exercise Rights is not a business day at the place aforesaid, then the period for exercise of Exercise Rights by Security Holders shall end on the immediately preceding business day at the place aforesaid.

Cash Settlement Amount

Upon any valid exercise of Exercise Rights with respect to one or more Securities, the Issuer shall exchange the Securities of the exercising Security Holders at their Cash Settlement Amount by no later than the fifth Hong Kong business day after the end of the relevant Cash Settlement Calculation Period (for the avoidance of doubt, regardless of whether such date falls before, on, or after the Maturity Date).

The Cash Settlement Amount shall be paid by the Issuer by transfer to a U.S. dollar account maintained by the payee in accordance with the instructions given by the relevant Security Holder in the relevant Exercise Notice.

“**Cash Settlement Amount**” means, for the relevant Exercise Period, in respect of any exercise of the Exercise Right, an amount calculated by the Issuer in accordance with the following formula and which shall be payable to a Security Holder as provided in these Conditions upon an exercise of an Exercise Right:

(a) Initial Exercise Period:

$$CSA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

CSA = the Cash Settlement Amount;

S = the Cash Settled Shares;

P_n = on the relevant Trading Day, the Volume Weighted Average Price of a Share on such Trading Day falling in the corresponding Cash Settlement Calculation Period, translated into U.S. dollars at the Prevailing Rate on such Trading Day; and

N = 60, being the number of Trading Days in the Cash Settlement Calculation Period.

(b) Final Exercise Period:

$$CSA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

CSA = the Cash Settlement Amount;

S = the Cash Settled Shares;

P_n = on the relevant Trading Day, the higher of (i) the applicable Exercise Price and (ii) the Volume Weighted Average Price of a Share on such Trading Day falling in the corresponding Cash Settlement Calculation Period, translated into U.S. dollars at the Prevailing Rate on such Trading Day; and

N = 60, being the number of Trading Days in the Cash Settlement Calculation Period.

“Cash Settled Shares” means, in respect of any date, the number of Shares determined by dividing the aggregate principal amount of the Securities which are the subject of the relevant exercise of Exercise Rights by such Security Holder by the Exercise Price in effect on such date.

“Cash Settlement Calculation Period” means:

- (a) during the Initial Exercise Period, 60 consecutive Trading Days commencing on the first Trading Day following the date of the relevant Exercise Notice; or
- (b) during the Final Exercise Period, 60 consecutive Trading Days commencing on the 68th scheduled Trading Day preceding the Maturity Date.

Exercise Price HK\$64.395 per Share, subject to adjustment for, among other things, consolidation, subdivision, redesignation or reclassification of Shares, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares at less than 95 per cent. of the Current Market Price, rights issues of other securities, issues at less than 95 per cent. of the Current Market Price, other issues at less than 95% of Current Market Price, modification of rights of exercise at less than 95 per cent. of the Current Market Price, other offers to Shareholders and other events as described in Condition 6(c) of the Conditions.

No adjustment will be made to the Exercise Price when Shares or any rights or options on other securities are issued, offered or granted pursuant to any share option, share award, restricted share or employee incentive scheme or plan (and which such scheme or plan is in compliance with the Rules Governing the Listing Rules or, if applicable, the listing rules of an Alternative Stock Exchange (as defined in the Conditions)), provided that the number of Shares which may be issued upon exercise under such scheme or plan shall be lower than 3.00 per cent. per annum of the average number of issued and outstanding Shares of the Issuer during the 12-month period up to the grant.

Adjustment upon Change of Control If a Change of Control (as defined in the Conditions) shall occur, the Issuer shall give notice (the **“Change of Control Notice”**) of that fact to the Trustee and the Principal Agent in writing and to the Security Holders in accordance with the Conditions within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Exercise Rights such that the relevant Exercise Date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Security Holders (such period, the **“Change of Control Exercise Period”**), the Exercise Price shall be adjusted in accordance with the following formula:

$$NEP = \frac{OEP}{1 + (EP \times \frac{C}{T})}$$

where:

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date.

“**EP**” means 32.5 per cent. expressed as a fraction.

“**NEP**” means the new Exercise Price.

“**OEP**” means the Exercise Price in effect on the relevant Exercise Date.

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Exercise Price shall not be reduced pursuant to Condition 6(d) below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Exercise Period shall fall during a Closed Period, the Change of Control Exercise Period shall be extended such that its last day will be the 15th day following the last day of the Closed Period.

Redemption for Taxation

Reasons.....

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Security Holders (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent at their principal amount, together with interest accrued but unpaid to but excluding such date (if any), if the Issuer notifies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after January 6, 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then due.

If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) of the Conditions, each Security Holder will have the right to elect that its Security(ies) shall not be redeemed and that the provisions of Condition 9 of the Conditions shall not apply in respect of any payment of principal, premium (if any) or default interest (if any) to be made in respect of such Security(ies) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 of the Conditions and payment of all amounts by the Issuer to such Security Holder in respect of such Security shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Security Holders in accordance with Condition 16 of the Conditions (which notice will be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Securities for the time being outstanding at their principal amount, together with interest accrued but unpaid to but excluding such date (if any), **provided that** prior to the date of such notice at least 90 per cent. in principal amount of the Securities originally issued has already been redeemed, purchased and cancelled or in respect of which Exercise Rights have been exercised.

Redemption at the Option of the Security Holders

The Issuer will, at the option of the holder of any Security, redeem all or some only of such holder's Securities on January 14, 2028 and January 14, 2030 (each, a "**Put Option Date**") at their principal amount together with interest accrued but unpaid to but excluding such date (if any). To exercise such option, the holder must deposit at the specified office of the Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of the Paying Agent, together with the Certificate representing the Securities to be redeemed not more than 60 days and not less than 30 days prior to the relevant Put Option Date.

Redemption for Delisting or Change of Control

If at any time (i) (x) the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange, or (y) the Issuer voluntarily ceases to list or quote its ADSs on any of the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market; or (ii) a Change of Control occurs, the holder of each Security will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Securities on the Relevant Event Redemption Date at their principal amount, together with interest accrued but unpaid to but excluding such date (if any).

Final Redemption at Maturity

Unless previously redeemed, purchased and cancelled or unless the Exercise Right in respect of such Security has been exercised as provided in the Conditions, the Issuer will redeem each Security at its principal amount on the Maturity Date, together with interest accrued but unpaid to but excluding such date.

Company and Shareholders

Lock-up

The Issuer has agreed in the Subscription Agreement that neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares, ADSs or securities of the same class as the Securities or the Shares, ADSs or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Securities, the Shares, the ADSs or securities of the same class as the Securities, the Shares, the ADSs or other instruments representing interests in the Securities, the Shares, the ADSs or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Call Spread Transactions; (ii) the Securities and the New Shares issued under the Upper Strike Warrant (iii) the grant of equity awards by the Issuer to its employees, directors and/or consultants pursuant to the Share Scheme, the filing of the registration statements on Form S-8 relating to the equity awards granted or to be granted pursuant to the Share Scheme, any Shares or ADSs issued upon the exercise or vesting of equity awards under the Share Scheme, and (iv) any Shares issued and ADSs delivered representing such Shares, upon any exercise, vesting or conversion of any securities outstanding on the date of the Subscription Agreement.

Each of Mr. Ye Guofu, Ms. Yang Yunyun, Mini Investment Limited, YGF Development Limited, YGF MC Limited, YYY Development Limited, and YYY MC Limited has executed a lock-up undertaking (“**Undertaking**”) whereby they undertake not to sell Shares or enter into other transactions with a similar effect, for a period from the date of the Undertaking to 90 days after the Closing Date, subject to certain exceptions. The Undertakings for Mr. Ye Guofu, Ms. Yang Yunyun, Mini Investment Limited, YGF Development Limited, YGF MC Limited, YYY Development Limited, and YYY MC Limited shall be in respect of the aggregate of 789,541,061 Shares, representing approximately 63.17 per cent. of the existing share capital of the Issuer. The foregoing restrictions shall not apply to, among others, any transfer of the shares pursuant to the Securities Lending Deed entered into between UBS AG, London Branch and Mini Investment Limited. For details of the Undertakings, see “*Subscription and Sale*”.

Events of Default	For a description of certain events of default that will permit the Securities to become immediately due and repayable at their principal amount, together with any interest accrued but unpaid to but excluding such date (if any), premium (if any), default interest or other amounts unpaid (if any), see “ <i>Terms and Conditions of the Securities – Events of Default</i> ”.
Clearing Systems	The Securities will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with a common depositary for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described the Global Certificate, definitive certificates for Securities will not be issued in exchange for interests in the Global Certificate.
Governing Law	The Securities, the Trust Deed and the Agency Agreement and any non- contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.
Trustee	The Bank of New York Mellon, London Branch
Principal Agent	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch
Listing	Application will be made to the SGX-ST for the listing of and quotation of the Securities on the Official List of the SGX-ST. Approval in-principle from, admission to the Official List of the SGX-ST and the listing and quotation of the Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, any of its subsidiaries or associated companies, the Securities or the Shares. The Securities will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for so long as any of the Securities remains listed on the SGX-ST and the rules of the SGX-ST so require.
Use of Proceeds	See section entitled “ <i>Use of Proceeds</i> ”.
Selling Restrictions	There are certain restrictions on the offer, sale and transfer of the Securities in certain jurisdictions including the United States and Hong Kong. For a description of the restrictions on the distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Securities, see “ <i>Subscription and Sale</i> ”.
Legal Entity Identifier	2549006PIKT2YKNBL092
ISIN	XS2972964857
Common Code	297296485

Securities Lending Deed	Pursuant to the Securities Lending Deed, Mini Investment Limited has agreed to lend an aggregate of up to 28,847,814 Shares to UBS AG, London Branch for the purposes of facilitating hedging activities by the Security Holders in respect of the Securities.
Concurrent Delta Placement	Concurrent with the offering of the Securities, the Joint Lead Managers may, each acting as principal and not as agent for or on behalf of the Issuer or the stock lender and subject to compliance with all applicable laws and regulations and the terms set forth in Schedule 2 of the Subscription Agreement, facilitate sales of existing Shares lent by Mini Investment Limited pursuant to the Securities Lending Deed in covered short sales to purchasers procured by the Joint Lead Managers in order to facilitate initial hedging by certain subscribers of the Securities of the market risk associated with the Securities they acquire (such sales, the “ Delta Placement ” and the Shares that have been or will be offered and sold in the Delta Placement, the “ Delta Shares ”).
Call Spread Transactions.....	See the “Description of the Call Spread Transactions” section of this Offering Circular.

RISK FACTORS

Investing in the Securities involves risks. You should consider carefully the risks described below in this Offering Circular and all of the other information set forth in or incorporated by reference into this Offering Circular before you decide to purchase the Securities. Additional risks and uncertainties not presently known to management or that management currently believes to be immaterial may also adversely affect our business. If any of these risks actually occurs, our business, financial condition and results of operations are likely to suffer. In this case, the trading price of the Securities could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

Our success depends upon the continued strength of our brands. If we are unable to maintain and enhance our brands, our business and operating results may be adversely affected.

We sell our products under our own brands, mainly “MINISO,” our flagship brand, and “TOP TOY.” Revenue generated under our MINISO brand accounted for 94.7%, 95.0% and 94.4% of our total revenue for the fiscal year ended June 30, 2023, the six months ended December 31, 2023, and the six months ended June 30, 2024, respectively. TOP TOY, which we launched in December 2020, is a brand committed to building a comprehensive shopping platform for pop toys. We believe that our brands have significantly contributed to the success of our business and that maintaining and enhancing our brands is critical to retaining and expanding our consumer base. Our marketing, design, research and products are aimed at promoting awareness of our “MINISO” brand and “TOP TOY” brand.

We seek to promote our brand image through marketing initiatives, including celebrity endorsement, marketing through video and short-video platforms, and key opinion leader promotion, as well as other social media-based marketing and promotion activities. Promoting and strengthening our brand image depends on our ability to adapt to a rapidly changing media environment and preferences of consumers to receiving information, including our increasing reliance on social media and online dissemination of advertising campaigns. If we do not continue to maintain and strengthen our brand image and grow the value of brands, in particular, the “MINISO” brand and “TOP TOY” brand, we may lose the opportunity to build a critical mass of consumers. In addition, we have been continually promoting our brands and products in a very active manner.

Certain consumers may perceive our brands and/or our products in different ways or even misinterpret our brands before learning more about our company, our brands and our products. If consumers or other parties claim that our marketing approach is misleading or otherwise improper, we may be subject to lawsuits or other legal proceedings, which would negatively affect our brand image, undermine the trust and credibility we have established and impose an adverse impact on our business.

Furthermore, as we continue to grow in size, expand our product offerings and extend our geographic reach, maintaining high-quality, high-appeal and high affordability of our products may be more difficult and we cannot assure you that we will be able to maintain consumers’ confidence in our brands. If consumers perceive or experience a reduction in the quality of our products or consider in any way that we fail to deliver a consistently high-quality products, our brand value could suffer, which could have a material and adverse effect on our business.

In addition, any negative publicity, with or without merits, relating to our products, shareholders, management, employees, operations, retail partners, local distributors, suppliers and other business partners, industry or products similar to ours, could materially and adversely affect consumer perceptions of our brands and result in decreased demand for our products.

We consider our trademarks, brand names and our other intellectual properties such as patents relating to product design to be material to our business. Due to the popularity of our products and our brand recognition in the retail industry in China, we have become an attractive target of copycat. We have seen copycat products on the market that attempt to cause confusion or diversion of consumer traffic from us. There are also companies that use company names that are highly similar to our corporate names used in China. If consumers misidentify copycat products as our products, our brand image and reputation could also be harmed. If we are unable to adequately protect these intellectual property rights, we may lose these rights, our brand image may be harmed, and our competitive position and business may suffer. See “– We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position” for more information.

The growth and profitability of our business depend on the level of consumer demand and discretionary spending. A severe or prolonged economic downturn in China or around the world could materially and adversely affect consumer discretionary spending and therefore adversely affect our business, financial condition and results of operations.

The success of our business depends, to a significant extent, on the level of consumer demand and discretionary spending both in China and in the international markets where we operate. A number of factors beyond our control may affect the level of consumer demand and discretionary spending on merchandise that we offer, including, among other things:

- general economic and industry conditions;
- disposable income of consumers;
- discounts, promotions and merchandise offered by our competitors;
- negative reports and publicity about the retailing industry;
- outbreak of viruses or widespread illness;
- unemployment levels;
- minimum wages and personal debt levels of consumers;
- consumer confidence in future economic conditions;
- fluctuations in the financial markets; and
- natural disasters, war, terrorism and other hostilities.

Reduced consumer confidence and spending cut backs may result in reduced demand for our products, in particular discretionary items. Reduced demand also may require increased selling and promotional expenses. Adverse economic conditions and any related decrease in consumer demand for our merchandise could have a material adverse effect on our business, financial condition and results of operations. For example, during the COVID-19 pandemic, consumers made significantly less frequent trips to brick-and-mortar retailers, including MINISO stores. The COVID-19 pandemic also resulted in a severe and negative impact on the Chinese and the global economy. Negative economic conditions may limit the consumer confidence and the amount of disposable income available to consumers, which may impact our consumer demand. Even before the outbreak of COVID-19, the global macroeconomic environment was facing numerous challenges. The growth rate of the Chinese economy has been slowing down. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world’s leading economies, including the United States and China, even before 2020. The war in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. The Israeli-Palestinian

military conflicts may further exacerbate the existing global economic challenges, in aspects including the supply chain, logistics and inflation. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. There have also been concerns about the relationship between China and other countries, including but not limited to the surrounding Asian countries, which may potentially have economic impact. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

In addition, many of the factors identified above also affect commodity rates, transportation costs, costs of labor, insurance and healthcare, lease costs, measures that create barriers to or increase the costs associated with international trade, changes in other laws and regulations and other economic factors, all of which may impact our cost of sales, our selling and distribution expenses, and general and administrative expenses, which could have a material adverse effect on our business, financial condition and results of operations.

Our success is dependent on the continued popularity of our products, our continued innovation and successful launches of new products, and our anticipation of and timely responses to changes in consumer preferences.

The success of our operations depends on our ability to continually offer quality products that are attractive to consumers. Consumer preferences differ across and within each of the countries and regions in which we operate or plan to operate and may shift over time in response to changes in demographic and social trends, economic circumstances and the marketing efforts of our competitors. We must stay abreast of emerging consumer preferences and anticipate product trends that will appeal to existing and potential consumers. Our philosophy is to launch approximately 100 new MINISO SKUs, every 7 days, carefully selected from a large library of 10,000 product ideas, which we refer to as the “711 philosophy.” During the six months ended June 30, 2024, we launched an average of around 940 SKUs under the “MINISO” brand per month, and offered consumers a wide selection of approximately 10,100 core SKUs, the vast majority of which are under the “MINISO” brand. There can be no assurance that our existing products will continue to be favored by consumers or that we will be able to anticipate or respond to changes in consumer preferences in a timely manner. In particular, as we expand into new countries and regions, we may not be able to launch products that appeal to local consumers due to our lack of understanding on local cultures and lifestyles. Our failure to anticipate, identify or react to these particular preferences could adversely affect our sales performance and our profitability.

We devote significant resources to product design and development. As of June 30, 2024, we had a network consisting of an in-house team of over 200 designers and design partners. We have also developed an approach to collaborate with highly popular IP licensors to create co-branded products. These efforts allow us to launch products that appeal to consumers and constantly change SKUs to respond to evolving consumer preference. However, we may not be successful in developing innovative new products, and our new products may not be commercially successful. We also cannot assure you that our co-branding initiatives will continue to be successful in the future. To the extent that we are not able to effectively gauge the direction of our key markets and successfully identify, develop and design new or improved products in response to changing market preference, our financial results and our competitive position may suffer. Moreover, there are inherent market risks associated with new product introductions, including uncertainties about marketing and consumer preference, and there can be no assurance that we will be successful in introducing new products with designs that are appealing to consumers. We may expend substantial resources developing new products that may not achieve expected sales levels.

If we are unable to offer our products at prices that are highly appealing to consumers or maintain competitive prices, our business and results of operations would be materially and adversely affected.

A critical differentiator of our business is our ability to offer value to consumers, including offering quality products at prices that are highly appealing to consumers, which is pivotal to the success of our business. We vigorously execute our pricing strategy in our daily business operations. However, we face various challenges in maintaining the current price rates. For example, we may not have sufficient bargaining power in negotiating terms with our suppliers and procure products at favorable prices. As a result, we may have to price our products at higher-than-expected prices to achieve profitability. Even if we are able to price as we expected, our profit margin, if any, may be lower than our anticipation. Further, increases in raw material prices or production costs may also be shifted to us by our suppliers and result in our pressure to increase prices. Any increase in product prices may cause our sales volume to decline, and more importantly, undermine our brand positioning and image, making us less attractive to consumers and less competitive in the marketplace. Accordingly, the occurrence of any of the above would adversely affect our overall profitability, business, financial condition and results of operations.

In addition, the prices of the products we sell can be influenced by general economic conditions. For example, general inflation in the prices of the products we sell could cause us to mark up prices and thereby may negatively affect our product sales. Adverse general economic conditions could also increase costs to us, such as shipping rates, freight costs and store occupancy costs and further reduce our sales or increase our cost of sales, selling and distribution expenses, or general and administrative expenses. Our pricing strategy and competitive pressure may inhibit our ability to reflect these increased costs in the prices of our products without losing competitive position, and therefore reduce our profitability and materially adversely affect our business, financial condition and results of operations. In addition, price reductions by our competitors may result in the reduction of our prices and a corresponding reduction in our profitability. Accordingly, we may face periods of intense competition in the future, which could have a material adverse effect on our profitability and results of operations.

We are subject to additional risks in maintaining our products at appealing or competitive prices in the overseas markets. Substantially all of our products are manufactured in China and shipped to overseas markets. Countries to which we make export sales may take restrictive measures, such as trade tariffs, or anti-dumping duties and other non-tariff barriers, to protect their home markets. Any imposition of tariffs, anti-dumping duties, or other non-tariff barriers in one or more markets could result in additional costs to us and negatively affect our ability to price our products at appealing or competitive rates and/or a material reduction in our supplies of relevant products in those markets, which could have a material adverse effect on our business, results of operations and financial condition.

If we fail to offer high-quality products to consumers, our business, reputation, results of operations and financial condition will be materially and adversely affected.

Offering high-quality products is essential to the success of our business. In order to ensure that we continually offer high quality products to consumers, we engage third parties to evaluate quality control qualifications of potential suppliers before we enroll such suppliers in our supplier base. Our quality control team is involved throughout the whole process of product development, from product design, raw material selection, to product manufacturing, and finally to several layers of quality inspections. Despite the fact that we have implemented several tiers of quality control measures, we have historically experienced product quality issues such as failure to comply with relevant product specifications and cannot assure you that our products will not have any quality issues in the future. Any product quality issue may result in claims, lawsuits, fines, penalties and negative publicities, and loss of consumer confidence in our products, which in turn would have material and adverse effects on our business, reputation, operating results and financial conditions. See also “– Should a product liability issue, recall or personal injury issue arise, it may damage our reputation and brand image, which may result in a material adverse effect on our business, reputation, results of operations and financial condition.”

Expanding product offerings may expose us to new challenges and more risks.

We strive to offer consumers a wide variety of merchandises that are responsive to consumers' evolving needs and provide them with a treasure hunt shopping experience by frequently changing SKUs/product assortments in each store. Offering new SKUs, expansion into diverse new product categories and increased number of products and SKUs as well as launching new brands involve new risks and challenges. Our lack of familiarity with these products and lack of relevant consumer data relating to these products may make it more difficult for us to anticipate consumer demand and preferences. We may misjudge consumer demand, resulting in inventory buildup and possible inventory write-down. For the fiscal years ended June 30, 2022 and 2023, we recorded a reversal of inventory write-down of RMB44.7 million and RMB19.9 million, respectively. We recorded an inventory write-down of RMB1.9 million (US\$0.3 million) for the six months ended December 31, 2023, and an inventory write-down of RMB30.0 million (US\$4.1 million) for the six months ended June 30, 2024. It may also make it more difficult for us to inspect and control quality and ensure proper handling, storage and delivery. We may experience higher return rates on new products, receive more consumer complaints about them and face costly product liability claims related to our new products, which would harm our brand and reputation as well as our financial performance. Furthermore, we may not have much purchasing power in new categories of products and we may not be able to negotiate favorable terms with suppliers. We may need to price aggressively to gain market share or remain competitive in new product categories. It may be difficult for us to achieve profitability in the new product categories and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations. We cannot assure you that we will be able to recoup our investments in introducing these new product categories.

If we are unable to attract purchases from new and existing consumers, our business, financial condition and results of operations may be materially and adversely affected.

Our future growth depends on our ability to continue to attract purchases from new consumers and existing consumers. In order to retain existing consumers and attract new consumers, we strive to give consumers a relaxing and engaging shopping environment by carefully designing store layout, decoration and lighting to create a welcoming ambience for consumers. We also launched our MINISO membership program in China and further expanded this membership program to overseas markets. In addition, managers of MINISO stores keep consumers constantly engaged by sharing MINISO content through Weixin chat groups and Weixin public account as well as other Wexin sharing channels. However, our consumer engagement efforts may not be as effective as we anticipate. In addition, competition for consumers has intensified as competitors have moved into, or increased their presence in, our geographic markets. They may make more investments in product design and development and maintain more competitive prices. Also, the use of mobile and web-based technology that facilitates online shopping and real-time product and price comparisons will also increase the competition. We expect this competition to continue to increase. Our competitors may offer promotions or loyalty program incentives that could attract consumers who purchases our products or divide their loyalty among several retailers. If we are unable to retain the loyalty of existing consumers and attract new consumers, our revenues could decrease and we may not be able to expand our business base as planned, which could have a material adverse effect on our business, financial condition and results of operations.

We primarily rely on our retail partners and distributors to expand our store network. If we are unable to expand our store network successfully, our business, results of operations would be adversely affected.

We plan to expand our store network both domestically and internationally and we primarily rely on our MINISO Retail Partners and local distributors to realize such expansion. However, we may not be able to expand our store network as we planned. The number and timing of the stores actually opened during any given period are subject to a number of risks and uncertainties. For example, we may not be able to identify MINISO Retail Partners and local distributors with sufficient resources and strong local ties to collaborate with us. If our MINISO Retail Partners and local distributors fail to operate MINISO stores successfully for whatever reasons, they may not be willing or able to renew their agreements with us. As a result, the number of MINISO stores in our store network will decrease, which would negatively affect our store expansion plan.

Apart from relying on our MINISO Retail Partners and local distributors to expand our store network, we also establish and operate MINISO stores by ourselves. Expanding our store network through opening MINISO stores by ourselves also involves certain risks and uncertainties, such as our ability to obtain adequate funding for development and expansion costs, identify strategic markets globally, identify locations with large consumer traffic and commercial potential and secure leases on commercially reasonable terms, supply products in a timely manner to MINISO stores in different geographical locations, obtain the required licenses, permits and approvals, and recruit and retain talents with sufficient experience in the retail industry. Any risks and uncertainties listed above, either individually or in aggregate, might delay or fail our plan to increase the number of stores in desirable locations at manageable cost levels.

In addition to the above factors, our overseas expansions face additional difficulties and challenges. We have limited experience operating in overseas markets and may face competition from major, established competitors in these markets. These competitors usually have more experience and resources for their business operations in those markets. In addition, the real estate, employment and labor, transportation and logistics, regulatory, and other operating requirements in these markets differ significantly from those in China. Moreover, a number of factors could have an adverse impact on our operating results if our efforts to expand internationally are not successful. These factors include changes in market needs and product trends, economic fluctuations, political and social turbulence, relevant countries or regions' relationships with China, changes in legal regulations or other conditions and difficulties in employing and training appropriate local management and employees. For example, we experienced a slowdown in our international store expansion during the COVID-19 pandemic. There is no assurance that our international store expansion will not continue to decelerate in the future.

If we, our MINISO Retail Partners or local distributors fail to successfully operate MINISO stores, our business and results of operations would be adversely affected.

As of September 30, 2024, approximately 93.7% of MINISO stores in our global network were established and operated by our MINISO Retail Partners and local distributors. Therefore, successful operations of MINISO stores by our MINISO Retail Partners and local distributors directly affect our results of operations. However, we cannot control many factors that impact the profitability of their MINISO stores. Despite the fact that we have direct access to key operational data from MINISO Retail Partner stores, which enable us to help our MINISO Retail Partners systematically customize merchandising down to the store level and coordinate inventory management on real-time basis, we are unable to directly engage in the operation of their MINISO stores, nor do we have access to or a complete control over every aspect of their store operations. The quality of MINISO store operations may be compromised if we fail to effectively monitor the operation of MINISO stores by our MINISO Retail Partners or local distributors. Even if we can effectively monitor the operation of MINISO stores by our MINISO Retail Partners or local distributors, there are still a number of factors beyond our control which may results in failure by our MINISO Retail Partners and local distributors to successfully operate MINISO stores in a manner consistent with our standards and requirements. For example, our MINISO Retail Partners and local distributors may not be able to find suitable locations for opening MINISO stores, hire and effectively train qualified managers and other store operating personnel, encounter financial difficulties or fail to achieve expected level of sales, which may cause delays in making payments to us under our agreements with them. While we have the right to terminate our agreements with MINISO Retail Partners or local distributors if they breach any material provisions of these agreements, we may not be able to identify problems and take action in a timely manner. As a result, our image and reputation may suffer, and our results of operations could be adversely affected.

The successful operation of MINISO stores also hinges on the ability to provide superior shopping experience. If we, our MINISO Retail Partners or local distributors are unable to provide a superior shopping experience, consumers may lose confidence in us. In order to provide such superior shopping experience, we and our MINISO Retail Partners/local distributors strive to provide consumers with a wide variety of carefully designed high quality products, frequently changing product assortment to enable a treasure hunt shopping experience, offer our products at competitive prices, and timely response to consumer demands. However, there can be no assurance that these strategies can be executed effectively. Any negative publicity or poor feedback regarding consumer service may harm our brand and reputation and in turn cause us to lose consumers and market share.

There are also a number of factors that may affect the successful operation of MINISO stores. These factors include, without limitation, our ability to maintain and enhance the quality of our products; our ability to successfully implement our pricing strategies; our ability to offer new products to timely respond to changes in market opportunities and consumer preferences; our ability to continually increase the number of items sold to consumers; our ability to retain existing consumers and attract new consumers; our ability to attract new and maintain relationships with our existing third-party suppliers and other service providers; our ability to manage costs of our operations; our ability to handle negative publicity, allegations, and legal proceedings; our ability to ensure full compliance with relevant laws and regulations, and maintain adequate and effective control, supervision and risk management over MINISO stores; and our ability to monitor the overall operation of MINISO stores. Many factors beyond our control, including macroeconomic and regulatory environment, could also adversely affect the successful operation of MINISO stores.

In the past, we, our MINISO Retail Partners and local distributors shut down a small number of underperforming MINISO stores and may continue to do so in the future. We may also terminate our cooperation with MINISO Retail Partners or local distributors if their business, financial conditions and operation results are far below our expectation. In addition, if our MINISO Retail Partners and/or local distributors run into financial difficulties or even become bankrupt as a result of unsuccessful operation, worsening of local economic conditions or whatever reason, our business and results of operations would be adversely affected.

Our international operations are subject to a variety of costs and legal, regulatory, political and economic risks.

Our business and results of operations are affected by our ability to execute our globalization strategy, which primarily involves expanding into new international markets and growing our store network overseas. Our revenue from markets outside of mainland China was RMB2,643.5 million, RMB3,822.4 million, RMB2,789.3 million (US\$392.9 million) and RMB2,732.0 million (US\$375.9 million) in the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 and June 30, 2024, respectively, accounting for 26.2%, 33.3%, 36.5% and 35.2% of our total revenue for the same periods, respectively. Compared with operating in our home market, mainland China, operating internationally subject us to additional risks and challenges such as:

- limited brand recognition (compared with our home market in mainland China);
- need to manage costs of securing optimal locations for opening stores;
- difficulties encountered when setting up or leasing new warehouses and establishing overseas supply chain;
- difficulty to manage logistics and inventory effectively to meet the needs of new and existing stores on a timely basis;
- difficulty to find qualified partners for overseas cooperation;
- inability to anticipate foreign consumers' preferences and customs;
- difficulties in hiring experienced staff and managing foreign operations;
- burdens of complying with a wide variety of local laws and regulations;
- wars, political and economic instability;
- trade restrictions;
- lesser degrees of intellectual property protection;

- tariffs and customs duties and the classifications of our goods by applicable governmental bodies;
- a legal system subject to undue influence or corruption; and
- high inflation.

In particular, we had business operations in Ukraine and our products were sold in Russia. Wars in Ukraine have negatively affected our business operations in Ukraine and our product sales in Russia. As of September 30, 2024, there were no MINISO stores in operation in Russia. Since there are substantial uncertainties in the development of wars and the situations in Ukraine and Russia, we are unable to predict whether any MINISO stores will be permanently shut down or whether we will have to completely withdraw from relevant geographical markets. The removal of certain Russian banks from the SWIFT system is also expected to affect our local distributors in Russia in their purchasing of products from us, as a result of which they might have to switch to other payment options. In general, we do not expect the wars in Ukraine or the related sanctions against Russia will result in any material adverse impact on our overall business operations given that revenues generated from Ukraine and Russia accounted for less than 0.05% of our total revenue for the fiscal year ended June 30, 2023, the six months ended December 31, 2023, and the six months ended June 30, 2024. We have made impairment assessments on our inventories and trade receivables for our operations in Ukraine and made provisions/recorded impairment losses accordingly. However, we are unable to predict how the wars in Ukraine and sanctions against Russia will develop. Any deterioration of the situation in Ukraine and Russia in the future may have material negative impact on our business operations, results of operations and financial condition.

Our international expansion plans will place increased demands on our operational, managerial and administrative resources. For example, we have limited experience operating in overseas markets and may face competition from major, established competitors in these markets. These competitors usually have more experience and resources for their business operations in those markets. In addition, the real estate, employment and labor, transportation and logistics, regulatory, and other operating requirements in these markets differ significantly from those in China. In particular, we face regulatory uncertainties and may incur substantial compliance costs when we enter into a new overseas market. Regulations in different overseas markets could vary significantly. Being compliant with laws and regulations in one jurisdiction does not necessarily mean our business model/business practice would comply with laws and regulations in another jurisdiction and we may need to make adjustments to our business model/business practice accordingly to comply with local laws. Given the complexity, uncertainties and frequent changes in these laws, rules, regulations, policies and measures in overseas markets, including changes in their interpretation and implementation, our business activities and growth may be adversely affected if we do not respond to the changes in a timely manner or fail to fully comply with the applicable laws, rules, regulations, policies and measures, including as a result of ambiguities in them. Non-compliance may subject us to sanctions by regulatory authorities, to monetary penalties, or to restrictions on our activities or revocation of our licenses, which may result in a material adverse effect on our business, financial condition and results of operations in the relevant overseas market. We also have to closely monitor changes in local laws and complete all necessary procedures and filings accordingly. Furthermore, we may also from time to time encounter legal disputes with various parties in overseas markets in our ordinary course of business operations.

Moreover, a number of factors could have an adverse impact on our operating results if our efforts to expand internationally are not successful. These factors include changes in market needs and product trends, economic fluctuations, political and social turbulence, relevant countries or regions' relationships with China, changes in legal regulations or other conditions and difficulties in employing and training appropriate management and local employees. For example, the escalation of tensions between China and India as a result of border clashes between troops from the two countries in recent years resulted in a number of mobile apps developed by Chinese companies and operated in India being banned by the Indian government. We are unable to predict how international relations between China and India will develop, and what measures the India government will take towards products and services provided by and business operations of Chinese companies in India. There can be no assurance that we will not be targeted or affected

by similar actions in the future, and our business operations and operating results in India will not be materially and adversely impacted by such actions. These increased demands and challenges may cause us to operate our business less efficiently, which in turn could cause deterioration in the performance of our existing businesses and could have a material adverse effect on our business, results of operations or financial condition.

If our MINISO Retail Partners or local distributors do not satisfactorily fulfill their responsibilities and commitments, our brand image, results of operations could be materially harmed.

Our products are sold to consumers through either our directly operated stores or through stores operated by our MINISO Retail Partners or local distributors. As of September 30, 2024, approximately 93.7% of MINISO stores in our global network were established and operated by our MINISO Retail Partners and local distributors. We typically enter into franchise agreements with our MINISO Retail Partners or master license agreements and product sales agreements with our local distributors. These agreements set out each party's responsibilities under different cooperation model.

We believe consumers expect the same quality of our products regardless of whether they visit a store operated directly by us or by a MINISO Retail Partner or a local distributor, so we provide operational guidelines on key aspects of store operations ranging from frontline store-level staff training, store layout, merchandise mix, interior design, inventory management, to pricing recommendation so as to maintain our uniform brand image across MINISO stores. However, we cannot assure you that we will be successful in monitoring store operations by our MINISO Retail Partners or local distributors and detecting any and all inconsistencies with our brand image or values or non-compliance with the provisions of our cooperation agreements by them. For example, our local distributors may deviate from our pricing strategy and sell our products at higher prices without our consent, which will jeopardize our brand positioning and image. Our MINISO Retail Partners or local distributors may also breach other provisions of the agreements with us or otherwise engage in illegal actions or misconducts. In addition, we typically do not allow local distributors to have sub-contractors or sub-distributors or otherwise assigning the rights under the licensing agreement to a third party without our prior written consent. Once we consent, our local distributors are generally entitled to choose their sub-contractors or sub-distributors and negotiate the transaction terms directly with them. We typically do not have any contractual relationship with any sub-contractors or sub-distributors and do not control or deal with them directly. As a result, we have very limited control over sub-contractors or sub-distributors and cannot guarantee that they are able to provide satisfactory services to consumers. See also “– Illegal actions or misconduct of our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, third-party suppliers or other service providers, or any failure by them to provide satisfactory products or services could materially and adversely affect our business, reputation, financial condition and results of operations.” Any non-compliance by our MINISO Retail Partners, local distributors or any sub-contractors and sub-distributors with our operational guidelines could, among other things, diminish the overall shopping experience delivered to consumers, negatively affect our brand reputation or demands for our products.

If we fail to maintain the relationship with our MINISO Retail Partners or our local distributors or fail to attract new MINISO Retail Partners or local distributors to join our store network, our business, results of operations and financial condition could be materially and adversely affected.

As of September 30, 2024, approximately 93.7% of MINISO stores globally are operated by our MINISO Retail Partners and local distributors. As a result, maintaining the relationship with our MINISO Retail Partners and local distributors and attracting new MINISO Retail Partners and local distributors to join our store network are critical to our business and results of operations. However, we may not be able to maintain our relationship with MINISO Retail Partners and local distributors due to a number of factors, some of which are beyond our control. For example, if our existing products or new products fail to attract consumers, our MINISO Retail Partners and local distributors may experience sales declines. As a result, they may not be able to generate investment returns as they expected, and thus choose not to renew their agreements with us. Sales declines or unsuccessful operation of MINISO stores could also arise from failures by our MINISO Retail Partners and local distributors to lease premises in optimal locations with large consumer traffic and commercial potentials, hire and train qualified store managers or other sales

personnel, insufficient experience in operating retail stores, and lack of overall store management experience, among others. Although we are able to provide management and consultation services to support their store operation, we cannot assure you that with these supports our MINISO Retail Partners and local distributors will be able to successfully operate MINISO stores. As a result, our MINISO Retail Partners and local distributors may terminate their agreements with us or choose not to renew such agreements with us. For the six months ended June 30, 2024, the number of terminated MINISO Retail Partners and distributors was 71 and 17, respectively, compared to the number of new MINISO Retail Partners and distributors of 100 and 16, respectively.

In addition, we may also be unable to continually offer attractive terms or economic benefits to our MINISO Retail Partners or local distributors. As a result, our MINISO Retail Partners or local distributors may not be effectively motivated to sell more products or continue the cooperative relationships with us. If our MINISO Retail Partners or local distributors decide to shut down MINISO stores they opened, we will refund the corresponding deposit to them. If our MINISO Retail Partners or local distributors decide to shut down a large number of MINISO stores within a very short period of time, we may need a large amount of cash to refund the deposits. As a result, we may experience liquidity risks. In addition, we may not be able to attract a sufficient number of new MINISO Retail Partners and local distributors to join our network and open MINISO stores, which will negatively affect our future business growth. The occurrence of any of the above could have a material and adverse effect on our expansion plans, business prospects, results of operations and financial condition.

Illegal actions or misconduct of our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, third-party suppliers or other service providers, or any failure by them to provide satisfactory products or services could materially and adversely affect our business, reputation, financial condition and results of operations.

Our reputation and operation may be harmed by illegal or unsatisfactory actions taken by our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, third-party suppliers, and other third parties over which we have limited control. Any failure to obtain the requisite licenses and approvals from governmental authorities and any failure of our product suppliers to ensure product quality or to comply with our quality standards or other laws and regulations could result in regulatory penalties and negative publicities, interrupt our operations, result in claims against us, and subject us to damages and harm our reputation and brand image. Any delay in delivery of our products, damage to our products during the course of delivery and inappropriate actions taken by deliverymen of our delivery service providers could also cause consumer complaints and negative publicities.

In addition, if our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors engage in any unlawful activities, fail to provide a satisfactory shopping experience, or are involved in any claims, allegations, lawsuits, litigations, administrative penalties or other legal proceedings, with or without merits, no matter whether we are a party or not, we might also be subject to reputational risks. Historically, a local distributor in an overseas market engaged in activities that caused harm to our reputation, our business and results of operations in Canada. After we became aware of the activities, we took several actions against the distributor including requiring the distributor to initiate a legal proceeding under the Companies' Creditors Arrangement Act. Pursuant to the legal proceeding, we acquired certain assets of the distributor consisting of MINISO store operations as a consideration to reduce a portion of overdue payment owed to us by the distributor. We have been operating in the Canadian market since then through our own subsidiaries in Canada and either directly operate MINISO stores by ourselves or through cooperation with local distributors. We also entered into new agreements with local distributors. In an effort to prevent the recurrence of similar incidents, we reviewed and updated the contract terms with local distributors and the mechanism for cooperation with local distributors. We also optimized our internal control procedures with respect to contract management and financial management of overseas companies, in particular Canada subsidiaries, regarding distributor management. Despite the fact that we have representatives in our overseas markets and such representatives, among other responsibilities, supervise the operating activities of our MINISO Retail Partners and local distributors and our efforts to prevent similar incidents from happening, we cannot assure you that similar incidents would not happen in the future. We also cannot guarantee that our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors will fully

comply with relevant provisions in our agreements with them regarding various operational standards. If any of our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors engage in any type of illegal actions or misconducts, our business, reputation, financial condition and results of operations could be materially and adversely affected.

As we expand our online sales channels, we have entered into cooperation with third parties such as live streaming platforms and broadcasters to promote the sales of our products. The promotion of our products on living streaming platforms are conducted in real time. Broadcasters may inadvertently have conversations or engage in activities that are inappropriate, contentious, immoral, disrespectful or even unlawful, which could cause serious damage our reputation and brand image and could very likely result in negative publicity about us. We may also be subject to administrative penalties or involved in lawsuits as a result. Any negative publicity about live streaming platforms we cooperate with may also negatively affect public perception about our brand image.

In the event that we become subject to claims caused by actions taken by our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, third-party suppliers, and other third parties, we may seek compensation from or take other actions against the relevant MINISO Retail Partners, local distributors, third-party suppliers, or other service providers. However, such compensation may be limited. For example, we may not be able to get fully compensated from our suppliers in case that our losses attributed to their actions exceed the maximum amount of indemnification we are able to seek from them. If no claim can be asserted against our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, suppliers or other service providers, or amounts that we claim cannot be fully recovered from our MINISO Retail Partners, local distributors, sub-contractors or sub-distributors, suppliers or other service providers, we may be required to bear such losses and compensation at our own costs, which could have a material and adverse effect on our business, financial condition and results of operations.

Furthermore, our distributors may be unable or unwilling to provide us with information in relation to their inventory levels and sales of our products in a timely manner, or at all. As we do not fully control the inventory and sales data belonging to our distributors, we rely on information provided to us by our distributors. As a result, our ability to accurately track the sales of our products by and the inventory level of our distributors is limited. Our sales to distributors may not be reflective of actual sales trends to consumers, and we may not be able to timely gather sufficient information and data regarding the market demand and consumers' preferences for our products. Failure to accurately track sales and inventory levels of our distributors and timely gather market information may cause channel stuffing risks and/or cause us to incorrectly predict sales trends and impede our ability to quickly align our marketing and product strategies in response to market changes.

Our revenue per MINISO store has experienced, and may continue to experience, significant fluctuations from period to period.

Our revenue growth historically was largely driven by the expansion of our MINISO store network. Our revenue per MINISO store, which is calculated by dividing the revenue of MINISO brand by the average number of MINISO stores of the relevant period, has fluctuated significantly historically.

A variety of factors may cause fluctuation in our revenue per MINISO store, including the following:

- the size, store format and the geographic location of MINISO stores;
- decrease in store openings and closure of stores;
- change in our store mix, including China market versus international markets, breakdown in different tier cities in China, and breakdown in different locations within the same tier cities;
- MINISO stores' ability to maintain and increase sales to existing consumers, attract new consumers and satisfy consumer demands;

- the frequency of consumer visits to MINISO stores and the quantity and mix of products consumers purchase;
- the pricing of our products or change in our pricing strategies or those of our competitors;
- timing and costs of marketing and promotional programs organized by us and/or our MINISO Retail Partners and local distributors;
- our MINISO Retail Partners and local distributors' ability to manage inventory and provide superior consumer experience;
- the competition that we and/or our MINISO Retail Partners and local distributors face in the markets, for example, the entry of new competitors, introduction of new products or services by competitors and their marketing efforts;
- epidemics and pandemics;
- economic and geopolitical conditions in China and overseas markets; and
- seasonal variations in demand.

As a result, you may not be able to rely on our historical revenue per MINISO store as an indication of our future performance. Our revenue per MINISO store may further decrease and is not expected to grow significantly in the near future.

We rely on third-party suppliers to provide products to us. If we fail to manage or expand our relationships with third-party suppliers, or otherwise fail to procure products on favorable terms, our business and growth prospects may suffer.

We source our products from third-party suppliers. As of June 30, 2024, we had over 1,000 domestic and overseas suppliers. Our suppliers work closely with our designers and product managers in product design and manufacturing so that we can seamlessly provide consumers with ever-changing merchandises across the globe. We strive to establish mutually beneficial relationships with our suppliers. We typically enter into two-year framework agreements with our suppliers and place orders under these framework agreements. These framework agreements are usually renewable upon mutual agreement between us and our suppliers. We cannot assure you that our current suppliers will continue to sell products to us on commercially acceptable terms, or at all, after the expiration of the current agreements. Even if we maintain good relationships with our suppliers, their ability to supply products to us in sufficient quantity, in a timely manner and at competitive prices may be adversely affected by economic conditions, labor actions, regulatory or legal decisions, customs and import restrictions, natural disasters or other causes. In addition, in the event that we are not able to purchase a sufficient quantity of merchandise at favorable prices, our revenues and cost of revenues may be materially and adversely affected.

We require our suppliers to comply with confidentiality provisions in our agreements with them to protect our interest. However, we cannot assure you that our suppliers will fully comply with these requirements. Failure to comply with such obligations may lead to a leakage of confidential information that is critical to our product design and business operations or otherwise harm our competitive positions and business operations.

Our suppliers typically provide us a payment term of 30 to 60 days. If our suppliers cease to provide us with favorable payment terms, our requirements for working capital may increase and our operations may be materially and adversely affected. We will also need to establish new supplier relationships to ensure that we have access to a steady supply of products on favorable commercial terms. If we are unable to develop and maintain good relationships with suppliers that would allow us to obtain a sufficient amount and variety of quality merchandise on acceptable commercial terms, it may inhibit our ability to offer sufficient products sought by consumers, or to offer these products at competitive prices.

Any adverse developments in our relationships with suppliers could materially and adversely affect our business and growth prospects. Any disputes with suppliers could adversely affect our reputation and subject us to damages and negative publicity. Furthermore, we purchased products on an arm's length basis from related-party suppliers and may continue to do so in the future. We cannot rule out the possibility that there will be other parties alleging that these transactions were not conducted on an arm's length basis. In addition, as part of our growth strategy, we plan to further expand our product offerings. If we fail to manage our relationship with existing suppliers and attract new suppliers to cooperate with us for any reason, our business and growth prospects may be materially and adversely affected.

In addition, our agreements with suppliers have various provisions on other topics such as employment and workplace safety. However, we do not have direct control over our suppliers or other business partners. Any non-compliance with these provisions by the suppliers could result in negative publicity against us, which could materially and adversely affect our reputation, brand image, business operations and results of operations.

We have undertaken strategic collaborations with IP licensors. If we fail to expand or maintain our collaboration with IP licensors, or our existing collaboration with any of our IP licensors is terminated or curtailed, or if we are no longer able to benefit from such business collaborations, our business and results of operations may be adversely affected.

Strategic collaborations with IP licensors is a key strategy for us to expand our product offerings. We had entered into collaboration with IP licensors owning a number of popular brands to jointly develop products that attract consumers. If we are unable to expand or maintain our collaboration with these IP licensors in the future, our business and operating results may be materially and adversely affected. To the extent we cannot maintain our cooperative relationships with any of these IP licensors, it may be very difficult for us to identify qualified alternative IP licensors, which may divert significant management attention from existing business operations and adversely impact our daily operation and consumer experience. Our cooperation with IP licensors may also be adversely affected by negative publicities regarding our IP licensors, which could negatively affect our reputation, business and results of operations.

In addition, the license agreements we entered into with IP licensors contain extensive and detailed provisions setting forth scope of licenses, such as categories and sub-categories of products authorized to use licensed IPs and various excluded sub-categories of products, number of products within each category that are allowed to use licensed IPs, territories where sales of co-branded products are allowed, among others. We, our employees and our business partners may inadvertently breach such IP protection provisions and therefore subject us to liabilities under our agreements with IP licensors. Disputes may also arise due to reasons that we are unable to foresee. If we are unable to resolve disputes with IP licensors, we may not be able to continue our cooperation with our IP licensors, which could have a material and adverse effect on our business and operating results.

Our agreements with IP licensors generally have a term of not more than three years. If we are unable to sell all of the co-branded products in our inventory within a reasonable period of time after the expiration of relevant agreements, we will not be able to continue to sell those products and may have to destroy our inventories. As a result, we may have to write down such inventories, which would result in negative impacts on our operating results and financial conditions. See “– If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected” for more information on inventory related risks.

Should a product liability issue, recall or personal injury issue arise, it may damage our reputation and brand image, which may result in a material adverse effect on our business, reputation, results of operations and financial condition.

Products that we sell could become subject to contamination, product tampering, mislabeling, recall or other damage. Products that we sell could also lead to personal injuries. Product liability or personal injury claims may be asserted against us with respect to any of the products we sell. A successful product liability claim against us could require us to pay a substantial monetary award and the coverage limits under our insurance programs and the indemnification amounts available to us may not be adequate to protect us against these claims. We may also not be able to maintain insurance against such claims on acceptable terms in the future. Our agreements with our suppliers generally require our suppliers to deposit certain amount of money in our bank accounts to ensure their compliance with the agreements with us and compensate us for any losses we may incur as a result of product defects. However, such limited amounts may not be sufficient to cover our losses arising from product liability issues. Although we may seek indemnification or contribution from our suppliers in certain circumstances, we cannot assure you that we will be able to receive indemnification or contribution in full in a timely manner, or at all.

In addition, the PRC government, media outlets and public advocacy groups have been increasingly focused on consumer protection in recent years. The products sold by us may be defectively designed, manufactured or of quality issue, or cause harm and adverse effect to the health of our customers. The offerings of such products by us may expose us to liabilities associated with consumer protection laws. Pursuant to the Consumers Rights and Interests Protection Law of the PRC, or the Consumers Rights and Interests Protection Law, business operators must guarantee that the commodities they sell satisfy the requirements for personal safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage and term of validity of the commodities. Failure to comply with the Consumer Rights and Interests Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacement of commodities, repairing, ceasing damages, compensation, and restoring reputation, and even subject the business operators or to criminal penalties when personal damages are involved or if the circumstances are severe. Although we would have legal recourse against the supplier or manufacturer of such products under the PRC law if the liabilities are attributable to the supplier or manufacturer, attempting to enforce our rights against the supplier or manufacturer may be expensive, time-consuming and ultimately futile.

Moreover, government investigations of or other regulatory measures regarding product quality issues or product liability or personal injury claims, even if unsuccessful or not fully pursued, could generate substantial negative publicity about our products and business, which would have material adverse effects on our reputation, brand, business, prospects and operating results, and these effects could persist over a long term.

We have historically initiated voluntary product recalls. In August 2019, Shanghai Food and Drug Administration found that a batch of “peelable nail polish” sold in MINISO stores in Shanghai containing chloroform that exceeded the highest acceptable level under relevant PRC laws. We then voluntarily recalled the product. A total of 980 bottles of nail polish were recalled and returned to the supplier of this batch of product. We did not incur any financial loss in connection with the voluntary product recall because pursuant to the terms of the agreement with the supplier, the supplier is responsible for any losses incurred as a result of product returns arising from product quality issues. We may in the future, voluntarily or involuntarily, initiate product recalls if any of our products is proven to be defective or non-compliant with applicable laws and regulations. Such recalls, whether voluntary or involuntary, could involve significant expenses and could adversely affect our brand image in our target markets, as well as our business, prospects, financial condition and results of operations.

Our return and exchange policies allow consumers to return or exchange products they purchased. For example, in China, consumers can return products with defects they purchased within seven days of purchase or exchange products with defects they purchased within 15 days of purchase. In addition, we provide warranties for most of the products we sell, subject to certain conditions, such as warranty only applies to normal use. The length of warranty period varies between different categories of products. For example, in China, we generally provide a warranty term of six months for electronic accessories we sell to consumers. The occurrence of any material defects in our products could make us liable for damages and warranty claims. In addition, we could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of our products could affect our brand image, decrease distributor and consumer demand, and adversely affect our operating results and financial condition. While our warranty is limited to repairs and returns, warranty claims may result in litigation, the occurrence of which could adversely affect our business and operating results.

If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

Our business has continued to grow in recent years, and we expect continued growth in our business and revenues. We plan to further expand and upgrade our store network both in China and globally and enhance our product development and supply chain capabilities. We face certain risks in executing these strategies and we cannot assure you that we will be able to execute our growth strategies successfully and realize our expected growth. For example, as we continue to expand our store network and increase our product offerings, we will need to work with a large number of new suppliers, MINISO Retail Partners and local distributors efficiently and establish and maintain mutually beneficial relationships with our existing and new suppliers, MINISO Retail Partners and local distributors. New products we are going to offer in the future may also not be accepted by the market. To support our growth, we also plan to deepen consumer engagement, provide consumers with multi-channel experience, and accelerate digital transformation of MINISO stores and TOP TOY stores. All these efforts will require significant managerial, financial and human resources. We cannot assure you that we will be able to effectively manage our growth or to implement all these measures successfully or that our new business initiatives will be successful. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected. In addition, we may expand and upgrade our office space and facilities by acquiring land to build an office building, which may lead to increased capital expenditure and negatively affect the funds available for executing our growth strategies or for our business operations.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our scale and business model require us to manage a large volume of inventory effectively. We depend on our demand forecasts for various kinds of products to make purchase decisions and to manage our inventory. Demand for products, however, can change significantly between the time inventory is ordered and the date by which we target to sell it. Demand may be affected by seasonality, new product launches, changes in product cycles and pricing, product defects, changes in consumer spending patterns, changes in consumer tastes with respect to our products and other factors, and consumers may not order products in the quantities that we expect. In addition, when we begin selling a new product, we may not be able to accurately forecast demand. The procurement of certain types of inventory may require significant lead time and prepayment, and they may not be returnable.

We recorded inventories of RMB1,188.1 million as of June 30, 2022 and RMB1,450.5 million as of June 30, 2023. Our inventories amounted to RMB1,922.2 million (US\$270.7 million) and RMB1,949.8 million (US\$268.3 million) as of December 31, 2023 and June 30, 2024, respectively. Our inventory turnover days for a given period are equal to average balances of inventories calculated from the beginning and ending balances of the period divided by cost of inventories during the period and then multiplied by the number of days during the period. Our inventory turnover days were 70 days for the fiscal year ended June 30, 2022 and 68 days for the fiscal year ended June 30, 2023. In addition, as we plan to continue expanding our product offerings, we expect to include more products in our inventory, which will make it more challenging for us to manage our inventory effectively and will put more pressure on our warehousing system. For the fiscal years ended June 30, 2022 and 2023, we recorded a reversal of inventory write-down of RMB44.7 million and RMB19.9 million, respectively. We recorded an inventory write-down of RMB1.9 million (US\$0.3 million) for the six months ended December 31, 2023, and an inventory write-down of RMB30.0 million (US\$4.1 million) for the six months ended June 30, 2024.

If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. To reduce our inventory level, we usually choose to sell certain of our products at lower prices, which may lead to lower gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. Any of the above may materially and adversely affect our results of operations and financial condition.

On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages, which might result in missed sales, diminished brand loyalty and lost revenues, any of which could harm our business and reputation.

We are subject to certain risks relating to the warehousing and shipment of our products.

Before delivery of our products to stores, we store them in warehouses we leased in China and other countries. If any accidents, including fires, were to occur, causing damage to our finished products or our warehouses, our ability to supply products to stores on time and our market reputation, financial condition, results of operations or business could be materially and adversely affected. We often outsource the delivery of our products to stores and to our online consumers to third-party logistics and transportation companies. Relying on these third parties increases the risk that we may fail to deliver finished products on time. The efficient operation of stores depends on the timely receipt of products from our warehouses. Such logistics services could be suspended and thereby interrupt the supply of our products if unforeseen events occur which are beyond our control, such as poor handling of and damage to our finished products, transportation bottlenecks, pandemics and/or labor strikes. During the outbreaks of COVID-19, we temporarily shut down certain warehouses we leased in China and experienced service disruptions of our logistics and transportation service providers, both of which negatively affected our product shipment and delivery. As a result, delivery of products from warehouses to MINISO stores and delivery of products from China to overseas markets were delayed, we and our overseas distributors incurred increased costs on product delivery. Shipping of our products in certain overseas countries has also been negatively affected by the pandemic such as delays in shipment of products. If our products are not delivered on time or are delivered in a damaged state, our market reputation could be adversely affected. These third parties may also employ personnel who may be represented by labor unions. Disruptions in the delivery of products due to work stoppages by employees or contractors of any of these third parties could delay the timely receipt of products. There can be no assurance that such stoppages or disruptions will not occur in the future. The occurrence of any of these problems alone, or together, could have a material adverse effect on our financial condition, results of operations or business.

If we fail to successfully implement our e-commerce initiative, our business and results of operations could be adversely impacted.

The retail industry continues to rapidly evolve and consumers increasingly embrace e-commerce. As a result, the portion of total consumer expenditures with retailers occurring through e-commerce platforms is increasing. We have been implementing our e-commerce initiative to capture additional consumer base and provide our existing consumers new shopping experience. Our e-commerce initiative includes expanding our online offerings and broadening our online sales channels by collaborating with e-commerce platforms and online-to-offline platforms. To implement our e-commerce initiative, we will also cooperate with retail platforms and leverage our vast network of store-based communities to allow consumers to conveniently place orders with their store of choice, ultimately to provide consumers with seamless multi-channel shopping experience. We cannot assure you that we will be able to make, improve, or develop attractive, user-friendly and secure online sales channels that offer a wide assortment of merchandise at affordable prices with rapid and low-cost delivery options. We may also not be able to continually meet the changing expectations of online shoppers, developments in online and digital platform merchandising and related technology. All of these could place us at a competitive disadvantage, result in the loss of e-commerce and other sales, harm our reputation, and have a material adverse impact on the growth of our e-commerce business, reputation and results of operations. In addition, if our e-commerce channels or our other client-facing technology systems do not function as designed or experience cyber-attacks, we may experience a loss of consumer confidence, data security breaches, lost sales, or be exposed to fraudulent purchases, any of which could adversely affect our business, reputation and results of operations. See “– Failure to protect personal or confidential information against security breaches could subject us to significant reputational, financial and legal consequences and substantially harm our business and results of operations.”

We face intense competition. We may not be able to maintain or may lose market share and consumers if we fail to compete effectively.

The retail industry is intensely competitive and has low entry barriers. We compete for consumers, product suppliers and IP licensors. Our current or potential competitors include (i) traditional retailers, including specialty retail stores, supermarkets, and department stores; (ii) online retailers; and (iii) variety retailers competing with us locally. In addition, new and enhanced technologies may increase the competition in the retail industry. New competitive business models may appear, for example based on new forms of social media or social commerce. Increased competition may reduce our margins and market share and impact brand recognition, or result in significant losses.

Some of our current or future competitors may have more operating experience, greater brand recognition, better supplier relationships, larger consumer bases, higher penetration in certain regions or greater financial, technical or marketing resources than we do. Those smaller companies or new entrants may be acquired by, receive investment from or enter into strategic relationships with well-established and well-financed companies or investors which would help enhance their competitive positions. Some of our competitors may be able to secure more favorable terms from suppliers, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing or inventory policies and devote substantially more resources to their websites, mobile apps and systems development than us. We cannot assure you that we will be able to compete successfully against current or future competitors, and competitive pressures may have a material and adverse effect on our business, financial condition and results of operations.

We may not be able to sustain our historical growth rates.

We have experienced rapid growth since our inception in 2013. However, there is no assurance that we will be able to maintain our historical growth rates in future periods and it is difficult to evaluate our future prospects based on our historical performance. Our revenue growth may slow or our revenues may decline for any number of possible reasons and some of them are beyond our control, such as decreased consumer spending, increased competition, slowdown in the growth or contraction of the retail or online retail industry in China and around the world, emergence of alternative business models, changes in government policies or general economic conditions, and natural disasters or virus outbreaks. We will continue to expand our store network and product offerings and may explore new operating models to bring greater convenience and better experience to consumers and increase consumer base and number of transactions. Implementation of our expansion plan and execution of our new business initiatives are subject to uncertainty and the total number of SKUs sold and number of transacting consumers may not grow at the rate we expect for the reasons stated above. In addition, there may be particular complexities, regulatory or otherwise, associated with our expansion into new product categories or new markets. If our growth rate declines, investors' perceptions of our business and business prospects may be adversely affected and the market price of the ADSs could decline.

Our results of operations could be negatively affected by fair value changes and other risks of financial assets measured at fair value through profit or loss.

We have invested in certain financial products. Those financial products represented wealth management products, asset management schemes and trust management schemes. The fair value of these financial products are measured by our management regularly and we record profit or loss to reflect the fair value changes. We recorded investment income from other investments of RMB63.8 million and RMB42.9 million in the fiscal years ended June 30, 2022 and 2023, and RMB14.3 million (US\$2.0 million) in the six months ended December 31, 2023. For the six months ended June 30, 2024, we recorded investment income for the financial products we purchased of RMB18.4 million (US\$2.5 million). To reflect the net change in fair value of such financial products, we also recorded a net income of RMB5.7 million in the fiscal years ended June 30, 2022, a net loss of RMB3.7 million and in the fiscal year ended June 30, 2023, a net income of RMB14.3 million (US\$2.0 million) in the six months ended December 31, 2023 and a net income of RMB14.2 million (US\$1.9 million) in the six months ended June 30, 2024, respectively. We expect to continue to record such investment income and fair value changes, which would affect our results of operations in the future.

Our results of operations could be negatively affected by the non-recurring nature of government grants and preferential tax treatment.

We recorded other income of government grants of RMB16.7 million and RMB8.8 million for the fiscal years ended June 30, 2022 and 2023, and RMB8.1 million (US\$1.1 million) for the six months ended December 31, 2023. For the six months ended June 30, 2024, we recorded other income of government grants of RMB2.3 million (US\$0.3 million). Government grants mainly represented unconditional cash awards granted by local authorities in China. During the fiscal year ended June 30, 2022, government grants also included subsidies obtained by our subsidiaries in the U.S. under the Paycheck Protection Program Rule. Whether or not we will receive any government grants and, if yes, the amount of such grants are highly uncertain and beyond our control. There is no assurance that we will continue to receive any government grants in the future. Such uncertainties will affect our results of operations in the future. In addition, certain of our subsidiaries enjoy preferential tax treatments. However, we cannot assure you that these subsidiaries will continue to enjoy preferential tax treatments in the future. If these subsidiaries are unable to enjoy preferential tax treatments in the future, our results of operations will be negatively affected.

Our deferred tax assets may not be recovered.

Our deferred tax assets may not be recovered. As of June 30, 2024, our deferred tax assets amounted to RMB116.6 million (US\$16.0 million), representing approximately 0.74% of our total assets. We periodically assess the probability of the realization of deferred tax assets, using accounting judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. In particular, these deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available, against which the deferred tax assets can be utilized. However, we cannot assure you that our expectation of future earnings will materialize, due to factors beyond our control such as general economic conditions or, negative development of a regulatory environment, in which case we may not be able to recover our deferred tax assets, which in turn could have a material adverse effect on our financial condition and results of operations.

We are subject to credit risks related to our trade receivables.

Our trade receivables are derived mainly from credit sales to certain distributors. For these distributors, we allow a credit term of 20 to 180 days. For other distributors, we generally require them to make part or all payments in advance for their product procurement. The total balance of our trade receivables before loss allowance was approximately RMB375.8 million as of June 30, 2022, RMB394.7 million as of June 30, 2023, RMB523.0 million (US\$73.7 million) as of December 31, 2023, and RMB578.3 million (US\$79.6 million) as of June 30, 2024. We also made loss allowance of RMB85.1 million as of June 30, 2022, RMB88.8 million as of June 30, 2023, RMB78.4 million (US\$11.0 million) as of December 31, 2023, and RMB71.2 million (US\$9.8 million) as of June 30, 2024. If any of these distributors with significant outstanding trade receivable balances were to become insolvent or otherwise unable to make payments in a timely manner, or at all, we would have to make further provisions against such trade receivables, or write off the relevant amounts, either of which could adversely affect our profitability and liquidity position.

If we determine our goodwill or intangible assets to be impaired, our results of operations and financial condition would be adversely affected.

On March 11, 2021, we acquired 70% of the shares of MINISO SG Pte. Ltd. from two third parties at a cash consideration of SGD2,100,000 (equivalent to RMB10,257,000). We recorded goodwill of RMB19.6 million in connection with the acquisition. The value of goodwill is based on forecasts, which are in turn based on a number of assumptions. If any of the assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our goodwill and record an impairment loss, which could in turn adversely affect our results of operations. We will determine whether goodwill is impaired at least on an annual basis and there are inherent uncertainties relating to these factors and to our management's judgment in applying these factors to the impairment assessment. We could be required to evaluate the impairment prior to the annual assessment if there are any impairment indicators, including disruptions to business operations and unexpected significant declines in operating results or a decline in our market capitalization. We may also suffer from significant impairment loss even if we determine to amend any assumption used in our impairment testing. If we record an impairment loss as a result of these or other factors, our results of operations and financial condition may be adversely affected.

We record intangible assets of RMB12.3 million (US\$1.7 million) as of June 30, 2024. Our intangible assets represent software. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We recorded impairment losses of intangible assets of RMB0.7 million (US\$0.1 million) as of June 30, 2024. However, we cannot guarantee that we will not record greater impairment losses of intangible assets in the future. Material impairment of intangible assets could negatively affect our financial condition and results of operations.

If we are unable to honor our obligations in respect of our contract liabilities, our cash or liquidity position could be negatively affected.

Our current contract liabilities primarily consist of advance payments received from customers for purchase of goods from us, license fees and membership fees we received, and the transaction price allocated to loyalty points. We normally request 10% to 100% advance payment for purchase of goods from certain overseas distributors prior to our delivery of goods, which gives rise to contract liabilities at the start of a sales order, until the revenue of sales of products recognized on the corresponding sale order exceeds the amount of payments received in advance. With respect to license fees and membership fees, unamortized portion of upfront license fees and membership fees received was recognized as contract liability. Our total contract liabilities amounted to RMB413.2 million as of June 30, 2022, RMB339.6 million as of June 30, 2023, RMB365.0 million (US\$51.4 million) as of December 31, 2023, and RMB383.7 million (US\$52.8 million) as of June 30, 2024. Were we unable to deliver products to certain overseas distributors, we would have to return the corresponding advance payments we received to distributors. For the license fees and membership fees, we do not allow a refund of payments made. However, in practice, we refunded a very limited amount of license fees and membership fees to customers. To the extent we refund payments received, our cash position or liquidity position would be negatively affected.

Unfavorable fluctuations in the price, availability and quality of raw materials to our third-party suppliers could cause material production delays or materially increase our cost of sales.

The success of our overall business depends in part on the ability of third-party suppliers to timely obtain sufficient quantities of the necessary raw materials, of sufficient quality, at commercially acceptable prices to process and manufacture our products. Generally, unfavorable fluctuations in price, quality, or availability of necessary raw materials could have a negative effect on our gross profit margins and our ability to deliver our products to the market in a timely manner. If supplies of the necessary raw materials substantially decrease or if there are significant increases in prices of such raw materials, our third-party suppliers may incur additional costs to acquire sufficient quantities of these materials in order to maintain our product offering schedules. We may have to increase the retail prices of our products due to the increase in their procurement prices. So far, we are able to leverage our bargaining power and transfer additional cost of raw materials to customers due to our cost plus mark-up pricing strategy. However, we cannot assure you that we will always be able to do so in the future. Moreover, increases in wages and labor costs in China and other countries in Asia may also lead to material increases in our cost of sales, thereby decreasing our gross profit margins. Any of the above may materially and adversely harm our business, brand image, financial condition, results of operations or reputation.

Our return and exchange policies may negatively affect our results of operations.

We have adopted consumer-friendly return and exchange policies that make it convenient and easy for consumers to return or exchange the products they purchased. For example, MINISO stores in mainland China typically allow consumers to return the products with defects within seven days of purchase and exchange products with defects within 15 days of purchase. For the products purchased on our online shopping mall, consumers generally have a term of seven days to return or exchange products after a purchase. We may also be required by law to adopt new or amend existing return and exchange policies from time to time. These policies improve consumers' shopping experience and promote consumer loyalty, which in turn help us acquire and retain consumers. However, these policies also subject us to additional costs and expenses which we may not recoup through increased revenue. Our ability to handle a large volume of returns is unproven. If our return and exchange policy is misused by a significant number of consumers, our costs may increase significantly and our results of operations may be materially and adversely affected. If we revise these policies to reduce our costs and expenses, consumers may be dissatisfied, which may result in loss of existing consumers or failure to acquire new consumers at a desirable pace, which may negatively affect our results of operations.

Fluctuations in currency exchange rates may lead to volatility in our results of operations.

Our operations in countries outside China are conducted primarily in the local currencies of those countries or regions. We prepare our consolidated financial statements in RMB for reporting purposes. Foreign currency-denominated amounts such as the US dollar, Euro, Japanese yen and other foreign currencies are translated into RMB using exchange rates for the current period. In recent years, fluctuations in currency exchange rates that were unfavorable have had adverse effects on our reported results of operations. As a result of such translations, fluctuations in currency exchange rates from period-to-period that are unfavorable to us may result in our consolidated financial statements reflecting significant adverse period-over-period changes in our financial performance or reflecting a period-over-period improvement in our financial performance that is not as robust as it would be without such fluctuations in the currency exchange rates. Such unfavorable currency exchange rate fluctuations will adversely affect our results of operations. In addition, foreign currency-denominated cash and cash equivalents are exposed to fluctuations in the value of RMB against the currencies in which these cash and cash equivalents are denominated. As a result of the fluctuations in currency exchange rate, we recorded net foreign exchange gain of RMB14.0 million for the fiscal year ended June 30, 2022, net foreign exchange gain of RMB109.1 million for the fiscal year ended June 30, 2023, and net foreign exchange loss of 15.0 million (US\$2.1 million) for the six months ended December 31, 2023. For the six months ended June 30, 2024, we recorded net foreign exchange loss of RMB12.4 million (US\$1.7 million).

We may purchase products or services with a currency other than the local currency. When we must acquire the currency to pay for such products or services and the exchange rates for the payment currency fluctuate in a manner unfavorable to us, our cost of sales may increase and we may be unable or unwilling to shift the costs to the products we sell, which will have an adverse effect on our gross profit. Consequently, unfavorable fluctuations in currency exchange rates have and may continue to adversely affect our results of operations.

Our business is operated globally. Global inflationary pressures could negatively affect our results of operations and cash flows.

The profitability of our operations depends, to some extent, on our ability to obtain resources economically such as energy, raw materials, finished and semi-finished products, and effectively control our cost and expense such as remuneration, rental expense, delivery expense, among others. High inflation may pose a threat to our business operations and adversely affect our financial results and cash flows as we may have to pay a higher price for the energy, raw materials, semi-finished and finished products, among others. As of the date of this Offering Circular, we have not been subject to any material adverse impacts due to inflationary pressures. However, we are unable to predict how inflation will develop in the countries and regions where we have business operations or our products are sold. Any deterioration of inflationary pressures in the future may have material negative impacts on our business operations, results of operations and financial condition. We may not be able to effectively pass such increases in price to our customers since we may not be able to know whether our consumers would accept price raising in our products and we may need time to conduct survey before the decision of product-pricing, which may undermine gross margins of our products. If global inflationary pressure persists or deteriorates, we may also not be able to effectively expand our stores network since our MINISO Retail Partners, distributors may be reluctant to pay at a higher price in remuneration, rental expense and delivery expense, among others, and therefore terminate the cooperation with us. Those countries and regions that suffer surging inflation rate may face certain risk of social unrest, such as strikes and riots, which may cause temporary or permanent store closure and stoppage of our business operations, further undermining our results of operation and stores expansion plans.

Our success depends on the continuing and collaborative efforts of our management team and other key personnel, and our business may be severely disrupted if we lose their services.

Our success heavily depends upon the continued services of our management. In particular, we rely on the expertise and experience of Mr. Guofu Ye, our chairman and chief executive officer, and other executive officers. If one or more of our senior management were unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all, and our business, financial condition and results of operations may be materially and adversely affected. If any of our senior management joins a competitor or forms a competing business, we may lose consumers, suppliers, know-how and key professionals and staff members. Our senior management has entered into employment agreements and confidentiality and non-competition agreements with us. However, if any dispute arises between our officers and us, we may have to incur substantial costs and expenses in order to enforce such agreements or we may be unable to enforce them in a timely manner, or at all. In addition, there may have been negative publicities about our management, which could negatively affect our reputation, brand image and business operations. Furthermore, we do not have key-man insurance for any of our executive officers or other key personnel. Events or activities attributed to our executive officers or other key personnel, and related publicity, whether or not justified, may affect their ability or willingness to continue to serve our company or dedicate their full time and efforts to our company and negatively affect our brand and reputation, resulting in an adverse effect on our business, operating results and financial condition.

Competition for qualified personnel is often intense. If we are unable to recruit, train and retain sufficient qualified personnel while controlling our labor costs, our business may be materially and adversely affected.

Our ability to continue to conduct and expand our operations depends on our ability to attract and retain a large and growing number of qualified personnel globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant, while controlling labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, the quality of service we provide to consumers may decrease and our financial performance may be adversely affected. In addition, if our costs of labor or related costs increase for other reasons or if new or revised labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase our labor costs, our financial performance could be materially adversely affected.

If we are unable to conduct our marketing activities effectively, our results of operations and financial condition may be materially and adversely affected.

We have incurred expenses on a variety of different marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products. We incurred promotion and advertising expenses of RMB242.7 million and RMB316.0 million for the fiscal years ended June 30, 2022 and 2023, and RMB246.9 million (US\$34.8 million) for the six months ended December 31, 2023. For the six months ended June 30, 2024, we incurred promotion and advertising expenses of RMB247.2 million (US\$34.0 million). However, there is no assurance that our brand promotion and marketing activities will be well-received by consumers and result in the levels of product sales that we anticipate. Under extreme situations, our marketing efforts through celebrity endorsement may have a material adverse effect on our brand image. For example, any misconducts by our celebrity spokespersons or any negative publicities that our celebrity spokespersons are involved in, either directly or indirectly, may result in the public's negative perception of our brands and thus adversely affect our reputation, business and results of operations. In addition, we have been continually promoting our brands and products in a very active manner. Certain consumers may perceive our MINISO brand and/or our products in different ways or even interpret our MINISO brand as a Japanese brand before learning more about our company, our brands and our products. If consumers or other parties claim that our marketing approach is misleading or otherwise improper, we may be subject to lawsuits or other legal proceedings, which would negatively affect our brand image, undermine the trust and credibility we have established and impose an adverse impact on our business. Marketing approaches and tools in the consumer products market in China are evolving, which further requires us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and consumer preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share, cause our revenues to decline and negatively impact our profitability.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We consider our copyrights, trademarks, trade names, internet domain names, patents and other intellectual property rights invaluable to our ability to continue to develop and enhance our brand recognition. We have invested significant resources to develop our own intellectual property. Failure to maintain or protect these rights could harm our business. We rely on a combination of patents, patent applications, trade secrets, including know-how, copyrights, trademarks, intellectual property licenses, contractual rights and any other agreements to establish and protect our proprietary rights in our products. In addition, we enter into confidentiality and non-disclosure agreements with our employees and business partners. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated. In addition, there can be no assurance that our patent and trademark applications will be approved, that any issued patents or registered trademarks will adequately protect our intellectual property, or that such patents and trademarks will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights.

Due to the popularity of our products and our brand recognition in the retail industry in China, we have become an attractive target of copycat. We have seen copycat products on the market that attempt to cause confusion or diversion of consumer traffic from us. We have also brought a lawsuit against a third party that infringed our trademark rights and engaged in unfair competition. Any unauthorized use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation. However, preventing unauthorized uses of intellectual property rights could be difficult, costly and time-consuming and the steps we take may be inadequate to prevent the infringement or misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources, and could put our intellectual property at risk of being invalidated or narrowed in scope. We can provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may need to defend ourselves against patent, trademark or other proprietary rights infringement or unfair competition claims, which may be time-consuming and would cause us to incur substantial costs. We may also suffer from negative publicities relating to intellectual property infringement claims.

Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop, sell or market our products, which could make it more difficult for us to operate our business. Additionally, we may receive from time to time letters alleging infringement of patents, trademarks or other intellectual property rights by us and we may be involved in intellectual property right infringement claims. For example, we have been and may continue to be involved in intellectual property lawsuits, in particular, lawsuits alleging that certain of our products infringed other parties' utility model patents or design patents. Some of those claims involve products that were designed by our suppliers or third-party designers. We have provisions in our agreements with suppliers or third-party designers requiring them to indemnify us all costs and expenses arising from claims that the products they manufacture or design infringe third parties' intellectual property rights. Furthermore, historically certain of our subsidiaries, related parties, franchisee stores were involved in disputes regarding trademark, copyright and unfair competition with third parties and we may continue to be involved in such disputes or subject to lawsuits.

Intellectual property related negative publicities, with or without merits, may also harm our brand image and reputation. For example, there are negative publicities alleging that our company logo involves plagiarism. Although our company logo has been duly registered as a trademark and we are not involved in any lawsuits alleging that our company logo infringes their intellectual property rights, these negative publicities could still adversely affect our brand image and reputation.

Additionally, our applications and uses of intellectual property rights relating to our design, product, software or other technologies could be found to infringe upon existing intellectual property ownership and rights. We may also fail to own or apply for key trademarks in a timely fashion, or at all, which may damage our reputation and brand.

We rely on our information systems to process transactions, summarize results and manage our business. Any malfunction of our systems could harm our ability to conduct our operations.

We depend on a variety of information technology systems, including systems owned and managed by third-party vendors, for the efficient functioning of our business, including, without limitation, transaction processing and the management of our employees, facilities, logistics, inventories, stores and client-facing digital applications and operations. Our technology systems may not deliver desired results or may do so on a delayed schedule. For example, when we first installed our major store operation system, SAP Enterprise Resource Planning system, or SAP ERP system, to certain MINISO stores upon entering into a new overseas market, our SAP ERP system experienced functionality issues. Although such issues were resolved in a timely manner, we cannot assure you we would not encounter similar issues in the future. In addition, large volume transaction during peak seasons such as Chinese New Year could also cause functionality issues of our SAP ERP system or system of other third-parties that are connected to our SAP ERP system. Any improper functioning of our SAP ERP system could cause interruptions of store operations. Daily operations of MINISO stores relies on SAP ERP system. If we are unable to maintain our cooperation with the provider of our SAP ERP system, we may not be able continue to effectively use such SAP ERP system in our business operations and we may also not be able to find any suitable alternatives at commercially reasonable terms in a timely manner. As a result, our business operations, results of operations and financial condition would be materially and adversely affected. We use AI and big data in managing and analyzing store-level inventories. The failure of such technologies to perform effectively or as expected may cause us to misjudge and mismanage store-level inventories, in which case the business of the affected stores, and our operations and financial condition may be adversely affected. Additionally, our technology systems are subject to damage or interruption from power surges and outages, facility damage, physical theft, computer and telecommunications failures, inadequate or ineffective redundancy, malicious code (including computer viruses, worms, ransomware, or similar), cyberattacks (including account compromise; phishing; denial of service attacks; and application, network or system vulnerability exploitation), software upgrade failures or code defects, natural disasters and human error. Design defects or damage or interruption to these systems may require a significant investment to fix or replace, disrupt our operations, result in the loss or corruption of critical data, and harm our reputation, all of which could materially adversely affect our business or results of operations.

We also rely heavily on our information technology staff. Failure to meet these staffing needs may negatively affect our ability to fulfill our technology initiatives while continuing to provide maintenance on existing systems. We rely on third parties to maintain and periodically upgrade many of these systems so that they can continue to support our business. We license the software programs supporting many of our systems from independent software developers. The inability of these vendors, developers or us to continue to maintain and upgrade these systems and software programs could disrupt or reduce the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner and could expose us to greater risk of a cyberattack. In addition, costs and delays associated with the implementation of new or upgraded systems and technology, including the migration of applications to the cloud, or with maintenance or adequate support of existing systems also could disrupt or reduce the efficiency of our operations, fail to operate as designed, result in the potential loss or corruption of data or information, disrupt operations and affect our ability to meet business and reporting requirements and adversely affect our profitability.

If we fail to adopt new technologies to cater to changing consumer requirements or emerging industry standards, or if our efforts to invest in the development of new technologies are unsuccessful or ineffective, our business may be materially and adversely affected.

To remain competitive, we need to continue to stay abreast of evolving industry trends and to enhance and improve our technology accordingly. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely way. In recent years, we invested in the development of many new technologies and business initiatives. The investments in new technologies entail significant technical and business risks. We cannot assure you that we will be able to successfully develop or effectively use new technologies, recoup the costs of developing new technologies or adapt our websites, mobile apps, proprietary technologies and systems to meet consumer requirements or emerging industry standards. If we are unable to develop technologies successfully or adapt in a cost-effective and timely manner in response to changing market conditions or consumer requirements, whether for technical, legal, financial or other reasons, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Failure to protect personal or confidential information against security breaches could subject us to significant reputational, financial and legal consequences and substantially harm our business and results of operations.

The protection of consumer, employee, supplier, MINISO Retail Partner, local distributors and company data is critical to our business. A significant breach of consumer, employee, supplier, MINISO Retail Partner, local distributor or company data could attract a substantial amount of media attention, damage our relationships with consumers and our reputation and result in lost sales, fines or lawsuits. Throughout our operations, we receive, retain and transmit certain personal information that consumers provide to purchase products or services, enroll in promotional programs, participate in our membership program, or otherwise communicate and interact with us. During such information collection process, we take necessary steps and strive to comply with relevant PRC laws and regulations with respect to privacy and personal data protection. If we fail to fully comply with applicable privacy, data security and personal information protection laws, regulations, policies or other requirements, we may be subject to civil or regulatory liabilities or challenged for a potential infringement which may subject us to significant legal, financial and operational consequences. In March 2021, two MINISO stores owned and operated by MINISO Retail Partners were investigated by the relevant local government authorities and a fine of RMB200,000 was subsequently imposed on each store, for their unlawful collection of customer information by using cameras for face recognition purpose. Those penalties were fully settled by these MINISO Retail Partners in June 2021. To our knowledge, those two stores have removed the cameras for face recognition purpose following the investigation. We cannot assure you that all stores operated under our brands would be able to fully comply with applicable laws regulating privacy, data security and personal information protection or other statutory requirements at all times. If any of these stores fails to do so, it could harm our reputation and expose us to regulatory actions or claims from third parties, all of which could materially and adversely affect our business, financial position and results of operations. In addition, such failure could incur extra costs for us and possibly disrupt our business.

In addition, certain aspects of our operations depend upon the secure transmission of confidential information over public networks. Although we deploy a layered approach to address information security threats and vulnerabilities designed to protect confidential information against data security breaches, a compromise of our data security systems or of those of businesses with whom we interact, which results in confidential information being accessed, obtained, damaged or used by unauthorized or improper persons, could harm our reputation and expose us to regulatory actions and claims from consumers, financial institutions, payment card associations and other persons, any of which could materially and adversely affect our business, financial position and results of operations. In addition, a security breach could require that we expend substantial additional resources related to the security of information systems and disrupt our business.

As we implement our e-commerce initiative, we face heightened risks in the secure storage of personal information or confidential information and its secure transmission over public networks. From time to time, we collect, store and process certain volume of consumers' personal information through our self-operated e-commerce channels to sell our products or provide our services, and we receive information of orders of and payments by consumers through third-party e-commerce channels in the course of our fulfillment of such orders. Online payments for our products are settled through third-party online payment services. We also share certain personal information about consumers with contracted third-party couriers, such as their names, addresses, and phone numbers. In addition, we have accumulated a large volume of data, which cover consumer's browsing and consumption behavior information, product manufacturing and sales information, warehousing and distribution information, consumer service information, among others. Maintaining complete security for the storage and transmission of confidential information on our technology system is essential to maintaining our operating efficiency and consumer confidence as well as complying with the applicable laws and standards.

We have adopted security policies and measures to protect our proprietary data and consumer information. However, advances in technology, the expertise of hackers, improper use or sharing of data, new discoveries in the field of cryptography or other events or developments could result in a compromise or breach of the technology that we use to protect confidential information. Our security measures may be undermined due to the actions of outside parties, employee error, malfeasance, or otherwise, and, as a result, an unauthorized party may obtain access to our data systems and misappropriate business and personal information. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may not immediately produce signs of intrusion, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any such breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation, and potentially have an adverse effect on our business.

The regulatory environment surrounding information security and privacy is increasingly demanding, and it frequently imposes new and changing requirements. In China, the PRC Constitution, the PRC Criminal Law, the PRC Civil Code, the PRC Data Security Law and the PRC Cyber Security Law protect individual privacy in general, which require certain authorization or consent from Internet users prior to collection, use or disclosure of their personal data and also protection of the security of the personal data of such users. On June 10, 2021, Standing Committee of the PRC National People's Congress published the Data Security Law of the PRC, effective on September 1, 2021, which lays out the lawful methods and security requirements by which entities or individuals may collect and process data. For example, pursuant to the newly enacted PRC Data Security Law, our mainland China subsidiaries are required to establish and complete data security management systems for the entire process, organize and carry out education and training on data security, employ corresponding technical measures and other necessary measures to safeguard data security when carryout data handling activities. These requirements may lead to a substantial change in our operations and an increase in associated costs. Failure to comply with these regulations, policies or requirements could result in a material change in our operations or significantly limit or completely hinder our ability to offer or continue to offer the ADSs to investors and cause the value of the ADSs to significantly decline or become worthless. Moreover, the PRC Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed, but it does not set forth details on how the data security review will be implemented. Any organizational or individual data processing activities that violate the PRC Data Security Law shall bear the corresponding civil, administrative or criminal liabilities depending on specific circumstances. In early July 2021, regulatory authorities in China launched cybersecurity investigations in several China-based companies that are listed in the United States. Subsequently, on December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly issued the Cybersecurity Review Measures, which require that (i) any procurement of network products and services by critical information infrastructure operators, which affects or may affect national security, or (ii) any data processing activities by network platform operators, which affect or may affect national security, or (iii) any network platform operator which has personal information of more than one million users and is going to be listed in a foreign country, shall be subject to cybersecurity review. On September 24, 2024, the State Council published the Regulations on Network Data Security Management, or the Network Data Regulations, which became effective on January 1, 2025. The Network Data Regulations restates and further specifies the legal requirements for personal information, important data, cross-border data transfer, network platform services, and data security. Among others, if the network data processing activities have or may have impact on national security, such activities shall be subject to national security review in accordance with relevant laws and regulations. Since the measures are relatively new, there exists uncertainties with respect to their interpretation and implementation. In anticipation of the strengthened implementation of cybersecurity laws and regulations and the continued expansion of our business, we cannot rule out the possibility that we may be deemed to be a "critical information infrastructure operator" or a "network platform operator" that affects or may affect national security under the Cybersecurity Review Measures. If that were to happen, we would be required to follow cybersecurity review procedures. In addition to laws, regulations and other applicable rules regarding data privacy and cybersecurity, industry associations may propose new and different privacy standards.

There have also been other significant developments in the PRC regulatory and enforcement regime regarding cybersecurity, information security, privacy and data protection. On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law, which emphasized the need to strengthen cross-border regulatory collaboration and to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to amend the regulations on strengthening the confidentiality and file management framework relating to the offering and listing of securities overseas, to enforce the responsibility of overseas listed companies with respect to information security, and to strengthen and standardize the management of cross-border information transmission mechanisms and procedures. In addition, on August 20, 2021, the SCNPC promulgated the Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect in November 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law and promoting the reasonable use of personal information. The Personal Information Protection Law applies to the processing of personal information within China, as well as certain personal information processing activities outside China, including those for the provision of products and services to individuals within China or for the analysis and assessment of acts of individuals within China. Processors processing personal information exceeding the threshold to be set by the relevant authorities and operators of critical information infrastructure are required to store, within the PRC territory, all personal information collected and produced within the PRC. These laws and regulations are relatively new, and there remain uncertainties with respect to their interpretation and implementation. In addition, additional laws or regulations on this subject matter may be promulgated in the future which may in turn impose further requirements on us.

We are constantly in the process of evaluating the potential impact of the PRC Cyber Security Law, the Data Security Law, the Personal Information Protection Law and other laws, regulations and policies relating to cybersecurity, privacy, data protection and information security on our current business practices. All these laws and regulations may result in additional expenses and obligations to us and subject us to negative publicity, which could harm our reputation and negatively affect the trading price of the ADSs. We expect that these areas will receive greater public scrutiny and attention from regulators and more frequent and rigid investigation or review by regulators, which may increase our compliance costs and subject us to heightened risks and challenges. Despite our efforts to comply with applicable laws, regulations and other obligations relating to cybersecurity, privacy, data protection and information security, it is possible that our practices, offerings or services could fail to meet all of the requirements imposed on us by such laws, regulations or obligations. We have not experienced any material breaches of any of our cybersecurity measures and we have not been subject to any penalties, fines, suspensions, or investigations from the CAC. However, as uncertainties remain with respect to the interpretation and implementation of these laws, regulations and policies regarding cybersecurity, privacy, data protection and information security and how these laws, regulations and policies will be implemented in practice, we cannot assure you that we will comply with such laws, regulations and policies and we may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities. Any failure or perceived failure to comply with these laws, regulations or policy may result in inquiries and other proceedings or actions against us by governmental authorities, users, consumers or others, such as warnings, fines, penalties, required rectifications, service suspension or removal of mobile apps from the relevant app stores and/or other sanctions, as well as negative publicity and damage to our reputation, which could cause us to lose customers and business partners and have an adverse effect on our business and results of operations.

There are relevant laws and regulations in Hong Kong regarding data security, such as the Personal Data (Privacy) Ordinance and the Unsolicited Electronic Messages Ordinance, which impose obligations regarding the collection and handling of personal data in Hong Kong. In addition, new laws or regulations related to data security in Hong Kong may be enacted or promulgated in the future, and such new laws and regulations may also have a material impact on our business in Hong Kong. As of the date of this Offering Circular, we have not received any notice or allegation from the governmental authority in Hong Kong alleging any breach or non-compliance of applicable data security laws.

As we implement our e-commerce initiative and promote our loyalty programs in overseas market, we may become subject to new laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information that could affect how we store, process and share data with consumers, suppliers and other third parties. For example, in May 2018 the European Union's new regulation governing data practices and privacy called the General Data Protection Regulation, or the GDPR, became effective and substantially replaced the data protection laws of the individual European Union member states. The law requires companies to meet more stringent requirements regarding the handling of personal data of individuals in the EU than were required under predecessor EU requirements. In the United Kingdom, a Data Protection Bill that substantially implements the GDPR also became law in May 2018. The law also increases the penalties for non-compliance, which may result in monetary penalties of up to 20.0 million Euros or 4% of a company's worldwide turnover, whichever is higher. In the United States, various federal, state and foreign legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, information security. For example, California recently enacted the California Consumer Privacy Act, which, among other things, requires new disclosures to California consumers and afford such consumers new abilities to opt out of certain sales of personal information. Outside of the European Union and the U.S., many countries and territories have laws, regulations, or other requirements relating to privacy, data protection, information security, and consumer protection, and new countries and territories are adopting such legislation or other obligations with increasing frequency. Compliance with changes in privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes. If we or those with whom we share information fail to comply with these laws and regulations or experience a data security breach, our reputation could be damaged and we could be subject to additional litigation and regulatory risks.

We may, from time to time, be subject to legal proceedings during the course of our business operations. Our directors, management, shareholders and employees may also from time to time be subject to legal proceedings, which could adversely affect our reputation and results of operations.

From time to time, we are subject to allegations, and may be party to legal claims and regulatory proceedings, relating to our business operations inside and outside China, such as our cooperation with MINISO Retail Partners, local distributors, suppliers, landlords or other third parties, labor disputes with our employees, intellectual property infringement claims, product defect claims, and tort claims. Such allegations, claims and proceedings may be brought by third parties, including consumers, suppliers, employees, business partners, governmental or regulatory bodies, competitors or other third parties, and may include class actions. For example, we are involved in four labor disputes in California, all of which are wage and hour actions. In two of the four cases, two employees of our subsidiary in the United States alleged that, among others, we failed to pay minimum wage and overtime wages, authorize or permit meal periods and rest periods, and provide complete and accurate wage statements. The plaintiffs in these two cases have reached a settlement agreement with us for US\$1,250,000, which was granted final approval by the court in February 2024. According to the settlement agreement, we funded the settlement amount in April 2024. We will comply with the obligations as required by the settlement agreement and the court. A final report hearing was held by the court on December 16, 2024 to review if the allocations of the settlement amount were in order. The remaining wage and hour actions are currently still ongoing and the plaintiffs' claims represent an immaterial amount to our company. In response to these lawsuits, we have taken a series of measures to prevent similar incidents from happening again. However, despite our efforts, we may continue to be involved in additional lawsuits in the United States or other jurisdictions in the future. For example, we are currently also involved in securities class actions in the United States. See “– Our company and certain of our officers and directors have been named as defendants in a shareholder class action lawsuit.”

The outcome of litigation, particularly class action lawsuits, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. We may incur significant expenses related to such proceedings, which may negatively affect our operating results if changes to our business operations are required. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our product offerings, regardless of whether the allegations are valid or whether we are ultimately found liable. In addition, our directors, management, shareholders and employees may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations. As a result, litigation may adversely affect our business, financial condition, results of operations or liquidity.

As a public company dually listed on the Hong Kong Stock Exchange, we may face additional exposure to claims and lawsuits. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims, which could harm our business, financial condition and results of operations.

Our company and certain of our officers and directors have been named as defendants in a shareholder class action lawsuit.

Companies that have experienced volatility in the volume and market price of their shares have been subject to an increased incidence of securities class action litigation. We are currently also involved in a securities class action in the United States. In August 2022, a putative federal securities class action was filed against us and certain of our officers and Directors, alleging that we made misleading misstatements or omissions regarding our business operations and financials in violation of the Securities Act of 1933 and the Securities Exchange Act of 1934. Lead plaintiff was appointed in November 2022 and filed the operative complaint to the court. We and other defendants filed a motion to dismiss the complaint, and the motion was granted by the court in February 2024, with leave to amend. Plaintiffs filed a motion for reconsideration of the court's decision in late March 2024, to which defendants have timely responded. Decision on plaintiffs' motion for reconsideration is pending. Because the case remains in its preliminary stage, we are unable to predict the outcome of the action or estimate the potential losses, if any. We anticipate that we or certain of our directors or officers may be a target for similar lawsuits in the future, including putative class action lawsuits brought by our shareholders and lawsuits against our directors and officers as a result of their position in other public companies. We cannot assure you that our directors or officers and we will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and our directors or officers and we may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs' appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus materially and adversely affect our business, financial condition, results of operation, cash flows, and reputation. In addition, we cannot assure you that our insurance carriers will cover all or part of the defense costs, or any liabilities that may arise from these matters. The litigation process may utilize a significant portion of our cash resources and divert management's attention from the day-to-day operations of our company, all of which could harm our business. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

We face risks relating to our acquisitions, investments and alliances.

As part of our business strategy, we have pursued, and intend to continue to pursue, selective strategic investments and acquisitions of businesses and assets to expand our business and strengthen our market-leading position. For example, on September 23, 2024, one of our wholly-owned PRC subsidiaries entered into share purchase agreements with certain shareholders of Yonghui Superstores Co., Ltd., or Yonghui, to acquire an aggregate of 29.4% of the issued and outstanding shares of Yonghui for a total cash consideration of approximately RMB6.3 billion. See “Summary – Recent Developments.” The completion of the proposed acquisition is subject to the satisfaction of certain conditions precedent, including our shareholders’ approval. Despite our best efforts, we cannot guarantee that the acquisition will close within the anticipated timeframe or at all. Unforeseen circumstances and factors beyond our control may cause delays or ultimately prevent the transaction from being completed. In addition, we have invested substantial cash and other resources in pursuing this acquisition. If the proposed acquisition is delayed or fails to close, we may not be able to recover these investments, which could negatively impact our financial position and operational plans. While we believe this proposed acquisition will provide significant benefits to our company, we cannot guarantee that we will realize these expected benefits even if the proposed acquisition is completed. Factors such as integration challenges, market conditions, or unforeseen obstacles may prevent us from achieving the anticipated synergies, growth opportunities, or other expected advantages of the proposed acquisition.

Acquisitions, investments and alliances in general involve numerous risks, including:

- difficulties in integrating the operations and personnel of the acquired companies,
- heightened competition in the marketplace, potentially undermining anticipated synergies and benefits;
- unforeseen demands on resources for integration and post-integration operations, potentially leading to increased costs and expenses that could impact our financial performance;
- the possible negative publicity or harm to our reputation associated with our acquisitions, investments and alliances;
- disruption of our ongoing business, distraction of and significant time and attention required from our management and employees and increases in our expenses;
- difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience,
- the possible loss of key employees and consumers, which could increase our hiring and training costs and disrupt our business, and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected, including departure of skilled professionals and proven management teams of acquired businesses, as well as the loss of established client relationships of those businesses we invest in or acquire;
- for investments over which we may not obtain management and operational control, we may lack influence over the controlling partners or shareholders, or may not have aligned interests with those of our partners or other shareholders;
- additional or conflicting regulatory requirements, heightened restrictions on and scrutiny of investments, acquisitions and foreign ownership in other jurisdictions, on national security grounds or for other reasons, regulatory requirements (such as filings and approvals under the anti-monopoly and competition laws, rules and regulations,), the risk that acquisitions or investments may fail to close, due to political and regulatory challenges, as well as related compliance and publicity risks;

- actual or alleged misconduct, unscrupulous business practices or non-compliance by us or any company we acquire or invest in or by its affiliates or current or former employees, whether before, during or after our acquisition or investments;
- significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, issue common stock that would dilute our current shareholders' percentage ownership, or incur asset write-offs and restructuring costs and other related expenses;
- difficulties in identifying and selecting appropriate targets and strategic partners, including potential loss of opportunities for strategic transactions with competitors of our investee companies and strategic partners;
- difficulties in conducting sufficient and effective due diligence on potential targets and unforeseen or hidden liabilities or additional incidences of non-compliance, operating losses, costs and expenses that may adversely affect us following our acquisitions or investments or other strategic transactions; and
- actual or potential impairment charges or write-offs of investments in equity method investees, intangible assets (including intellectual property we acquire) or real properties, and goodwill recorded in connection with invested businesses, particularly investments in publicly traded companies, in the event that a decline in fair value below the carrying value of our equity method investments is other-than-temporary, or the carrying amount of a reporting unit to which goodwill is allocated exceeds its fair value.
- In connection with acquisitions, joint ventures or strategic investments outside China, we also may from time to time, in some instances enter into foreign currency contracts or other derivative instruments to hedge some or all of the foreign currency fluctuation risks, which subjects us to the risks associated with such derivative contracts and instruments. No assurance can be given that our acquisitions, joint ventures and other strategic investments will be successful and will not materially adversely affect our business, financial condition or results of operations.

Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations.

In accordance with the relevant laws and regulations in jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and filings to operate our business, including but not limited to business license, filing for medical device operation, filing for pre-packaged food, commercial franchise filing, and fire safety inspection. We may be required to obtain additional permits or make additional filings or registrations for the construction works in relation to decoration we would make on the leased properties where our stores are operated, depending on the amount of investment and area of the properties, including but not limited to obtaining construction permit, filing for as-built inspection of projects and the relevant fire protection inspection and filing procedures.

As of the date of this Offering Circular, we, as a franchiser engaging in franchise activities in relation to our core brand "MINISO", had completed commercial franchise filing pursuant to relevant PRC laws. In addition, we also franchised other parties to engage in business operations using our "TOP TOY" brand. As advised by JunHe LLP, our PRC legal adviser, PRC laws and regulations require a franchiser to have at least two directly operated stores and has operated each of the two directly operated stores for over one year before engaging in franchising activities. Our PRC legal adviser also advised us that a franchiser is required to make filings with relevant government authorities within 15 days after entering into the first franchising agreement. When we engaged in franchising activities under our "TOP TOY" brand, we did not satisfy the legal requirement mentioned above, nor did we make relevant filings on time, primarily due to the relevant employees' failure to fully understand the requirements under applicable laws and regulations. We have made adjustments to our business operations under our "TOP TOY" brand. We are in the process of preparing the filings for the "TOP TOY". Before we are in full compliance with relevant legal requirements, we may be subject to a confiscation of all franchise fees we received and franchise fees we are going to receive in the future until we are in full compliance. In addition, we may also be imposed a maximum aggregate fine up to RMB500,000 for our commercial franchising activities under the "TOP TOY" brand.

In addition, as advised by JunHe LLP, our PRC legal advisor, according to the Fire Prevention Law, the operator of the store shall apply to the local fire and rescue department for a fire control inspection before it opens for business. However, we failed to obtain the certificate for fire control inspection for three of our directly operated TOP TOY stores and one of our directly operated MINISO stores in China. We are currently taking rectification measures, which may potentially include modifying the store entrance and fire exit design of TOP TOY stores and communicating with the landlord of the MINISO store to amend the registered use of the premises. However, we cannot assure you that the measures we take will successfully rectify the non-compliance in a timely manner. It is also possible that we may have to relocate to other premises so as to continue to operate these stores. Given the difficulty of modifying the design of and reconstructing the store entrance or fire exit and amending the registered use of the relevant premises, we do not expect to obtain the certificate for fire inspection for these stores in the near future.

As we continue to expand our business operations and the PRC regulators continue to exert more oversight on administrative management of certain aspects, relevant government authorities in jurisdictions where we operate may require additional licenses or permits or provides more strict supervision requirements such as fire protection, health and safety, construction safety in the future, or if we have to obtain relevant licenses or permits in a short period of time. We cannot assure that we would be able to obtain such licenses or permits or meet all the supervision requirements in a timely manner, or at all, and there will not be violations or suspected violations that result in us becoming subject to governmental investigations, fines and other legal or administrative sanctions. If we fail to comply with applicable regulations or maintain and renew the relevant licensed or permits in a timely manner, we could be subject to fines or be forced to close or temporarily cease part or all of our operations or other penalties, any of which could have a material adverse effect on our business, prospects, financial condition and results of operation.

If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

We are a public company in the United States subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 and the rules and regulations of the New York Stock Exchange, or the NYSE. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F. In addition, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting.

Our management concluded that our internal control over financial reporting was effective as of June 30, 2023. Our independent registered public accounting firm audited the consolidated financial statements included in our annual report on Form 20-F for the fiscal year ended June 30, 2023 filed with the SEC on October 19, 2023, or the 2023 20-F, and, as part of the audit of the consolidated financial statements included in our 2023 20-F, reported on the effectiveness of our internal control over financial reporting as of June 30, 2023, concluding that, in their opinion, we maintained, in all material aspects, effective internal control over financial reporting as of June 30, 2023 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In the future, however, if we fail to maintain an effective system of internal control over financial reporting, our management may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us.

In addition, our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to

produce timely and accurate financial statements. If that were to happen, the trading price of the Shares or the ADSs could decline and we could be subject to sanctions or investigations by the NYSE, the SEC or other regulatory authorities.

Our leased property interest may be defective and such defects may negatively affect our right to such leases.

We currently lease several premises in China. Ownership certificates or other similar proof of certain leased properties have not been provided to us by the relevant lessors. Therefore, we cannot assure you that such lessors are entitled to lease the relevant real properties to us. It is also likely that the construction of such leased properties was illegal and such properties may be ordered by relevant government authorities to be demolished. If any of the foregoing happens, we may not be able to continue to use such leased properties and have to relocate to other premises. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be adversely affected. In addition, we also lease properties in other jurisdictions and may be subject to similar issues or risks.

In addition, under the PRC laws and regulations, lease agreements in general are required to be registered with the local land and real estate administration bureau. The lease agreements for some of our leased properties in China have not been registered with the relevant PRC government authorities. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

We have limited insurance coverage, which could expose us to significant costs.

We maintain certain insurance policies to safeguard against various risks and unexpected events associated with our business and operations, including property insurance covering inventory and warehouse. Miniso Hong Kong Limited also maintains commercial general liability insurance. We also provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. Additionally, we provide accident insurance for certain employees we dispatched to overseas countries. However, insurance companies in China currently offer limited business-related insurance products. We do not maintain business interruption insurance, nor do we maintain key-man life insurance. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may need additional capital, and financing may not be available on terms acceptable to us, or at all.

We believe our cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine in the future that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue equity or equity linked securities or obtain debt financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

We have granted, and may continue to grant, options and other types of awards under our share incentive plan, which may result in increased equity-settled share-based payment expenses.

In order to attract and retain qualified employees, provide incentives to our directors and employees, and promote the success of our business, we adopted a share incentive plan in September 2020, which amended and restated share incentive plan(s) we, our predecessor or any of our subsidiaries adopted previously, if any, in its/their entirety and all awards granted and outstanding thereunder survived the termination of previous share incentive plan(s). The terms and conditions of those survived awards remain unchanged and continue to be effective and binding under the 2020 share incentive plan. To comply with Chapter 17 of the Listing Rules, on June 24, 2022, our board of directors amended and restated the 2020 share incentive plan, which we refer to as the Amended and Restated 2020 Share Incentive Plan in this Offering Circular. The maximum aggregate number of Shares that may be issued under the Amended and Restated 2020 Share Incentive Plan is 147,301,128, consisting of (i) 92,586,048 Shares, which have been issued to several share incentive awards holding vehicles for the grant of restricted shares, options or other type of awards, and (ii) 54,715,080 Shares reserved for issuance pursuant to any awards to be granted under the Amended and Restated 2020 Share Incentive Plan.

On October 18, 2022, we transferred all of the 1,546,909 ADSs that we repurchased as of September 22, 2022 pursuant to a share repurchase program we adopted in December 2021 to our share incentive awards holding vehicles under the Amended and Restated 2020 Share Incentive Plan for future grants of share incentive awards. The 6,187,636 Shares underlying the 1,546,909 repurchased ADSs were deemed to be issued from the pool of 54,715,080 reserved shares under the Amended and Restated 2020 Share Incentive Plan, and thus the amount of reserved shares available for future grants was reduced to 48,527,444.

As of November 30, 2024, we had outstanding options to purchase a total of 4,281,228 Shares and 4,757,795 restricted share units that were outstanding under the Amended and Restated 2020 Share Incentive Plan. We recorded equity-settled share-based payment expenses of RMB82.8 million, RMB62.9 million and RMB64.5 million (US\$8.9 million) for the fiscal year ended June 30, 2022 and 2023 and the six months ended June 30, 2024, respectively.

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards to employees in the future. As a result, our expenses associated with equity-settled share-based payment expenses may increase, which may have an adverse effect on our results of operations.

Changes in international trade policies, or the escalation of tensions in international relations, particularly with regard to China, may adversely impact our business and operating results.

Recently, there have been heightened tensions in international relations, particularly between the United States and China. The U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. In January 2020, the “Phase One” agreement was signed between the United States and China on trade matters. However, it remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade agreements, the imposition of tariffs on goods imported into the U.S., tax policy related to

international commerce, or other trade matters. Any unfavorable government policies on international trade, such as capital controls or tariffs, or the U.S. dollar payment and settlement system may affect the demand for our products, impact the competitive position of our products, prevent us from selling products in certain countries, or even our participation in the U.S. dollar payment and settlement system, which would materially and adversely affect our international operations, results of operations and financial condition. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes could have an adverse effect on our business, financial condition and results of operations.

In addition to trade related tensions between China and the United States, the U.S. government escalated tensions between the U.S. and China in recent years by revoking Hong Kong's special trading status and further sanctioning Chinese companies such as Huawei. Also, the Congress of the United States enacted the Uyghur Forced Labor Prevention Act (UFLPA) in December 2021. Effective from June 21, 2022, the UFLPA creates a rebuttable presumption that goods mined, produced, or manufactured (wholly or in part) in China's Xinjiang Uyghur Autonomous Region are made with forced labor, where goods designated as such will be subject to an import ban into the United States. The President of the United States may also impose sanctions on companies that knowingly engage in, are responsible for, or facilitate forced labor in Xinjiang. We plan to review our supplier relationships and make efforts to comply with any new law that may affect us. However, there is no assurance that we will be able to identify all activities conducted by our suppliers or other business partners as we do not have a control over them. To the extent we identify any potential non-compliance by any of our suppliers, we may have to find and establish relationships with alternative qualified suppliers under commercially acceptable terms. We cannot assure you that we will be able to do so in a timely manner. Under extreme situations, we may be subject to negative publicities or even be subject to regulatory actions, which may negatively affect our reputation and brand image, our business and results of operations, and may materially and adversely affect the price of the Shares or the ADSs.

Recently, the war in Ukraine and sanctions on Russia increased the uncertainties in the relations between China and the United States, and tensions between two countries could be heightened as a result. These tensions have affected both diplomatic and economic ties between the two countries. Heightened tensions could reduce levels of trade, investments, technological exchanges, and other economic activities between the two major economies. The existing tensions and any further deterioration in the relationship between the United States and China may have a negative impact on the general, economic, political, and social conditions in both countries and, given our reliance on the Chinese market, adversely impact our business, financial condition, and results of operations.

Furthermore, the tension between China and India as a result of border clashes between troops of China and India have also resulted in a number of mobile apps developed by Chinese companies and operated in India being banned by the Indian government. We are unable to predict how international relations between China and other countries will develop. To the extent tensions in international relations between China and other countries escalate, our international operations, financial condition and results of operations could be materially and adversely affected.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023 which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "covered transactions." We believe we are not a "Covered Foreign Person" as defined in the Final Rule. However, if we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital would be significantly and negatively affected. In such case, the trading price of the Shares and/or the ADSs may be materially and adversely affected and the value of the Securities may decline significantly.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct activities, including the U.S. Foreign Corrupt Practices Act, or FCPA, the U.K. Bribery Act 2010, and other anti-corruption laws and regulations. Any non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation.

We sell our products to many countries or regions. Certain countries, regions, or individual counterparties with which we trade or operate in, or may trade or operate in the future, may be or become the subject of economic sanctions of one or more countries that may have jurisdiction over all or portions of our operations. Although we have adopted a policy of complying with all sanctions laws applicable to us, we have operations in a large number of countries, and there is no assurance we will be successful in complying with these types of laws, including sanctions programs administered by the U.S. Department of Treasury's Office of Foreign Asset Controls, or OFAC, Her Majesty's Treasury of the United Kingdom, the European Union and its Member States, and others.

In particular, in early 2017, our Hong Kong branch entered into a five-year international agency contract with a North Korean company under which the North Korean company purchased our products and operated a store in Pyongyang, North Korea under the "MINISO" brand. We terminated the international agency contract and our relationship with the North Korean company in August 2017. During this brief period in 2017, we sold approximately RMB0.6 million in store decoration materials and products to the North Korean company.

North Korea is subject to sanctions programs implemented and enforced by various jurisdictions, including China, Japan, Hong Kong and the United States. Certain of these sanctions were enacted pursuant to resolutions of the United Nations Security Council, or the UNSC. These UNSC resolutions direct United Nations member states to implement sanctions on North Korea, including prohibitions on exports of luxury goods and the formation of joint ventures. While sanctions are implemented and enforced at the national level, the sanctions are monitored by a UN Panel of Experts for North Korea, which periodically issues public reports that include information on observed violations of the sanctions and encourages member states to bring enforcement actions.

A report from the UN Panel of Experts for North Korea dated March 5, 2018 included information about the MINISO brand store in Pyongyang as a possible violation of the sanctions prohibiting the sale of luxury goods and the establishment and maintenance of joint ventures. A second report from the UN Panel of Experts dated March 5, 2019 noted the continued operation of the Pyongyang store (as of July 2018) and the existence of a possible joint venture between us and the North Korean company as a violation of sanctions. Subsequent to our being named in the UN reports, we provided cease and desist letters to the North Korean company instructing them to cease using our brand name or trade dress; we also contacted the UN Panel of Experts to explain that our exports to North Korea were not luxury goods, that we had terminated our relationship with the North Korean company in August 2017, and that we had not entered into any joint venture with a North Korean company. We were also contacted by Hong Kong and Japanese enforcement authorities and provided them with similar information. Although we have terminated the international agency contract and our relationship with the North Korean company and provided cease and desist letters to the North Korean company instructing it to cease using our brand name or trade dress, the North Korean company may not follow our instruction and continue to illegally use our brand name or trade dress in the North Korea.

We may be subject to sanctions enforcement actions as a result of our prior sales to North Korea or other activities, which could subject us to fines or other civil or criminal penalties and could be material to our results of operations. Although we have not been named in the subsequent UN reports issued in August 2019 and March 2020, we cannot assure you that we will not be named in any UN reports or subject to other sanctions in the future. If that were to happen, our international operations, results of operations, financial condition, or even our participation in the U.S. dollar payment and settlement system would be materially and adversely affected. The United States has also since September of 2017 maintained a “secondary sanctions” regime against North Korea, pursuant to which there is authority to impose U.S. blocking sanctions against entities engaged in targeted transactions involving North Korea, including any significant exportation of goods, services, or technology to North Korea, whether or not such transactions fall within U.S. jurisdiction in any way. Imposition of U.S. blocking sanctions against us would effectively exclude us from the U.S. dollar economy and would have a materially adverse effect on our business.

Furthermore, any violation of economic sanctions, or even an alleged or suspected violation, could harm our reputation and cause financial institutions or other counterparties to refuse to do business with us. Our relationships with very few international financial institutions have been affected as a result of the UN reports, as they have sought details about our business with sanctioned parties, and future events could have a further impact. Such events could also cause some investors to sell or avoid purchasing our securities, to be consistent with their internal investment policies or to avoid reputational damage. All of these may negatively affect our business, our results of operations, or the trading price of the Shares or the ADSs. In addition, changes in economic sanctions laws in the future could also adversely impact our business and investments in the Shares or the ADSs.

Natural disasters and unusual weather conditions, power outages, pandemic outbreaks, terrorist acts, global political events and other serious catastrophic events could disrupt business and result in lower sales and otherwise materially adversely affect our financial performance.

The COVID-19 pandemic had a severe and negative impact on the Chinese and global economy. In addition to the impact of COVID-19, natural disasters, such as fires, earthquakes, hurricanes, floods, tornadoes, unusual weather conditions, power outages, other pandemic outbreaks, terrorist acts or disruptive global political events, or similar disruptions could materially adversely affect our business and financial performance. Uncharacteristic or significant weather conditions can affect consumer shopping patterns, which could lead to lost sales or greater than expected markdowns and materially adversely affect our results of operations. These events could result in server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to operate our platforms and sell our products. These events could also result in increases in fuel (or other energy) prices or a fuel shortage, delays in opening new stores, the temporary lack of an adequate work force in a market, the temporary or long-term disruption in the supply of products from some domestic and overseas suppliers, the temporary disruption in the transport of goods to overseas, delay or increased transportation costs in the delivery of goods to our warehouses or stores, the inability of consumers to reach or have transportation to stores directly affected by such events, the temporary reduction in the availability of products in stores and disruption of our utility services or to our information systems. These events also can have indirect consequences such as increases in the costs of insurance if they result in significant loss of property or other insurable damage. To the extent these events result in the closure of one or more of stores or our administrative offices or impact one or more of our key suppliers, our operations and financial performance could be materially adversely affected. Our headquarters is located in Guangzhou, where most of our directors and management and the majority of our employees currently reside. Most of our system hardware and back-up systems are hosted in facilities located in Guangzhou. Consequently, if any natural disasters, health epidemics or other public safety concerns were to affect Guangzhou, our operation may experience material disruptions, which may materially and adversely affect our business, financial condition and results of operations.

Adverse developments affecting financial institutions or the financial services industry in general, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations.

Adverse developments that affect financial institutions, transactional counterparties or other third parties, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, or the SVB was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or the FDIC as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. Although the U.S. Department of Treasury, FDIC and Federal Reserve Board have announced a program to provide up to \$25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediately liquidity may exceed the capacity of such program. There is no guarantee that the U.S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions, or that they would do so in a timely fashion. As of September 30, 2024, we had entered approximately 110 countries and regions. Although we currently neither hold bank accounts in nor have banking relationship with SVB, Signature Bank and Silvergate Capital Corp, there are factors that could adversely affect us, including, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. In the event that these factors negatively affected financial institutions or financial services industry companies with which we have financial or business relationships, our liquidity, business operations and financial condition could be adversely affected.

Moreover, our MINISO Retail Partners, distributors or suppliers could also be adversely affected by any of the liquidity or other risks that are described above, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. If any MINISO Retail Partner, distributor or supplier goes bankrupt or becomes insolvency, or fails to make payments when due, or defaults or breaches any material contractual obligations, our business operations and results of operations could also be adversely affected.

Risks Related to Doing Business in China

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors of the benefits of such inspections.

As an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, our auditor is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in the ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

The ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In November 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended June 30, 2022. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our 2023 20-F.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PRC government adopts positions at any time in the future that would prevent the PCAOB from continuing to inspect or investigate completely accounting firms headquartered in mainland China or Hong Kong or the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. The PCAOB has indicated that it could inspect all China- and Hong Kong-based auditors in 2022 and 2023. However, such position can be changed in the future and does not grant an automatic grace period. Although the Shares have been listed on the Hong Kong Stock Exchange and the ADSs and Shares are fully fungible, we cannot assure you that an active trading market for the Shares on the Hong Kong Stock Exchange will be sustained or that the ADSs can be converted and traded with sufficient market recognition and liquidity, if our shares and the ADSs are prohibited from trading in the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase the ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of the ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

The PRC government's oversight and regulation over our business operations could result in a material change in our operations and the value of the Shares or the ADSs.

We conduct our business primarily in China. Our operations in mainland China are governed by mainland China laws and regulations. The PRC government has regulatory oversight over the conduct of our business, and may intervene or influence our operations as the government deems appropriate to advance regulatory and societal goals and policy positions. Currently, the PRC government does not directly intervene in our operations through political orders or otherwise, nor have our business operations and/or the value of the ADSs been materially adversely affected. Nonetheless, we cannot rule out the possibility that the PRC government may, through the evolving regulatory system, intervene or exert more influence over our operations, offerings conducted overseas and/or foreign investment in China-based issuers. If this were to occur, we could be subject to material adverse changes in our operation and/or the value of the ADSs. For example, the PRC government has published new policies that affected certain industries and we cannot rule out the possibility that it will in the future release regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of the Shares or the ADSs. For example, data security laws in mainland China have imposed certain new requirements for business operations in mainland China. Failure to comply with these new legal requirements could have a material impact on our operations or significantly limit or completely hinder our ability to offer or continue to offer the ADSs to

investors and cause the value of the ADSs to significantly decline or become worthless. See “– Failure to protect personal or confidential information against security breaches could subject us to significant reputational, financial and legal consequences and substantially harm our business and results of operations.” Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

In addition, the Chinese government has indicated an intent to exert more oversight over offerings that are conducted overseas and/or foreign investment in China-based issuers. On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, or the Trial Measures, as well as five guidelines for the filing-based administration of overseas securities offerings and listings by mainland China domestic companies, which came into effect on March 31, 2023. These rules apply to (i) mainland China companies that seek to directly offer or list securities on overseas markets; and (ii) mainland China companies that seek to indirectly offer or list securities on overseas markets. Mainland China companies that seek to offer or list securities on overseas markets, both directly and indirectly, shall fulfil the filing procedure and report relevant information to the CSRC according to such rules. Since the Trial Measures have only been recently published, there may be uncertainties as to their implementation, interpretation and impact on our future offerings or financings. We may not be able to complete the filing described above if the filing materials are incomplete or do not meet the requirements of the CSRC. Any failure to obtain or delay in completing the CSRC filing for any of our offshore offerings in the future may subject us to rectification order, warning, or fines imposed by the CSRC or other mainland China regulatory authorities, which may materially and adversely affect our business, financial condition, and results of operations and could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. See “– We are required to complete filing procedures with the CSRC in connection with this offering. In addition, the approval of the CSRC or other PRC government authorities may be required in connection with future offerings or future issuance of securities abroad under mainland China laws, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.”

Changes in China’s or global economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations.

A majority of our operations are located in China. Accordingly, our business, prospects, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The retail industry is highly sensitive to general economic changes. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to a reduction in demand for our services and adversely affect our competitive position. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government’s guidance over capital investments or changes in tax regulations.

The global macroeconomic environment also faces challenges. Health epidemics have caused significant downward pressure for the global economy. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate increases, instability in the financial system, and the tightening of monetary policy by the U.S. Federal Reserve also impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Any prolonged slowdown in the global and Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

Uncertainties in the interpretation and enforcement of laws and regulations in mainland China could limit the legal protections available to you and us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

Our subsidiaries in mainland China are foreign-invested enterprises and are subject to laws and regulations applicable to foreign-invested enterprises as well as various Chinese laws and regulations generally applicable to companies incorporated in China. For instance, on March 15, 2019, the Standing Committee of National People's Congress promulgated the PRC Foreign Investment Law, which became effective on January 1, 2020. The PRC Foreign Investment Law replaces the trio of existing laws regulating foreign investment in China, namely, the Wholly Foreign-owned Enterprises Law, the Sino-foreign Equity Joint Ventures Law, and the Sino-foreign Cooperative Joint Ventures Law, together with their implementation rules and ancillary regulations, and embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since some of these laws and regulations are relatively new and the PRC legal system continues to evolve, the interpretations and enforcement of these laws, regulations and rules involve uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have the authority and discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of protection we enjoy. In addition, like many other jurisdictions, administrative and court proceedings in China could also be protracted, resulting in substantial costs and diversion of resources and management attention. All of these uncertainties could materially and adversely affect our business operations.

Furthermore, on July 6, 2021, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities and further emphasized to strengthen the cross-border regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms and procedures. However, these opinions were newly issued, and there were no further explanations or detailed rules or regulations with respect to such opinions, and there are still uncertainties regarding the interpretation and implementation of these opinions.

These and other similar legal and regulatory developments could lead to legal and economic uncertainty, affect how we operate our business, how we process and use data, and how we transfer personal data from one jurisdiction to another, which could negatively impact demand for our products. We may incur substantial costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies.

PRC government has oversight over the conduct of our business and it has exerted more oversight over offerings that are conducted overseas and/or foreign investment in China-based issuers. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

Litigation and negative publicity surrounding China-based companies listed in the U.S. may result in increased regulatory scrutiny of us and negatively impact the trading price of the ADSs and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

We believe that litigation and negative publicity surrounding companies with operations in China that are listed in the U.S. have negatively impacted stock prices for such companies. Various equity-based research organizations have published reports on China-based companies after examining, among other things, their corporate governance practices, related party transactions, sales practices and financial statements that have led to special investigations and stock suspensions on national exchanges. Any similar scrutiny of us, regardless of its lack of merit, could result in a diversion of management resources and energy, potential costs to defend ourselves against rumors, decreases and volatility in the trading price of the Shares or the ADS, and increased directors and officers insurance premiums and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

MINISO Group Holding Limited is a Cayman holding company and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries or Hong Kong subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

MINISO Group Holding Limited is a Cayman holding company and our operations are conducted primarily through subsidiaries in China. By purchasing the ADSs, you are purchasing interests in our Cayman holding company, as opposed to interests in our subsidiaries in China. Except for certain specific industries, current laws and regulations in mainland China do not prohibit direct foreign investment in mainland China companies. However, foreign investment laws in mainland China are constantly evolving and there is uncertainty with respect to future laws and regulations as well as regulatory actions to be taken by the PRC government in this regard. Were this holding company structure to be challenged or disallowed by PRC regulatory authorities, our business operations would be materially and adversely affected and the value of the ADSs could significantly decline or become worthless. We are a holding company, and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. Current mainland China regulations permit our mainland China subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our mainland China subsidiaries is required to set aside at least 10% of its accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. For a detailed discussion of applicable mainland China regulations governing distribution of dividends. Additionally, if our mainland China subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. Any limitation on the ability of our mainland China subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. As a result of these restrictions, to the extent cash in the business is in a mainland China entity, the funds may not be available to fund operations or for other use outside of mainland China due to interventions in or the imposition of restrictions and limitations on the ability of us or our mainland China subsidiaries by the PRC government to transfer cash. These restrictions and limitations imposed by the PRC government in mainland China are not applicable to cash transfers in and out of Hong Kong or our Hong Kong subsidiaries. If the laws applicable to mainland China become applicable to entities and businesses in Hong Kong in the future, funds in Hong Kong or in our Hong Kong subsidiaries may not be available to fund operations or for other use outside of Hong Kong.

To address the persistent capital outflow and the Renminbi's depreciation against the U.S. dollar in the fourth quarter of 2016, the People's Bank of China and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital regulatory measures in the subsequent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, the Circular on Promoting the Reform of Foreign Exchange Management and Improving Authenticity and Compliance Review, or the SAFE Circular 3, issued on January 26, 2017, provides that the banks shall, when dealing with dividend remittance transactions from domestic enterprise to its offshore shareholders of more than US\$50,000, review the relevant board resolutions, original tax filing form and audited financial statements of such domestic enterprise based on the principle of genuine transaction. The PRC government may continue to strengthen its capital regulatory measures and our subsidiaries in mainland China' dividends and other distributions may be subject to tightened scrutiny in the future. Any limitation on the ability of our subsidiaries in mainland China to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax at a rate of 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless reduced under treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC resident enterprises are tax resident. See “– If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.”

Increases in labor costs and enforcement of stricter labor laws and regulations in China may adversely affect our business and our profitability.

China’s overall economy and the average wage in China have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to those who pay for our services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee’s probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

In October 2010, the Standing Committee of the National People’s Congress promulgated the PRC Social Insurance Law, effective on July 1, 2011 and amended on December 29, 2018. On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Funds, which was amended on March 24, 2002 and March 24, 2019. Companies registered and operating in China are required under the Social Insurance Law and the Regulations on the Administration of Housing Funds to apply for social insurance registration and housing fund deposit registration within 30 days of their establishment and to pay for their employees’ different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. We could be subject to orders by the competent labor authorities for rectification and failure to comply with the orders may further subject us to administrative fines.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. Certain of our subsidiaries in mainland China made insufficient contributions to social security insurance and housing provident fund. The social insurance authorities may demand us to make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the authorities may impose a fine ranging from one to three times of the total outstanding amount. The housing provident fund administration center may also order us to pay the outstanding amount within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. As advised by our PRC legal adviser, although there are no explicit legal provisions or regulations that impose additional penalties for such under-payment, we may be ordered to pay the outstanding amount of the housing provident fund. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The conversion of Renminbi into foreign currencies, including Hong Kong dollars and the U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against Hong Kong dollars and the U.S. dollars, at times significantly and unpredictably. The value of Renminbi against Hong Kong dollars, the U.S. dollars and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against Hong Kong dollars and the U.S. dollars in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollars in the future.

Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, the Shares or the ADSs in foreign currency. For example, to the extent that we need to convert U.S. dollars we receive into Renminbi to pay our operating expenses, appreciation of Renminbi against the U.S. dollars would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the U.S. dollars may significantly reduce the U.S. dollars equivalent of our earnings, which in turn could adversely affect the price of the Shares or the ADSs.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. We did not enter into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk during the past three years. While we may decide to enter into more hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange administrative regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental administration of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans to or make additional capital contributions to our subsidiaries in mainland China, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our subsidiaries in mainland China. We may make loans to our subsidiaries in mainland China subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to our wholly foreign-owned subsidiaries in China. Any loans to our wholly foreign-owned subsidiaries in China, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our wholly foreign-owned subsidiaries in China to finance their activities cannot exceed statutory limits, i.e. the difference between its total amount of investment and its registered capital, or certain amount calculated based on elements including capital or net assets and the cross-border financing leverage ratio, or the Macro-prudential Management Mode under relevant PRC laws and the loans must be registered with the local counterpart of the State Administration of Foreign Exchange, or SAFE, or filed with SAFE in its information system. According to the notice of the People's Bank of China and the State Administration of Foreign Exchange on Increasing the Macro-prudent Adjustment Parameter for Cross-border Financing issued on July 20, 2023, the macro-prudent adjustment parameter for cross-border financing has been increased from 1.25 to 1.5. Moreover, any medium or long-term loan to be provided by us to our subsidiaries in mainland China must also be registered with the NDRC.

We may also decide to finance our wholly foreign-owned subsidiaries in China by means of capital contributions. These capital contributions shall go through registration procedures from competent administration for market regulation. SAFE issued the Circular on the Management Concerning the Reform of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which took effect on June 1, 2015. SAFE Circular 19 allows for the use of RMB converted from

the foreign currency-denominated capital for equity investments in the PRC provided that such usage shall fall into the scope of business of the foreign-invested enterprise, which will be regarded as the reinvestment of foreign-invested enterprise. In addition, SAFE promulgated the Circular Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment on October 23, 2019, or SAFE Circular 28, pursuant to which all foreign-invested enterprises can make equity investments in the PRC with their capital funds in accordance with the law. As the relevant government authorities have broad discretion in interpreting the regulation, it is unclear whether SAFE will permit such capital funds to be used for equity investments in the PRC in actual practice.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or reporting of information on foreign investment on a timely basis, if at all, with respect to future loans to our subsidiaries in mainland China or future capital contributions by us to our wholly foreign-owned subsidiaries in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our subsidiaries in mainland China when needed. If we fail to complete such registrations or record-filings, our ability to use foreign currency, including the proceeds we received from our initial public offering, and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Governmental administration of currency conversion may limit our ability to utilize cash generated from our revenues effectively and affect the value of your investment.

The PRC government implements administrative measures on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues dominated in RMB. Under our current corporate structure, our company in the Cayman Islands may rely on dividend payments from our subsidiaries in mainland China to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our wholly foreign-owned subsidiaries in China are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are PRC residents. But approval from or registration with appropriate government authorities or delegated banks is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange administration system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of the Shares or the ADSs.

PRC regulations relating to offshore investment activities by PRC residents may limit the ability of our subsidiaries in mainland China to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.

SAFE requires PRC residents or entities to register with SAFE or its local branch or its designated banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes certain material events. According to the SAFE Circular on Further Simplification and Improvement in Foreign Exchange Administration Policies on Direct Investment, which became effective on June 1, 2015, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

We are committed to complying with and to ensuring that our shareholders and beneficial owners who are subject to these regulations will comply with the relevant SAFE rules and regulations. However, due to inherent uncertainty in the implementation of the regulatory requirements by the PRC authorities, such registration might not be always practically available in all circumstances as provided in those regulations. As of the date of this Offering Circular, Mr. Guofu Ye and Ms. Yunyun Yang, who directly or indirectly hold shares in our Cayman Islands holding company, have completed the initial foreign exchange registrations and will update their registration as required in connection with a subsequent restructuring of their respective offshore special purpose vehicles, which may not be completed in a timely manner, or at all.

In addition, we have notified all shareholders or beneficial owners who directly or indirectly hold shares in our Cayman Islands holding company and are known to us as being PRC residents to complete their registration with or to obtain approval by the local SAFE, the National Development and Reform Commission, or the NDRC, or MOC branches. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interests in our company, nor can we compel our beneficial owners to comply with applicable registration or approval requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by, SAFE, NDRC and MOC regulations. Failure by such shareholders or beneficial owners to comply with SAFE, NDRC and MOC regulations, or failure by us to amend the foreign exchange registrations of our subsidiaries in mainland China, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries in mainland China's ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Mainland China's M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time consuming and complex. In addition to the Anti-monopoly Law itself, these include the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006, which was amended in 2009, and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the Security Review Rules, promulgated in 2011. These laws and regulations impose requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Anti-Monopoly Law requires that relevant governmental authorities be notified in advance of any concentration of undertaking if certain thresholds are triggered. Moreover, the Security Review Rules specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by MOFCOM, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

Furthermore, the PRC government authorities may strengthen oversight over foreign investment in China-based issuers like us. For instance, the relevant PRC governments promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities, among which, it is mentioned that the administration and supervision of Chinese concept stocks will be strengthened. However, the Opinions on Strictly Cracking Down on Illegal Securities Activities were only issued on July 6, 2021, and no further explanation or detailed rules and regulations with respect to the opinions have been issued yet, leaving uncertainties regarding the interpretation and implementation of the Opinions on Strictly Cracking Down on Illegal Securities Activities. It is possible that any new rules or regulations may impose additional requirements on us.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted restricted shares, or options are subject to these regulations. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China and limit these subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under PRC law.

We are required to complete filing procedures with the CSRC in connection with this offering. In addition, the approval of the CSRC or other PRC government authorities may be required in connection with future offerings or future issuance of securities abroad under mainland China law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval if obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities in accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. Subsequently, CAC and other twelve PRC regulatory authorities jointly issued the Cybersecurity Review Measures and the State Council published the Network Data Regulations which further strengthened the cybersecurity review measures of entities seeking offshore listing. Our initial public offering in the United States was completed prior to the relevant regulations took effect. Our public offering and listing in Hong Kong was not treated as a listing abroad within the meaning of the Cybersecurity Review Measures as confirmed by the CCRC during a phone consultation conducted on March 25, 2022 by our PRC legal advisor, JunHe LLP. Therefore, we are of the view that we were not subject to the cybersecurity review requirement under the Cybersecurity Review Measures with regard to our public offering and listing in Hong Kong. Furthermore, we do not engage in any activities that might give rise to national security risks based on the factors set out in Article 10 of the Cybersecurity Review Measures up to the date of this Offering Circular.

As of the date of this Offering Circular, we have not received any interview requests or enquiry from the PRC government in relation to cybersecurity, nor have we encountered any incident of data or personal information leakage, violation of data protection and privacy laws and regulations or investigation or other legal proceeding against us that will adversely affect our business operations. Thus, we believe that we would be able to comply with the Cybersecurity Review Measures and the Network Data Regulations, and the Cybersecurity Review Measures and the Network Data Regulations would not have a material adverse impact on our business operations. For more details, see “– Risks Related to Our Business and Industry – Failure to protect personal or confidential information against security breaches could subject us to significant reputational, financial and legal consequences and substantially harm our business and results of operations.”

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, or the Trial Measures, as well as five guidelines for the filing-based administration of overseas securities offerings and listings by PRC domestic companies, which came into effect on March 31, 2023. These rules apply to (i) PRC companies that seek to directly offer or list securities on overseas markets; and (ii) PRC companies that seek to indirectly offer or list securities on overseas markets. PRC companies that seek to offer or list securities on overseas markets, both directly and indirectly, shall fulfill the filing procedure and report relevant information to the CSRC according to such rules. Since the Trial Measures have only been recently published, there may be uncertainties as to their implementation, interpretation and impact on our future offerings or financings.

As advised by JunHe LLP, our PRC legal counsel, this offering of the Securities will be subject to the CSRC filing requirement, and hence we are required, and plan to, submit filings with the CSRC within three business days after we complete this offering. We may not be able to complete the filing if the filing materials are incomplete or do not meet the requirements of the CSRC. Any failure to obtain or delay in completing the CSRC filing for any of our offshore offerings, may subject us to rectification order, warning, or fines imposed by the CSRC or other PRC regulatory authorities, which may materially and adversely affect our business, financial condition, and results of operations.

If the CSRC, CAC or other relevant PRC regulatory agencies subsequently determine that approval or filing is required for any of our offshore offerings, future offerings of securities overseas or to maintain the listing status of the ADSs, we cannot guarantee that we will be able to obtain the approval or complete the filing in a timely manner, or at all. The CSRC, CAC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, not to proceed with such offering or maintain the listing status of our listed securities. If we proceed with any of such offering or maintain the listing status of our listed securities without obtaining the CSRC’s or other relevant PRC regulatory agencies’ approval or filing to the extent it is required, or if we are unable to comply with any new approval requirements which might be adopted for offerings that we have completed prior to the publication of the above-referenced opinions, we may face regulatory actions or other sanctions from the CSRC, CAC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from offering of securities overseas into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the listed securities.

Furthermore, if there are any other approvals, filings and/or other administration procedures to be obtained from or completed with the CSRC, CAC or other PRC regulatory agencies as required by any new laws and regulations for any of our future proposed offering of securities overseas or the listing of the listed securities, we cannot assure you that we can obtain the required approval or complete the required filings or other regulatory procedures in a timely manner, or at all. Any failure to obtain the relevant approvals or complete the filings and other relevant regulatory procedures may subject us to regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies, which may have a material adverse effect on our business, financial condition or results of operations. Uncertainties and/or negative publicity regarding these PRC regulations could have a material adverse effect on the trading price of our listed securities.

Failure to make adequate contributions to various government-sponsored employee benefits plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. The requirements of employee benefit plans have not been implemented consistently by the local governments in China given the different levels of economic development in different locations. We have not made contributions in full to social insurance and housing provident fund for some of our employees based on relevant PRC regulations. If we are determined by local authorities to fail to make adequate contributions to any employee benefits as required by relevant PRC regulations, we may face late fees or fines in relation to the underpaid employee benefits. In addition, our provision for these liabilities may not be adequate, particularly in light of the recent tightening regulations. As a result, our financial condition and results of operations may be materially and adversely affected.

Discontinuation of any of the government subsidies or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

Our subsidiaries in mainland China have received financial subsidies from PRC local government authorities. The financial subsidies result from discretionary incentives and policies adopted by PRC local government authorities. Local governments may decide to change or discontinue such financial subsidies at any time. The discontinuation of such financial subsidies or imposition of any additional taxes could adversely affect our financial condition and results of operations.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a PRC resident enterprise. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over and overall management of the business, production, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation, or the SAT issued a circular, known as SAT Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although SAT Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with PRC enterprise income tax reporting obligations. In addition, gains realized on the sale or other disposition of the ADSs or the Shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the Shares or the ADSs.

We may not be able to obtain certain benefits under relevant tax treaty on dividends paid by our subsidiaries in mainland China to us through our Hong Kong subsidiary.

We are a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our subsidiaries in mainland China to satisfy part of our liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a PRC “resident enterprise” to a foreign enterprise investor, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Pursuant to the Arrangement between the PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. According to the Announcement of the State Administration of Taxation on Issues concerning the “Beneficial Owner” in Tax Treaties, which became effective in April 2018, whether a resident enterprise is a “beneficial owner” that can apply for a low tax rate under tax treaties depends on an overall assessment of several factors, which may bring uncertainties to the applicability of preferential tax treatment under the tax treaties. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in January 2020, requires non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties, file relevant report with the tax authorities and retain the relevant materials for future inspection. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. In the future we intend to re-invest all earnings, if any, generated from our subsidiaries in mainland China for the operation and expansion of our business in China. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the relevant tax authority or we will be able to complete the necessary filings with the relevant tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our subsidiaries in mainland China to our Hong Kong subsidiary.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

In February 2015, SAT issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises, or SAT Public Notice 7. SAT Public Notice 7 extends its tax jurisdiction to not only indirect transfers but also transactions involving transfer of other taxable assets, through the offshore transfer of a foreign intermediate holding company. In addition, SAT Public Notice 7 provides certain criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Public Notice 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an “indirect transfer” by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owned the taxable assets may report to the relevant tax authority such indirect transfer. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the foreign transferor or transferee may be subject to extra interests or other liabilities under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes. However, according to the aforesaid the safe harbor rule, the PRC tax would not be applicable to the transfer by any non-resident enterprise of the ADSs acquired and sold on public securities markets.

On October 17, 2017, SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax. According to SAT Public Notice 37, where the non-resident enterprise fails to declare its tax payable pursuant to Article 39 of the EIT Law, the tax authority may order it to pay its tax due within required time limits, and the non-resident enterprise shall declare and pay its tax payable within such time limits specified by the tax authority. If the non-resident enterprise voluntarily declares and pays its tax payable before the tax authority orders it to do so, it shall be deemed that such enterprise has paid its tax payable in time.

We face uncertainties on the reporting and consequences of future share exchanges or other transactions involving the transfer of shares in our company that were acquired in private equity transactions and sold on public securities markets by investors that are non-PRC resident enterprises. The PRC tax authorities may pursue such non-resident enterprises with respect to a filing or the transferees with respect to withholding obligation, and request our subsidiaries in mainland China to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under SAT Public Notice 7 and SAT Bulletin 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

If the custodians or authorized users of controlling non-tangible assets of our company, including our corporate chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.

Under PRC law, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the State Administration for Market Regulation. Although we usually utilize chops to enter into contracts, the designated legal representatives of each of our subsidiaries in mainland China have the apparent authority to enter into contracts on behalf of such entities without chops and bind such entities. All designated legal representatives of our subsidiaries in mainland China are members of our senior management team who have signed employment agreements with us or our subsidiaries in mainland China under which they agree to abide by various duties they owe to us. In order to maintain the physical security of our chops and chops of our PRC entities, we generally store these items in secured locations accessible only by the authorized personnel in the legal or finance or other functional departments of each of our subsidiaries. Although we monitor such authorized personnel, there is no assurance such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the relevant entities and experience significant disruption to our operations. If a designated legal representative obtains control of the chops in an effort to obtain control over any of our subsidiaries in mainland China, we or our subsidiaries in mainland China would need to pass a new shareholder or board resolution to designate a new legal representative and we would need to take legal action to seek the return of the chops, apply for new chops with the relevant authorities, or otherwise seek legal redress for the violation of the representative's fiduciary duties to us, which could involve significant time and resources and divert management attention away from our regular business. In addition, the affected entity may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

Risks Related to the ADSs and the Shares

The trading price of the ADSs and the Shares has been volatile, which could result in substantial losses to investors.

The trading price of the ADSs and the Shares has been volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong or the United States. The securities of some of these companies, including internet-based companies, have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in their trading prices. The trading performances of other Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in Hong Kong or the United States in general and consequently may impact the trading performance of the Shares or the ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for the Shares or the ADSs may be highly volatile for factors specific to our own operations, including the following:

- actual or anticipated variations in our revenues, earnings and cash flow;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- detrimental adverse publicity about us, our services or our industry;
- announcements of new regulations, rules or policies relevant to our business;
- additions or departures of key personnel;
- release of lockup or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- potential litigation or regulatory investigations; and
- other events or factors, including those resulting from war, epidemics, incidents of terrorism or responses to these events.

Any of these factors may result in large and sudden changes in the volume and price at which the Shares or the ADSs will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. We are currently also involved in securities class actions in the United States. See “– Risks Related to Our Business and Industry – Our company and certain of our officers and directors have been named as defendants in a shareholder class action lawsuit.” These securities class actions could divert a significant amount of our management’s attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Techniques employed by short sellers may drive down the market price of the Shares or the ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller’s interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short.

Public companies listed in the United States that have substantially all of their operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

We have been the subject of unfavorable allegations made by short sellers. On July 26, 2022, short seller Blue Orca Capital issued a report and made several allegations against us. We immediately formed an independent committee consisting of independent directors to oversee an independent investigation regarding the allegations made in the report. The independent investigation, overseen by the independent committee and conducted with the assistance of third-party professional advisors including an international law firm and forensic accounting experts from a well-regarded forensic accounting firm that is not our auditor, was substantially completed on September 15, 2022. Based on findings of the independent investigation, which encompassed the allegations in the short seller report regarding our franchise business model and land deals involving our chairman, the independent committee has concluded that key allegations made in the short seller report were not substantiated. We may continue to be the subject of unfavorable allegations made by short sellers in the future. Whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in the Shares or the ADSs could be greatly reduced or even rendered worthless.

If securities or industry analysts do not publish research or publishes inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding the Shares or the ADSs, the market price for the Shares or the ADSs and trading volume could decline.

The trading market for the Shares or the ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades the Shares or the ADSs or publishes inaccurate or unfavorable research about our business, the market price for the Shares or the ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for the Shares or the ADSs to decline.

The sale or availability for sale of a substantial amount of the Shares or the ADSs could adversely affect their market price.

Sales of a substantial amount of the Shares or the ADSs in the public market, or the perception that these sales could occur, could adversely affect the market price of the Shares or the ADSs and could materially impair our ability to raise capital through equity offerings in the future. Shares held by existing shareholders may also be sold in the public market in the future subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Certain holders of the Shares may cause us to register under the Securities Act the sale of their shares, subject to the applicable lock-up period. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of the ADSs to decline. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of the Shares or the ADSs.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in mainland China against us or our management named in this Offering Circular based on foreign laws.

We are an exempted company incorporated under the laws of the Cayman Islands, however, we conduct substantially all of our operations outside of the United States and a majority of our assets are located in China. In addition, all our directors and officers reside within mainland China for a significant portion of the time and all of them are PRC nationals. As a result, it may be difficult for you to bring an action against us or against these individuals in the United States and effect service of process upon us or our directors and officers residing in mainland China in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts in mainland China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between mainland China and the country where the judgment is made or on principles of reciprocity between jurisdictions. Mainland China does not have any treaties or other forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the courts in mainland China will not enforce a foreign judgment against us or our director and officers if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a mainland China court would enforce a judgment rendered by a court in the United States. Hence, our public shareholders may have more difficulty in protecting their interests through actions against us, our directors or officers than would shareholders of a corporation incorporated in a jurisdiction in the United States.

It may be difficult for overseas regulators to conduct investigation or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests. See also “– The ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment” for risks associated with the PCAOB’s inability to inspect or fully investigate auditors located in China, and “– You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or U.S. courts may be limited, because we are incorporated under Cayman Islands law” for risks associated with investing in us as a Cayman Islands company.

We incur increased costs as a result of being a public company.

We are a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the Securities and Exchange Commission, or the SEC, the NYSE, impose various requirements on the corporate governance practices of public companies. We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly.

As a result of being a public company, we need to adopt policies regarding internal controls and disclosure controls and procedures. Operating as a public company also makes it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. In addition, we incur expenses in relation to management assessment according to requirements of Section 404(a) of the Sarbanes-Oxley Act of 2002. We also incur additional significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the number of additional costs we may incur or the timing of such costs.

As a public company listed on the Hong Kong Stock Exchange, we are subject to laws, rules and regulations in Hong Kong that are applicable to us. As a dual-listed company in Hong Kong and the United States, we have to comply with laws and regulations on both markets. However, Hong Kong and the United States have different regulatory regime governing matters related to listed companies and in certain cases have fairly different requirements on certain matters. We have been and will continue to incur additional costs and expenses in complying with the complex regulatory systems on both markets. Failure to comply with any regulatory requirements could result in material adverse impact on the trading of the Shares or the ADSs and reputation and subject us to administrative penalties.

The different characteristics of the capital markets in Hong Kong and the U.S. may negatively affect the trading prices of the Shares and/or the ADSs.

We are subject to Hong Kong and the United States listing and regulatory requirements concurrently. The Hong Kong Stock Exchange and the NYSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of the Shares and the ADSs may not be the same, even allowing for currency differences. Fluctuations in the price of the ADSs due to circumstances peculiar to the U.S. capital markets could materially and adversely affect the price of the Shares, or vice versa. Certain events having significant negative impact specifically on the U.S. capital markets may result in a decline in the trading price of the Shares notwithstanding that such event may not impact the trading prices of securities listed in Hong Kong generally or to the same extent, or vice versa. Because of the different characteristics of the U.S. and Hong Kong capital markets, the historical market prices of the ADSs may not be indicative of the trading performance of the Shares and/or the ADSs.

Exchange between the Shares and the ADSs may adversely affect the liquidity and/or trading price of each other.

Subject to compliance with U.S. securities laws and the terms of the deposit agreement, holders of the Shares may deposit Shares with the depositary in exchange for the issuance of the ADSs. Any holder of ADSs may also surrender ADSs and withdraw the underlying Shares represented by the ADSs pursuant to the terms of the deposit agreement for trading on the Hong Kong Stock Exchange. In the event that a substantial number of Shares are deposited with the depositary in exchange for ADSs or vice versa, the liquidity and trading price of the Shares on the Hong Kong Stock Exchange and the ADSs on the NYSE may be adversely affected.

Risks Related to the Securities and the Shares

The Securities will be unsecured obligations.

The Securities will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer ranking *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Securities, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge contained in Condition 4(a) of the Conditions, will rank at least equally with all of its other present and future unsecured and unsubordinated obligations. Therefore, the Securities will be unsecured obligations of the Issuer. The payment obligations under the Securities may be adversely affected if:

- we enter into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- there is a default in payment under our future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of our indebtedness.

If any of the above events occurs, our assets may not be sufficient to pay amounts due on the Securities.

The Trustee may request the Security Holders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances (including, without limitation, being requested or directed by the Security Holders pursuant to Conditions 10 and 12 of the Conditions), the Trustee may, at its discretion, request Security Holders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions and/or steps and/or institutes proceedings on behalf of Security Holders. The Trustee shall not be obliged to take any such actions and/or steps and/or to institute any such proceedings if it is not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding could be a lengthy process and may affect when such actions and/or steps can be taken or such proceedings may be instituted. The Trustee may not be able to take actions and/or steps and/or institute proceedings, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed, the Agency Agreement or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable law or regulations, to the extent permitted by the agreements and the applicable law and regulations, it would be for the Security Holders to take such actions and/or steps and/or institute proceedings directly.

Holders of the Securities will not be entitled to rights with respect to the Shares, but will be subject to changes made with respect to the Shares.

Holders of the Securities will not be entitled to any rights with respect to the Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Shares). However, such Security Holders will be subject to all changes affecting, and exposed to the value of, the Shares.

Securities law restrictions on the resale of the Securities may limit Security Holders' ability to sell the Securities in the United States.

The Securities have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Securities may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Securities are being offered and sold to non-U.S. persons outside the U.S. in reliance on Regulation S under the Securities Act. Hence, future resales of the Securities may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. See "Transfer Restrictions".

The Security Holders may be subject to tax on their income or gain from the Securities.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition of the Securities. See “*Taxation*” for certain Cayman Islands, PRC and Hong Kong tax consequences.

Gains on the transfer of the Securities may be subject to income tax under PRC tax laws.

Under the Enterprise Income Tax Law of the PRC, or the EIT Law, that came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, respectively and its implementation rules, gains on the transfer of the Securities may be subject to income tax under PRC tax laws.

In accordance with the EIT Law and its implementation regulations, a non-resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to PRC-sourced income if it (i) does not have an establishment or place of business in the PRC or (ii) has an establishment or place of business in the PRC but its PRC-sourced income does not have a de facto relationship with such establishment or place of business in the PRC. The aforesaid income tax payable by a non-resident enterprise is subject to withholding at source. The income tax must be withheld by the withholding agent at the time of payment of the gains. This tax could be exempted or reduced in accordance with the relevant tax treaty or agreement for avoiding double taxation. As at the date of this Offering Circular, no specific legislation or implementation rule has expressly provided whether it is required to and how to collect the tax from non-PRC resident enterprises on gains derived by them from the sale or transfer of the Securities. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of enterprise income tax on such gains in the future.

In addition, according to the Individual Income Tax Law of the PRC as amended on June 30, 2011 and August 31, 2018 and took effect on January 1, 2019 (the “**IIT Law**”) and the implementation regulations, non- resident individuals are generally subject to individual income tax at a rate of 20% with respect to PRC- sourced income from interest, dividends and transfer of property unless such tax is reduced or exempted under relevant double taxation treaties. Under the IIT Law, a “non-resident individual” means any non- resident PRC individual who has no domicile and does not reside in the PRC or who has no domicile and has resided in China for less than 183 days within one tax year. As at the date of this Offering Circular, no specific legislation or implementation rules have expressly provided whether it is required to and how to collect the tax from non-PRC resident individuals on the gains derived by them from the sale or transfer of the Securities. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of individual income tax on such gains in the future.

If a Security Holder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Securities, the value of the relevant Security Holder’s investment in the Securities may be materially and adversely affected. See “*Taxation – PRC*”. Any payment of interest on the Securities would be subject to withholding at a rate of 10% for non-PRC resident enterprises and at a rate of 20% for non-PRC resident individuals.

The market value of the Securities may fluctuate.

Trading prices of the Securities are influenced by numerous factors, including our results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as share sales, reorganisations, takeovers or share buybacks) and/or our subsidiaries and/or associated companies, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, our and/or the subsidiaries and/or associated companies generally. Adverse economic developments in the PRC could have a material and adverse effect on our results of operations and/or the financial condition and/or our subsidiaries and/or associated companies.

In addition, the market price of the Securities is expected to be affected by fluctuations in the market price of the Shares. There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of such Shares for future issue or sale, would have on the market price of the Shares prevailing from time to time and therefore on the market price of the Securities. Disposals of Shares by shareholders or a perception in the market that such disposals could occur, may adversely affect the prevailing market price of the Shares and the Securities.

Recent and future regulatory actions, changes in market conditions, and other events may adversely affect the trading price and liquidity of the Securities. We cannot assure you that market conditions will permit investors to implement a convertible arbitrage strategy with respect to the Securities.

We expect that many investors in, and potential purchasers of, the Securities will employ, or seek to employ, a convertible arbitrage strategy with respect to the Securities. Investors would typically implement such a strategy by selling short the Shares and dynamically adjusting their short position while continuing to hold the Securities. Investors may also implement this type of strategy by entering into swaps on the Shares in lieu of or in addition to short selling the Shares, or other equivalent equity or equity-linked transactions in respect of the Shares. We cannot assure you that market conditions will permit investors to implement this type of strategy, whether on favorable pricing and other terms, or at all. If market conditions do not permit investors to implement this type of strategy, whether on favorable pricing and other terms, or at all, at any time while the Securities are outstanding, the trading price and liquidity of the Securities may be adversely affected.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including the Shares). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a “Limit Up-Limit Down” program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the Securities to effect short sales of the Shares, borrow the Shares or enter into swaps on the Shares could adversely affect the trading price and the liquidity of the Securities. This could, in turn, adversely affect the trading price and liquidity of the Securities.

In addition, the liquidity of the market for the Shares and other market conditions could deteriorate, which could reduce, or eliminate entirely, the number of Shares available for lending in connection with short sale transactions and the number of counterparties willing to enter into an equity swap on the Shares with a Security investor. These and other market events could make implementing a convertible note arbitrage strategy prohibitively expensive or infeasible. We cannot assure you that a sufficient number of Shares will be available to borrow on commercial terms, or at all, to potential purchasers in this offering or holders of the Securities. If investors in this offering or potential purchasers of the Securities that seek to employ a convertible note arbitrage strategy are unable to do so on commercial terms, or at all, then the trading price of, and the liquidity of the market for, the Securities may significantly decline.

The return on the Securities may decrease due to inflation.

Security Holders may suffer erosion on the return of their investments due to inflation. Security Holders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

An active trading market for the Securities may not develop and there are restrictions on resale of the Securities.

The Securities are a new issue of securities for which there is currently no trading market. Although we will make a formal application for the listing of, and permission to deal in, the Securities on the Singapore Exchange, and no assurance can be given that an active trading market for the Securities would develop or as to the liquidity or sustainability of any such market, the ability of Security Holders to sell their Securities or the price at which Security Holders would be able to sell their Securities. If an active market for the Securities fails to develop or be sustained, the trading price of the Securities could fall.

If an active trading market were to develop, the Securities could trade at prices that may be lower than their initial offering price. Whether or not the Securities would trade at lower prices depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- the price of the Shares;
- the market prices of the Securities;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in our industry and competition; and general market and economic conditions;
- any other restrictions apply to its purchase or pledge of the Securities; or
- our financial condition and historical financial performance and future prospects.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

The Securities may not be a suitable investment for all investors.

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities;
- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless he/she has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The Securities will contain provisions regarding modification and waivers, which could affect the rights of Security Holders.

The Conditions will contain provisions for calling meetings of Security Holders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Security Holders including Security Holders who did not attend and vote at the relevant meeting and Security Holders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Securities may be adverse to the interest of individual holders of the Securities.

The Conditions will also provide that the Trustee may (but shall not be obliged to), without the consent of the holders of the Securities, agree to (i) any modification (other than in respect of certain reserved matters) to, or the waiver or authorisation of any breach or proposed breach of, the Conditions, the Agency Agreement and/or the Trust Deed which in the opinion of the Trustee would not be materially prejudicial to the interests of the holders of the Securities and (ii) any modification of the Conditions, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of applicable law. Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be binding on the Security Holders and shall be notified to the Security Holders by the Issuer in accordance with Condition 16 as soon as practicable thereafter. In addition, the Trustee may (but shall not be obliged to), without the consent of the Security Holders, determine any Event of Default or a Potential Event of Default (both terms as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of the Security Holders will not be materially prejudiced thereby.

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.

If the Issuer or any of its subsidiaries is unable to comply with the restrictions and covenants in their respective current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer's debt agreements contain cross-acceleration or cross-default provisions.

As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Securities, or result in a default under the Issuer's or such other subsidiary's other debt agreements. If any of these events were to occur, there is no assurance that the Issuer would have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Issuer would be able to find alternative financing. Even if the Issuer could obtain alternative financing, it could not guarantee that it would be on terms that are favourable or acceptable to the Issuer.

Any failure to complete the relevant filings under the Order 56 within the prescribed time frame following the completion of the issue of the Securities may have adverse consequences for the Issuer and/or the investors in the Securities.

The NDRC issued the Administrative Measures for the Examination and Registration of Medium- and Long- Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) (the “**Order 56**”) which came into effect from 10 February 2023. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities and file the particulars of the relevant issue within 10 Registration Business Days (as defined in the Conditions) after the completion of the issue of (each installment of) the securities. The Issuer has obtained the Enterprise Foreign Debt Examination and Registration Certificate (《企業借用外債審核登記證明》) dated July 10, 2024 with respect to the offering of the Securities and has undertaken to file the NDRC of the particulars of the issue of the Securities within the prescribed time period after the Issue Date. Failure to comply with the post-issuance reporting requirement may result in the relevant entities being required to make rectification within a time limit and the relevant enterprise and its main responsible person shall be warned if the case is serious or the relevant entities fail to correct within the time limit. In addition, failure to comply with the Order 56 may result in the relevant entities being subject to other disciplinary measures such as interviews and public warnings and put on the credit blacklist in the PRC and subject them to credit-related sanctions. Potential investors in the Securities are advised to exercise due caution when making their investment decisions.

Exchange rate risks and exchange controls may affect an investor’s returns on the Securities.

The Issuer will pay principal on the Securities in U.S. dollars. This presents certain risks relating to currency exercises if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the U.S. dollar would decrease (i) the Investor’s Currency-equivalent yield on the Securities; (ii) the Investor’s Currency-equivalent value of the principal payable on the Securities; and (iii) the Investor’s Currency-equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Securities are legal investments for it; and
- the Securities can be used as collateral for various types of borrowing.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of any other jurisdiction with which holders of the Securities are familiar.

Since the Issuer is incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to the Issuer, even if brought in other jurisdictions, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions. We conduct most of our business operations in the PRC. The laws and regulations in the PRC relating to bankruptcy and insolvency and the legal proceedings in that regard may significantly differ from those of other jurisdictions with which the holders of the Securities are familiar. Investors should analyse the risks and uncertainties carefully before they invest in the Securities.

The Securities will be structurally subordinated to subsidiary debt.

Payments under the Securities will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries, and to all secured creditors of the Issuer. A substantial part of the Issuer's operations are conducted through its subsidiaries, associated companies and jointly controlled entities. Accordingly, the Issuer is and will be dependent on the operations of its subsidiaries, associated companies and jointly controlled entities to service its indebtedness, including interest and principal on the Securities. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer.

The liquidity and price of the Securities following the offering may be volatile.

The price and trading volume of the Securities may be highly volatile. Factors such as variations in our turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Securities to change. Any such developments may result in large and sudden changes in the trading volume and price of the Securities. There is no assurance that these developments will not occur in the future.

The Issuer may not have the ability to redeem the Securities.

Security Holders may require the Issuer, subject to certain conditions, to redeem for cash some or all of their Securities at the option of the Security Holders following the occurrence of a Relevant Event as described under "Terms and Conditions of the Securities – Redemption, Purchase and Cancellation – Redemption for Delisting or Change of Control" or on the Put Option Dates as described under "Terms and Conditions of the Securities – Redemption, Purchase and Cancellation – Redemption at the Option of the Security Holders". The Issuer may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer's ability to redeem the Securities in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Securities by the Issuer would constitute an event of default under the Securities, which may also constitute a default under the terms of other indebtedness held by the Issuer.

The Securities may be early redeemed at the Issuer's option.

The Issuer may, on giving not less than 30 nor more than 60 days' notice to the Security Holders, the Trustee and the Principal Agent, redeem the Securities in whole, but not in part at the principal amount, together with interest accrued but unpaid to but excluding such date (if any) at any time if, prior to the date of such notice, at least 90 per cent. in principal amount of the Securities originally issued has already been redeemed, purchased and cancelled or in respect of which Exercise Rights have been exercised. In addition, the Securities may be redeemed at the option of the Issuer in whole and not in part, on giving not less than 30 days' nor more than 60 days' notice to the Security Holders, the Trustee and the Principal Agent, at the principal amount as at such date together with the interest accrued but unpaid to but excluding such date (if any), if the Issuer has or will become obliged to pay Additional Tax Amounts as a result of certain events set out in the Conditions and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. As a result, the trading price of the Securities may be affected when any redemption option of the Issuer becomes exercisable. Accordingly, Security Holders may not be able to sell their Securities at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Securities.

The Exercise Rights with respect to the Securities can only be exercised by the holders on or after January 14, 2031.

Exercise Rights in respect of the Securities will only become exercisable on or after January 14, 2031, even if there was a Change of Control on or prior to such date. Therefore, holders will only be able to receive any Cash Settlement Amount in accordance with "Terms and Conditions" if they exercise the Exercise Rights in respect of the Securities on or after January 14, 2031.

The Cash Settlement Amount payable to Security Holders will be subject to market price volatility during the calculation period.

Upon the exercise of Exercise Rights by a Security Holder, the Issuer will be required to satisfy the exercise of such Exercise Right by payment of the Cash Settlement Amount relating thereto. The Cash Settlement Amount for Security Holder exchanging during the Initial Exercise Period will be calculated using the volume weighted average price of a Security on each trading day over a 60-trading day calculation period as further set out in the Conditions. The Cash Settlement Amount for a Security Holder exchanging its Security during the Final Exercise period will be calculated using the higher of (i) the applicable exercise price on the relevant trading day and (ii) the volume weighted average price of a Security on each trading day, over a 60-trading day calculation period. As such, a Security Holder will need to wait for the calculation period to be completed before receiving any payment of the Cash Settlement Amount. The calculation of the Cash Settlement Amount will be affected by share price movements and volatility during such calculation period, which can be affected by a wide array of factors including, without limitation, results of operations of our company, sales of additional Shares or securities exchangeable for or convertible into Shares, as well as political, economic, financial and other factors in the PRC market and elsewhere in the world or economic downturn locally or globally.

The Issuer is exposed to a substantial increase in price of the Shares.

The Issuer does not have an ability to redeem all or part of the Securities if the price of the Shares increases substantially. As such, if the price of the Shares increases substantially and Security Holders exercise their Exercise Rights, the Issuer may be required to source funds in order to pay the Cash Settlement Amount. There is no assurance that the Issuer will be successful in doing so or that it will have sufficient funds to pay such Cash Settlement Amount.

Short selling of the Shares by Security Holders could materially and adversely affect the market price of the Shares.

The issuance of the Securities may result in downward pressure on the market price of the Shares. Investors in convertible securities may seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions. Any short selling and similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares owned by an investor as well as on the trading price of the Securities.

Future issuances of Shares or equity-related securities may depress the trading price of the Shares.

Any issuance of the Issuer's equity securities after this offering could dilute the interest of the existing shareholders and could substantially decrease the trading price of the Shares. The Issuer may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt-to-equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other equity linked securities or for other reasons. Sales of a substantial number of Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Shares. The Issuer cannot predict the effect that future sales of the Shares or other equity-related securities would have on the market price of the Shares. In addition, the price of the Shares could be affected by possible sales of the Shares by investors who view the Securities as a more attractive means of obtaining equity participation in the Issuer and by hedging or engaging in arbitrage trading activity involving the Securities.

The Securities will initially be represented by the Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System.

The Securities will initially be represented by the Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a “**Clearing System**”). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates in respect of their Securities. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificate. While the Securities are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Securities are represented by the Global Certificate, the Issuer will discharge its payment obligations (other than the Cash Settlement Amount) under the Securities by making payments to the common depositary for Euroclear and Clearstream, for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

None of the Trustee or the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) has any responsibility or liability for the records of any Clearing System relating to, or payments made in respect of, beneficial interests in the Global Certificate.

The Call Spread Transactions may affect the value of the Securities, the Shares and the ADSs.

In connection with the issuance and pricing of the Securities, the Issuer entered into the Call Spread Transactions with the Option Counterparties. The Call Spread Transactions are expected generally to reduce or offset any cash payments the Issuer is required to make in excess of the principal amount of the exchanged Securities.

In connection with establishing their initial hedges of the Call Spread transactions, the Option Counterparties or their respective affiliates may expect to purchase the Shares and/or enter into various derivative transactions with respect to the Shares shortly after the pricing of the Securities. These activities could increase (or reduce the size of any decrease in) the market price of the Shares, ADSs, other securities of the Issuer or the Securities at that time. The effect, if any, of these activities, including the direction or magnitude, on the market price of the Shares, ADSs or the price of the Securities will depend on a variety of factors, including market conditions, and cannot be ascertained at this time.

In addition, the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to Shares, the ADSs and/or purchasing or selling the Shares, the ADSs or other securities of the Issuer in secondary market transactions during the tenor of the Securities (and are likely to do so following any exchange of the Securities, repurchase of the Securities by the Issuer upon occurrence of certain fundamental changes or otherwise, in each case, if the Issuer opt to unwind the relevant portion of the Call Spread Transactions early). The effect, if any, of these activities on the market price of the Shares, the ADSs or the price of the Securities will depend on a variety of factors, including market conditions, and cannot be ascertained at this time. Any of these activities could, however, also cause or avoid an increase or a decrease in the market price of the Shares, the ADSs, other securities of the Issuer or the price of the Securities. In addition, if the Upper Strike Warrant is exercised, to settle their obligations under the Call Spread Transactions, the Option Counterparties or their respective affiliates expect to sell up to the number of Shares underlying the Call Spread Transactions at the time, which could cause a decrease in the market price of the Shares and/or the ADSs, other securities of the Issuer or the price

of the Securities. Any of the above changes in the market price of the Shares could affect whether the holders exchange their Securities and value of the consideration that the holders will receive upon exchange of the Securities. In addition, any of the Option Counterparties may choose to engage in, or to discontinue engaging in, any of these transactions with or without notice at any time, and its decisions will be in its sole discretion and not within the Issuer's control.

In addition, if any such Call Spread Transactions fail to become effective, whether or not this offering of Securities is completed, the Option Counterparties may unwind their hedge positions with respect to such transactions, which could adversely affect the value of Shares, the ADSs and, if the Securities have been issued, the value of the Securities.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the Securities, the Shares and/or the ADSs. In addition, we do not make any representation that the Option Counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. See "Description of the Call Spread Transactions".

We are subject to counterparty risk with respect to the Call Spread Transactions.

The Option Counterparties are financial institutions, we will be subject to the risk that any or all of them might default under the Call Spread Transactions. Our exposure to the credit risk of the Option Counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an Option Counterparty becomes subject to insolvency proceedings, the Issuer will become an unsecured creditor in those proceedings with a claim equal to the Issuer's exposure at that time under the Call Spread Transactions with such Option Counterparty. The Issuer's exposure will depend on many factors but, generally, an increase in the Issuer's exposure will be correlated to an increase in the market price and in the volatility of Shares and the ADSs.

In addition, upon a default by an Option Counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to Shares. We can provide no assurances as to the financial stability or viability of the Option Counterparties.

The Issuer may be unable to achieve equity classification on the call spread.

The Issuer is required to account for the Call Spread Transaction under the IFRS. The transactions are highly complex arrangements, and judgement is required to determine the appropriate accounting treatment under IFRS. It is expected that the Upper Strike Warrant will be equity classified under IFRS. However, there is a risk that the instrument could be required to be classified as a derivative liability. Classification as a derivative liability will result in a requirement for fair value re-measurement of the instrument. Its fair value will be subject to the Issuer's share price and other market factors. Under this scenario, increases in the Issuer's share price could result in material fair value losses being recognised in the Group's and the Issuer's income statements.

The risks described above do not necessarily comprise all those faced by us and are not intended to be presented in any assumed order of priority.

The investment referred to in this Offering Circular may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser before making a decision to subscribe for the Securities.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular, including the documents incorporated by reference herein, contains forward-looking statements that reflect our current expectations and views of future events. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by words or phrases such as “may,” “could,” “should,” “would,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to,” “project,” “continue,” “potential” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our mission, goals and strategies;
- our future business development, financial conditions and results of operations;
- the expected growth of and competition in the retail market of lifestyle products in China and globally;
- our expectations regarding demand for and market acceptance of our products;
- our expectations regarding our relationships with consumers, suppliers, MINISO Retail Partners, local distributors, and our other business partners;
- government policies and regulations relating to our business and our industry; and
- general economic and business conditions globally and in China.

You should read this Offering Circular and the documents that we refer to and are incorporated by reference in this Offering Circular completely and with the understanding that our actual future results may be materially different from what we expect. Other sections of this Offering Circular discuss factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this Offering Circular relate only to events or information as of the date on which the statements are made in this Offering Circular. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

USE OF PROCEEDS

We expect to raise total net proceeds of US\$457,079,647 from the offering of the Securities and the Call Spread Transactions, after deducting estimated fees, commissions, expenses, and net cost of entry into the Call Spread Transactions. We plan to use 50% of the net proceeds for overseas store network expansion, supply chain optimization and development, brand building and promotion, additional overseas working capital and other general corporate purposes, and to use another 50% in purchasing the Shares and/or ADSs from time to time pursuant to our share repurchase programs.

The foregoing represents our current intentions to use and allocate the net proceeds of this offering based upon our present plans and business conditions. Our management, however, will have significant flexibility and discretion to apply these net proceeds. If an unforeseen event occurs or business conditions change, we may use these proceeds differently than as described above.

In utilizing the proceeds of this offering, as an offshore holding company, we are permitted, under PRC laws and regulations, to provide funding to our subsidiaries in mainland China only through loans or capital contributions. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our subsidiaries in mainland China or make additional capital contributions to our subsidiaries in mainland China to fund their capital expenditures or working capital. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See “Risk Factors – Risks Related to Doing Business in China – Governmental administration of currency conversion may limit our ability to utilize cash generated from our revenues effectively and affect the value of your investment.”

DIVIDEND POLICY

On July 27, 2023, our board of the directors approved and adopted a dividend policy, effective immediately upon approval. Pursuant to the dividend policy, we plan to declare and distribute an annual dividend no less than 50% of our annual adjusted net profit, a non-IFRS measure defined as profit for the period excluding equity-settled share-based payment expenses. Our board of directors will take into account the actual and expected operations and profitability conditions, capital requirements and surplus, overall financial position, contractual restrictions and other factors that our board of directors may deem relevant in evaluating the decision to declare dividend and the exact amount of dividends for distribution. Although we intend to distribute dividends in the future, the amount, timing, and whether or not we actually distribute dividends at all are at the discretion of our board of directors.

On August 19, 2021, our board of directors declared a cash dividend in the amount of US\$0.156 per ADS, or US\$0.039 per Share, payable as of the close of business on September 9, 2021 to shareholders of record as of the close of business on August 31, 2021. The aggregate amount of cash dividends paid was US\$47.2 million, which was funded by surplus cash on our balance sheet.

On August 17, 2022, our board of directors declared a cash dividend in the amount of US\$0.172 per ADS, or US\$0.043 per Share, payable to the holders of the ADSs as of the close of business on September 9, 2022 and to shareholders of record as of the close of business on August 31, 2022. The aggregate amount of cash dividends paid was approximately US\$53.6 million, which was funded by surplus cash on our balance sheet.

On August 22, 2023, our board of directors approved the distribution of a cash dividend in the amount of US\$0.412 per ADS or US\$0.103 per Share, payable as of the close of business on September 19, 2023 to the holders of ADSs and Shares of record as of the close of business on September 7, 2023, New York Time and Beijing/Hong Kong Time, respectively. The aggregate amount of cash dividend paid was US\$128.8 million.

On March 12, 2024, our board of directors declared a cash dividend in the amount of US\$0.29 per ADS, or US\$0.0725 per Share to holders of ADSs and Shares of record as of the close of business on March 28, 2024, New York Time and Beijing/Hong Kong Time, respectively. The aggregate amount of cash dividend paid was US\$90.6 million.

Our board of directors has discretion on whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if we decide to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China and overseas for our cash requirements, including any payment of dividends to our shareholders. PRC and other regulations may restrict the ability of our subsidiaries to pay dividends to us. In particular, PRC laws require that dividends be paid by PRC companies only out of the profit for the year calculated according to PRC accounting principles. PRC laws also require a PRC company to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Pursuant to the PRC Company Law, each of our subsidiaries in mainland China may pay dividend from the after-tax profit after (i) it sets aside as general reserves at least 10% of its after-tax profit until the cumulative amount of its reserves reaches 50% of its registered capital, and (ii) any losses of such PRC subsidiary from prior fiscal years have been offset.

If we pay any dividends on the Shares, with respect to holders of the ADSs, our depositary, as the registered holder of Shares, will pay such amounts to the ADS holders to the same extent as holders of the Shares, in proportion to the Shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on the Shares, if any, will be paid in U.S. dollars.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our capitalization as of June 30, 2024:

- on an actual basis;
- on an as adjusted basis to give effect to the completion of this offering of the Securities (with an assumed issue price of 100%), resulting in estimated net proceeds of RMB3,885.3 million (US\$534.6 million), after deducting the estimated fees, commissions and expenses of approximately of RMB111.7 million (US\$15.4 million) as if the Securities were issued on that day.

The as adjusted information is illustrative only. You should read this table together with our unaudited interim consolidated financial statements included elsewhere in this Offering Circular, our consolidated financial statements and the related notes thereto included in our 2024 interim report incorporated by reference to this Offering Circular, and the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The following table does not take into account any other changes in our capitalization after June 30, 2024, such as our share repurchases from time to time pursuant to our share repurchase program.

	As of June 30, 2024			
	Actual		As Adjusted	
	RMB	US\$ ⁽²⁾	RMB	US\$ ⁽²⁾
	(in thousands)			
Borrowings and indebtedness				
Short-term:				
Loans and borrowings	713	98	713	98
Lease liabilities	455,453	62,672	455,453	62,672
Long-term:				
Loans and borrowings	6,414	883	6,414	883
Lease liabilities	1,481,836	203,907	1,481,836	203,907
Equity linked securities	—	—	3,885,261	534,630
Total borrowings and indebtedness	1,944,416	267,560	5,829,677	802,190
Total shareholders’ equity	9,724,781	1,338,174	9,724,781	1,338,174
Total capitalization⁽¹⁾	11,669,197	1,605,734	15,554,458	2,140,364

(1) Total capitalization equals total borrowings and indebtedness plus total shareholders’ equity.

(2) The balances stated in RMB are converted into U.S. dollars at the rate of RMB7.2672 to US\$1.00. No representation is made that RMB amounts have been, could have been or may be converted into U.S. dollars, or vice versa, at that rate.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited consolidated financial statements as of June 30, 2022 and 2023 and December 31, 2023 and for the fiscal years ended June 30, 2022 and 2023 and the six months ended December 31, 2023 and the related notes thereto and (ii) our unaudited interim condensed consolidated financial statements and the related notes for the six months ended June 30, 2024. This discussion contains forward-looking statements that involve risks and uncertainties about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of various factors.

Overview

We are a global value retailer offering a variety of trendy lifestyle products featuring IP design. We have successfully incubated two brands, MINISO and TOP TOY, since we opened our first store in China in 2013. In the fiscal year ended June 30, 2023, the six months ended December 31, 2023 and the six months ended June 30, 2024, we generated revenue of RMB10.9 billion, RMB7.3 billion (US\$1.0 billion) and RMB7.3 billion (US\$1.0 billion) from the MINISO brand, respectively with the aggregate GMV of the MINISO brand reaching approximately RMB20.5 billion, RMB13.7 billion (US\$1.9 billion) and RMB13.9 billion (US\$1.9 billion), respectively. TOP TOY, a new brand we launched in December 2020 to pioneer the concept of pop toy collection stores, achieved revenue of RMB533.4 million, RMB368.8 million (US\$52.0 million) and RMB428.9 million (US\$59.0 million), and a GMV of RMB774.4 million, RMB539.5 million (US\$76.0 million) and RMB625.4 million (US\$86.1 million) in the same year/periods.

We have built our flagship brand “MINISO” as a globally recognized retail brand and established a store network worldwide. Observing an emerging pop toy culture, we introduced the “TOP TOY” brand with the goal of entering into the pop toy market and eventually building our platform of pop toys. During the six months ended June 30, 2024, we launched an average of approximately 940 SKUs under the “MINISO” brand per month, and offered consumers a wide selection of approximately 10,100 core SKUs, the vast majority of which are under the “MINISO” brand. Our MINISO product offerings span 11 major categories, including home decor, small electronics, textile, accessories, beauty tools, toys, cosmetics, personal care, snacks, fragrance and perfumes, and stationery and gifts. Under the TOP TOY brand, we offered around 9,800 SKUs as of June 30, 2024 across major categories that primarily include blind boxes, toy bricks, model figures, model kits, collectible dolls, Ichiban Kuji and other popular toys. Our highly effective approach to retail, which mainly encompasses dynamic product development, an efficient supply chain and deep operational know-how backed by digitalization, is critical to the success and forms the backbone of our business.

We have two reportable segments: (i) MINISO brand, including mainly the design, purchasing and sale of lifestyle products, and (ii) TOP TOY brand, including mainly the design, purchasing and sale of pop toys.

Our revenue was RMB10,085.6 million and RMB11,473.2 million in the fiscal years ended June 30, 2022 and 2023, respectively, and RMB7,632.5 million (US\$1,075.0 million) in the six months ended December 31, 2023. For the six months ended June 30, 2023 and 2024, we generated revenue of RMB6,206.3 million and RMB7,758.7 million (US\$1,067.6 million), respectively. Our gross profit was RMB3,069.8 million and RMB4,443.1 million in the fiscal years ended June 30, 2022 and 2023, respectively, and RMB3,241.0 million (US\$456.5 million) in the six months ended December 31, 2023. For the six months ended June 30, 2023 and 2024, our gross profit was RMB2,457.4 million and RMB3,389.8 million (US\$466.5 million), respectively. We recorded a profit of RMB639.7 million in the fiscal year ended June 30, 2022, a profit of RMB1,781.8 million in the fiscal year ended June 30, 2023, and a profit of RMB1,256.1 million (US\$176.9 million) in the six months ended December 31, 2023. For the six months ended June 30, 2023 and 2024, we recorded profit of RMB1,017.9 million and RMB1,177.4 million (US\$162.0 million), respectively.

Key Components of Our Results of Operations

Revenue

We primarily derive our revenue from sales of lifestyle and pop toy products through sales to MINISO Retail Partners, sales to offline distributors, retail sales in directly operated stores and through online channels. Other sources of revenue mainly include license fees from MINISO Retail Partners and distributors, and sales-based royalties and sales-based management and consultation service fees income from MINISO Retail Partners. The following table sets forth the components of our revenue by amounts and percentages of our total revenue broken down by revenue source for the periods presented:

	For the fiscal year ended June 30,				For the six months ended December 31,			For the six months ended June 30,					
	2022		2023		2023			2023		2024			
	RMB	%	RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%	
(in thousands, except for percentages)													
Revenue:													
Sales of lifestyle and pop toy products.....	8,997,662	89.2	10,357,235	90.3	6,921,694	974,900	90.7	5,602,524	90.3	7,029,080	967,234	90.6	
– Retail sales in self-operated stores.....	555,226	5.5	990,048	8.6	1,004,114	141,427	13.2	570,420	9.2	1,205,709	165,911	15.5	
– Product sales to franchisees ⁽¹⁾	5,499,267	54.5	5,960,518	52.0	3,857,191	543,274	50.5	3,422,780	55.1	3,995,768	549,836	51.5	
– Sales to offline distributors..	2,072,061	20.5	2,612,742	22.8	1,660,860	233,927	21.7	1,231,602	19.8	1,395,170	191,982	18.0	
– Online sales ⁽²⁾	651,039	6.5	706,397	6.2	355,380	50,054	4.7	331,895	5.3	402,688	55,412	5.2	
– Other sales channels ⁽³⁾	220,069	2.2	87,530	0.8	44,149	6,218	0.6	45,827	0.7	29,745	4,093	0.4	
License fees, sales-based royalties, and sales-based management and consultation service fees....	685,394	6.8	687,575	6.0	426,369	60,053	5.6	383,740	6.2	438,017	60,273	5.6	
– License fees	109,166	1.1	84,711	0.7	37,074	5,222	0.5	36,423	0.6	34,215	4,708	0.4	
– Sales-based royalties	97,453	1.0	102,089	0.9	66,113	9,312	0.9	58,844	0.9	75,098	10,334	1.0	
– Sales-based management and consultation service fees	478,775	4.7	500,775	4.4	323,182	45,519	4.2	288,473	4.6	328,704	45,231	4.2	
Others ⁽⁴⁾	402,593	4.0	428,398	3.7	284,404	40,057	3.7	220,066	3.5	291,646	40,132	3.8	
Total.....	10,085,649	100.0	11,473,208	100.0	7,632,467	1,075,010	100.0	6,206,330	100.0	7,758,743	1,067,639	100.0	

Notes:

- (1) Represents sales to/revenue from MINISO Retail Partners.
- (2) “Online sales” does not include sales through O2O platforms, which are accounted for in sales through offline channels.
- (3) “Other sales channels” mainly represents group-buying channels.
- (4) “Others” mainly represents sales of fixtures to franchisees and distributors.

The following table breaks down our revenue by geographic region for the periods presented:

	For the fiscal year ended June 30,				For the six months ended			For the six months ended June 30,					
					December 31,								
	2022		2023		2023			2023		2024			
	RMB	%	RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%	
	(Unaudited)												
	(in thousands, except for percentages)												
Revenue:													
Mainland China	7,442,156	73.8	7,650,821	66.7	4,843,127	682,140	63.4	4,290,654	69.1	5,026,729	691,701	64.8	
Other Asian countries													
excluding China.....	1,174,323	11.6	1,821,080	15.9	1,157,261	162,997	15.2	862,233	13.9	1,116,364	153,617	14.4	
Americas	1,189,119	11.8	1,738,058	15.1	1,403,936	197,740	18.4	925,984	14.9	1,363,319	187,599	17.6	
Europe	174,691	1.7	151,496	1.3	154,737	21,794	2.0	75,032	1.2	140,334	19,311	1.8	
Others*	105,360	1.1	111,753	1.0	73,406	10,339	1.0	52,427	0.9	111,997	15,411	1.4	
Total.....	10,085,649	100.0	11,473,208	100.0	7,632,467	1,075,010	100.0	6,206,330	100.0	7,758,743	1,067,639	100.0	

*Note: Including, among others, Hong Kong and Macau Special Administrative Regions and Taiwan.

Cost of sales

Our cost of sales mainly consists of cost of inventories. Cost of inventories accounted for 97.9% and 97.6% of our total cost of sales for the fiscal years ended June 30, 2022 and 2023, 97.8% of our total cost of sales for the six months ended December 31, 2023, and 97.7% and 97.4% of our total cost of sales for the six months ended June 30, 2023 and 2024, respectively. Cost of inventories comprises carrying amount of inventories sold and inventory write-down. Other than cost of inventories, cost of sales also includes logistics expenses and depreciation and amortization expense. Logistics expenses mainly represent shipping expenses for the products sold to customers through e-commerce channels. Our cost of sales was RMB7,015.9 million and RMB7,030.2 million in the fiscal years ended June 30, 2022 and 2023, RMB4,391.4 million (US\$618.5 million) in the six months ended December 31, 2023, and RMB3,748.9 million and RMB4,369.0 million (US\$601.2 million) in the six months ended June 30, 2023 and 2024, respectively.

Gross profit and margin

The following table sets forth our gross profit and gross margin for the periods presented:

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(Unaudited)						
	(in thousands, except for percentages)						
Gross profit	3,069,761	4,443,052	3,241,039	456,490	2,457,392	3,389,786	466,451
Gross margin (%)	30.4	38.7	42.5	42.5	39.6	43.7	43.7

Other income

Other income consists of tax refund, government grants and income from depositary bank. Government grants mainly represented unconditional cash awards granted by the local authorities in China. In the fiscal year ended June 30, 2022, other income also included subsidies obtained by our subsidiaries in the United States under the Paycheck Protection Program Rule. There is no assurance that we will continue to receive any government grants in the future.

Selling and distribution expenses

Selling and distribution expenses primarily consist of (i) payroll and employee benefits, which cover salaries, wages and bonus, contributions to social security contribution plan, welfare expenses, and equity-settled share-based payment expenses, (ii) rental and related expenses, (iii) depreciation and amortization expenses, (iv) promotion and advertising expenses, (v) licensing expenses, (vi) logistics expenses, and (vii) travelling expenses. Our selling and distribution expenses were RMB1,442.3 million and RMB1,716.1 million in the fiscal years ended June 30, 2022 and 2023, RMB1,363.1 million (US\$192.0 million) in the six months ended December 31, 2023, and RMB918.0 million and RMB1,522.1 million (US\$209.4 million) in the six months ended June 30, 2023 and 2024, respectively.

General and administrative expenses

General and administrative expenses primarily consist of (i) payroll and employee benefits, which cover salaries, wages and bonus, contributions to social security contribution plan, welfare expenses, and equity-settled share-based payment expenses, (ii) depreciation and amortization expenses, (iii) travelling expenses, (iv) IT service fees, and (v) professional service fees. Our general and administrative expenses were RMB816.2 million and RMB633.6 million in the fiscal years ended June 30, 2022 and 2023, RMB357.7 million (US\$50.4 million) in the six months ended December 31, 2023, and RMB319.7 million and RMB418.6 million (US\$57.6 million) in the six months ended June 30, 2023 and 2024, respectively.

Other net income/(loss)

Other net income/(loss) mainly consists of (i) net foreign exchange gain/(loss), (ii) investment income from other investments, and (iii) net change in fair value of other investments.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated, both in absolute amounts and as percentages of our total revenues. This information should be read together with our audited consolidated financial statements and the related notes thereto and the respective sections in our 2023 Annual Report and Transition Report, as well as our unaudited interim condensed consolidated financial statements and the related notes incorporated by reference in this Offering Circular. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	For the fiscal year ended June 30,				For the six months ended			For the six months ended June 30,					
					December 31,								
	2022		2023		2023			2023		2024			
	RMB	%	RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%	
(Unaudited)													
(in thousands, except for percentages)													
Revenue.....	10,085,649	100.0	11,473,208	100.0	7,632,467	1,075,010	100.0	6,206,330	100.0	7,758,743	1,067,639	100.0	
Cost of sales.....	(7,015,888)	(69.6)	(7,030,156)	(61.3)	(4,391,428)	(618,520)	(57.5)	(3,748,938)	(60.4)	(4,368,957)	(601,188)	(56.3)	
Gross profit.....	3,069,761	30.4	4,443,052	38.7	3,241,039	456,490	42.5	2,457,392	39.6	3,389,786	466,451	43.7	
Other income.....	25,931	0.3	17,935	0.2	18,993	2,675	0.2	3,624	0.1	12,698	1,747	0.2	
Selling and distribution expenses ⁽¹⁾	(1,442,339)	(14.3)	(1,716,093)	(15.0)	(1,363,114)	(191,991)	(17.9)	(917,966)	(14.8)	(1,522,088)	(209,446)	(19.6)	
General and administrative expenses ⁽¹⁾	(816,225)	(8.1)	(633,613)	(5.5)	(357,689)	(50,379)	(4.7)	(319,705)	(5.2)	(418,573)	(57,598)	(5.4)	
Other net (loss)/income.....	87,308	0.9	114,106	1.0	21,105	2,973	0.3	41,256	0.7	41,696	5,738	0.5	
(Credit loss)/reversal of credit loss on trade and other receivables.....	(28,924)	(0.3)	1,072	0.0	(2,080)	(293)	(0.0)	4,788	0.1	(3,606)	(496)	(0.0)	
Impairment loss on non-current assets.....	(13,485)	(0.1)	(3,448)	(0.0)	(4,547)	(640)	(0.1)	(3,448)	(0.1)	(5,104)	(702)	(0.1)	

	For the fiscal year ended June 30,				For the six months ended December 31,			For the six months ended June 30,					
	2022		2023		2023			2023		2024			
	RMB	%	RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%	
	(Unaudited)												
	(in thousands, except for percentages)												
Operating profit.....	882,027	8.8	2,223,011	19.4	1,553,707	218,835	20.3	1,265,941	20.4	1,494,809	205,694	19.3	
Finance income	66,344	0.7	145,225	1.3	123,969	17,461	1.6	80,541	1.3	74,606	10,266	1.0	
Finance costs.....	(33,396)	(0.3)	(34,622)	(0.3)	(25,202)	(3,550)	(0.3)	(18,277)	(0.3)	(40,595)	(5,586)	(0.5)	
Net finance income.....	32,948	0.4	110,603	1.0	98,767	13,911	1.3	62,264	1.0	34,011	4,680	0.4	
Share of (loss)/profit of equity-accounted investees, net of tax.....	(8,162)	(0.1)	–	–	268	38	0.0	–	–	301	41	0.0	
Profit before taxation	906,813	9.1	2,333,614	20.4	1,652,742	232,784	21.6	1,328,205	21.4	1,529,121	210,415	19.7	
Income tax expense	(267,070)	(2.6)	(551,785)	(4.8)	(396,665)	(55,869)	(5.2)	(310,287)	(5.0)	(351,742)	(48,401)	(4.5)	
Profit for the year/period	639,743	6.5	1,781,829	15.6	1,256,077	176,915	16.7	1,017,918	16.4	1,177,379	162,014	15.2	

Note:

(1) Equity-settled share-based payment expenses were allocated as follows:

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
(in thousands)							
(Unaudited)							
Equity-settled share-based payment expenses:							
Selling and distribution expenses	52,000	44,824	41,506	5,846	28,203	41,487	5,709
General and administrative expenses	30,835	18,058	4,926	694	8,099	23,020	3,167
Total	82,835	62,882	46,432	6,540	36,302	64,507	8,876

Six months ended June 30, 2024 compared to six months ended June 30, 2023

Revenue

Our revenue increased by 25.0% from RMB6,206.3 million in the six months ended June 30, 2023 to RMB7,758.7 million (US\$1,067.6 million) in the six months ended June 30, 2024, mainly attributable to an 18.8% year-over-year increase in average store count, and an around 7% same-store sales growth on group level.

Revenue from mainland China was RMB5,026.7 million (US\$691.7 million) for the six months ended June 30, 2024, increasing by 17.2% from RMB4,290.7 million for the six months ended June 30, 2023, primarily due to (i) an increase of 16.5% in revenue from MINISO's offline stores in mainland China, which was primarily due to a 16.0% year-over-year growth in average store count, and the same-store sales were 98.3% of the prior year's level, and (ii) an increase of 37.9% in revenue from TOP TOY, which was primarily powered by a strong same-store sales growth of 13.6% and a rapid growth in average store count.

Revenue from overseas markets was RMB2,732.0 million (US\$375.9 million) for the six months ended June 30, 2024, increasing by 42.6% from RMB1,915.7 million for the six months ended June 30, 2023, primarily due to an increase of 21.8% in average store count, coupled with a strong same-store sales growth of 16.3%. Revenue from overseas markets contributed 35.2% of our total revenue in the six months ended June 30, 2024, compared to 30.9% for the same period in 2023.

Cost of sales

Our cost of sales increased by 16.5% from RMB3,748.9 million for the six months ended June 30, 2023 to RMB4,369.0 million (US\$601.2 million) for the six months ended June 30, 2024.

Gross profit and gross margin

Our gross profit increased by 37.9% from RMB2,457.4 million for the six months ended June 30, 2023 to RMB3,389.8 million (US\$466.5 million) for the six months ended June 30, 2024, and gross margin increased from 39.6% to 43.7% for the same periods. The increase in gross margin was mainly driven by (i) higher revenue contribution from directly operated markets which accounted for 55.7% of revenue from overseas markets, compared to 45.7% in the same period of 2023, (ii) higher gross margin in mainland China contributed by newly launched products in relation to our execution of IP strategy and strategic brand upgrade of MINISO, and (iii) higher gross margin of TOP TOY due to a shift in product mix towards more profitable products.

Other income

Our other income increased by 250.4% from RMB3.6 million for the six months ended June 30, 2023 to RMB12.7 million (US\$1.7 million) for the six months ended June 30, 2024, which was primarily due to an increase in income from depositary bank.

Selling and distribution expenses

Our selling and distribution expenses increased by 65.8% from RMB918.0 million for the six months ended June 30, 2023 to RMB1,522.1 million (US\$209.4 million) for the six months ended June 30, 2024. Excluding equity-settled share-based payment expenses, our selling and distribution expenses increased by 66.4% from RMB889.8 million to RMB1,480.6 million (US\$203.7 million) for the same periods, which was primarily due to our investments into directly operated stores both in mainland China and overseas markets to pursue the future success of our business, especially in strategic overseas markets such as the U.S. market. As of June 30, 2024, the total number of directly operated stores in overseas markets was 343, nearly doubling such figure compared to a year ago. For the six months ended June 30, 2024, the revenue from directly operated stores increased 111.4%, while related expenses including rental and related expenses, depreciation and amortization expenses and payroll excluding share-based compensation expenses increased 82.7%. These new stores are expected to contribute more substantial sales in the second half of 2024. Promotion and advertising expenses increased 46.5% for the six months ended June 30, 2024, as a percentage of revenue stabilizing at around 3% in both comparative periods. Licensing expenses increased 24.2%, consistent with revenue growth. Logistics expenses increased 54.3%, reflecting the rising freight costs caused by the tension in international shipping during the six months ended June 30, 2024.

General and administrative expenses

Our general and administrative expenses increased by 30.9% from RMB319.7 million for the six months ended June 30, 2023 to RMB418.6 million (US\$57.6 million) for the six months ended June 30, 2024. Excluding equity-settled share-based payment expenses, our general and administrative expenses increased by 26.9% from RMB311.6 million to RMB395.6 million (US\$54.4 million) for the same periods, which was primarily due to the increase of personnel-related expenses in relation to the growth of our business.

Other net income

Our other net income was RMB41.7 million (US\$5.7 million) for the six months ended June 30, 2024, compared to other net income of RMB41.3 million for the six months ended June 30, 2023.

Impairment loss on non-current assets

Our impairment loss on non-current assets was RMB3.4 million and RMB5.1 million (US\$702 thousand) for the six months ended June 30, 2023 and 2024, respectively. We recorded impairment loss on non-current assets of directly operated stores.

Operating profit

As a result of the foregoing, our operating profit increased by 18.1% from RMB1,265.9 million for the six months ended June 30, 2023 to RMB1,494.8 million (US\$205.7 million) for the six months ended June 30, 2024.

Net finance income

Our net finance income decreased by 45.4% from RMB62.3 million for the six months ended June 30, 2023 to RMB34.0 million (US\$4.7 million) for the six months ended June 30, 2024, which was primarily due to a decrease in interest income as a result of decreased principal in bank deposits, and an increase in finance cost due to increased interest on lease liabilities.

Income tax expense

We recorded income tax expense of RMB351.7 million (US\$48.4 million) for the six months ended June 30, 2024, compared to RMB310.3 million for the six months ended June 30, 2023.

Profit for the period

As a result of the foregoing, our profit for the period increased by 15.7% from RMB1,017.9 million for the six months ended June 30, 2023 to RMB1,177.4 million (US\$162.0 million) for the six months ended June 30, 2024.

Segments

We have two reportable segments: (i) MINISO brand, including mainly the design, purchasing and sale of lifestyle products, and (ii) TOP TOY brand, including mainly the design, purchasing and sale of pop toys. Other operating segments have been aggregated and presented as “other segment.” Business included as other segment did not meet the quantitative thresholds for reportable segments for the same periods.

Information related to the revenue and profit before taxation of each reportable segment for the periods indicated is set out below:

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
						(Unaudited)	
	(in thousands)						
i. Revenue							
Segment revenue for							
MINISO Brand	9,469,613	10,861,293	7,253,808	1,021,678	5,868,136	7,331,469	1,008,843
– External revenue for							
MINISO Brand	9,468,718	10,861,222	7,251,610	1,021,368	5,868,136	7,324,665	1,007,907
– Inter-segment							
revenue for MINISO							
Brand.....	895	71	2,198	310	–	6,804	936
Segment revenue for							
TOP TOY Brand.....	447,431	541,313	373,014	52,538	315,449	434,568	59,798

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB (Unaudited)	US\$
	(in thousands)						
– External revenue for TOP TOY Brand.....	446,930	533,367	368,842	51,950	310,867	428,920	59,021
– Inter-segment revenue for TOP TOY Brand.....	501	7,946	4,172	588	4,582	5,648	777
Segment revenue for other segment	385,184	445,651	105,936	14,920	249,537	283,625	39,028
– External revenue for other segment	170,001	78,619	12,015	1,692	27,327	5,158	710
– Inter-segment revenue for other segment	215,183	367,032	93,921	13,228	222,210	278,467	38,318
Elimination of all inter- segment revenue	(216,579)	(375,049)	(100,291)	(14,126)	(226,792)	(290,919)	(40,032)
Consolidated revenue....	<u>10,085,649</u>	<u>11,473,208</u>	<u>7,632,467</u>	<u>1,075,010</u>	<u>6,206,330</u>	<u>7,758,743</u>	<u>1,067,637</u>
ii. Profit before taxation							
Segment profit before taxation for MINISO Brand	941,037	2,354,357	1,644,839	231,671	1,313,976	1,500,294	206,447
Segment (loss)/profit before taxation for TOP TOY Brand	(81,536)	(20,412)	6,479	912	15,932	32,569	4,482
Segment profit before taxation for other segment	97,455	17,814	2,924	412	5,084	1,376	189
Total profit before taxation for all segments	956,956	2,351,759	1,654,242	232,995	1,334,992	1,534,239	211,118
Unallocated amounts:							
– Share of loss of equity-accounted investees, net of tax.	(8,162)	–	–	–	–	–	–
– Expenses relating to construction of headquarters building and depreciation expense of apartments for use as staff quarters.	(41,981)	(18,145)	(1,500)	(211)	(6,787)	(5,118)	(704)
Consolidated (loss)/profit before taxation	<u>906,813</u>	<u>2,333,614</u>	<u>1,652,742</u>	<u>232,784</u>	<u>1,328,205</u>	<u>1,529,121</u>	<u>210,414</u>

Liquidity and Capital Resources

Source of Liquidity and Working Capital Sufficiency

Cash flows from operating activities and financing activities have been our primary sources of liquidity. Our cash and cash equivalents were RMB5,348.5 million and RMB6,489.2 million as of June 30, 2022 and 2023, and RMB6,415.4 million (US\$903.6 million) as of December 31, 2023, respectively. As of June 30, 2024, our cash and cash equivalents were RMB6,233.1 million (US\$857.7 million), respectively. As of June 30, 2024, 80.4% of our cash and cash equivalents were denominated in Renminbi, 14.3% were in U.S. dollars, 0.4% were in Hong Kong dollars and 5.0% were in other currencies. Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash. As of June 30, 2024, we did not have any unused banking facilities.

As of June 30, 2024, we had an outstanding borrowing of RMB7.1 million (US\$1.0 million), which represented a loan obtained from a minority shareholder of a subsidiary in Singapore with principal amount of SGD1,350,000 (equivalent to RMB7,126,650 on June 30, 2024), an interest rate of 3% per annum and a maturity date of July 31, 2027.

Based on our current cash and cash equivalents and anticipated cash flows from operations, we believe that we will have sufficient funds to meet our working capital and capital expenditure requirements for at least the next 12 months from June 30, 2024.

In utilizing the proceeds from offerings, we may make additional capital contributions to our mainland China subsidiaries, establish new subsidiaries in mainland China and make capital contributions to these new subsidiaries, make loans to our mainland China subsidiaries, or acquire offshore entities with operations in mainland China in offshore transactions. However, most of these uses are subject to mainland China regulations. See “Item 3. Key Information – D. Risk Factors – Risks Related to Doing Business in China – PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental administration of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business” in our 2023 Annual Report.

We may decide to enhance our liquidity position or increase our cash reserve for future investments through additional capital and finance funding. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

Cash Flows

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

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
					(Unaudited)		
	(in thousands)						
Selected consolidated statement of cash flows data:							
Net cash generated from operating activities	1,406,262	1,666,030	1,097,541	154,585	1,232,774	1,293,756	178,027

	For the fiscal year ended June 30,		For the six months ended December 31,		For the six months ended June 30,		
	2022	2023	2023		2023	2024	
	RMB	RMB	RMB	US\$	RMB	RMB (Unaudited)	US\$
(in thousands)							
Net cash (used in)/generated from investing activities.....	(2,125,918)	(293,406)	177,073	24,940	192,313	(387,957)	(53,384)
Net cash used in financing activities	(733,559)	(325,956)	(1,320,899)	(186,044)	(176,167)	(1,095,826)	(150,792)
Net increase/(decrease) in cash and cash equivalents.....	(1,453,215)	1,046,668	(46,285)	(6,519)	1,248,920	(190,027)	(26,149)
Cash and cash equivalents at beginning of year/period as presented in the consolidated statement of cash flows.....	6,771,653	5,348,492	6,489,213	913,987	5,186,601	6,415,441	882,794
Effect of movements in exchange rates on cash held	30,054	94,053	(27,487)	(3,872)	53,692	1,318	181
Cash and cash equivalents at the end of the fiscal year/period.....	5,348,492	6,489,213	6,415,441	903,596	6,489,213	6,226,732	856,826

Operating activities

Net cash generated from operating activities for the six months ended June 30, 2024 was RMB1,293.8 million (US\$178.0 million), as compared to a profit for the period of RMB1,177.4 million (US\$162.0 million). The difference was due to the adjustment of certain non-cash items, primarily consisting of (i) depreciation and amortization of RMB333.1 million (US\$45.8 million), and (ii) income tax of RMB351.7 million (US\$48.4 million), which were partially offset by an interest income of RMB74.6 million (US\$10.3 million), and changes in certain working capital accounts that affected operating cash flows, primarily consisting of (i) an increase in trade and other receivables of RMB159.3 million (US\$21.9 million), (ii) an decrease in trade and other payables of RMB54.9 million (US\$7.6 million).

Investing activities

Net cash used in investing activities for the six months ended June 30, 2024 was RMB388.0 million (US\$53.4 million), consisting primarily of payment for purchases of other investments of RMB4,176.4 million (US\$574.7 million) and placement of term deposits of RMB256.9 million (US\$35.3 million), partially offset by proceeds from disposal of other investments of RMB4,077.0 million (US\$561.0 million) and maturity of term deposits of RMB181.3 million (US\$24.9 million).

Financing activities

Net cash used in financing activities for the six months ended June 30, 2024 was RMB1,095.8 million (US\$150.8 million), primarily due to dividends paid to our equity shareholders of RMB643.2 million (US\$88.5 million) and payment of capital element and interest element of lease liabilities of RMB414.6 million (US\$57.1 million).

Holding Company Structure

MINISO Group Holding Limited is a holding company with no material operations of its own. We conduct our operations through our subsidiaries. As a result, MINISO Group Holding Limited's ability to pay dividends, to some extent, depends upon dividends paid by our subsidiaries. If our existing subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in mainland China are permitted to pay dividends only out of their retained earnings, if any, as determined in accordance with mainland China accounting standards and regulations. Under mainland China law, each of our subsidiaries in mainland China may pay dividend from the after-tax profit after (i) it sets aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital, and (ii) any losses of such mainland China subsidiary from prior fiscal years have been offset. The statutory reserve funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of mainland China is subject to examination by the banks designated by SAFE. See "Item 4. Information on the Company – B. Business Overview – Regulations – China – Regulation related to dividend distribution" in our 2023 Annual Report.

Contingent Liabilities

Commitment of tax payments

In connection with the acquisition of land use right and the construction of the headquarters building in Guangzhou, Miniso (Guangzhou) Co., Ltd., or MINISO Guangzhou, entered into a letter of intent on November 26, 2020 with the local government of the district where our new headquarters building is located and committed to pay an aggregate amount of tax levies of no less than RMB965.0 million to the local government in Guangzhou for a five-year period starting from January 1, 2021, with RMB160.0 million in 2021, RMB175.0 million in 2022, RMB190.0 million in 2023, RMB210.0 million in 2024 and RMB230.0 million in 2025. If we fail to meet the committed amount for any of the five calendar years, MINISO Guangzhou will have to compensate for the shortfall.

We had met the commitments for the calendar years of 2022 and 2023 and therefore MINISO Guangzhou was not required to make any compensation to the local government. In March 2024, MINISO Guangzhou provided a performance guarantee of RMB210.0 million issued by a commercial bank to this local government in respect of the commitment of tax payments for the calendar year of 2024, which is valid from April 1, 2024 to March 31, 2025. The directors have assessed that, based on the projection of and actual relevant taxes and surcharges paid and payable during the calendar year of 2024, we expect to be able to meet the commitment for the calendar year of 2024 and thus it is not probable that MINISO Guangzhou needs to make any compensation to the local government under the above performance guarantee. As such, no provision has been made in respect of this matter as of June 30, 2024.

Securities class action

In August 2022, a putative federal securities class action was filed against us and certain of our officers and directors, or the Defendants, alleging that Defendants made misleading misstatements or omissions regarding our business operations and financials in violation of the Securities Act of 1933 and the Securities Exchange Act of 1934. The action is captioned *In re MINISO Group Holding Limited Securities Litigation*, 1:22-cv-09864 (S.D.N.Y.). The lead plaintiff selection process was completed in November 2022 and an amended complaint was filed shortly thereafter. The court granted Defendants' motion to dismiss in February 2024 with leave to amend. Plaintiffs filed a motion for reconsideration of the court's decision in late March 2024, to which Defendants have timely responded. Decision on plaintiffs' motion for reconsideration is pending. Because the case remains in its preliminary stage, Defendants are unable to predict the outcome of the action or estimate the potential losses, if any.

Off-balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Treasury Policy

We believe we can make better use of our cash by making appropriate investments in short-term investment products, which generate income without interfering with our business operation or capital expenditures. Our investment decisions with respect to financial products are made on a case-by-case basis and after due and careful consideration of a number of factors, including, but not limited to, the market conditions, the economic developments, the anticipated investment conditions, the investment cost, the duration of the investment and the expected benefit and potential loss of the investment. We have established a set of internal control measures which allow us to achieve reasonable returns on our investment while mitigating our exposure to high investment risks. These policies and measures were formulated by our senior management.

In order to make full use of idle funds, improve the utilization rate of surplus funds, and increase our income, under the premise of not affecting our normal business activities, subject to approval from our chief financial officer, we may purchase a certain amount of wealth management products from financial institutions. According to our internal policies, the manager of our treasury department should make proposals to invest in wealth management products to our chief financial officer and such proposals must be reviewed and approved by our chief financial officer. In assessing a proposal to invest in wealth management products, a number of criteria must be met, including but not limited to the following:

- The purchase of wealth management products is limited to low-risk products such as term deposits, principal-guaranteed and interest-paying products, treasury notes issued by banks, and wealth management products with risk level below R2. The purchase of high-risk financial instruments such as securities and futures is strictly prohibited.
- The expected return of the purchased wealth management products should be not lower than bank's deposit interest rate for term deposits of the same period, the product structure should be relatively simple, and the purchases should be made from financial institutions with large operation scale, overall strength and good credit standing.
- The treasury department is responsible for setting up a detailed ledger for wealth management products, the manager of the treasury department manages the financial products, and tracks the progress and safety of wealth management products. In the event of an abnormal situation, the manager of the treasury department should report the situation to the chief financial officer in a timely manner so that we can take effective measures immediately to reduce potential losses.

Material Cash Requirements

Our material cash requirements as of June 30, 2024 and any subsequent interim period primarily include capital expenditures, purchase of inventories and contractual obligations, and we intend to fund those requirements with our cash balance.

On September 23, 2024, Guangdong Juncai International Trading Co., Ltd., one of our wholly-owned PRC subsidiaries, entered into share purchase agreements with certain shareholders of Yonghui Superstores Co., Ltd. to acquire an aggregate of 29.4% of the issued and outstanding shares of Yonghui for a total cash

consideration of approximately RMB6.3 billion. It is expected that no more than 40% of the consideration for the proposed acquisition will be funded by internal financial resources. We will continue to make cash commitments, including capital expenditures, to meet the expected growth of our business.

Capital expenditures

Our capital expenditures are primarily incurred for the purposes of building our new headquarters project, purchasing IT systems, expansion and renovation of MINISO stores that we directly operated. Our capital expenditures were RMB1,234.2 million and RMB174.1 million in the fiscal years ended June 30, 2022 and 2023, and RMB264.8 million (US\$37.3 million) in the six months ended December 31, 2023, respectively. For the six months ended June 30, 2023 and 2024, our capital expenditures were RMB96.1 million and RMB302.8 million (US\$41.7 million), respectively.

Purchases of inventories

Our purchase of inventories primarily includes lifestyle and pop toy products. Our inventories purchase amount was RMB6,642.5 million and RMB7,068.7 million in the fiscal years ended June 30, 2022 and 2023, and RMB4,721.4 million (US\$665.0 million) in the six months ended December 31, 2023, respectively. For the six months ended June 30, 2023 and 2024, our inventories purchase amount was RMB3,648.3 million and RMB4,409.4 million (US\$606.8 million), respectively.

Capital commitments

Our capital commitments mainly include contracted purchases of software, property, construction projects, property improvements. Our capital commitments were RMB842.9 million, RMB982.6 million as at June 30, 2022 and 2023, and RMB837.2 million (US\$117.9 million) as at December 31, 2023, respectively. As at June 30, 2024, our capital commitments was RMB749.9 million (US\$103.2 million). The capital commitments as of June 30, 2024 were attributable to the construction of the headquarters building.

Lease liabilities

Our lease liabilities are in relation to properties that we lease primarily for our office premises, directly operated stores and warehouses. Our lease liabilities were RMB651.1 million and RMB885.7 million, as of June 30, 2022 and 2023, and RMB1,245.3 million (US\$175.4 million) as of December 31, 2023, respectively. As of June 30 2024, our lease liabilities were RMB1,937.3 million (US\$266.6 million).

MANAGEMENT AND PRINCIPAL SHAREHOLDERS

Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of the date of this Offering Circular.

Directors and executive officers	Age	Position/Title
Guofu Ye.....	47	Founder, Chairman of the Board of Directors and Chief Executive Officer
Lili Xu.....	43	Independent Non-executive Director
Yonghua Zhu.....	43	Independent Non-executive Director
Yongping Wang.....	56	Independent Non-executive Director
Na Dou	39	Executive Vice President
Yunyun Yang.....	47	Vice President
Jingjing Zhang	37	Chief Financial Officer and Vice President

Mr. Guofu Ye has served as a director of our company since January 2020 and was re-designated as executive director upon the listing of the Shares on the Hong Kong Stock Exchange in July 2022. Mr. Ye is our founder and has served as the chairman of our company and the chief executive officer of our company since February 2020. Mr. Ye is responsible for the overall strategy, business development and management of our operations. Mr. Ye founded MINISO Corporation, our predecessor, in August 2009 and has since then served as the chief executive officer of MINISO Corporation until August 2018. After MINISO Guangzhou, our PRC holding entity before we established our offshore holding structure, was established in October 2017, Mr. Ye has since then been serving as a director and the general manager of MINISO Guangzhou. Mr. Ye accumulated immense mastery in trendy fashion during the period of Chinese economic transformation and seized the opportunity to improve the social quality consumption patterns, bringing a new business model in China. Mr. Ye received his junior college diploma in economic management from Zhongnan University of Economics and Law in China in July 2001.

Ms. Lili Xu has served as our independent director since October 2020 and was re-designated as an independent non-executive director upon our listing on the Hong Kong Stock Exchange on July 13, 2022. Ms. Xu has served as an independent director of Yalla Group Limited (NYSE: YALA), a social networking and entertainment platform company listed on the New York Stock Exchange, since February 2021. In addition, Ms. Xu has served as the chief financial officer of ClouDr Group Limited (HKEX: 9955), a chronic condition management solution provider in China listed on the Main Board of the Hong Kong Stock Exchange, since October 2020. Prior to that, Ms. Xu served as the chief financial officer of Tongdao Liepin Group (HKEX: 6100), a company engaging in the provision of a variety of talent acquisition services to individual, businesses and head hunters listed on the Main Board of the Hong Kong Stock Exchange, from March 2014 to September 2020 and an executive director from March 2018 to September 2020. Prior to that, Ms. Xu held various positions at General Electric Company (NYSE: GE), a high-tech industrial company listed on the New York Stock Exchange, including as the chief financial officer of GE Power Generation Services China, from January 2005 to March 2014. Ms. Xu received a bachelor's degree in international business from Nanjing University in China in June 2003 and a master of science degree in local economic development from the London School of Economics and Political Science in the United Kingdom in November 2004. Ms. Xu is a public accountant certified by the Board of Accountancy of Washington State of the United States since June 2012.

Mr. Yonghua Zhu has served as our independent director since October 2020 and was re-designated as an independent non-executive director upon our listing on the Hong Kong Stock Exchange on July 13, 2022. Mr. Zhu has been the founding partner of Long-Z (formerly Meituan DragonBall Capital), a venture capital fund, since January 2017 in charge of the overall investment of Long-Z. Mr. Zhu served as an executive director of the department of investment in modern agriculture and food at Legend Holdings Corporation (HKEX: 3396), a leading industrial investment and operations company in China listed on the Main Board of the Hong Kong Stock Exchange, from November 2014 to December 2016. Mr. Zhu worked at Tiantu

Capital, an investment management company, from July 2007 to October 2014, including as a partner from December 2013 to October 2014. Mr. Zhu received a master's degree in finance from Newcastle University in the United Kingdom in December 2005.

Mr. Yongping Wang has served as our independent director since November 2021 and was re-designated as an independent non-executive director upon our listing on the Hong Kong Stock Exchange on July 13, 2022. Mr. Wang has served as the president of China Commercial Real Estate Association since August 2016 and as a vice chairman of the Commerce Economy Association of China since April 2018. Mr. Wang has also served as an independent director of Easyhome New Retail Group Co., Ltd. (SZSE: 0785), a China-based company engaging in investment, development, merchandise distributorship, marketing and service of the home building material industry and listed on the Shenzhen Stock Exchange, since December 2019, and an independent non-executive director of SCE Intelligent Commercial Management Holdings Limited (HKEX: 0606), a China-based investment holding company that mainly provides integrated property management services listed on the Main Board of the Hong Kong Stock Exchange, since June 2021, and an independent director of Winner Technology Co., Ltd., or Winner Technology (SZSE: 300609), a China-based company principally engaged in offline consumer behavior data analysis, and listed on the Shenzhen Stock Exchange, since May 2023. From April 2017 to May 2020, he served as an independent director at Winner Technology. Mr. Wang was an independent director of Shanghai Youyouto Investment Development Co., Ltd., a limited liability company established in China principally engaged in the operation of children's indoor amusement park, from March 2016 to March 2019, where he was primarily responsible for providing independent advice on its operations and management. Before joining us, Mr. Wang held various senior management positions in several national commercial real estate institutions. Mr. Wang served as director at Beijing Sperry Real Estate Brokerage Co., Ltd. from March 2014 to February 2020. He also served as an executive general manager mainly responsible for its daily management at Zhongshang Lianmeng (Beijing) Real Estate Consulting Co., Ltd. from April 2011 to December 2020. Mr. Wang served as an executive vice secretary-general, vice chairman and secretary-general at China Federation of Urban Commercial Outlets Construction Administration from November 2003 to July 2010. He served as a director at Zhongshang Lianmeng (Beijing) Commercial Investment Co., Ltd. from September 2011 to July 2017. Mr. Wang also served as an executive editor-in-chief and editor-in-chief at Journal of Commercial Economics from May 2002 to September 2018 and as a reporter and a chief reporter, mainly responsible for business news gathering and editing at China Business Herald from September 1990 to April 2002. Mr. Wang received his bachelor's degree in economics from Hangzhou College of Commerce (now known as Zhejiang Gongshang University) in China in July 1990.

Ms. Na Dou has served as an executive vice president of our company since February 2020. Ms. Dou is responsible for product design and development of our operations. Ms. Dou served as an executive vice president of Miniso Corporation from September 2009 to August 2018 in charge of product design and development. After Miniso Guangzhou was established, Ms. Dou has served as an executive vice president of Miniso Guangzhou in charge of product development since August 2018 and served as a director of Miniso Guangzhou from December 2018 to March 2020. Ms. Dou received her specialist degree in clinical medicine from Wuhan University in China in July 2004 and her bachelor's degree in product design from Jiangnan University in China in July 2021.

Ms. Yunyun Yang has served as a vice president of our company since February 2020. Ms. Yang is responsible for the risk management and internal controls of our operations. Ms. Yang has been serving as a director of Miniso Corporation since August 2009 and served as an executive vice president of the risk management center of Miniso Corporation from September 2009 to August 2018. After Miniso Guangzhou was established, Ms. Yang has served as an executive vice president of Miniso Guangzhou in charge of risk management since August 2018 and served as a director of Miniso Guangzhou from December 2018 to March 2020. Ms. Yang completed a specialist online course on mental health education at Beijing Normal University in July 2020.

Mr. Jingjing Zhang has served as the chief financial officer of our company since January 2023. Prior to his promotion as the chief financial officer, Mr. Zhang served as the vice president of capital markets of our company from September 2022, in charge of our company's capital markets matters, including investor relations, strategic investment and acquisitions, as well as corporate strategy and treasury. Mr. Zhang joined us in January 2021 as the director of capital markets. Mr. Zhang has over 10 years of experience in capital markets. Before joining us, Mr. Zhang started his career as an auditor at PricewaterhouseCoopers, after which he served in various roles in investor relations area at several TMT companies in China, including Qutoutiao Inc. (NASDAQ: QTT) and Weibo Corp. (NASDAQ: WB). Mr. Zhang received his dual bachelor degrees in World History and Business Administration from Nankai University in June 2011. Mr. Zhang currently is an FMBA candidate of the executive program at China Europe International Business School. Mr. Zhang is a Chartered Financial Analyst and a non-practicing member of the Chinese Institute of Certified Public Accountants.

Share Incentive Plan

In September 2020, our shareholders and board of directors approved a share incentive plan to attract and retain qualified personnel, provide incentives to employees, directors and consultants, and promote the success of our business. The share incentive plan amended and restated share incentive plan(s) we, our predecessor or any of our subsidiaries adopted previously, if any, in its/their entirety and all awards granted and outstanding thereunder survived the termination of previous share incentive plan(s). The terms and conditions of the survived awards remain unchanged and continue to be effective and binding under the share incentive plan. To comply with Chapter 17 of the Listing Rules, on June 24, 2022, our board of directors amended and restated the 2020 share incentive plan, which we refer to as the Amended and Restated 2020 Share Incentive Plan in this Offering Circular.

The maximum aggregate number of Shares that may be issued under Amended and Restated 2020 Share Incentive Plan is 147,301,128, consisting of (i) 92,586,048 Shares, which have been issued to several share incentive awards holding vehicles for the grant of restricted shares, options or other type of awards, and (ii) 54,715,080 Shares reserved for issuance pursuant to any awards to be granted under the Amended and Restated 2020 Share Incentive Plan. On October 18, 2022, we transferred all of the 1,546,909 ADSs that we repurchased as of September 22, 2022 pursuant to a share repurchase program we adopted in December 2021 to our share incentive awards holding vehicles under the Amended and Restated 2020 Share Incentive Plan for future grants of share incentive awards. The 6,187,636 Shares underlying the 1,546,909 repurchased ADSs were deemed to be issued from the pool of 54,715,080 reserved shares under the Amended and Restated 2020 Share Incentive Plan, and thus the amount of reserved shares available for future grants was reduced to 48,527,444.

As of November 30, 2024, we had outstanding options to purchase a total of 4,281,228 Shares and 19,575,508 restricted share units that were outstanding under the Amended and Restated 2020 Share Incentive Plan.

Share Ownership of Directors, Officers and Principal Shareholders

The following table sets forth information with respect to the beneficial ownership of our shares as of November 30, 2024 by:

- each of our current directors and executive officers; and
- each person known to us to own beneficially 5% or more of our total outstanding Shares.

Upon listing on the Hong Kong Stock Exchange, we unwound our dual-class shareholding structure by converting and re-designating issued shares, consisting of Class A ordinary shares, each of which entitled the holder thereof to one vote, and Class B ordinary shares, each of which entitled the holder thereof to three votes, into Shares, each of which entitles the holder thereof to one vote.

Percentage of beneficial ownership is based on a total of 1,256,280,037 outstanding Shares of our company as of November 30, 2024. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. Accordingly, in computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security, in both the numerator and the denominator. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Shares Beneficially Owned	
	Amount	% [†]
Directors and executive officers**:		
Guofu Ye ⁽¹⁾	789,541,061	62.8%
Lili Xu	*	*
Yonghua Zhu	*	*
Yongping Wang	—	—
Na Dou ⁽²⁾	34,923,912	2.8%
Yunyun Yang ⁽³⁾	789,541,061	62.8%
Jingjing Zhang	*	*
All directors and executive officers as a group	825,411,885	65.7%
Principal shareholders:		
Mini Investment Limited ⁽⁴⁾	328,290,482	26.1%
YYY MC LIMITED ⁽⁵⁾	257,849,197	20.5%
YGF MC LIMITED ⁽⁶⁾	203,401,382	16.2%

Notes:

* Aggregate number of shares accounts for less than 1% of our total Shares outstanding on an as-converted basis.

** Unless otherwise specified in this Offering Circular, the business address of our directors and executive officers is 8F, M Plaza, No. 109, Pazhou Avenue, Haizhu District, Guangzhou 510000, Guangdong Province, the People's Republic of China.

† For each person or group included in this column, percentage of ownership is calculated by dividing the number of Shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days of November 30, 2024, by the sum of (i) the total number of outstanding Shares as of November 30, 2024, and (ii) the number of Shares that such person or group has the right to acquire within 60 days of November 30, 2024, such as Shares underlying share options, restricted shares, and warrants held by such person or group that are exercisable within 60 days of November 30, 2024.

(1) Represents (i) 328,290,482 Shares held by Mini Investment Limited, a limited liability company incorporated under the laws of British Virgin Islands, (ii) 203,401,382 Shares (including 8,896,000 Shares in the form of ADSs) held by YGF MC LIMITED, a limited liability company incorporated under the laws of British Virgin Islands, and (iii) 257,849,197 Shares held by YYY MC LIMITED, a limited liability company incorporated under the laws of British Virgin Islands. In September 2023, Mini Investment Limited transferred 14,000,000 Shares to its wholly owned subsidiary Mini Investments SP1 Limited, or Mini Investments. Mini Investments entered into a prepaid forward sale contract (the “YGF Contract”) with Goldman Sachs International, or Goldman. Pursuant to the YGF Contract, Mini Investments transferred the 14,000,000 Shares held by it to Goldman as credit support, and Goldman made a prepayment to Mini Investments. Goldman subsequently conducted hedging activities with these Shares pursuant to the YGF Contract. Upon expiration of the YGF Contract, which is approximately two years following cash prepayment to Mini Investments, Mini Investments will settle with cash payment or by delivering required number of shares. The 789,541,061 Shares beneficially owned by Mr. Guofu Ye do not include the 14,000,000 Shares that were transferred under the YGF Contract.

Mini Investment Limited is wholly owned by YGF Development Limited, a limited liability company incorporated under the laws of British Virgin Islands. All shares of YGF Development Limited are held by TMF (Cayman) Ltd. on behalf of YGF Trust, with TMF (Cayman) Ltd. as the trustee, and Mr. Ye and his family members as beneficiaries. Mr. Guofu Ye is both the settlor and the protector of YGF Trust and is deemed to be the controlling person of the trust. Mr. Guofu Ye is the sole shareholder of YGF MC LIMITED. YYY MC LIMITED is wholly owned by YYY Development Limited, a limited liability company incorporated under the laws of British Virgin Islands. All shares of YYY Development Limited are held by TMF (Cayman) Ltd. on behalf of YYY Trust, with TMF (Cayman) Ltd. as the trustee, and Ms. Yang and her family members as beneficiaries. Ms. Yunyun Yang is both the settlor and the protector of YYY Trust and is deemed to be the controlling person of the trust. Ms. Yunyun Yang is Mr. Guofu Ye's spouse. Mr. Guofu Ye and Ms. Yunyun Yang make joint decisions on the exercise of the voting power of the shares owned by them through their holding vehicles. As a result, Mr. Ye is deemed to be a beneficial owner of the shares held by YYY MC LIMITED.

- (2) Represents 1,000,000 Shares and 4,379,800 Shares in the form of ADSs held by DN MC LIMITED, a British Virgin Islands company. DN MC LIMITED is wholly owned by Ms. Na Dou, and Ms. Na Dou is the sole director of DN MC LIMITED. The registered address of DN MC LIMITED is Portculis Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands. In September 2023, DN MC LIMITED entered into a prepaid forward sale contract (the “DN MC Contract I”) with Goldman Sachs International, or Goldman. Pursuant to the DN MC Contract I, DN MC LIMITED transferred the 1,000,000 Shares held by it to Goldman as credit support, and Goldman made a prepayment to DN MC LIMITED. Goldman subsequently conducted hedging activities with these Shares pursuant to the DN MC Contract I. Upon expiration of the DN MC Contract I, which is approximately two years following cash prepayment to DN MC LIMITED, DN MC LIMITED will settle with cash payment or by delivering required number of shares. In November 2023, DN MC LIMITED entered into another prepaid forward sale contract (the “DN MC Contract II”) with Goldman Sachs International, or Goldman. Pursuant to the DN MC Contract II, DN MC LIMITED transferred the 2,000,000 Shares held by it to Goldman as credit support, and Goldman made a prepayment to DN MC LIMITED. Goldman subsequently conducted hedging activities with these Shares pursuant to the DN MC Contract. Upon expiration of the DN MC Contract, which is approximately two years following cash prepayment to DN MC LIMITED, DN MC LIMITED will settle with cash payment or by delivering required number of shares. The 34,923,912 Shares beneficially owned by Ms. Na Dou do not include the 3,000,000 Shares that were transferred under the DN MC Contract I and DN MC Contract II.

Each of MCYP Management Limited, MCYP Grand Management Limited, MCYP Fortune Management Limited, MCYP Great Management Limited, MCYP Evergreen Management Limited and MCYP Forever Management Limited has irrevocably appointed Ms. Na Dou as its proxy and authorized Ms. Na Dou to exercise, on behalf of it, the voting power of the shares of our company beneficially owned by such entity at the discretion of Ms. Na Dou. The aggregate number of shares beneficially owned by these entities amounted to 1,956,016 Shares and 6,897,024 ADSs representing 27,588,096 Shares.

- (3) Represents (i) 328,290,482 Shares held by Mini Investment Limited, a limited liability company incorporated under the laws of British Virgin Islands, (ii) 203,401,382 Shares (including 8,896,000 Shares in the form of ADSs) held by YGF MC LIMITED, a limited liability company incorporated under the laws of British Virgin Islands, and (iii) 257,849,197 Shares held by YYY MC LIMITED, a limited liability company incorporated under the laws of British Virgin Islands.

Mini Investment Limited is wholly owned by YGF Development Limited, a limited liability company incorporated under the laws of British Virgin Islands. All shares of YGF Development Limited are held by TMF (Cayman) Ltd. on behalf of YGF Trust, with TMF (Cayman) Ltd. as the trustee, and Mr. Ye and his family members as beneficiaries. Mr. Guofu Ye is both the settlor and the protector of YGF Trust and is deemed to be the controlling person of the trust. Mr. Guofu Ye is the sole shareholder of YGF MC LIMITED. Mr. Guofu Ye is Ms. Yunyun Yang’s spouse. Mr. Guofu Ye and Ms. Yunyun Yang make joint decisions on the exercise of the voting power of the shares owned by them through their holding vehicles. As a result, Ms. Yunyun Yang is deemed to be a beneficial owner of the shares held by Mini Investment Limited and YGF MC LIMITED. YYY MC LIMITED is wholly owned by YYY Development Limited, a limited liability company incorporated under the laws of British Virgin Islands. All shares of YYY Development Limited are held by TMF (Cayman) Ltd. on behalf of YYY Trust, with TMF (Cayman) Ltd. as the trustee, and Ms. Yang and her family members as beneficiaries. Ms. Yunyun Yang is both the settlor and the protector of YYY Trust and is deemed to be the controlling person of the trust. The 328,290,482 Shares beneficially owned by Mini Investment Limited do not include the 14,000,000 Shares that were transferred under the YGF Contract.

- (4) Represents 328,290,482 Shares held by Mini Investment Limited, a limited liability company incorporated under the laws of British Virgin Islands. Mini Investment Limited is wholly owned by YGF Development Limited, a limited liability company incorporated under the laws of British Virgin Islands. All shares of YGF Development Limited are held by TMF (Cayman) Ltd. on behalf of YGF Trust, with TMF (Cayman) Ltd. as the trustee, and Mr. Ye and his family members as beneficiaries. Mr. Guofu Ye is both the settlor and the protector of YGF Trust and is deemed to be the controlling person of the trust. Mr. Guofu Ye and Ms. Yunyun Yang make joint decisions on the exercise of the voting power of the shares owned by them through their holding vehicles. As a result, both Mr. Guofu Ye and Ms. Yunyun Yang are deemed to be beneficial owners of the shares held by Mini Investment Limited. The business address of Mini Investment Limited is c/o 8F, M Plaza, No. 109, Pazhou Avenue, Haizhu District, Guangzhou 510000, Guangdong Province, the People’s Republic of China.
- (5) Represents 257,849,197 Shares held by YYY MC LIMITED, a limited liability company incorporated under the laws of British Virgin Islands. YYY MC LIMITED is wholly owned by YYY Development Limited, a limited liability company incorporated under the laws of British Virgin Islands. All shares of YYY Development Limited are held by TMF (Cayman) Ltd. on behalf of YYY Trust, with TMF (Cayman) Ltd. as the trustee, and Ms. Yang and her family members as beneficiaries. Ms. Yunyun Yang is both the settlor and the protector of YYY Trust and is deemed to be the controlling person of the trust. Mr. Guofu Ye and Ms. Yunyun Yang make joint decisions on the exercise of the voting power of the shares owned by them through their holding vehicles. As a result, both Mr. Guofu Ye and Ms. Yunyun Yang are deemed to be beneficial owners of the shares held by YYY MC LIMITED. The business address of YYY MC LIMITED is c/o 8F, M Plaza, No. 109, Pazhou Avenue, Haizhu District, Guangzhou 510000, Guangdong Province, the People’s Republic of China.
- (6) Represents 194,505,382 Shares and 8,896,000 Shares in the form of ADSs held by YGF MC LIMITED, a limited liability company incorporated under the laws of British Virgin Islands. Mr. Guofu Ye is the sole shareholder of YGF MC LIMITED. The business address of YGF MC LIMITED is c/o 8F, M Plaza, No. 109, Pazhou Avenue, Haizhu District, Guangzhou 510000, Guangdong Province, the People’s Republic of China. Mr. Guofu Ye and Ms. Yunyun Yang make joint decisions on the exercise of the voting power of the shares owned by them through their holding vehicles. As a result, both Mr. Guofu Ye and Ms. Yunyun Yang are deemed to be beneficial owners of the shares held by YGF MC LIMITED.

TERMS AND CONDITIONS OF THE SECURITIES

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Securities, substantially as they will appear on the reverse of each of the definitive certificates representing the Securities:

The issue of the U.S.\$550,000,000 in aggregate principal amount of 0.5 per cent. equity linked securities due 2032 (the “**Securities**”, which term shall include, unless the context requires otherwise, any further securities issued in accordance with Condition 15 (*Further Issues*) and consolidated and forming a single series therewith) of MINISO Group Holding Limited (the “**Issuer**”) was authorised by written resolutions of the board of directors of the Issuer dated January 6, 2025. The Securities are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated January 14, 2025 (the “**Issue Date**”) made between the Issuer and The Bank of New York Mellon, London Branch, a banking corporation organised and existing under the laws of the State of New York with limited liability and operating through its branch in London at 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom (the “**Trustee**”, which expression shall include any successor trustee and all persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for itself and the holders (as defined below) of the Securities. These terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Securities. The Issuer has entered into a paying, exercise and transfer agency agreement dated January 14, 2025 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Securities made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent and principal exchange agent (collectively in such capacities, the “**Principal Agent**”, which expression shall include any successor principal agent appointed from time to time in connection with the Securities), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Securities) and transfer agent (the “**Transfer Agent**”, which expression shall include any additional or successor transfer agent appointed from time to time in connection with the Securities), and the other paying agents, exchange agents and transfer agents appointed therein (each a “**Paying Agent**”, an “**Exchange Agent**” or, as applicable, a “**Transfer Agent**” and together with the Registrar and the Principal Agent, the “**Agents**”). References to the “**Principal Agent**”, the “**Registrar**” and the “**Agents**” below are references to the principal agent, the registrar and the agents for the time being for the Securities. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed.

Copies of the Trust Deed and the Agency Agreement are available (a) for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday (London time) other than public holidays) at the specified office for the time being of the Principal Agent (being, at the time of issue of the Securities, at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) following prior written request and proof of holding and identity to the satisfaction of the Principal Agent and (b) electronically from the Principal Agent, following prior written request and provision of proof of holding and identity to the satisfaction of the Principal Agent. The Security Holders (as defined below) are entitled to the benefit of and are bound by all provisions of the Trust Deed and are deemed to have notice of (i) all the provisions of the Trust Deed and (ii) the provisions of the Agency Agreement applicable to them.

1 Status

The Securities constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) (*Negative Pledge*), at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.

2 Form, Denomination and Title

- (a) *Form and Denomination:* The Securities are issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$200,000 in excess thereof (the “**Authorised Denomination**”) without coupons attached. A security certificate (each a “**Certificate**”) will be issued to each Security Holder in respect of its registered holding of Securities. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Security Holders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Securities will be represented by the Global Certificate deposited with, and representing Securities registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). When the Securities are represented by a Global Certificate, the Conditions are modified by certain provisions contained in the Global Certificate. See “Provisions Relating to the Securities in Global Form”.*

- (b) *Title:* Title to the Securities passes only by transfer and registration in the Register as described in Condition 3 (*Transfers of Securities; Issue of Certificates*). The holder of any Security shall (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing (other than an endorsed form of transfer) on, or the theft or loss of, the Certificate issued in respect of it) and the Trustee, the Agents and any other person shall not be liable for so treating the holder. In these Conditions, “**Security Holder**” and (in relation to a Security) “**holder**” mean the person in whose name a Security is registered in the Register (or in the case of a joint holding, the first named thereof).

3 Transfers of Securities; Issue of Certificates

- (a) *Register:* The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Securities and the particulars of the Securities held by them and of all transfers, redemptions and exercises of the Securities. Each Security Holder shall be entitled to receive only one Certificate in respect of its entire holding of Securities.
- (b) *Transfer:* Subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*) and the terms of the Agency Agreement, a Security may be transferred by delivery of the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or the Transfer Agent together with such evidence as the Registrar or (as the case may be) the Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of the transfer; *provided*, however, that a Security may not be transferred unless the principal amount of the Security transferred and (where not all of the Securities held by the holder are being transferred) the principal amount of the balance of the Securities not so transferred, is an Authorised Denomination. Where not all Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Securities will be issued to the transferor. No transfer of a Security will be valid or effective unless and until entered on the Register.

Transfers of interests in the Securities represented by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

- (c) *Delivery of New Certificates:* Each new Certificate to be issued upon a transfer or (if applicable) exercise of Securities will, within seven business days of receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by

uninsured mail at the risk of the holder entitled to the Securities (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The Registrar will, within seven business days of receipt by the Registrar or any Transfer Agent of the documents above, register the transfer in question.

Except in the limited circumstances described in the Global Certificate, owners of interests in the Securities will not be entitled to receive physical delivery of Certificates. The Securities are not issuable in bearer form.

Where only part of the principal amount of the Securities (being that of one or more Securities) in respect of which a Certificate is issued is to be transferred, redeemed, exercised or repurchased, a new Certificate in respect of the Securities not so transferred, redeemed, exercised or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or the Transfer Agent, be made available for collection at the specified office of the Registrar or the Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Securities not so transferred, redeemed, exercised or repurchased (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of this Condition 3 (*Transfers of Securities; Issue of Certificates*) and Condition 6 (*Exercise*), “**business day**” shall mean a day other than a Saturday, Sunday or public holiday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or exercise) or the Transfer Agent with whom a Certificate is deposited in connection with a transfer, settlement or exercise is located.

- (d) *Formalities Free of Charge:* Registration of a transfer of Securities and issuance of new Certificates will be effected, without charge to the relevant holder of such Securities, by or on behalf of the Issuer, the Registrar or any Transfer Agents, but (i) upon payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer may reasonably require or the Registrar or the Transfer Agent may require) in respect of any taxes, duties or other governmental charges which may be levied or imposed in connection with such transfer or issuance and (ii) the Registrar or the Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the Transfer Agent (as the case may be) being satisfied that Condition 3(f) (*Regulations*) has been complied with.
- (e) *Closed Periods:* No Security Holder may require the transfer of a Security to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to these Conditions (including Condition 8(a) (*Maturity*), Condition 8(b) (*Redemption for Taxation Reasons*) and Condition 8(c) (*Redemption at the Option of the Issuer*)); (ii) after an Exercise Notice (as defined in Condition 6(b) (*Exercise Procedure*)) has been delivered with respect to a Security; (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(e) (*Redemption for Delisting or Change of Control*)) has been deposited in respect of such Security pursuant to Condition 8(e) (*Redemption for Delisting or Change of Control*) or after a put notice has been deposited in respect of such Security pursuant to Condition 8(d) (*Redemption at the Option of the Security Holders*); and (iv) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 7(a) (*Payments*)). Each such period is a “**Closed Period**”.
- (f) *Regulations:* All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfer of Securities, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer (with the prior written approval of the Registrar and the Trustee) or by the Registrar (with the prior written approval of the Trustee). A copy of the current regulations will be mailed (free of charge and at the cost of the Issuer) by the Registrar to any Security Holder upon written request and with proof of holding and identity to the satisfaction of the Registrar.

4 Covenants

- (a) *Negative Pledge:* So long as any Security remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer shall procure that none of its Principal Subsidiaries (other than any Listed Subsidiary or a Subsidiary of such Listed Subsidiary) will, create, permit to subsist or arise or have outstanding, any Encumbrance upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto the Securities are secured equally and rateably (i) therewith or by the same Encumbrance, (ii) by security which the Trustee may (but shall not be obliged to) in its absolute discretion deem not materially less beneficial to the interests of the Security Holders or (iii) by such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).
- (b) *NDRC Filings:* The Issuer undertakes that it will within the relevant prescribed timeframes after the Issue Date file or cause to be filed with the NDRC (as defined below) the requisite information and documents in respect of the Securities in accordance with the Administrative Measures for Examination and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) (“**Order 56**”) issued by the NDRC and effective from 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, including but not limited to, the Initial NDRC Post-Issuance Filing (as defined below).
- (c) *CSRC Filings:* The Issuer undertakes to file or cause to be filed with the CSRC (as defined below) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Securities in accordance with the CSRC Filing Rules (as defined below) (the “**CSRC Post-Issuance Filings**”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined below)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.
- (d) *Notification of Submission of Initial NDRC Post-Issuance Filing and Initial CSRC Post-Issuance Filing:* The Issuer shall:
 - (i) file or cause to be filed (I) the initial NDRC post-issuance filing with the NDRC or its competent local counterpart of the information and documents relating to the issue of the Securities that are required to be filed in accordance with Order 56 within ten Registration Business Days after the Issue Date (the “**Initial NDRC Post-Issuance Filing**”) and (II) the CSRC Filing Report and other requisite information and documents in respect of the Securities that are required to be filed with the CSRC within three Registration Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”), and
 - (ii) (A) within ten Registration Business Days after the later of (a) the submission of the Initial NDRC Post-Issuance Filing, and (b) the submission of the Initial CSRC Post-Issuance Filing, provide the Trustee with a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory (as defined in the Trust Deed) confirming (x) the submission of the Initial NDRC Post-Issuance Filing, and (y) the submission of the Initial CSRC Post-Issuance Filing and copies of the relevant documents evidencing (x) the Initial NDRC Post-Issuance Filing (if any), and (y) the Initial CSRC Post-Issuance Filing (if any); and (B) within ten Registration Business Days after the later of (a) the completion of the Initial NDRC Post-Issuance Filing, and (b) the completion of the Initial CSRC Post-Issuance Filing, provide the Trustee with the relevant documents (if any) evidencing the submission of the Initial NDRC Post-Issuance Filing and the Initial CSRC Post-Issuance Filing (the documents in (A) and (B) of this Condition 4(c)(ii) together, the “**Registration Documents**”). In addition, the Issuer shall, within ten

Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Security Holders (in accordance with Condition 16 (*Notices*)) confirming the submission of the Initial NDRC Post-Issuance Filing and the Initial CSRC Post-Issuance Filing. The Issuer shall, within ten Registration Business Days after the completion of the Initial CSRC Post-Issuance Filing, give notice to the Security Holders (in accordance with Condition 16 (*Notices*)) confirming the completion of the Initial CSRC Post-Issuance Filing.

The Trustee shall have no obligation or duty to monitor or assist with or ensure the Initial NDRC Post-Issuance Filing or the Initial CSRC Post-Issuance Filing is submitted or completed, respectively, or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and/or the Registration Documents or to translate or procure the translation into English of the Registration Documents or documents in relation to or in connection with the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing or to give notice to the Security Holders confirming the completion of the Initial NDRC Post-Issuance Filing and the Initial CSRC Post-Issuance Filing, and shall not be liable to the Issuer, the Security Holders or any other person for not doing so.

In these Conditions:

- (i) “**CSRC**” means the China Securities Regulatory Commission;
- (ii) “**CSRC Filing Report**” means the filing report of the Issuer in relation to the issuance of the Securities which will be submitted to the CSRC within three Registration Business Days after the Issue Date pursuant to the CSRC Filing Rules;
- (iii) “**CSRC Filing Rules**” means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time;
- (iv) “**Encumbrance**” means any mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person or any other arrangement with similar economic effect;
- (v) “**Listed Subsidiary**” of any person means any Subsidiary of such person whose ordinary shares are listed or dealt in or traded on any internationally recognised stock exchange;
- (vi) “**NDRC**” means the National Development and Reform Commission of the PRC;
- (vii) “**PRC**” means the People’s Republic of China and, for the purposes of these Conditions, except where the context requires, does not include Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
- (viii) “**Principal Subsidiary**” means any Subsidiary of the Issuer:
 - (A) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least 10 per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries, taken as a whole; or

- (B) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet are at least 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or
- (C) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (i) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary and (ii) on or after the date on which the first available audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (A) or (B) or (C) of this definition,

provided that, in relation to paragraphs (A) and (B) above of this definition:

- (I) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (II) if at any relevant time in relation to the Issuer or any of its Subsidiaries which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue or total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;
- (III) if at any relevant time in relation to any Subsidiary of the Issuer, no accounts are audited, its revenue or total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and
- (IV) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (I) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate in English in substantially the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer, listing those entities which as at the last day of the most recent financial year of the Issuer, or as at the date specified in such request, were, in the opinion of the Issuer, Principal Subsidiaries shall, if there is a dispute as to whether any Subsidiary of the Issuer is or is not a Principal Subsidiary, be conclusive and binding on the Issuer, the Issuer and the Security Holders in the absence of manifest error if the same is accompanied by a report by a nationally recognised firm of public accountants addressed to the Issuer as to proper extraction of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation;

- (ix) “**Registration Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing, the PRC;
- (x) “**Relevant Indebtedness**” means any future or present indebtedness incurred outside the PRC in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market and for the avoidance of doubt, “**Relevant Indebtedness**” does not include indebtedness under any bilateral, syndicated or club loans or credit facilities; and
- (xi) any reference to a “**subsidiary**” or “**Subsidiary**” of any person is to (i) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees or equivalent body of such company or other business entity or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles from time to time of the Cayman Islands or Hong Kong, should have its accounts consolidated with those of that person.

5 Interest

The Securities bear interest on their outstanding principal amount from and including the Issue Date at the rate of 0.5 per cent. per annum, payable semi-annually in arrear in equal instalments on January 14, and July 14, in each year (each an “**Interest Payment Date**”), commencing on July 14, 2025. Each Security will cease to bear interest:

- (a) (subject to Condition 6(b)(iii) (*Interest Accrual*)) where the Exercise Right attached to it shall have been exercised by a Security Holder, from and including the Interest Payment Date immediately preceding the relevant Exercise Date (as defined below), or if none, the Issue Date; or
- (b) where such Security is redeemed or repaid pursuant to Condition 8 (*Redemption, Purchase and Cancellation*) or Condition 10 (*Events of Default*), from the due date for redemption or repayment thereof,

unless, upon due presentation thereof, payment of principal or premium (if any) is improperly withheld or refused. In such event, such unpaid principal will continue to bear interest at 1.5 per cent. per annum (both before and after judgment) up to but excluding whichever is the earlier of (i) the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant holder and (ii) the day falling seven days after the Trustee or the Principal Agent has notified the Security Holders of receipt of all sums due in respect of all the Securities up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date, and each such successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, is called an “**Interest Period**”.

Interest in respect of any Securities shall be calculated per U.S.\$200,000 in principal amount of the Securities (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 Exercise

(a) *Exercise Right*

- (i) *Exercise Period*: Subject as hereinafter provided, the Security Holders have the right to require the Issuer to exchange their Securities for their Cash Settlement Amount calculated in accordance with Condition 6(a)(v) (*Cash Settlement Amount*) at any time during the Exercise Period (the “**Exercise Right**”). “**Exercise Period**” means either the Initial Exercise Period or the Final Exercise Period.

Subject to, and as provided in these Conditions, the Exercise Right in respect of a Security may be *exercised*, at the option of the Security Holder thereof, and subject to any applicable fiscal or other laws or regulations and as hereinafter provided,

- (I) at any time on or after January 14, 2031 (the “**Initial Exercise Period Commencement Date**”) to the date falling 70 scheduled Trading Days prior to the Maturity Date (the “**Initial Exercise Period End Date**”) (both days inclusive) or, if such Security is to be redeemed pursuant to Condition 8(b) (*Redemption for Taxation Reasons*) or Condition 8(c) (*Redemption at the Option of the Issuer*) prior to the Initial Exercise Period End Date, not later than the 10th business day before the date fixed for redemption thereof pursuant to Condition 8(b) (*Redemption for Taxation Reasons*) or Condition 8(c) (*Redemption at the Option of the Issuer*), as the case may be, unless there shall be default in making payment in respect of such Security on such date fixed for redemption, in which event the Exercise Right may be exercised up to the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given to Security Holders in accordance with Condition 16 (*Notices*) or, if earlier, the date falling 10th scheduled Trading Days prior to the Maturity Date (the “**Initial Exercise Period**”); or
- (II) at any time from the date falling 69 scheduled Trading Days preceding the Maturity Date (the “**Final Exercise Period Commencement Date**”) to the date falling 10 scheduled Trading Days prior to the Maturity Date (the “**Final Exercise Period End Date**”) (both days inclusive) or, if such Security is to be redeemed pursuant to Condition 8(b) (*Redemption for Taxation Reasons*) and Condition 8(c) (*Redemption at the Option of the Issuer*) prior to the Final Exercise Period End Date, not later than the 10th business day before the date fixed for redemption thereof pursuant to Condition 8(b) (*Redemption for Taxation Reasons*) and Condition 8(c) (*Redemption at the Option of the Issuer*) unless there shall be default in making payment in respect of such Security on such date fixed for redemption, in which event the Exercise Right may be exercised up to the date on which the full amount of such payment becomes

available for payment and notice of such availability has been duly given to Security Holders in accordance with Condition 16 (*Notices*) or, if earlier, the date falling 10 scheduled Trading Days prior to the Maturity Date (the “**Final Exercise Period**”),

in each case, provided that, if such final date for the exercise of Exercise Rights is not a business day at the place aforesaid, then the period for exercise of Exercise Rights by Security Holders shall end on the immediately preceding business day at the place aforesaid.

Notwithstanding the foregoing, if the Exercise Date in respect of a Security would otherwise fall during a period in which the register of shareholders of the Issuer is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Exercise Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(b)(i) (*Exercise Notice*)) following the expiry of such Book Closure Period.

If the Exercise Date in respect of the exercise of any Exercise Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Exercise Period or after the relevant redemption date, such Exercise Date shall be deemed to be the final day of such Exercise Period or the relevant redemption date, as the case may be.

- (ii) *Exercise Price*: The exercise price at which the Securities will be exchanged pursuant to this Condition 6(a) (*Exercise Right*) (the “**Exercise Price**”) will initially be HK\$64.395 per Share, but will be subject to adjustment in the manner provided in Condition 6(c) (*Adjustments to Exercise Price*) and/or Condition 6(d) (*Adjustment upon Change of Control*).
- (iii) *Revival and/or survival after Default*: Notwithstanding the provisions of Condition 6(a)(i) (*Exercise Period*), if (1) the Issuer shall default in making payment in full in respect of any Security which shall have been called or put for redemption on the date fixed for redemption thereof, (2) any Security has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10 (*Events of Default*), or (3) any Security is not redeemed on the Maturity Date in accordance with Condition 8(a) (*Maturity*) or the applicable date for redemption in accordance with Condition 8(d) (*Redemption at the Option of the Security Holders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), the Exercise Right attaching to such Security will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate representing such Security is deposited for exercise) on the date upon which the full amount of the moneys payable in respect of such Security has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Security Holders and notwithstanding the provisions of Condition 6(a)(i) (*Exercise Period*), any Security in respect of which the Certificate and Exercise Notice are deposited for exercise prior to such date shall be exercised on the relevant Exercise Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Security shall have been received by the Principal Agent or the Trustee before such Exercise Date or that the Exercise Period may have expired before such Exercise Date.
- (iv) *Meaning of “Shares”*: As used in these Conditions, the expression “**Shares**” means ordinary shares with a par value of U.S.\$0.00001 each of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer. For the avoidance of doubt, for the purpose of the expression “Shares” in Condition 6(c) (*Adjustments to Conversion Price*) shall include American Depositary Shares of the Issuer (the “**ADSs**”) and the underlying Shares which any ADS represents.

- (v) *Cash Settlement Amount*: Upon any valid exercise of Exercise Rights with respect to one or more Securities, the Issuer shall exchange the Securities of the exercising Security Holders at their Cash Settlement Amount by no later than the fifth Hong Kong business day after the end of the relevant Cash Settlement Calculation Period (for the avoidance of doubt, regardless of whether such date falls before, on, or after the Maturity Date).

The Cash Settlement Amount shall be paid by the Issuer by transfer to a U.S. dollar account maintained by the payee in accordance with the instructions given by the relevant Security Holder in the relevant Exercise Notice. For the avoidance of doubt, such payment shall be made by the Issuer to the relevant Security Holder directly and none of the Agents shall have any duties or obligations in respect of such payment of Cash Settlement Amount.

The Issuer's obligations to satisfy any Exercise Right in respect of the relevant Exercise Notice shall be discharged only upon payment in full of the relevant Cash Settlement Amount. Upon payment in full of the relevant Cash Settlement Amounts in satisfaction of the Exercise Right of any exercising Security Holder, the right of such exercising Security Holder to any repayment of the principal, premium (if any), interest or any other amounts under the Securities in respect of which Exercise Rights have been exercised shall be extinguished.

"Cash Settlement Amount" means, for the relevant Exercise Period, in respect of any exercise of the Exercise Right, an amount calculated by the Issuer in accordance with the following formula and which shall be payable to a Security Holder as provided in these Conditions upon an exercise of an Exercise Right:

- (a) Initial Exercise Period:

$$CSA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

CSA = the Cash Settlement Amount;

S = the Cash Settled Shares;

P_n = on the relevant Trading Day, the Volume Weighted Average Price of a Share on such Trading Day falling in the corresponding Cash Settlement Calculation Period, translated into U.S. dollars at the Prevailing Rate on such Trading Day; and

N = 60, being the number of Trading Days in the Cash Settlement Calculation Period.

- (b) Final Exercise Period:

$$CSA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

CSA = the Cash Settlement Amount;

S = the Cash Settled Shares;

P_n = on the relevant Trading Day, the higher of (i) the applicable Exercise Price and (ii) the Volume Weighted Average Price of a Share on such Trading Day falling in the corresponding Cash Settlement Calculation Period, translated into U.S. dollars at the Prevailing Rate on such Trading Day; and

N = 60, being the number of Trading Days in the Cash Settlement Calculation Period.

“**Cash Settled Shares**” means, in respect of any date, the number of Shares determined by dividing the aggregate principal amount of the Securities which are the subject of the relevant exercise of Exercise Rights by such Security Holder by the Exercise Price in effect on such date.

“**Cash Settlement Calculation Period**” means:

- (a) during the Initial Exercise Period, 60 consecutive Trading Days commencing on the first Trading Day following the date of the relevant Exercise Notice; or
- (b) during the Final Exercise Period, 60 consecutive Trading Days commencing on the 68th scheduled Trading Day preceding the Maturity Date.

“**Hong Kong business day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are generally open for business in Hong Kong.

“**Volume Weighted Average Price**” means, in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share appearing on or derived from Bloomberg for such Share on page “9896 HK EQUITY VWAP” (or its successor page) or such other source as shall be determined to be appropriate by an Independent Financial Advisor (as defined below) on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

(b) *Exercise Procedure*

- (i) *Exercise Notice:* To exercise the Exercise Right attaching to any Security, the holder thereof must complete, execute and deposit at his own expense from 9:00 a.m. to 3:00 p.m. on any business day in the location of the specified office of any Exchange Agent a notice of exercise (an “**Exercise Notice**”) in the form (for the time being current), together with the relevant Certificate or, if notice requiring redemption has been given by the holder of such Security pursuant to Condition 8(d) (*Redemption at the Option of the Security Holders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Exchange Agent to whom the relevant Exercise Notice is delivered is located.

The exercise date in respect of a Security (the “**Exercise Date**”) must fall at a time when the Exercise Right attaching to that Security is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(a)(iii) (*Revival and/or survival after Default*) and Condition 10 (*Events of Default*)) and will be deemed to be the Stock Exchange Business Day immediately following the date of the surrender of the Certificate in respect of such Security and delivery of such Exercise Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Exercise Right. An Exercise Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Exchange Agent shall for all purposes be deemed to have been deposited with that Exchange Agent during the hours specified above on the next business day following such day. Any Security Holder who deposits an Exercise Notice during a Closed Period will not be permitted to exchange the Securities for cash (as specified in the Exercise Notice) until the next business day after the end of the Closed Period, which (if all other conditions to the exchange have been fulfilled) will be the Exercise Date for such Securities notwithstanding that such date may fall outside the Exercise Period. An Exercise Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. In these Conditions, “**Stock Exchange Business Day**” means any day (other than a Saturday or Sunday) on which The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or the Alternative Stock Exchange (as defined in Condition 6(c) (*Adjustments to Exercise Price*) below), as the case may be, is open for securities dealing.

- (ii) *Retroactive Adjustments*: If the Exercise Date in relation to any Security shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Exercise Price pursuant to Condition 6(c) (*Adjustments to Exercise Price*) but before the relevant adjustment becomes effective under the relevant Condition (a “**Retroactive Adjustment**”), upon the relevant adjustment becoming effective the Issuer shall procure the payment to the exercising Security Holder (or in accordance with the instructions contained in the Exercise Notice (subject to applicable exchange control or other laws or other regulations)), of such additional cash amount as is, together with the Cash Settlement Amount payable pursuant to Condition 6(a)(v) (*Cash Settlement Amount*) above, equal to the Cash Settlement Amount which would have been payable if the relevant adjustment to the Exercise Price had been made and become effective on or immediately after the relevant record date and in such event.
- (iii) *Interest Accrual*: If any notice requiring the redemption of any Securities is given pursuant to Condition 8(b) (*Redemption for Taxation Reasons*) or Condition 8(c) (*Redemption at the Option of the Issuer*) on or after the 15th Hong Kong business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Issue Date) in respect of any dividend or distribution payable in respect of the Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall (subject as hereinafter provided) accrue on Securities in respect of which Exercise Rights shall have been exercised and in respect of which the Exercise Date falls after such record date and on or prior to the Interest Payment Date next following such record date in each case from and including the preceding Interest Payment Date (or, if such Exercise Date falls before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Exercise Date. Any such interest shall be paid not later than 14 days after the relevant Exercise Date by the Issuer by transfer to a U.S. dollar account maintained by the payee with a bank, in accordance with instructions given by the relevant Security Holder in the Exercise Notice, provided that the Paying Agent shall not in any way be responsible for any such interest payment.
- (c) *Adjustments to Exercise Price*: Upon the occurrence of any of the following events described below, the Exercise Price will be adjusted as follows:
- (1) *Consolidation, Subdivision, Redesignation or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision, redesignation or reclassification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date such consolidation, subdivision, redesignation or reclassification takes effect.

(2) *Capitalisation of Profits or Reserves*:

- (i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any Scrip Dividend (as defined below)) and which would not have constituted a Capital Distribution (as defined below), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price (as defined below) per Share on the date of announcement of the terms of such Scrip Dividend exceeds the amount of the Relevant Cash Dividend (as defined below) or the relevant part thereof and which would not have constituted a Capital Distribution, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend for which Shareholders have elected to receive as Shares issued by way of Scrip Dividend and (ii) the denominator is the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price per Share; and

C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares issued by way of Scrip Dividend or if a record date is fixed therefor, immediately after such record date.

- (3) *Capital Distributions:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Exercise Price falls to be adjusted under Condition 6(c)(2) (*Capitalisation of Profits or Reserves*) above), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value (as defined below) of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or paid or if a record date is fixed therefor, immediately after such record date. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "Fair Market Value") be determined as at the date on which the Capital Distribution is first publicly announced or, if later, the first date on which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

In making any calculation pursuant to this Condition 6(c)(3) (*Capital Distributions*), such adjustments (if any) shall be made as an Independent Financial Advisor may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Issuer.

- (4) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

- (5) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price per Share on the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value per Share on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "Fair Market Value") be determined as at the date on which the terms of such issue or grant are publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Shares in relation to such issue or grant is capable of being determined as provided herein.

- (6) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(c)(4) (*Rights Issues of Shares or Options over Shares*) above) any Shares (other than Shares issued on the exercise of any rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in Condition 6(c)(4) (*Rights Issues of Shares or Options over Shares*) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of such grant or issue, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

- (7) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(c)(7) (*Other Issues at less than Current Market Price*), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(c)(4) (*Rights Issues of Shares or Options over Shares*), 6(c)(5) (*Rights Issues of Other Securities*) or 6(c)(6) (*Issues at less than Current Market Price*)) or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of issue of such securities, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on exercise or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on exercise or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial exercise, exchange or subscription price or rate on the issue date of such securities.

Such adjustment shall become effective on the date of issue of such securities.

- (8) *Modification of Rights of Exercise etc.:* If and whenever there shall be any modification of the rights of exercise, exchange or subscription attaching to any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares (other than in accordance with the terms of such securities) so that following such modification the consideration per Share (for the number of Shares available on exercise, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the proposals for such modification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the maximum number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on exercise or exchange or on exercise of the

right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing exercise, exchange or subscription price of such securities; and

- C is the maximum number of Shares to be issued on exercise or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified exercise, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 6(c)(8) (*Modification of Rights of Exercise etc.*) or Condition 6(c)(7) (*Other Issues at less than Current Market Price*).

Such adjustment shall become effective on the date of modification of the rights of exercise, exchange or subscription attaching to such securities.

- (9) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Exercise Price falls to be adjusted under Conditions 6(c)(4) (*Rights Issues of Shares or Options over Shares*), 6(c)(5) (*Rights Issues of Other Securities*), 6(c)(6) (*Issues at less than Current Market Price*) or 6(c)(7) (*Other Issues at less than Current Market Price*)), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which such issue, sale or distribution is publicly announced; and

B is the Fair Market Value of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**”) be determined as at the date on which the terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Shares is capable of being determined as provided herein.

- (10) *Other Events:* If the Issuer determines that an adjustment should be made to the Exercise Price as a result of one or more events or circumstances not referred to in this Condition 6(c) (*Adjustments to Exercise Price*), the Issuer shall at its own expense consult an Independent Financial Advisor to determine as soon as practicable what adjustment (if any) to the Exercise Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Exercise Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders’ interest in the Issuer’s equity caused by such events or circumstances.

In this Condition 6(c) (*Adjustments to Exercise Price*), where the events or circumstances giving rise to any adjustment pursuant to any of the above adjustments under this Condition 6(c) (*Adjustments to Exercise Price*) have already resulted or will result in an adjustment to the Exercise Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Exercise Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 (*Exercise*) as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result.

For the purposes of these Conditions:

“Alternative Stock Exchange” means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“Capital Distribution” means (i) the aggregate distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes, without limitation, an issue of Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Exercise Price is made in respect thereof under Condition 6(c)(2)(i) (*Capitalisation of Profits or Reserves*) and a Scrip Dividend adjusted for under Condition 6(c)(2)(ii) (*Capitalisation of Profits or Reserves*)); and (ii) the aggregate cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Issuer for any financial period (whenever paid and however described) unless it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer), where the weighted average price or consideration (before expenses) on any one day in respect of such purchases does not exceed 105 per cent. of the Current Market Price of the Shares either (1) on that date or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Capital Distribution in an amount equal to the amount by which the aggregate consideration paid (before expenses) in respect of such Shares purchased or redeemed exceeds the product of (i) 105 per cent. of such Current Market Price and (ii) the number of Shares so purchased or redeemed.

“Closing Price” of the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day.

“Current Market Price” means, in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during the said 20 Trading Day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.

“Early Closure” means the closure on any day of the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange prior to the time the Closing Price would have otherwise been determined for such day.

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general:

- (i) to effect transactions in, or obtain market values for, the Shares on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or
- (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange.

“Fair Market Value” means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, *provided that* an Independent Financial Advisor will not be required to determine the fair market value where (i) the Capital Distribution is paid in cash, in which case the fair market value of such cash Capital Distribution per Share shall be the amount of such cash Capital Distribution per Share, (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of adequate liquidity (as determined by such Independent Financial Advisor), the fair market value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing price of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than Hong Kong dollars shall be translated into Hong Kong dollars at the Prevailing Rate on such date. In addition, in the case of provisos (i) and (ii) above of this definition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit.

“Independent Financial Advisor” means a reputable independent financial advisor or financial institution with appropriate expertise selected and appointed at its own cost by the Issuer and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint an Independent Financial Advisor and neither the Trustee nor any Agent shall have any responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by any Independent Financial Advisor.

“Market Disruption Event” means, the occurrence or existence of:

- (i) a Trading Disruption;
- (ii) an Exchange Disruption at any time during the regular trading session on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange that, in aggregate (calculated individually for each exchange) lasts for more than one-half hour period, without regard to after hours or any other trading outside of the regular trading session hours; or
- (iii) an Early Closure by more than one half-hour period.

“Prevailing Rate” means, in respect of any currency on any day, the bid exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined.

“Relevant Cash Dividend” means any cash dividend specifically declared by the Issuer.

“Scrip Dividend” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 6(c)(3) (*Capital Distributions*) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 6(c)(2) (*Capitalisation of Profits or Reserves*)).

“Trading Day” means a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for the business of dealing in securities (other than a day on which a Market Disruption Event occurs), *provided that* for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

“Trading Disruption” means any suspension of or limitation imposed on trading by the on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange or otherwise:

- (i) relating to Shares on the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange, or
- (ii) in futures or options contracts relating to the Shares on the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange.

On any adjustment, the relevant Exercise Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Exercise Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Exercise Price then in effect. Any adjustment not required to be made, and any amount by which the Exercise Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given by the Issuer to the Security Holders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the Principal Agent as soon as practicable after the determination thereof.

Notwithstanding anything to the contrary in these Conditions, the Exercise Price may not be reduced to below the par value of the Shares or below such par value or such minimum level permitted by applicable laws then in force in the Cayman Islands and Hong Kong as a result of any adjustment hereunder.

If any doubt shall arise as to whether an adjustment falls to be made to the Exercise Price or as to how an adjustment to the Exercise Price under Condition 6(c) (*Adjustments to Exercise Price*) or Condition 6(d) (*Adjustment upon Change of Control*) should be made, and following consultation between the Issuer and an Independent Financial Advisor, a written opinion of such Independent Financial Advisor in respect thereof shall be conclusive and binding on the Issuer, the Security Holders and the Trustee, save in the case of manifest error. Where more than one event which gives or may give rise to an adjustment to the Exercise Price occurs within such a short period of time that in the opinion of an Independent Financial Advisor, the foregoing

provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.

Any references herein to the date on which a consideration is “fixed” shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

No adjustment will be made to the Exercise Price when Shares or any rights or options on other securities are issued, offered or granted pursuant to any share option, share award, restricted share or employee incentive scheme or plan (and which such scheme or plan is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) or, if applicable, the listing rules of an Alternative Stock Exchange) (“**Share Scheme Shares/Options**”), unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to this Condition 6 (*Exercise*)) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during each calendar year representing, in aggregate, over 3 per cent. of the average number of issued and outstanding Shares during such calendar year, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds 3 per cent. of the average number of issued and outstanding Shares during the relevant calendar year shall be taken into account in determining adjustment of the Exercise Price pursuant to this Condition 6 (*Exercise*).

No adjustment involving an increase in the Exercise Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(c)(1) (*Consolidation, Subdivision, Redesignation or Reclassification*). The Issuer may at any time and for a specified period of time only, following notice being given to the Trustee and the Principal Agent and to the Security Holders in accordance with Condition 16 (*Notices*), reduce the Exercise Price, subject to the other provisions of this Condition 6(c) (*Adjustments to Exercise Price*).

Where more than one event which gives or may give rise to an adjustment to the Exercise Price occurs within such a short period of time that, in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.

Neither the Trustee nor the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require or lead to an adjustment to be made to the Exercise Price or any calculation (or verification thereof) in connection with the Exercise Price and none of them will be liable or responsible to any Security Holder or any other person for any loss or liability arising from any failure by them to do so. All adjustments to the Exercise Price under Condition 6(c) (*Adjustments to Exercise Price*) shall be determined by the Issuer and, if applicable, the Independent Financial Advisor, and neither the Trustee nor the Agents shall be responsible for verifying, or otherwise liable for, such determinations or for verifying any calculation, certification, advice or opinion in connection with such determinations.

- (d) *Adjustment upon Change of Control*: If a Change of Control (as defined in Condition 8(e) (*Redemption for Delisting or Change of Control*)) shall occur, the Issuer shall give notice (the “**Change of Control Notice**”) of that fact to the Trustee and the Principal Agent in writing and to the Security Holders in accordance with Condition 16 (*Notices*) within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Exercise Rights such that the relevant Exercise Date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which

the Change of Control Notice is given to Security Holders (such period, the “**Change of Control Exercise Period**”), the Exercise Price shall be adjusted in accordance with the following formula:

$$NEP = \frac{OEP}{1 + (EP \times \frac{c}{t})}$$

where:

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date.

“**EP**” means 32.5 per cent. expressed as a fraction.

“**NEP**” means the new Exercise Price.

“**OEP**” means the Exercise Price in effect on the relevant Exercise Date.

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Exercise Price shall not be reduced pursuant to this Condition 6(d) (*Adjustment upon Change of Control*) below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Exercise Period shall fall during a Closed Period, the Change of Control Exercise Period shall be extended such that its last day will be the 15th day following the last day of the Closed Period.

(e) *Undertakings*

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Security remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Security Holders:

- (i) it will use its reasonable endeavours (a) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) if the Issuer is unable to obtain or maintain such listing, to use its reasonable endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Issuer may from time to time select and notify to the Trustee and will forthwith give notice to the Security Holders in accordance with Condition 16 (*Notices*) of the listing or delisting of the Shares (as a class) by any of such stock exchanges;
- (ii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Exercise Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made (and for the avoidance of doubt, shall not restrict the Issuer from repurchasing any Shares on the Hong Kong Stock Exchange in accordance with the Listing Rules and applicable law);
- (iii) it will use its reasonable endeavours to list and thereafter maintain the listing of the Securities on the Official List of the Singapore Exchange Securities Trading Limited and if the Issuer is unable to maintain such listing, to use all reasonable endeavours to obtain

and maintain a listing on another internationally recognised stock exchange and will forthwith give notice to the Security Holders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the Principal Agent of the listing or delisting of the Securities by any such stock exchange; and

- (iv) in the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Security remains outstanding it will not make any offer, issue or distribute or take any action the effect of which would be to reduce the Exercise Price below the par value of the Shares of the Issuer, *provided* always that the Issuer shall not be prohibited from purchasing its Shares to the full extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Exercise Rights.

(f) *Notice of Change in Exercise Price*

The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Security Holders in accordance with Condition 16 (*Notices*) of any change in the Exercise Price. Any such notice relating to a change in the Exercise Price shall set forth the event giving rise to the adjustment, the Exercise Price prior to such adjustment, the adjusted Exercise Price and the effective date of such adjustment.

7 Payments

- (a) *Payments:* Payment of principal, interest, premium (if any) and default interest (if any) and any other amounts due (other than the Cash Settlement Amount) will be made by transfer to the registered account of the Security Holder. Such payment will only be made after surrender of the relevant Certificate at the specified office of the Paying Agent.

Interest on Securities due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the “**Interest Record Date**”). Payments of interest on each Security will be made by transfer to the registered account of the Security Holder.

So long as the Securities are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, payments of principal, interest, premium (if any) and any other amounts due in respect of the Securities (other than any Cash Settlement Amount) will be made to the holder appearing in the Register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) one Business Day before the relevant due date.

- (b) *Registered Accounts:* For the purposes of this Condition 7, a Security Holder’s registered account means the U.S. dollar account maintained by or on behalf of it, details of which appear on the Register at the close of business on the Interest Record Date, and a Security Holder’s registered address means its address appearing on the Register at that time.
- (c) *Fiscal Laws:* All payments of principal, premium (if any) and interest (if any) under the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) if applicable, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto (any such

withholding or deduction, a “**FATCA Withholding**”). For avoidance of doubt, neither the Issuer, the Trustee and the Agents nor any other person will be required to pay any additional amounts in respect of FATCA Withholding. No commissions or expenses shall be charged to the Security Holders in respect of such payments.

- (d) *Payment Initiation*: Payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if that date is not a business day, on the first following day which is a business day), or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.
- (e) *Delay in Payment*: Security Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Security Holder is late in surrendering its Certificate (if required to do so).
- (f) *Business Day*: In this Condition 7 (*Payments*), “**business day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in Hong Kong, New York City, in the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the city in which the specified office of the relevant Paying Agent whom a Certificate is surrendered for payment is located. If an amount which is due on the Securities is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.
- (g) *Rounding*: When making payments to Security Holders, fraction of one cent will be rounded to the nearest cent (half a cent being rounded upwards).

8 Redemption, Purchase and Cancellation

- (a) *Maturity*: Unless previously redeemed, purchased and cancelled or unless the Exercise Right in respect of such Security has been exercised as provided herein, the Issuer will redeem each Security at its principal amount on January 14, 2032 (the “**Maturity Date**”), together with interest accrued but unpaid to but excluding such date. The Issuer may not redeem the Securities at its option prior to that date except as provided in Condition 8(b) (*Redemption for Taxation Reasons*) or Condition 8(c) (*Redemption at the Option of the Issuer*) below (but without prejudice to Condition 10 (*Events of Default*)).
- (b) *Redemption for Taxation Reasons*
 - (i) The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Security Holders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, on the date specified in the Tax Redemption Notice for redemption (the “**Tax Redemption Date**”) at their principal amount as at such date together with the interest accrued but unpaid to but excluding such date (if any), if the Issuer notifies the Trustee immediately prior to the giving of such notice that (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after January 6, 2025, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that changing the Issuer’s jurisdiction of organization shall be deemed not to be a reasonable measure, and further provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer

would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities then due. Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(b) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee (x) certificate in English signed by an Authorised Signatory of the Issuer stating that the obligation referred to in (A) above cannot be avoided by the Issuer taking reasonable measures available to it and (y) an opinion of independent legal or tax advisors of recognised standing to the effect that the Issuer has or would become obligated to pay such Additional Tax Amounts as a result of such change or amendment referred to above in this Condition 8(b)(i) (*Redemption for Taxation Reasons*). The Trustee shall be entitled to rely conclusively upon and accept such certificate and opinion (without further investigation or enquiry) as sufficient evidence thereof in which event it shall be conclusive and binding on the Issuer and the Security Holders. The Trustee shall have no liability to any Security Holder or any other person for so accepting and relying conclusively on such certificate or opinion.

On the Tax Redemption Date, the Issuer will be bound to redeem the Securities at the principal amount on the Tax Redemption Date together with interest accrued but unpaid to but excluding such date (if any), provided that redemption under this Condition 8(b)(i) (*Redemption for Taxation Reasons*) may not occur within seven days of the end of a Closed Period, but otherwise may occur when the Exercise Right is expressed in these Conditions to be exercisable.

- (ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) (*Redemption for Taxation Reasons*), each Security Holder will have the right to elect that its Security(ies) shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment of principal, interest, Cash Settlement Amount, premium (if any) or default interest (if any) to be made in respect of such Security(ies) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 (*Taxation*) and subject to the applicable procedures of Euroclear and Clearstream, payment of all amounts by the Issuer to such Security Holder in respect of such Security shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. In the case of Securities represented by Global Certificates, in the absence of applicable Euroclear and Clearstream procedures for such required deduction or withholding or failure by the Issuer to notify Euroclear and Clearstream of the applicable withholding tax rate (if the amount of interest is reduced due to such required deduction or withholding), the Issuer acknowledges and agrees that the Paying Agent will be unable to facilitate payments to Security Holders. To exercise a right pursuant to this Condition 8(b)(ii) (*Redemption for Taxation Reasons*), the holder of the relevant Security must complete, sign and deposit during normal business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (the “**Tax Option Exercise Notice**”) together with the Certificate representing the Securities on or before the day falling 10 days prior to the Tax Redemption Date. A Tax Option Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent.

(c) *Redemption at the Option of the Issuer*

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Principal Agent and the Trustee in writing and to the Security Holders in accordance with Condition 16 (*Notices*) (which notice will be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Securities for the time being outstanding at their principal amount, together with interest accrued but unpaid to but excluding such date (if any), provided that prior to the date of such notice at least 90 per cent. in principal amount of the Securities originally issued has already been redeemed, purchased and cancelled or in respect of which Exercise Rights have been exercised.

Redemption under this Condition 8(c) (*Redemption at the Option of the Issuer*) may not occur within seven days of the end of a Closed Period but otherwise may occur when the Exercise Right is expressed in these Conditions to be exercisable.

- (d) *Redemption at the Option of the Security Holders:* The Issuer will, at the option of the holder of any Security, redeem all or some only of such holder's Securities on January 14, 2028 and January 14, 2030 (each, a "**Put Option Date**") at their principal amount together with interest accrued but unpaid to but excluding such date (if any). To exercise such option, the holder must deposit at the specified office of the Paying Agent a duly completed and signed put notice (the "**Optional Put Exercise Notice**") in the form for the time being current, obtainable from the specified office of the Paying Agent, together with the Certificate representing the Securities to be redeemed not more than 60 days and not less than 30 days prior to the relevant Put Option Date.

A put notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Securities the subject of the put notices delivered as aforesaid on the relevant Put Option Date.

- (e) *Redemption for Delisting or Change of Control:* Following the occurrence of a Relevant Event (as defined below), the holder of each Security will have the right, at such holder's option, to require the Issuer to redeem all or some only of such holder's Securities on the Relevant Event Redemption Date (as defined below) at their principal amount together with interest accrued but unpaid to but excluding such date (if any). To exercise such right, the holder of the relevant Security must deposit at the specified office of the Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of the Paying Agent, specifying the number of Securities to be redeemed and the Relevant Event that has occurred ("**Relevant Event Redemption Notice**"), together with the Certificate representing the Securities to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Security Holders by the Issuer in accordance with Condition 16 (*Notices*). The "**Relevant Event Redemption Date**" shall be the 14th day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Securities the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Security Holders in accordance with Condition 16 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by the Security Holders of their rights to require redemption of the Securities pursuant to this Condition 8(e) (*Redemption for Delisting or Change of Control*) and shall give brief details of the Relevant Event.

Neither the Trustee nor the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. The Trustee and the Agents shall not be required to take any steps to ascertain whether the condition for the exercise of the rights in accordance with this Condition 8(e) (*Redemption for Delisting or Change of Control*) has occurred. Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Security is to be accepted for redemption under this Condition 8(e) (*Redemption for Delisting or Change of Control*) and will not be responsible or liable to the Issuer, any Security Holder or any other person for any loss or liability arising from any failure by them to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 8(e) (*Redemption for Delisting or Change of Control*) and will not be responsible or liable to the Issuer, any Security Holder or any other person for any loss or liability arising from any failure by it to do so.

For the purposes of this Condition 8(e) (*Redemption for Delisting or Change of Control*):

“Change of Control” means the occurrence of one or more of the following events:

- (i) the Permitted Holders together cease to own (directly or indirectly) at least 50 per cent. of the issued share capital of the Issuer;
- (ii) the Permitted Holders together cease to be the single largest holder of Voting Rights in the Issuer;
- (iii) any Person or Persons acting together (other than the Permitted Holders) acquires Control of the Issuer; or
- (iv) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons (other than the Permitted Holders) acquiring Control over the Issuer or the successor entity,

provided that, for the purposes of determining whether a “Change of Control” has occurred, Mini Investment Limited shall be deemed to own any issued share capital of the Issuer lent by it from time to time pursuant to the securities lending deed entered into between Mini Investment Limited and one of the Joint Lead Managers (or its affiliates) dated on or about 6 January 2025 (as such deed may be amended or extended from time to time);

“Control” means (i) the right to appoint and/or remove all or the majority of the members of the relevant entity’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise; or (ii) the acquisition or control of more than 50 per cent. of the Voting Rights of the issued share capital of the relevant entity;

“Permitted Holders” means the aggregate shareholding of Mr. Ye Guofu, Ms. Yang Yunyun and Mini Investment Limited and:

- (i) any heir, estate, lineal descendant (or spouse thereof), spouse or parent of any of Mr. Ye Guofu or Ms. Yang Yunyun; or
- (ii) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners or owners are any of Mr. Ye Guofu, Ms. Yang Yunyun, Mini Investment Limited and/or such other Persons referred to in paragraph (i) above;

a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the (i) the Issuer’s board of directors or any other governing board or (ii) the Issuer’s wholly- owned direct or indirect subsidiaries;

a “**Relevant Event**” occurs:

- (i) (x) when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange, or (y) the Issuer voluntarily ceases to list or quote its ADSs on any of the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market (each, a “**Delisting**”); or
- (ii) when there is a Change of Control; and

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any event or contingency); and

For the avoidance of doubt, a transfer of the Issuer’s listing between the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market shall not constitute a Relevant Event.

- (f) *Purchase*: Each of the Issuer and any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Securities at any price in the open market or otherwise.
- (g) *Cancellation*: All Securities which are redeemed, or purchased by the Issuer or any of its Subsidiaries or in respect of which Exercise Rights have been exercised, will forthwith be cancelled. Certificates in respect of all Securities cancelled will be forwarded to or to the order of the Registrar and such Securities may not be reissued or resold.
- (h) *Redemption Notices*: All notices to Security Holders given by or on behalf of the Issuer pursuant to this Condition 8 (*Redemption, Purchase and Cancellation*) will be irrevocable and will be given in accordance with Condition 16 (*Notices*) specifying: (i) the Exercise Price as at the date of the relevant notice, (ii) the last day on which the Exercise Rights may be exercised, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the principal amount, together with any accrued and unpaid interest, (v) the date for redemption, (vi) the manner in which redemption will be effected and (vii) the aggregate principal amount of the Securities outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Security Holder pursuant to this Condition 8 (*Redemption, Purchase and Cancellation*)), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions.

Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Security is to be accepted for redemption under this Condition and will not be responsible or liable to Security Holders or any other person for any loss or liability arising from any failure by them to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under these Conditions, and none of them will be responsible or liable to any Security Holder or any other person for any loss or liability arising from any failure by them to do so.

9 Taxation

All payments made by the Issuer under or in respect of the Securities, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied, collected, withheld or assessed by or on behalf of the Cayman Islands, Hong Kong, the PRC or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.

Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on January 6, 2025 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Security Holders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding (a) by or within the PRC in excess of the Applicable Rate, or (b) by or within the Cayman Islands or Hong Kong, the Issuer will pay such additional amounts (the “**Additional Tax Amounts**”) as will result in the receipt by the Security Holders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no Additional Tax Amounts shall be payable in respect of any Security:

- (a) *Other connection:* to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Security by reason of his having some connection with the Cayman Islands, Hong Kong or the PRC otherwise than merely by holding the Security or by the receipt of amounts in respect of the Security or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (b) *Presentation more than 30 days after the relevant date:* (in the case of a payment of principal) if the Certificate in respect of such Security is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such Additional Tax Amounts on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

For the purposes hereof, “**relevant date**” means whichever is the later of (1) the date on which such payment first becomes due and (2) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Security Holders and payment made.

References in these Conditions to principal, premium (if any), default interest (if any) and any other amount payable in respect of the Securities shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 (*Taxation*) or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Neither the Trustee nor any Agent shall be responsible for paying any taxes, duties, assessments, governmental charges or other payment referred to in this Condition 9 (*Taxation*) or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Security Holder or any other person to pay such taxes, duties, assessments, governmental charges or other payment in any jurisdiction or to provide any notice or information that would permit, enable or facilitate the payment of any principal or other amount under or in respect of the Securities without deduction or withholding for or on account of any taxes, duties, assessments, governmental charges or other payment imposed by or in any jurisdiction.

10 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution, shall, (subject in either case to being indemnified and/or secured and/or pre-funded by the holders to its satisfaction) give notice to the Issuer that the Securities are, and they shall immediately become due and repayable at their principal amount, together with any interest accrued but unpaid to but excluding such date (if any), premium (if any), default interest or other amounts unpaid (if any) (subject as provided below and without prejudice to the right of Security Holders to exercise the Exercise Right in respect of their Securities in accordance with Condition 6 (*Exercise*)) if:

- (a) *Non-Payment of Principal or Premium*: a default is made in the payment of any principal or premium (if any) due in respect of the Securities and such failure continues for a period of 7 days;
- (b) *Non-Payment of Interest*: the Issuer fails to pay any interest on any of the Securities when due and such failure continues for a period of 10 days;
- (c) *Breach of Other Obligations*: the Issuer does not perform or comply with one or more of its other obligations in the Securities or the Trust Deed which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;
- (d) *Insolvency*: the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of a material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of its Principal Subsidiaries; an administrator or liquidator of the Issuer or any of its Principal Subsidiaries or the whole or a material part of the assets and turnover of the Issuer or any of its Principal Subsidiaries is appointed (or application for any such appointment is made);
- (e) *Cross-Default*: (i) any other present or future indebtedness (whether actual or contingent) of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, *provided* that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(e) (*Cross-Default*) have occurred equals or exceeds U.S.\$30,000,000 or its equivalent in any other currency (as reasonably determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity;
- (f) *Enforcement Proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 20 days;

- (g) *Winding-up*: an order is made or an effective resolution passed for the liquidation, winding-up or dissolution, *judicial* management or administration of the Issuer or any Subsidiary, or the Issuer or any Subsidiary ceases or threatens to cease to carry on all or a substantial part of its business or operations, except in the case of any Subsidiary, for the purpose of and followed by a solvent winding-up, reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Security Holders, or (ii) in the case of a Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer or another of their respective Principal Subsidiaries, whether due to a disposal of such Subsidiary on an arm's length basis or otherwise;
- (h) *Security Enforced*: an encumbrancer or a secured party takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or revenue of the Issuer or any of its Principal Subsidiaries (as the case may be) and is not discharged within 20 days;
- (i) *Nationalisation*: (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Subsidiaries or (ii) the Issuer, or any of its Subsidiaries is prevented from exercising normal control over all or a material part of its property, assets and revenue;
- (j) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Securities and the Trust Deed, (ii) to ensure that those obligations are valid, legal, binding and enforceable and (iii) to make the Securities and the Trust Deed admissible in evidence in the courts of the Cayman Islands or Hong Kong is not taken, fulfilled or done;
- (k) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Securities or the Trust Deed; or
- (l) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 10(d) (*Insolvency*), 10(f) (*Enforcement Proceedings*), 10(h) (*Winding-up*) and 10(i) (*Security Enforced*).

Neither the Trustee nor any of the Agents shall be responsible or liable for the performance by the Issuer and any other person appointed by the Issuer in relation to the Securities of the duties and obligations on their part expressed in respect of the same and the Trustee and the Agents need not do anything to ascertain or monitor whether a Potential Event of Default or Event of Default has occurred or is continuing and will not be responsible or liable to the Issuer, any Security Holder or any other person for any loss or liability arising from any failure by them to do so, and unless the Trustee or such an Agent (as the case may be) has received written notice from the Issuer to the contrary, the Trustee and each Agent shall assume that the same are being duly performed.

11 Prescription

Claims in respect of amounts due in respect of the Securities will become prescribed unless made within 10 years (in the case of principal or other sums payable hereunder) and five years (in the case of interest or default interest) from the relevant date (as defined in Condition 9 (*Taxation*)) in respect thereof.

12 Enforcement

At any time after the Securities have become due and repayable, the Trustee may, at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Securities and to enforce the provisions of the Securities, the Trust Deed and the Agency Agreement, but it will not be bound to take any such actions and/or steps and/or institute any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Securities then outstanding or shall have been so directed by an Extraordinary Resolution of the Security Holders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13 Meetings of Security Holders, Modification and Waiver

- (a) *Meetings:* The Trust Deed contains provisions for convening meetings of Security Holders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of the Securities or the provisions of these Conditions, the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if it receives a written request from Security Holders holding not less than 10 per cent. in aggregate principal amount of the Securities for the time being outstanding and is indemnified and/or secured and/or pre-funded to its satisfaction against all fees, costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Securities for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Security Holders whatever the principal amount of the Securities so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Securities or the dates on which interest is payable in respect of the Securities, (ii) to reduce or cancel the amount of principal, interest or premium payable in respect of the Securities or changing the method of calculation of interest, (iii) to change the currency of payment of the Securities, (iv) to modify or cancel the Exercise Rights (except by a unilateral and unconditional reduction in the Exercise Price, or any modification to the Exercise Rights solely for the purposes of amending the method of settlement of the Exercise Right (whether through cash or delivery of Shares) and any consequential changes), or (v) to modify the provisions concerning the quorum required at any meeting of the Security Holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 2/3 per cent., or at any adjourned such meeting not less than 33 per cent., in aggregate principal amount of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of Security Holders will be binding on all Security Holders, whether or not they are present at the meeting.

The Trust Deed provides that (a) a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Securities outstanding or (b) passed by Electronic Consent (as defined in the Trust Deed) shall be as valid and effective as a duly passed Extraordinary Resolution of the Security Holders. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Security Holders. A resolution passed in writing and/or an Electronic Consent will be binding on all Security Holders, whether or not they participated in such written resolution and/or such Electronic Consent.

- (b) *Modification and Waiver:* The Trustee may (but shall not be obliged to) agree to, without the consent of the Security Holders, (i) any modification (except as mentioned in the Trust Deed) to, or any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed and the Agency Agreement, provided that such modification, waiver or authorisation is not, in the opinion of the Trustee, materially prejudicial to the interests of the Security Holders, or (ii) any modification to any of these Conditions or

any of the provisions of the Trust Deed and the Agency Agreement that, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of applicable law. The Trustee may (but shall not be obliged to), without the consent of the Security Holders, determine any Event of Default or a Potential Event of Default should not be treated as such, provided that, in the opinion of the Trustee, the interests of the Security Holders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Security Holders and, unless the Trustee agrees otherwise, such modification, authorisation or waiver shall be notified by the Issuer to the Security Holders promptly in accordance with Condition 16 (*Notices*). The Trustee may request and conclusively rely (without liability) upon a certificate signed by an authorised officer of the Issuer and/or an opinion of counsel concerning the compliance with the above conditions in respect of any waiver, modification and amendments.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(a) (*Meetings*) or a modification, waiver or authorisation in accordance with Condition 13(b) (*Modification and Waiver*), the Issuer will procure that the Security Holders be notified in accordance with Condition 16 (*Notices*).

- (c) *Directions from Security Holders:* Neither the Trustee nor the Agents shall be liable to the Issuer, any Security Holder or any other person for any action taken by the Trustee or such Agent in accordance with any instruction, direction, request or resolution of the Security Holders. The Trustee shall be entitled to rely conclusively (without liability) on any instruction, direction, request or resolution of Security Holders given by holders of the requisite principal amount of Securities outstanding or passed at a meeting of Security Holders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion, right or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion, right or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Security Holders by way of an Extraordinary Resolution, and the Trustee is not responsible or liable for any loss or liability incurred by the Issuer, any Security Holder or any other person as a result of any delay in it exercising such discretion, right or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that such directions are not being given. The Trustee shall not be under any obligation to monitor compliance of any person with the provisions of the Trust Deed, the Agency Agreement or these Conditions.
- (d) *Certificates/Reports:* Any certificate, report, opinion or advice of any expert, professional advisor (including the Independent Financial Advisor) or other person called for by or provided to the Trustee (whether or not obtained by or addressed to the Trustee) in accordance with or for the purposes of these Conditions, the Agency Agreement or the Trust Deed may be relied upon conclusively by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate, report, opinion or advice and/or engagement letter or other document entered into by the Trustee, an Agent and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.
- (e) *Entitlement of the Trustee:* In connection with the performance and exercise of its functions, rights, powers, authorities and/or discretions (including but not limited to those referred to in this Condition 13 (*Meetings of Security Holders, Modification and Waiver*)) the Trustee shall have regard to the interests of the Security Holders as a class and shall not have regard to the consequences of such exercise for individual Security Holders and the Trustee shall not be entitled to require, nor shall any Security Holder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Security Holders.

14 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence (including proof of holding and identity to the satisfaction of the Registrar) and indemnity, security and/or pre-funding as the Issuer and the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time, without the consent of the Security Holders, create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects except for the issue date, the first payment of interest thereon and the timing for complying with the requirements set out in these Conditions in relation to the NDRC Filings and the CSRC Filings and the certification and notification thereof to the Trustee and Security Holders) and so that such further issue shall be consolidated and form a single series with the Securities. Such further securities may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

16 Notices

All notices to Security Holders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading newspaper having general circulation in Asia. Any such notice shall be deemed to have been given on the later of the date(s) of such publication(s) and the seventh day after being so mailed, as the case may be. Notices and other communications may also be sent via Electronic Means (as defined in the Trust Deed) in accordance with the terms of the Conditions and the Trust Deed.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an Alternative Clearing System, notices to Security Holders may be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to entitled account holders in substitution for notification as required by the Conditions.

17 Agents

The names of the initial Agents and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint any additional or replacement Agent. The Issuer will at all times maintain (a) a Principal Agent, (b) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom and (c) a Transfer Agent. Notice of any such termination or appointment, of any changes in the specified offices of any Agent and of any change in the identity of any Agent will be given promptly by the Issuer to the Security Holders.

18 Indemnification of the Trustee and Agents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking actions steps and/or actions or instituting proceedings to enforce its rights under the Securities, the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Securities and payment thereunder or taking other steps and/or actions and/or instituting other proceedings unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid its fees, costs, expenses, liabilities, indemnity payments, and other amounts in priority to the claims of the Security Holders.

The Trustee, the Agents and their affiliates are entitled to (a) enter into business transactions with the Issuer and any entity relating to the Issuer and to act as trustee, agent, depository and/or custodian for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and any entity relating, directly or indirectly, to the Issuer, (b) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Security Holders, and (c) retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and each Agent may rely conclusively without liability to Security Holders, the Issuer or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and each Agent may accept and shall be entitled to rely conclusively (without liability) on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Security Holders.

The Trustee and the Agents shall not be deemed to have knowledge of an Event of Default or any Potential Event of Default unless and until the Agents, or as the case may be, a responsible officer of the Trustee obtains written notification of such Event of Default or Potential Event of Default describing the circumstances of such, and identifying the circumstances constituting such Event of Default or any Potential Event of Default.

None of the Trustee or any Agent shall be liable to the Issuer, any Security Holder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Security Holders. The Trustee shall be entitled to rely conclusively (without liability) on any instructions, direction, request or resolution of Security Holders given by holders of the requisite principal amount of Securities outstanding or passed at a meeting of Security Holders convened and held in accordance with the Trust Deed or by way of written resolution or Electronic Consent.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from any such action, making any such decision, or giving any such direction, to (a) seek directions or clarifications from the Security Holders by way of an Extraordinary Resolution or given as otherwise contemplated or permitted by the Trust Deed and/or the Securities, and (b) be indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including, but not limited to, legal fees and expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Security Holders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision, or giving such direction where the Trustee is seeking such directions or clarifications from Security Holders or in the event that no such directions are received.

Each Security Holder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility or liability for the same and each Security Holder shall not rely on the Trustee in respect thereof.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Securities or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 except as contemplated in Condition 12 (*Enforcement*) and to the extent expressly provided for.

20 Governing Law and Submission to Jurisdiction

- (a) *Governing law:* The Securities, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.
- (b) *Jurisdiction:* The Issuer irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong to settle any disputes which may arise out of or in connection with the Securities, the Trust Deed and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with the Securities, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought against the Issuer in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts and waived any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- (c) *Waiver of immunity:* The Issuer hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

The Securities will be represented by a Global Certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depositary for Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal sum to the holder of the Securities represented by the Global Certificate on 29 April 2029 or on such earlier date or dates as the same may become payable in accordance with the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

The Global Certificate will become exchangeable in whole, but not in part, for definitive certificates (“**Definitive Certificates**”) if either Euroclear or Clearstream or any other alternative clearing system through which the Securities are held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Whenever the Global Certificate is to be exchanged for Definitive Certificates, such Definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate by the Registrar upon receipt of such information as is required to complete and deliver such Definitive Certificates (including, without limitation, the names and addresses of the persons in whose names the Definitive Certificates are to be registered and the principal amount of each such person’s holding).

The Global Certificate will contain provisions which will apply to the Securities in respect of which the Global Certificate is issued, some of which will modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:

Meetings

For the purposes of any meeting of Security Holders, the holder of the Securities represented by the Global Certificate shall (unless the Global Certificate represents only one Security) be treated as two persons for the purposes of any quorum requirements of a meeting of Security Holders and as being entitled to one vote in respect of each US\$200,000 in principal amount of Securities then outstanding.

Cancellation

Cancellation of any Security represented by the Global Certificate by the Issuer following redemption, conversion or purchase by the Issuer, the Guarantor or any of their respective Subsidiaries will be effected by a reduction in the principal amount of the Securities in the register of Security Holders.

Trustee’s Powers

In considering the interests of Security Holders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Securities and (b) consider such interests on the basis that such accountholders were the holders of the Securities in respect of which the Global Certificate is issued.

Conversion

Subject to the requirements of Euroclear and Clearstream (or any Alternative Clearing System (as defined in the Global Certificate)), the Exercise Right attaching to a Security in respect of which the Global Certificate is issued may be exercised by the presentation thereof to or to the order of the Principal Agent of one or more Exercise Notices duly completed by or on behalf of a holder of a book-entry interest in such Securities. Deposit of the Global Certificate with the Principal Agent together with the relevant Exercise Notice(s) shall not be required. The exercise of the Exercise Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Certificate.

Record Date

Notwithstanding Condition 7(a) of the Conditions, so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder in the Register at the close of business on the Clearing System Business Day immediately before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Payment

The Issuer, for value received, will pay to the holder of the Securities represented by the Global Certificate (subject to surrender of the Global Certificate if no further payment falls to be made in respect of such Securities) on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Securities represented by the Global Certificate, and will pay interest on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Securities represented by the Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Notices

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Securities shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to accountholders in substitution for notification as required by the Conditions.

Redemption at the Option of the Security Holders

The Security Holder’s redemption options in Condition 8(d) and Condition 8(e) of the Conditions may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of Securities in respect of which the option is exercised within the time limits specified in the relevant Condition.

Redemption at the Option of the Issuer

The option of the Issuer provided for in Condition 8(b) and Condition 8(c) of the Conditions shall be exercised by the Issuer giving notice to the Security Holders within the time limits set out in and containing the information required by the relevant Condition.

Security Holder's Tax Option

The option of the Security Holders not to have the Securities redeemed as provided in Condition 8(b) of the Conditions shall be exercised by the presentation to any Paying Agent of a duly completed Security Holder's election notice within the time limits set out in and containing the information required by Condition 8(b) of the Conditions.

Exchange of Securities Represented by Global Certificates

Owners of interests in the Securities in respect of which the Global Certificate is issued will be entitled to have title to the Securities registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar through which the Securities are held (an “**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will at its own expense cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Securities. A person with an interest in the Securities in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Transfers

Transfers of beneficial interests in the Securities represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and the Companies Act (As Revised) of the Cayman Islands, which is referred to as the Companies Act below, and the common law of the Cayman Islands.

As of the date of this Offering Circular, the authorized capital of our company is US\$100,000 divided into 10,000,000,000 Shares of a par value of US\$0.00001 each. As of November 30, 2024, we had 1,256,280,037 Shares issued and outstanding, par value US\$0.00001 per share, including 147,880,288 Shares underlying 36,970,072 ADSs.

The following are summaries of material provisions of our third amended and restated memorandum and articles of association which became effective on July 13, 2022 and of the Companies Act, insofar as they relate to the material terms of the Shares.

Objects of our company. Under our third amended and restated memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

Dividends. Our directors may from time to time declare dividends (including interim dividends) and other distributions on our shares in issue and authorize payment of the same out of the funds of our company lawfully available therefor. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend shall exceed the amount recommended by our directors. Our third amended and restated memorandum and articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Ordinary shares. The Shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Voting rights. In respect of all matters subject to a shareholders' vote, each holder of Shares is entitled to one vote per share on all matters subject to vote at our general meetings. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the Shares cast at a meeting, while a special resolution requires the affirmative vote of no less than three-fourths of the votes attaching to the Shares cast at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association. Our shareholders may, among other things, divide or consolidate their shares by ordinary resolution.

General meetings of shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. However, our third amended and restated memorandum and articles of association provide that we shall hold a general meeting as our annual general meeting in each financial year. The annual general meeting shall be specified as such in the notices calling it and shall be held at such time and place as may be determined by our directors. Shareholders' general meetings may be convened by the chairman of our board of directors or by our directors (acting by a resolution of our board). Advance written notice of at least twenty-one (21) days is required for the convening of the annual general meeting and advance written notice of at least fourteen (14) days is

required for the convening of any other general meeting of our shareholders (including an extraordinary general meeting). We may, however convene a general meeting on a shorter notice if it is agreed (a) in the case of an annual general meeting, by all shareholders (or their proxies) entitled to attend and vote thereat; and (b) in the case of an extraordinary general meeting, by a majority of the shareholders having a right to attend and vote at the meeting and present at the meeting. A quorum required for any general meeting of shareholders consists of, at the time when the meeting proceeds to business, one or more of our shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all of our shares in issue and entitled to vote at such general meeting.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our third amended and restated memorandum and articles of association provide that upon the requisition of any one or more of our shareholders holding shares which carry in aggregate not less than one-tenth of the paid up capital of our company, on a one vote per share basis, that carry the right to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting.

Transfer of ordinary shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her Shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any Share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any Share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the Shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of Shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and
- a fee of such maximum sum as the NYSE or the Hong Kong Stock Exchange may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the rules of the NYSE be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, such the assets will be distributed so that, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on shares and forfeiture of shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, repurchase and surrender of shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by our shareholders by special resolution. Our company may also repurchase any of our shares (including any redeemable shares) on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders, provided always that any such repurchase shall only be made in accordance with any relevant code, rules or regulations issued by the Hong Kong Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (i) unless it is fully paid up, (ii) if such redemption or repurchase would result in there being no shares outstanding, or (iii) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of rights of shares. Whenever the capital of our company is divided into different classes the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be materially adversely varied with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any shares of any class by our company.

Issuance of additional shares. Our third amended and restated memorandum and articles of association authorize our board of directors to issue additional Shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares, without the need for any approval or consent from our shareholders.

Our third amended and restated memorandum and articles of association also authorize our board of directors, subject to compliance with the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs, without the need for any approval or consent from our shareholders, to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may, subject to compliance with the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs, issue preferred shares, without the need for any approval or consent from, or other action by, our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of Shares.

Inspection of books and records. Holders of the Shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than copies of our memorandum and articles of association, our register of mortgages and charges and any special resolutions passed by our shareholders). Our directors have discretion under our third amended and restated memorandum and articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders, except as conferred by law or authorized by our directors or by an ordinary resolution of our shareholders and save that any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as our board of directors may impose) be open to inspection by our shareholder without charge and any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as our board of directors may determine for each inspection, provided that we may be permitted to close the register in terms equivalent to section 632 of the Companies Ordinance. However, we intend to provide our shareholders with annual audited financial statements.

Anti-takeover provisions. Some provisions of our third amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors, subject to compliance with the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs, to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our third amended and restated memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company and the exercise of such rights and powers is subject to our overriding obligations to comply with all applicable Hong Kong laws and regulations, the Listing Rules, and the Codes on Takeovers and Mergers and Share Buy-backs.

Exempted company. We are an exempted company incorporated with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Exclusive forum. The United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) shall be the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than our company. For the avoidance of doubt, any complaint that asserts a cause of action arising out of or relating in any way to the Securities Act or the Exchange Act shall be subject to the exclusive forum selection clause above, regardless of whether the putative cause of action under the Securities Act or the Exchange Act is alleged to be direct or derivative in nature. Any person or entity purchasing or otherwise acquiring any of the Shares, the ADSs or other securities shall be deemed to have notice of and consented to the provisions of our articles of association. For the avoidance of doubt and without limiting the jurisdiction of the courts of the Cayman Islands and the courts of Hong Kong to hear, settle and/or determine disputes related to our company and without prejudice to the foregoing exclusive forum selection in relation to the resolution of any complaint asserting a cause of action, whether alleged to be direct or derivative, arising out of or relating in any way to the federal securities laws of the United States, our company, our shareholders, our directors and officers agree to submit to the jurisdiction of the courts of the Cayman Islands and Hong Kong, to the exclusion of other jurisdictions, for (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of our company to our company or our shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Companies Act (as revised) of the Cayman Islands or our memorandum and articles of association including but not limited to any purchase or acquisition of shares, security, or guarantee, provided in consideration thereof, or (iv) any action asserting a claim against our company which if brought in the United States would be a claim arising under the internal affairs doctrine (as such concept is recognized under the laws of the United States from time to time). See “Risk Factors – Risks Related to the ADSs and The Shares – Forum selection provisions in our third amended and restated memorandum and articles of association and our deposit agreement with the depository bank could limit the ability of holders of the Shares, the ADSs or other securities to obtain a favorable judicial forum for disputes with us, our directors and officers, the depository bank, and potentially others.”

Registered Office and Objects

Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as our directors may from time to time decide. The objects for which our company is established are unrestricted and we have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and similar arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a “parent” of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by (a) 75% in value of the shareholders or class of shareholders, as the case may be, or (b) a majority in number representing 75% in value of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the “squeeze out” of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted in accordance with the foregoing statutory procedures, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders’ suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires (and is therefore incapable of ratification by the shareholders);
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a “fraud on the minority.”

Indemnification of directors and executive officers and limitation of liability. Cayman Islands law does not limit the extent to which a company’s memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our third amended and restated memorandum and articles of association provide that that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person’s dishonesty, willful default or fraud, in or about the conduct of our company’s business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including, without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we have entered into indemnification agreements with each of our directors and executive officers that will provide such persons with additional indemnification beyond that provided in our third amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' fiduciary duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company – a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder action by written consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our third amended and restated memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders; provided that it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our third amended and restated memorandum and articles of association allow any one or more of our shareholders holding shares which carry in aggregate not less than one-tenth of the paid up capital of our company, on a one vote per share basis that carry the right to vote at general meetings of our company, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our third amended and restated memorandum and articles of association do not provide our shareholders other right to put proposal before a meeting. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings, however, our third amended and restated memorandum and articles of association provide that we shall hold a general meeting as our annual general meeting in each financial year.

Cumulative voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our third amended and restated memorandum and articles of association do not provide for cumulative voting.

Removal of directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our third amended and restated memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders before the expiration of his or her term of office. An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the company and the director, if any; but no such term shall be implied in the absence of express provision. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; or (v) is removed from office pursuant to any other provisions of our third amended and restated memorandum and articles of association.

Transactions with interested shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Restructuring. A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

- (a) is or is likely to become unable to pay its debts; and
- (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by either an order of the courts of the Cayman Islands or by the board of directors.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of rights of shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our third amended and restated memorandum and articles of association, if our share capital is divided into more than one class of shares, the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be materially adversely varied with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be varied by the creation, allotment or issue of further shares ranking *par passu* with or subsequent to them or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

Amendment of governing documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our third amended and restated memorandum and articles of association may only be amended with a special resolution of our shareholders.

Rights of non-resident or foreign shareholders. There are no limitations imposed by our third amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our third amended and restated memorandum and articles of association that require our company to disclose shareholder ownership above any particular ownership threshold.

DESCRIPTION OF THE CALL SPREAD TRANSACTIONS

In connection with the pricing of the Securities, the Issuer has entered into call spread transactions with one or more of the Joint Lead Managers (or their respective affiliates) (and certain other counterparties) (together, the “**Option Counterparties**”) as follows:

- (a) call option transaction(s) involving the sale of call option(s) by the Option Counterparties to the Issuer with a strike price equal to the Exercise Price (the “**Lower Strike Call Option**”); and
- (b) call option transaction(s) involving the sale of call option(s) by the Issuer to the Option Counterparties exercisable at an overall average strike price of U.S.\$13.1717 (the “**Upper Strike Warrant**”),

(together, the “**Call Spread Transactions**”).

The Lower Strike Call Option is expected generally to offset any cash payments the Issuer is required to make in excess of the principal amount of exchanged Securities. The Lower Strike Call Option will cover, subject to anti-dilution adjustments substantially similar to those applicable to the Securities, the equivalent number of Shares underlying the Securities.

The Lower Strike Call Option comprises a number of individual components, each of which can only be exercised once, and will expire, on each of its expiry date under the terms of the Lower Strike Call Option that corresponds with the Cash Settlement Calculation Period (as defined in the Conditions) (subject to adjustment in accordance with the terms of the Lower Strike Call Option). Each component will be automatically exercised on its expiry date unless the Issuer notifies the relevant Option Counterparty prior to the expiration time on such date in accordance with the terms of the Lower Strike Call Option. The Lower Strike Call Option will be settled in cash. On settlement, the Issuer will receive an amount of cash calculated based on the amount by which the volume weighted average price per Share, as measured under the terms of the Lower Strike Call Option, is greater than the strike price of the Lower Strike Call Option on each of its expiry date under the terms of the Lower Strike Call Option.

The Upper Strike Warrant comprises a number of components, each of which can only be exercised once, and will expire, on each of its expiry date under the terms of the Upper Strike Warrant that corresponds with the Cash Settlement Calculation Period (as defined in the Conditions) (subject to adjustment in accordance with the terms of the Upper Strike Warrant). Each component will be automatically exercised on its expiry date unless the relevant Option Counterparty notifies the Issuer prior to the expiration time on such date in accordance with the terms of the Upper Strike Warrant or the volume weighted average price per Share, as measured under the terms of the Upper Strike Warrant, is equal to or less than the strike price with respect to such component. Subject to satisfaction of the terms of the Upper Strike Warrant (including filing of a shelf registration statement registering the issuance and delivery to Option Counterparties of the Shares deliverable by the Issuer under the Upper Strike Warrant), each component of the Upper Strike Warrant will be settled by delivery from the Issuer to the relevant Option Counterparty of, with respect to each component, a number of Shares determined by reference to the number of options exercised under that component, against payment by the relevant Option Counterparty to the Issuer of an amount determined by reference to the strike price multiplied by the number of options exercised under that component. Such delivery of Shares at settlement will be effected by the issuance of new Shares by the Issuer to the Option Counterparties.

In connection with establishing their initial hedges of the Call Spread Transactions, the Option Counterparties or their respective affiliates expect to purchase the Shares and/or enter into various derivative transactions with respect to the Shares and/or purchase the Shares and/or ADSs shortly after the pricing of the Securities. These activities could increase (or reduce the size of any decrease in) the market price of the Shares, the ADSs or the Securities at that time. The effect, if any, of this activity, including the direction or magnitude, on the market price of the Shares, the ADSs, other securities of the Company or the price of the Securities will depend on a variety of factors, including market conditions, and cannot be ascertained at this time.

In addition, the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to the Shares, the ADSs and/or by purchasing or selling the Shares, the ADSs or other securities of the Issuer in secondary market transactions following the pricing of Securities and prior to the maturity of the Securities (and are likely to do so following any exchange of the Securities, repurchase of the Securities by the Issuer upon occurrence of certain fundamental changes or otherwise, in each case, if the Issuer opt to unwind the relevant portion of the Call Spread Transactions early). The effect, if any, of this activity on the market price of the Shares and/or the ADSs, or the price of the Securities will depend on a variety of factors, including market conditions, and cannot be ascertained at this time. Any of this activity could, however, also cause or avoid an increase or a decrease in the market price of the Shares and/or the ADSs, other securities of the Issuer or the price of the Securities. In addition, if the Upper Strike Warrant is exercised, to settle their obligations under the Call Spread Transactions, the Option Counterparties or their respective affiliates expect to sell up to the number of Shares underlying the Call Spread Transactions at the time, which could cause a decrease in the market price of the Shares and/or the ADSs, other securities of the Issuer or the price of the Securities. Any of the above changes in the market price of the Shares could affect whether the holders exchange their Securities and value of the consideration that the holders will receive upon exchange of the Securities. In addition, any of the Option Counterparties may choose to engage in, or to discontinue engaging in, any of these transactions and activities with or without notice at any time, and their decisions will be in their sole discretion and not within the Issuer's control.

In addition, if any such Call Spread Transactions fail to become effective, whether or not this offering of Securities is completed, the Option Counterparties may unwind their hedge positions with respect to Shares and/or ADSs, which could adversely affect the value of Shares, ADSs and, if the Securities have been issued, the value of the Securities.

The Group does not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the Securities, the Shares or the ADSs. In addition, the Group does not make any representation that the Option Counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

For a discussion of the potential impact of any market or other activity by the Option Counterparties in connection with the Call Spread Transactions, see *“Risk Factors – Risks Relating to the Call Spread Transactions – The Call Spread Transactions may affect the value of the Securities, the Shares and the ADSs”* and *“Risk Factors – Risks Relating to the Call Spread Transactions – We are subject to counterparty risk with respect to the Call Spread Transactions”*.

TAXATION

The following summary of certain the Cayman Islands, the PRC and Hong Kong tax consequences of the purchase, ownership and disposition of the Securities is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Securities or any person acquiring, selling or otherwise dealing in the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. Persons considering the purchase of the Securities should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of the Securities.

The Cayman Islands

Under the laws of the Cayman Islands, payments of interest, additional amounts (if any), principal (including Early Redemption Amounts) and premium on the Securities and dividends and capital in respect of the Shares will not be subject to taxation and no withholding will be required on the payment of principal and premium to any holder of the Securities or the Shares, as the case may be, nor will gains derived from the disposal of the Securities or the Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty.

No stamp duty is payable in respect of the issue of the Securities or the Shares. An instrument of transfer in respect of a Security or certificates representing the Securities is stampable if executed in or brought into the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Securities by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes (the “non-PRC Holders”). The following summary of certain PRC tax consequences of the purchase, ownership and disposition of the Securities to non-resident holders is based upon applicable laws, rules and regulations in effect as of the date of this offering circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. In considering whether to invest in the Securities, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Taxation of the Securities

Taxation on Interest and Capital Gains

Under the EIT Law and the implemented regulations, if the Issuer is deemed as a PRC “resident enterprise”, PRC income tax at a rate of 10% (or a lower treaty rate, if any) would be required to be withheld from interest payments to Holders that are “non-resident enterprises” and that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant interest income is not effectively connected with such establishment or place of business, if such interest is treated as income from sources within the PRC. The IIT Law also imposes a withholding tax at the rate of 20% (or a lower treaty rate, if any) on interest from PRC source paid to non-resident individual holders. In addition,

any gain realised on the transfer of the Securities by such holders would be subject to PRC income tax at the rate of 10% for non-resident enterprise holders or 20% for non-resident individual holders (or a lower treaty rate, if any) if such gain is regarded as income derived from sources within the PRC. If the Issuer is deemed as a PRC “resident enterprise”, the interest it may pay in respect of the Securities, and the gain any non-resident Holder may realise from the transfer of the Securities, may be treated as income derived from sources within the PRC and be subject to the PRC tax described above. See “Risk Factors – Risk Relating to Securities, the Guarantee and the Shares – The Security Holders may be subject to tax on their income or gain from the Securities- Gains on the transfer of the Securities may be subject to income tax under PRC tax laws.”

Stamp duty

Except for the PRC stamp duty on booking capital account which must be paid by our company as a result of the issuance of Shares on the exercise of the Securities, no PRC stamp duty will be chargeable to non-PRC Holders of the Securities and non-PRC shareholders of Shares upon the issue, exercise or transfer of the Securities or Shares (if the register of the Holders is maintained outside the PRC, as is expected to be the case).

Hong Kong

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Securities or in respect of any capital gains arising from the sale of the Securities.

No tax is payable in Hong Kong by withholding or otherwise in respect of payments of dividends on the Shares.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), or the Inland Revenue Ordinance, as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal, exercise or redemption of the Securities where such sale, disposal, exercise or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Securities may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Securities is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Securities is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Securities is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Securities is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Securities will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Securities will be subject to Hong Kong profits tax.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the “Amendment Ordinance”) came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Securities accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

Sums derived from the sale, disposal or redemption of Securities will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Securities are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issuance or transfer of a Security.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated January 6, 2025 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and each of the Joint Lead Managers has agreed to severally (but not jointly) subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Securities set forth opposite its name below:

Joint Lead Manager	Principal amount of the Securities to be subscribed
UBS AG Hong Kong Branch	U.S.\$357,500,000
The Hongkong and Shanghai Banking Corporation Limited	U.S.\$192,500,000
Total	U.S.\$550,000,000

To the best of the Issuer’s directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Joint Lead Managers is a third party independent of the Issuer and is not a connected person (as defined in the Listing Rules) of the Issuer.

To the best of the Issuer’s directors’ knowledge, information and belief, none of the initial placees (and their ultimate beneficial owners) will be connected persons (as defined in the Listing Rules) of the Issuer.

The Issuer has undertaken with the Joint Lead Managers that neither the Issuer nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares, ADSs or securities of the same class as the Securities or the Shares, ADSs or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Securities, the Shares, the ADSs or securities of the same class as the Securities, the Shares, the ADSs or other instruments representing interests in the Securities, the Shares, the ADSs or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Call Spread Transactions; (ii) the Securities and the New Shares issued under the Upper Strike Warrant and (iii) the grant of equity awards by the Issuer to its employees, directors and/or consultants pursuant to the share incentive plan adopted by the Issuer in September 2020 and amended in June 2022 (and as amended from time to time) (the “**Share Scheme**”), the filing of the registration statements on Form S-8 relating to the equity awards granted or to be granted pursuant to the Share Scheme, any Shares or ADSs issued upon the exercise or vesting of equity awards under the Share Scheme, and (iv) any Shares issued and ADSs delivered representing such Shares, upon any exercise, vesting or conversion of any securities outstanding on the date of the Subscription Agreement.

Each of Mr. Ye Guofu, Ms. Yang Yunyun, Mini Investment Limited, YGF Development Limited, YGF MC Limited, YYY Developments Limited, and YYY MC Limited, each a substantial shareholder of the Issuer, has executed a shareholder lock-up undertaking dated January 6, 2025. Each of Mr. Ye Guofu, Ms. Yang Yunyun, Mini Investment Limited, YGF Development Limited, YGF MC Limited, YYY Developments Limited, and YYY MC Limited has undertaken in favour of the Joint Lead Managers that, for a period from the date of the Undertaking until 90 days after the Closing Date (the “**Restriction Period**”), he/she/it will not without the prior written consent of the Joint Lead Managers and subject to certain exceptions (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or securities of the same class as the Lock-up Shares (including ADSs) or any securities convertible into, exchangeable for or which carry

rights to subscribe or purchase the Lock-up Shares or securities of the same class as Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing. “Lock-up Shares” means the aggregate of 789,541,061 Shares representing approximately 63.17 per cent. of the existing share capital of the Issuer, held directly or indirectly by Mr. Ye Guofu, Ms. Yang Yunyun, Mini Investment Limited, YGF Development Limited, YGF MC Limited, YYY Developments Limited, and YYY MC Limited. The foregoing sentence shall not apply to (a) any transfer of the Shares pursuant to the Securities Lending Deed dated January 6, 2025 entered into between UBS AG, London Branch and Mini Investment Limited, (b) any transaction relating only to (i) Shares or ADSs purchased in open market transactions on or after the date of the Offering Circular or (ii) Shares or ADSs acquired in private transactions on or after the date of the Offering Circular from third parties to the extent such acquired Shares or ADSs are not subject to any lock-up or similar transfer restrictions; (c) any conversion of the Lock-up Shares into, or exchange or exercise of the Lock-up Shares for, Shares or ADSs by such Shareholder, provided that the Shares or ADSs received by such Shareholder upon such conversion, exchange or exercise shall be subject to the terms of the lock-up restriction set forth above; (d) (i) the establishment of a trading plan (a “**Plan**”) pursuant to Rule 10b5-1 under the Exchange Act for the transfer of the Lock-up Shares, provided that such Plan does not provide for the sale of any Lock-up Shares during the Restriction Period; for the avoidance of doubt, the restrictions contained herein shall not apply to any sales or other transfers of Shares or ADSs pursuant to a Plan adopted pursuant to Rule 10b5-1 under the Exchange Act in effect as of the date of the Offering Circular; and (ii) no filing by any party under the Exchange Act or other public announcement shall be required or made voluntarily in connection with such trading plan; (e) any transfer of the Lock-up Shares (i) as a bona fide gift or gifts, (ii) through will or intestacy, (iii) to a charitable or not-for-profit organization or educational institution or (iv) to an “immediate family member” as defined under Rule 14A.12(1)(a) of the Hong Kong Listing Rules or a trust (including, for the avoidance of doubt, an entity owned and controlled by such trust) or an entity beneficially owned and controlled by the Shareholder, including any transfer of options, restricted share units, restricted shares or underlying Shares to a charitable trust or similar entity the Shareholder has established or will establish; provided in case of (i) and (iv) above that the transferee agrees to be bound in writing by the terms of the lock-up agreement entered into by the Shareholder; or (f) by operation of law or by order of a court of competent jurisdiction pursuant to a qualified domestic order or in connection with a divorce settlement; provided the transferee pursuant to such order or settlement agrees to be bound in writing by the terms of the lock-up agreement entered into by such shareholder.

The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Securities.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer or its subsidiaries or affiliates for which they have received, or will receive, fees and expenses.

The Joint Lead Managers and their respective affiliates, or the Issuer’s affiliates, may purchase Securities for their own account (without a view to distributing such Securities) and enter into transactions, including (i) credit derivatives, including asset swaps, repackaging and credit default swaps relating to the Securities and/or the Issuer’s securities or (ii) equity derivatives and stock loan transactions relating to the Shares at the same time as the offer and sale of the Securities or in secondary market transactions. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any of the Issuer’s other securities, and therefore, they may offer or sell the Securities or other

securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being ‘offered’ should be read as including any offering of the Securities to the Joint Lead Managers and their respective affiliates, the affiliates of the Issuer for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Securities. If this is the case, liquidity of trading in the Securities may be constrained. The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Securities amongst individual investors.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve the Issuer’s securities and instruments, including the Securities. Typically, the Joint Lead Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer’s securities, including potentially the Securities offered hereby. Any such short positions could adversely affect future trading prices of the Securities offered hereby. The Joint Lead Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Securities or the Issuer’s other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Securities or other financial instruments.

The Issuer and each of the Joint Lead Managers are relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The Securities are being initially offered and sold outside the United States to non-U.S. persons in compliance with Rule 903 of Regulation S under the Securities Act. By placing an order for the Securities, each of the prospective investors will be deemed to have made the acknowledgments, representations, warranties and agreements set forth under the heading “Transfer Restrictions” in this Offering Circular.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong Securities and Futures Commission Code of Conduct – Important Notice to CMIs (including Private Banks and Broking Companies)

This notice to CMIs (including Private Banks and Broking Companies) is a summary of certain obligations the Code imposes on CMIs, which require the attention and cooperation of other CMIs (including Private Banks and Broking Companies). Certain CMIs may also be acting as “overall coordinators” (OCs) for this offering and are subject to additional requirements under the Code.

Paragraph 21.3.3(c) of the SFC Code requires that a CMI should take all reasonable steps to identify whether investors may have any associations with the issuer and provide sufficient information to the OCs to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the issuer, a CMI or its group companies would be considered under the SFC Code as having an association with the issuer, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Securities. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any associations with the issuer, or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

Prospective investors to whom the allocation of the Securities will be subject to restrictions or require prior consent from the Hong Kong Stock Exchange under the Listing Rules and other Hong Kong Stock Exchange Requirements would be considered as “Restricted Investors.” The Securities may only be allocated to Restricted Investors in accordance with applicable Hong Kong Stock Exchange Requirements. CMIs should

specifically disclose whether their investor clients are Restricted Investors when submitting orders for the Securities. In addition, Private Banks and Broking Companies should take all reasonable steps to identify whether their investor clients are Restricted Investors and inform the Joint Lead Managers accordingly.

CMIIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, long-only investors, sovereign wealth funds, pension funds, hedge funds, corporates, private banks/broking companies, family offices and high net worth individuals, in each case, subject to the applicable SEHK Requirements and the selling restrictions set out in this Offering Circular.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Securities (except for omnibus orders where underlying investor information should be provided to the OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, will result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks and Broking Companies as the case may be) in the order book and book messages. Proprietary orders may only be allowed subject to the SEHK Requirements.

CMIIs (including Private Banks and Broking Companies) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIIs (including Private Banks and Broking Companies) should not enter into arrangements which may enable any of its investor clients to pay for each of the Securities allocated.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the Securities, Private Banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Private Banks who disclose that they are placing their order other than on a “principal” basis (i.e. they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the Code. Private Banks should be aware that if any of their group companies is a CMI of this offering, placing an order on a “principal” basis may require the Joint Lead Managers to apply the “proprietary orders” requirements of the Code to such order.

In relation to omnibus orders, when submitting such orders, CMIIs (including Private Banks and Broking Companies) are requested to provide the following underlying investor information, preferably in Excel Workbook format, in respect of each order constituting the relevant omnibus order (failure to provide such information will result in that order being rejected). To the extent information being disclosed by CMIIs and investors is personal and/or confidential in nature, CMIIs (including Private Banks and Broking Companies) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such information to the OCs, each CMI (including Private Banks and Broking Companies) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for this offering. CMIIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the Code, and may request other CMIIs (including Private Banks and Broking Companies) to provide evidence

showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks and Broking Companies) are required to provide the OCs with such evidence within the timeline requested.

To: OCs

CMIs submitting orders should send ALL of the below information, at the same time as such order is submitted, to EACH OC contact set out above. Failure to do so will result in such order being rejected.

Offering: U.S.\$550,000,000 0.50 Per Cent. Equity Linked Securities due 2032

Date:

Name of prospective investor:

Type of unique identification of prospective investor:

For **individual investor clients**, indicate one of the following:

- (i) HKID card; or
- (ii) national identification document; or
- (iii) passport.

For **corporate investor clients**, indicate one of the following:

- (i) legal entity identifier (LEI) registration; or
- (ii) company incorporation identifier; or
- (iii) business registration identifier; or
- (iv) other equivalent identity document identifier.

Unique identification number of prospective investor:

Indicate the unique identification number which corresponds with the above “type” of unique identification.

Order size (and any price limits):

Other information:

– Association

Identify any “Associations” (as defined above) and, if any Associations identified, provide sufficient information to enable the OCs to assess whether such order may negatively impact the price discovery process.

– Proprietary Orders

Identify if this order is a “Proprietary Order” (as used in the SFC Code) and, if so, provide sufficient information to enable the OCs to assess whether such order may negatively impact the price discovery process.

– Duplicated Orders (i.e., two or more corresponding or identical orders placed via two or more CMI(s))

If the prospective investor has placed an/any order(s) via other CMI(s) in this offering, identify if this order is (i) a separate/unique order or (ii) a duplicated order.

Contact information of CMI submitting the order:

Provide 24-hour contact details (telephone and email) of relevant individual(s) who may be contacted in relation to this order.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A “Sanctions Restricted Person” means an individual or entity (a “Person”): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current “Specially Designated Nationals and Blocked Persons” list or (ii) the Foreign Sanctions Evaders List or (iii) the most current “Consolidated list of persons, groups and entities subject to EU financial sanctions”; or (b) that is otherwise the subject of any asset freeze or sanctions administered or enforced by any Sanctions Authority to the extent such asset freeze or sanctions would prohibit the provision of services to an investor by any participating CMI in respect of this offering; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the so-called Donetsk’s People’s Republic, the so-called Luhansk People’s Republic or the non-government controlled areas of the Zaporizhzhia and Kherson Regions. “Sanctions Authority” means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People’s Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury.

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Securities is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Securities, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Securities or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Securities may be distributed or published, by the Issuer or the Joint Lead Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Lead Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

United States

The Securities and the Delta Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to any U.S. person outside the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Joint Lead Managers has represented and warranted that it has not offered or sold, and has agreed that it will not offer or sell, any Securities constituting part of its allotment or the Delta Shares except in accordance with Rule 903 of Regulation S under the Securities Act and for otherwise in a transaction not subject to the registration requirements of the Securities Act. Accordingly, (i) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Securities or the Delta Shares; (ii) each of the Joint Lead Managers, its affiliates and any persons acting on its or their behalf has complied and will comply with the offering restrictions set forth in Regulation S with respect to the Securities and the Delta Shares, and (iii) all offering materials and documents (other than press releases) used in connection with offers and sales of the Securities prior to the expiration of the applicable distribution compliance period shall include statements to the effect that the Securities have not been registered under the Act and may not be offered or sold in the United States or to U.S. persons (other than distributors) unless the Securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. Terms used in this paragraph have the meaning given to them by Regulation S.

European Economic Area

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA (as defined below)) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and
- (iii) it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:
 - a. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
 - b. a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU)

2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Hong Kong

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each of the Joint Lead Managers has acknowledged that this Offering Circular will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented and agreed that it has not offered or sold Securities and/or Shares or caused the Securities and/or Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell Securities and/or Shares or cause the Securities and/or Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities and/or Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Investors should note that there may be restrictions on the secondary sale of the Securities under Section 276 of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Section 309B(1) Notification: *In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all persons (including relevant persons (as defined in Section 309A(1) of the SFA)), that the Securities are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

PRC

Each of the Joint Lead Managers has represented, warranted and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the laws of the PRC.

The Cayman Islands

Each of the Joint Lead Managers has represented, warranted and agreed that the offer to sell the Securities is private and not intended for the public and, further that it has not made and will not make any invitation to the public in the Cayman Islands or to residents of the Cayman Islands to offer or sell the Securities.

TRANSFER RESTRICTIONS

Because of the following restrictions, you should consult legal counsel prior to making any offer, resale, pledge or transfer of the Securities. For additional information on the procedures and restrictions involving transfers of the Securities and beneficial interests in the Securities, see “Terms and Conditions of the Securities – Transfers of Securities; Issue of Certificates.”

The Securities are being offered and sold only to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act. The Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act as set forth in the restrictive legend below as long as it applies.

As a purchaser of Securities, you will be deemed to have acknowledged, represented to and agreed with us and the Joint Lead Managers as follows:

- You are not, and have not been for the immediately preceding three months, an “affiliate” (as defined in Rule 144) of MINISO Group Holding Limited and you are purchasing the Securities in an offshore transaction in accordance with Regulation S under the Securities Act for your own account or for an account with respect to which you exercise sole investment discretion and you and such account are a non-U.S. person outside the United States (within the meaning of Regulation S under the Securities Act), and you will not offer or sell the Securities within the United States or to, or for the account or benefit of, U.S. persons except as permitted in the restrictive legend set forth below as long as it applies.
- You acknowledge that:
 - the Securities have not been (and will not be) registered under the Securities Act or any other securities laws;
 - the Securities are being offered and sold only outside the United States, to persons that are not U.S. persons, in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act; and
 - unless so registered, the Securities may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below in this section “Transfer Restrictions”.
- You acknowledge that neither we nor the Joint Lead Managers, the Trustee nor any person representing us or the Joint Lead Managers or the Trustee have made any representation to you with respect to us, the Shares or the offering and sale of the Securities other than the information contained in or incorporated by reference into this Offering Circular. You also acknowledge that you have received a copy of this Offering Circular and acknowledge that you have had access to such financial and other information in this Offering Circular, including that incorporated by reference herein, and have been offered the opportunity to ask us questions and received answers thereto, as you deemed necessary in connection with the decision to purchase the Securities. You are relying only on the information contained in or incorporated by reference into this Offering Circular in making your investment decision with respect to the Securities.
- You agree on your own behalf and on behalf of any investor account for which you are purchasing Securities, and each subsequent holder of the Securities by its acceptance of the Securities will agree, that until the end of the Distribution Compliance Period (as defined below), the Securities may be offered, sold or otherwise transferred only:
 - to the Issuer or one of its subsidiaries; or

- outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act,

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller's or account's control and in compliance with applicable state and other securities laws.

- You also acknowledge that:
 - the above restrictions on resale of the Securities will apply from the date of the original issuance of the Securities until the date that is 40 days after the date of the original issuance of the Securities (the "**Distribution Compliance Period**"), and will not apply in respect of transfers of the Securities after the Distribution Compliance Period ends;
 - each Security will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL, OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "DISTRIBUTION COMPLIANCE PERIOD END DATE") THAT IS 40 DAYS AFTER THE DATE OF ORIGINAL ISSUANCE HEREOF, ONLY (A) TO MINISO GROUP HOLDING LIMITED (THE "COMPANY") OR ONE OF ITS SUBSIDIARIES OR (B) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF (INCLUDING ANY ACQUISITION OF ANY INTEREST HEREIN), THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

EXCEPT WITH A PRIOR WRITTEN CONSENT OF THE COMPANY, NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS SECURITY OR A BENEFICIAL INTEREST HEREIN.

- You acknowledge that the Issuer, the Joint Lead Managers, the trustee, the transfer agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Securities is no longer accurate, you will promptly notify the Issuer and the Joint Lead Managers. If you are purchasing any Securities as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

GENERAL INFORMATION

Clearing Systems and Settlement

The Securities have been accepted for clearance through Euroclear and Clearstream under Common Code number 297296485 and the International Securities Identification Number for the Securities is XS2972964857.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 2549006PIKT2YKNBL092.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Securities, the Trust Deed and the Agency Agreement. The issue of the Securities was authorised by the board of directors of the Issuer on January 6, 2025.

No Material Adverse Change

There has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or otherwise), trading position, prospects, operations, business or general affairs of the Issuer or the Group since June 30, 2024.

Litigation

From time to time, the Issuer and other members of the Group may be involved in litigation or other disputes that arise in the ordinary course of business. See “Risk Factors – Risks Related to Our Business and Industry – Our company and certain of our officers and directors have been named as defendants in a shareholder class action lawsuit.” However, none of the Issuer or any member of the Group is currently involved in any litigation, disputes or arbitration proceedings which the Group believes are material in the context of the Securities, and the Issuer is not aware of any material litigation, disputes or arbitration proceedings that are currently pending or threatened.

Listing of Shares

Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued under the Upper Strike Confirmation. Conditional approval for the listing of the Shares to be issued under the Upper Strike Confirmation on the Hong Kong Stock Exchange has been granted by the Hong Kong Stock Exchange.

Listing of Securities

Application will be made to the SGX-ST for the listing of and quotation of the Securities on the Official List of the SGX-ST.

So long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Securities may be presented or surrendered for payment or redemption. In addition, in the event that any of the Global Certificates is exchanged for Securities in definitive form, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Securities in definitive form, including details of the paying agent in Singapore.

Available Documents

So long as any of the Securities are outstanding, copies of the following documents will be available for inspection from the Issue Date (i) at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m. on a business day) at the principal place of business of the Issuer (being at the date of this Offering Circular at Flats B-D, 35/F, Plaza 88, 88 Yeung Uk Road, Tsuen Wan, the New Territories, Hong Kong) and (ii) in the case of the last two documents mentioned below, during normal business hours (being between 9:00 a.m. and 3:00 p.m. (London time) Monday to Friday other than public holidays), at the principal place of business of the Trustee (being at the date of this Offering Circular at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) or at the specified office for the time being of the Principal Agent, following prior written request and proof of holding and identity satisfactory to the Trustee or, as the case may be, the Principal Agent:

- Articles of Association of the Issuer;
- copies of the consolidated financial statements of the Issuer audited in accordance with Hong Kong Standards on Auditing (“HKSAAs”) as at and for the years ended June 30, 2022 and 2023, and as at and for the six months ended December 31, 2023;
- copies of the unaudited consolidated financial statements of the Issuer as at and for the six months ended June 30, 2024;
- the Agency Agreement; and
- the Trust Deed.

Independent Auditors

The Issuer’s audited consolidated financial statements as at and for the years ended June 30, 2022 and 2023, and as at and for the six months ended December 31, 2023, which are incorporated by reference in this Offering Circular, have been audited by KPMG, the independent auditors of the Issuer, in accordance with HKSAAs.

The Issuer’s unaudited consolidated financial statements as at and for the six months ended June 30, 2024, which are incorporated by reference in this Offering Circular, have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410.

The independent auditors of the Issuer have agreed to the incorporation by reference in this Offering Circular herein of, and all references to, (i) their name, (ii) their audit reports on the consolidated financial statements of the Issuer for the years ended June 30, 2022 and 2023 and as at and for the six months ended December 31, 2023 and (iii) their review report on the unaudited consolidated financial statements of the Issuer for the six months ended June 30, 2024.

REGISTERED OFFICES OF THE ISSUER

Registered Office
MINISO Group Holding Limited
Maples Corporate Services Limited,
PO Box 309, Ugland House,
Grand Cayman KY1-1104,
Cayman Islands

Headquarters and Principal Place of Business in China
MINISO Group Holding Limited
16/F, Tower A, No. 109,
Pazhou Avenue, Haizhu District,
Guangzhou, Guangdong Province,
China

TRUSTEE

The Bank of New York Mellon, London Branch
160 Queen Victoria Street,
London EC4V 4LA,
United Kingdom

PRINCIPAL PAYING AGENT AND PRINCIPAL EXCHANGE AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street,
London EC4V 4LA,
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside Two,
Sir John Rogerson's Quay,
Grand Canal Dock,
Dublin 2, Ireland

LEGAL ADVISERS TO THE ISSUER

*As to U.S. and
Hong Kong Law*

As to PRC Law

*As to Cayman Islands and
British Virgin Islands Law*

**Skadden, Arps, Slate,
Meagher & Flom**
42nd Floor, Edinburgh Tower,
The Landmark,
15 Queen's Road Central,
Hong Kong

JunHe LLP
28th Floor, GDH BCC,
No. 21 Zhujiang West Road,
Zhujiang New Town,
Tianhe District,
Guangzhou 510627,
PRC

**Maples and Calder
(Hong Kong) LLP**
26th Floor, Central Plaza,
18 Harbour Road,
Wanchai,
Hong Kong

LEGAL ADVISERS TO THE JOINT LEAD MANAGERS

As to English, U.S. and Hong Kong Law

As to PRC Law

Latham & Watkins LLP
18th Floor, One Exchange Square,
8 Connaught Place,
Central,
Hong Kong

Han Kun Law Offices
9th Floor, Office Tower C1,
Oriental Plaza,
1 East Chang An Ave.,
Dongcheng District, Beijing 100738,
PRC

LEGAL ADVISER TO THE TRUSTEE

Mayer Brown Hong Kong LLP
19th Floor, Prince's Building,
10 Chater Road,
Central,
Hong Kong

INDEPENDENT AUDITORS

KPMG
8th Floor, Prince's Building,
10 Chater Road,
Central,
Hong Kong