

SHARE CAPITAL

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Immediately Before the [REDACTED]

As of the Latest Practicable Date, our registered capital was RMB204,214,340, comprising 204,214,340 Shares with a nominal value of RMB1.0 each.

In the course of the [REDACTED], the Shareholders of the Company have applied to the CSRC, the Stock Exchange and other relevant regulatory authorities to convert the Domestic Shares held by them into H Shares, details of which are set out below:

Name of Shareholders	Number of Domestic Shares Held as of the Latest Practicable Date	Number of Shares Applied for Conversion into H Shares	% of Number of Shares Applied for Conversion into H Shares to Number of Shares Held by the Shareholder(s) as of the Latest Practicable Date
Mr. SONG Yang	48,815,280	9,763,056	20.0%
— Lanchi Platform	20,595,520	4,119,104	20.0%
— Zichi Platform	7,383,300	1,476,660	20.0%
— Suzhou Hongchi	1,476,660	295,332	20.0%
— Suzhou Luchi	3,211,260	642,252	20.0%
Mr. LI Shuangjiang	14,238,460	4,745,679	33.3%
Mr. LUO Hong	2,921,460	1,460,730	50.0%
Mixed Reform Fund	18,413,960	—	—
SME Fund	15,440,480	2,042,776	13.2%
HL Klemove Suzhou	15,316,080	15,316,080	100.0%
Zizhi Yihao	12,335,640	12,335,640	100.0%
Beijing CHJ	9,308,980	9,308,980	100.0%
CCBI Fund	5,614,680	5,614,680	100.0%
Yuecai & BOC Funds			
— Yuecai Investment	3,715,040	—	—
— Yixingbanyue	28,080	—	—
Yaoyu Investment	3,139,640	3,139,640	100.0%
Pingyang Kunyi	2,401,820	2,401,820	100.0%
Yangfan Zhiyuan	2,180,860	1,090,430	50%
StartUP Capital	145,380	72,690	50%
Yinghao Capital			
— Yafeng II	2,180,860	—	—
— Yafeng III	1,856,500	—	—

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Name of Shareholders	Number of Domestic Shares Held as of the Latest Practicable Date	Number of Shares Applied for Conversion into H Shares	% of Number of Shares Applied for Conversion into H Shares to Number of Shares Held by the Shareholder(s) as of the Latest Practicable Date
Yongxin Capital	2,001,520	400,304	20.0%
Qianrong Tairun	1,964,620	196,462	10.0%
ZTF Investment	1,569,820	—	—
Jiahui Investment	1,569,820	1,569,820	100.0%
Dechuang Vehicle	1,531,580	765,790	50.0%
Oriza Seed	1,403,080	1,403,080	100.0%
Iflytek Startups			
— Tianjin Iflytek	1,090,420	545,210	50.0%
— Hefei Iflytek	1,090,420	545,210	50.0%
— Mr. XU Jingming	109,040	54,520	50.0%
Yanying Investment	800,600	—	—
Leader VC	363,480	181,740	50.0%
Total	<u>204,214,340</u>	<u>79,487,685</u>	<u>38.9%</u>

Upon the Completion of the [REDACTED]

Immediately following the completion of the [REDACTED] and Conversion of Domestic Shares into H Shares, assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	% of the Share Capital
Domestic Shares	124,726,655	[REDACTED]%
H Shares converted from Domestic Shares	79,487,685	[REDACTED]%
H Shares to be [REDACTED] pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>100.0%</u>

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Assuming the [REDACTED] is exercised in full, the share capital of our Company upon completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	% of the Share Capital
Domestic Shares	124,726,655	[REDACTED]%
H Shares converted from Domestic Shares	79,487,685	[REDACTED]%
H Shares to be [REDACTED] pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>100.0%</u>

Note:

- (1) Following the completion of the [REDACTED], 79,487,685 Domestic Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED]. Filing of such conversion of Domestic Shares into H shares has been completed with the CSRC on May 30, 2023.

SHARES OF OUR COMPANY

Upon completion of the [REDACTED], depending on whether Shares are [REDACTED] on the Stock Exchange, our Company will have two categories of Shares: H Shares as one category and Domestic Shares as the other category. Domestic Shares and H Shares are both ordinary Shares in the share capital of our Company. However, the H Shares generally may not be [REDACTED] by, or [REDACTED] between, legal or natural persons of the PRC, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

RANKING

The Domestic Shares and the H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB, whereas all dividends for Domestic Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares.

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CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

All our Domestic Shares are not listed or traded on any stock exchange. According to the regulations issued by the securities regulatory authorities of the State Council and our Articles of Association, the Domestic Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed with the CSRC. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Upon completion of the [REDACTED] and pursuant to the filing notice of the CSRC dated May 30, 2023, 79,487,685 Domestic Shares will be converted to H Shares on a one-for-one basis and be [REDACTED] for [REDACTED] on the Stock Exchange as set out below. To the extent any Domestic Shares are not converted into H Shares, all unlisted Shares will comprise such number of Domestic Shares held by our Shareholders not converted into H Shares and we will have two categories of Shares, Domestic Shares and H Shares, depending on whether Shares are [REDACTED] on the Stock Exchange. The term “unlisted shares” is used to describe whether certain shares are listed on a stock exchange and is not unique to PRC laws.

[REDACTED] Review and Filing with the CSRC

In accordance with the Overseas Listing Trial Measures and five relevant guidelines announced by the CSRC, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and trade on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf.

The Company applied for a “full circulation” filing when applying for an overseas [REDACTED] filing with the CSRC on April 6, 2023, and submitted the filing reports, authorization documents of the shareholders of unlisted shares for which an H-share “full circulation” filing was applied, undertaking about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The Company has received the filing notice from the CSRC dated May 30, 2023 in relation to the filing of the overseas [REDACTED] and “Full Circulation”, pursuant to which:

- (i) the Company filed with the CSRC to [REDACTED] no more than [REDACTED] H Shares with a nominal value of RMB1.0 each, which are all ordinary shares, and upon this issuance the Company may be [REDACTED] on the Main Board of the Stock Exchange;

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- (ii) the Company filed with the CSRC to convert a total of 79,487,685 Domestic Shares (with a nominal value of RMB1.0 each) held by certain Shareholders of the Company (the “**Full Circulation Participating Shareholders**”) into H Shares, and the relevant Shares may be [REDACTED] on the Stock Exchange upon completion of the conversion.

Where the [REDACTED] cannot be completed within one year upon receipt of the filing notice, and the Company will continue to conduct overseas [REDACTED] and [REDACTED] after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

[REDACTED] Approval by the Stock Exchange

We have applied to the Listing Committee for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]) and the H Shares to be converted from 79,487,685 Domestic Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the Conversion of Domestic Shares into H Shares after receiving the approval of the Stock Exchange: (i) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED]. The Full Circulation Participating Shareholders may only [REDACTED] in the Shares upon completion of following domestic procedures. No approval by the general meeting of Shareholders is required for the [REDACTED] and [REDACTED] of such converted Shares on an overseas stock exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

Domestic Procedures

The Full Circulation Participating Shareholders may only [REDACTED] the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and [REDACTED]:

- (i) We will appoint China Securities Depository and Clearing Corporation Limited (“**CSDC**”) as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at [REDACTED] in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

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- (ii) We will engage a domestic securities company (the “**Domestic Securities Company**”) to provide services such as sending orders for trading of the converted H Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company (the “**Hong Kong Securities Company**”) for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by Shenzhen Stock Exchange;
- (iii) The Shenzhen Stock Exchange shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and transaction returns in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;
- (iv) According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full Circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share “Full Circulation” at the Hong Kong Securities Company; and
- (v) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our Domestic Shares shall be reduced by the number of the Domestic Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

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Conversion of Our Domestic Shares into H Shares after completion of the [REDACTED]

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the holders of these Domestic Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Domestic Shares to H Shares after completion of the [REDACTED], and such converted Shares may be [REDACTED] and [REDACTED] on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been filed with the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this section and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Domestic Shares after completion of the [REDACTED].

If any of the Domestic Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary. Based on the procedures for the conversion of Domestic Shares into H Shares as set forth below, we will apply for the [REDACTED] of all or any portion of the Domestic Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [REDACTED] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [REDACTED] of additional Shares after the [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong. No approval by the general meeting of Shareholders is required for the conversion of such Shares or the [REDACTED] and [REDACTED] of such converted Shares on an overseas stock exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

Registration on our H Share register will be conditional on: (a) our H Share Registrar lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates, and (b) the admission of the H Shares to [REDACTED] on the Stock Exchange in compliance with the Listing Rules, the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares. The relevant procedural requirements for the conversion of Domestic Shares into H Shares are as follows:

- (i) The holder of Domestic Shares shall complete the filing of the CSRC for the conversion of all or part of its Domestic Shares into H Shares.
- (ii) The holder of Domestic Shares shall issue to us a removal request in respect of a specified number of Shares attaching the relevant documents of title.

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- (iii) Subject to our Company being satisfied with the authenticity of the documents and with the approval of our Board, we would then issue a notice to our H Share Registrar with instructions that, with effect from a specified date, our H Share Registrar is to issue the relevant holders with H Share certificates for such specified number of Shares.
- (iv) The relevant Domestic Shares will be withdrawn from the register of our Domestic Shares and re-registered on our H Share register maintained in Hong Kong on the condition that:
 - (a) our H Share Registrar lodges with the Stock Exchange a letter confirming the proper entry of the relevant Shares on the H Share register and the due dispatch of share certificates; and
 - (b) the admission of the H Shares (converted from the Domestic Shares) to [REDACTED] in Hong Kong will comply with the Listing Rules and the general rules of CCASS and CCASS Operational Procedures in force from time to time.
- (v) Upon completion of the conversion, the shareholding of the relevant holder of Domestic Shares on the register of our Domestic Shares will be reduced by such number of Domestic Shares converted and the number of H Shares in the H Share register will correspondingly increase by the same number of Shares.
- (vi) We will comply with the Listing Rules to inform Shareholders and the public by way of an announcement of such fact not less than three days prior to the proposed effective date.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the public share offering of a company, the shares of the company which have been issued prior to the offering shall not be transferred within one year from the date of the listing. Accordingly, Shares [REDACTED] by our Company prior to the [REDACTED] shall be subject to this statutory restriction and shall not be transferred for a period of one year from the [REDACTED].

The Company will work with the Domestic Securities Company to be engaged by the Company to restrict the [REDACTED] of the H Shares converted from unlisted Shares technically within one year after the [REDACTED]. In the unlikely event that any Full Circulation Participating Shareholders [REDACTED] their H Shares during such restriction period, as advised by the PRC Legal Advisors, there will be no administrative penalty on the Company under the PRC laws and regulations but there is risk that the underlying agreement for the transfer of such H Shares may be declared void pursuant to the Civil Code of the People’s Republic of China.

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Our Directors, Supervisors and members of senior management shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors, Supervisors and members of senior management, a summary of which is set out in “Appendix V — Summary of Articles of Association.”

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, an overseas listed company is required to register its shares that are not listed on the overseas stock exchange with CSDC within 15 business days upon listing and provide a written report to the CSRC regarding the centralized registration and deposit of its unlisted shares as well as the current offering and listing of shares.

SHAREHOLDERS’ GENERAL MEETINGS

For details of circumstances under which our general Shareholders’ meeting required, see “Appendix IV — Summary of Principal Legal and Regulatory Provisions” and “Appendix V — Summary of Articles of Association.”

GENERAL MANDATE TO ISSUE SHARES

Subject to the completion of the [REDACTED], our Board has been granted a general mandate to allot and issue H Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of H Shares to be issued shall not exceed 20% of the number of H Shares in issue as at the [REDACTED].

For further details on this general mandate, see “Appendix VI — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 4. Resolutions of Our Shareholders Dated March 23, 2023.”