
SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, our registered share capital was RMB31,059,230 comprising 31,059,230 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Assuming the [REDACTED] is not exercised, the share capital of our Company immediately after the [REDACTED] and the Conversion of Unlisted Shares into H Shares will be as follows:

| <u>Description of Shares⁽²⁾</u> | <u>Number of Shares</u> | <u>Approximate percentage of the enlarged issued share capital after the [REDACTED]</u> |
|--|-------------------------|---|
| Unlisted Shares | [REDACTED] | [REDACTED]% |
| H Shares converted from Unlisted Shares ⁽¹⁾ | [REDACTED] | [REDACTED]% |
| H Shares to be issued pursuant to the [REDACTED] | [REDACTED] | [REDACTED]% |
| Total | <u>[REDACTED]</u> | <u>100.00%</u> |

(1) Please refer to the section headed “History, Development and Corporate Structure – Shareholding structure of our Company” in this document for details of the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED].

(2) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.

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Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately after the [REDACTED] and the Conversion of Unlisted Shares into H Shares will be as follows:

| Description of Shares ⁽²⁾ | Number of Shares | Approximate percentage of the enlarged issued share capital after the [REDACTED] |
|--|------------------|--|
| Unlisted Shares | [REDACTED] | [REDACTED]% |
| H Shares converted from Unlisted Shares ⁽¹⁾ | [REDACTED] | [REDACTED]% |
| H Shares to be issued pursuant to the [REDACTED] | [REDACTED] | [REDACTED]% |
| Total | [REDACTED] | 100.00% |

- (1) Please refer to the section headed “History, Development and Corporate Structure – Shareholding structure of our Company” in this document for details of the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED].
- (2) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.

PUBLIC FLOAT REQUIREMENTS

Rules 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer’s listed securities to be maintained. This normally means that (i) at least 25% of the issuer’s total issued share capital must at all times be held by the public; and (ii) where an issuer has one class of securities or more apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer’s total issued share capital.

In light of the above, at the time of the [REDACTED], at least [REDACTED]% of the total issued share capital of our Company shall be held by the public (as defined in the Listing Rules).

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OUR SHARES

Upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, our Company would have Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, certain PRC qualified investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

The Unlisted Shares and 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 for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Our Unlisted Shares are unlisted Shares which are currently not listed or traded on any stock exchange.

According to stipulations by the State Council securities regulatory authority and the Articles of Association, the Unlisted Shares may be converted into H Shares. Such converted Shares may be listed or traded on an overseas stock exchange provided that the conversion and trading of such converted Shares shall only be effected after all requisite internal approval process have been duly completed and the approval from the relevant PRC regulatory authorities (including the CSRC) and the relevant overseas stock exchange have been obtained.

In addition, such conversion and trading shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted to H Shares and to be traded on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the [REDACTED] of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our Company’s initial [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for [REDACTED] as at the

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time of our Company’s initial [REDACTED] in Hong Kong. A vote by our Shareholders in general meeting is not required for the [REDACTED] and [REDACTED] of the converted Shares on an overseas stock exchange. Any [REDACTED] of the converted Shares on the Stock Exchange after the initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the [REDACTED], and our Company will re-register such Shares on the [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on the [REDACTED] of our Company will be on the conditions that (i) the [REDACTED] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the [REDACTED] and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [REDACTED] on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the [REDACTED] of our Company, such Shares would not be [REDACTED] as H Shares.

The Company has applied for the Conversion of Unlisted Shares into H Shares, which involves [REDACTED] Shares held by 30 Shareholders. For details, see “History, Development and Corporate Structure – Shareholding structure of our Company” in this document for further details.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any [REDACTED] of shares by a company cannot be transferred within one year from the date on which such publicly [REDACTED] shares are [REDACTED] and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the [REDACTED] of [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our 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 our Company. The Shares that the aforementioned persons held in our 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 our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors and members of senior management of our Company.

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see “[REDACTED] – [REDACTED] – [REDACTED]” in this document.

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SHAREHOLDERS’ GENERAL MEETINGS

For details of circumstances under which Shareholders’ general meeting are required, see “Appendix V – Summary of Articles of Association” to this document.

REGISTRATION OF SHARES NOT LISTED ON AN 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, our Company is required to register its shares that are not listed on any overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 Business Days upon the [REDACTED] and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the [REDACTED] and [REDACTED] of our H Shares.