

SHARE CAPITAL

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB434,920,000, comprising 434,920,000 Unlisted Shares with a nominal value of RMB1.00 each.

IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, assuming no exercise of the [REDACTED], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company (%)
Unlisted Share in issue ⁽¹⁾	394,523,200	[REDACTED]
H Shares converted from Unlisted Shares ⁽²⁾	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100%</u>

Immediately following the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company (%)
Unlisted Shares in issue ⁽¹⁾	394,523,200	[REDACTED]
H Shares converted from Unlisted Shares ⁽²⁾	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100%</u>

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Notes:

1. The Unlisted Shares in issue refer to 198,470,000 Unlisted Shares held by Conch Tech Innovation, 96,101,600 Unlisted Shares held by Hubei Xintongling, 64,661,600 Unlisted Shares held by Linyi Haihong, 17,290,000 Unlisted Shares held by CCB Financial Asset Investment, 8,400,000 Unlisted Shares held by Anhui Huiyuan LP, 4,000,000 Unlisted Shares held by Wuhu Industrial Fund and 5,600,000 Unlisted Shares held by Wuhu Longmen LP.
2. Immediately following the completion of the [REDACTED] and according to the notification on completion of filing procedures issued by the CSRC on 2 April 2024, [REDACTED] Unlisted Shares will be converted into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for trading.

OUR SHARES

The H Shares, to be issued following the completion of the [REDACTED] and converted from the Unlisted Shares, and the Unlisted Shares are ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, investors of the PRC. H Shares may only be subscribed for and traded in Hong Kong dollars.

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of our Unlisted Shares may, at their own option, authorise our Company to file to the CSRC for conversion of their respective Unlisted Shares to H Shares, 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 completed the filing procedures with securities regulatory authorities, including 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.

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, the filing with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set out below, we will apply for the [REDACTED] of all or any portion of the Unlisted 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

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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 Shareholder voting 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 initial [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained/filings have been completed, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on the H Share register 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 H Share register 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 [REDACTED] and the [REDACTED] Operational Procedures in force from time to time.

Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares. Below set forth the details of our existing Shareholders’ proposed conversion of Unlisted Shares into H Shares:

Shareholders who intend to convert their Shares to H Shares	Number of Converted Shares	Percentage of shareholding immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
Conch Tech Innovation	13,000,000	[REDACTED]
Hubei Xintongling	8,698,400	[REDACTED]
Linyi Haihong	8,698,400	[REDACTED]
Anhui Huiyuan LP	3,600,000	[REDACTED]
Wuhu Longmen LP	2,400,000	[REDACTED]
Wuhu Industrial Fund	4,000,000	[REDACTED]
Total	40,396,800	[REDACTED]

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RESTRICTION OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to [REDACTED] of shares by a company cannot be transferred within one year from the date on which such [REDACTED] on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares 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 as determined when they assume the posts shall not exceed [REDACTED] 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 listed and traded, 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.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請“全流通”業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of the shares involved in the application is completed.

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. For further details on this general mandate, see “Statutory and General Information — A. Further Information about our Group — 3. Resolutions of the Shareholders of our Company passed at our Company’s extraordinary general meeting” in Appendix IV to this document.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from our Shareholders is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. Our Company has obtained such approval at the Shareholders’ extraordinary general meeting held on 15 November 2023.