

SHARE CAPITAL

OVERVIEW

Before the [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB30,886,218, comprising 30,886,218 Unlisted Shares with a nominal value of RMB1.00 each.

Upon the Completion of the [REDACTED]

Immediately following the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, the share capital of our Company will be as follows:

Assuming the [REDACTED] is not exercised:

Description of Shares	Number of Shares	% of the total issued share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u>[REDACTED]</u>	<u>100.00%</u>

Assuming the [REDACTED] is exercised in full:

Description of Shares	Number of Shares	% of the total issued share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u>[REDACTED]</u>	<u>100.00%</u>

Note:

- (1) Following the completion of the [REDACTED], [REDACTED] Unlisted Shares held by our existing Shareholders will be [REDACTED] into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED].

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SHARES OF OUR COMPANY

Upon completion of the [REDACTED], depending on whether Shares are [REDACTED] on the Stock Exchange, our Company will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association. However, the H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC, apart from certain [REDACTED] 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.

Unlisted Shares and H Shares carry the same rights and 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 Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not listed or traded on any stock exchange. The holders of our Unlisted Shares may, at their own option, authorize us to apply to the CSRC for [REDACTED] of their respective Unlisted Shares to H Shares. After the [REDACTED] of Unlisted Shares, such converted Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that such [REDACTED] shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and the filing procedure with the CSRC shall have been completed. The [REDACTED] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange. In addition, such [REDACTED], [REDACTED] and [REDACTED] shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Based on the procedures for the [REDACTED] of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed [REDACTED] to ensure that the [REDACTED] process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior [REDACTED] for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Stock Exchange. Any [REDACTED] for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed [REDACTED].

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After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the [REDACTED]: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to [REDACTED]. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the [REDACTED] of the H Shares to [REDACTED] on the Stock Exchange in compliance with the Listing Rules, the [REDACTED] and the [REDACTED] in force from time to time. Until the converted shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

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

The Company Law provides that in relation to the [REDACTED] of a company, the shares of the company which have been issued prior to the [REDACTED] shall not be transferred within one year from the date of the listing. Accordingly, Shares issued 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].

Pursuant to the Company Law, transferred by our Directors 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 and members of senior management, a summary of which is set out in "Summary of the Articles of Association of the Company" in Appendix III to this Document.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which our general Shareholders' meeting required, see "Summary of the Articles of Association of the Company" in Appendix III to this Document.

GENERAL MANDATES TO ISSUE H SHARES

Subject to the completion of the [REDACTED], the Board has been granted with a general mandate to issue our H Shares. For details, see "Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders in Relation to the [REDACTED]" in Appendix IV to this Document. Any reference to an allotment, issue, grant, offer or disposal of Shares therein shall include the sale or transfer of treasury Shares in the capital of the Company (including to satisfy any obligation upon the conversion or exercise of any convertible securities, options, warrants or similar rights to subscribe for Shares) to the extent permitted by, and subject to the provisions of the Listing Rules and applicable laws and regulations.