SHARE CAPITAL

As at the Latest Practicable Date, the registered capital of our Company is RMB83,625,000, divided into 83,625,000 Domestic Unlisted Shares with a nominal value of RMB1.00 each.

Assuming that the [**REDACTED**] is not exercised, the share capital of our Company immediately following the completion of the [**REDACTED**] will be increased to RMB[**REDACTED**] and set out as follows:

Number of Shares	Description of Shares	Approximate % of the Enlarged Share Capital after the [REDACTED]
[**REDACTED**]	Domestic Unlisted Shares	[**REDACTED**]
[**REDACTED**]	H Shares converted from Domestic Unlisted Shares	[**REDACTED**]
[**REDACTED**]	H Shares to be issued under the [**REDACTED**]	[**REDACTED**]
[**REDACTED**]		100.00%

Assuming that the [**REDACTED**] is exercised in full, the share capital of our Company immediately following the [**REDACTED**] will be increased to RMB[**REDACTED**] and set out as follows:

Number of Shares	Description of Shares	Approximate % of the Enlarged Share Capital after the [REDACTED]
[**REDACTED**]	Domestic Unlisted Shares	[**REDACTED**]
[**REDACTED**]	H Shares converted from Domestic Unlisted Shares	[**REDACTED**]
[**REDACTED**]	H Shares to be issued under the [**REDACTED**]	[**REDACTED**]
[**REDACTED**]	H Shares to be issued upon full exercise of [**REDACTED**]	[**REDACTED**]
[**REDACTED**]		100.00%

OUR SHARES

The H Shares in issue following the completion of the [**REDACTED**] and the Domestic Unlisted Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approvals of any competent authorities, including our existing Shareholders who may convert their Domestic Unlisted Shares into H Shares upon completion of filing with the CSRC, H Shares generally may not be [**REDACTED**] for by or [**REDACTED**] between legal or natural persons of the PRC.

The Domestic 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 Domestic Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR DOMESTIC UNLISTED SHARES INTO H SHARES

Our Domestic 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 Domestic Unlisted Shares may be converted into H Shares. Such converted Shares may be [**REDACTED**] or [**REDACTED**] 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 [**REDACTED**] 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 Domestic Unlisted Shares are to be converted to H Shares and to be [**REDACTED**] 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 fulfiling the procedures below, our Company may apply for the [**REDACTED**] of all or any portion of the Domestic 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 H Share register. 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 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 Domestic Unlisted Shares will be withdrawn from the Domestic 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 [**REDACTED**] and the [**REDACTED**] 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 [**REDACTED**] as H Shares.

Our Company has applied for the conversion of Domestic Unlisted Shares into H Shares, which involves [**REDACTED**] Shares held by 16 Shareholders. For details, please refer to the section headed "History, Development and Corporate Structure — Corporate and Shareholding Structure" in this document.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public [**REDACTED**] of shares by a company cannot be transferred within one year from the date on which such publicly [**REDACTED**] shares are [**REDACTED**] and [**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 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 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 and members of senior management and certain employees of our Company.

For details of the lock-up undertaking given by our Single Largest Group of Shareholders pursuant to Rule 10.07 of the Listing Rules, please refer to the section headed "[**REDACTED**] — [**REDACTED**] Arrangements — Undertakings Pursuant to the Listing Rules — (B) Undertakings by the Single Largest Shareholder Group" in this document.

INCREASE IN SHARE CAPITAL

As advised by our PRC Legal Advisers, pursuant to the Articles of Association and subject to the requirements of the relevant PRC laws and regulations, our Company, upon the [**REDACTED**] of our H Shares, is eligible to enlarge its share capital by issuing either new H Shares or new Domestic Unlisted Shares on condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting conducted in accordance with the provisions of the Articles of Association and that such issuance complies with the Listing Rules and other relevant laws and regulations of Hong Kong. To adopt a special resolution of Shareholders in general meeting, more than the two thirds votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favour of the resolution.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which our Shareholders' meetings are required, please refer to the section headed "Summary of the Articles of Association" in Appendix VI to this document.

DOMESTIC UNLISTED SHARE TRANSFER REGISTRATION SERVICES

According to the Guidelines for the "Full Circulation" Programme 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 the 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.