

SHARE CAPITAL

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

BEFORE THE [REDACTED]

As at the Latest Practicable Date, our registered share capital was RMB52,319,625, divided into 52,319,625 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 completion of the [REDACTED] and the completion of the Conversion of Unlisted Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total issued share capital
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

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

Description of Shares	Number of Shares	Approximate percentage of total issued share capital
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00%

The above table assumes that the [REDACTED] has become unconditional, the Conversion of Unlisted Shares has been completed and the H Shares are issued pursuant to the [REDACTED].

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RANKING

Upon completion of the [REDACTED] the Shares will consist of Unlisted Shares and H Shares. The H Shares in issue following the completion of the [REDACTED] and the Unlisted Shares are ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold our Company’s 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, legal or natural persons of the PRC. H Shares may only be subscribed for and traded in Hong Kong dollars.

Unlisted Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Unlisted Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Unlisted Shares, dividends in the form of Shares will be distributed in the form of additional Unlisted Shares.

CONVERSION OF UNLISTED SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the holders of these Unlisted Shares may, at their own option, authorise our Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares upon 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 approved by the securities regulatory authorities of the State Council. Additionally, such conversion, [REDACTED] and [REDACTED] shall complete 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.

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If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, the approvals of any internal approval process and/or the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion, [REDACTED] and [REDACTED]. Based on the procedures for the Conversion of Unlisted 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 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 any [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. Class Shareholder voting is not required for the conversion of such Unlisted 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, the following procedure will need to be completed in order to effect the conversion: 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 conditional on (i) the [REDACTED] lodges 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 despatch of H Share certificates; and (ii) the [REDACTED] of the H Shares to be [REDACTED] on the Stock Exchange in compliance with the Listing Rules, the General Rules of [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.

[REDACTED] 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 [REDACTED] shares are [REDACTED] and [REDACTED] on the relevant stock exchange. As such, the Shares issued by our Company prior to the [REDACTED] 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 of our Company.

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CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

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

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme on 15 August 2022. Please see “Statutory and General Information – C. Further Information about our Directors and Substantial Shareholders – 5. Employee Incentive Scheme” in Appendix VI to this document for further details.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general mandate to issue our Shares. Please see “Statutory and General Information – A. Further Information about Our Company – 4. Resolutions of our shareholders in relation to the [REDACTED]” in Appendix VI to this document for details of this general mandate.

REGISTRATION OF SHARES NOT [REDACTED] 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》), domestic shareholders of unlisted shares shall, in accordance with the relevant business rules of the CSRC handle the transfer registration of shares, complete the procedures of share registration and stock [REDACTED] in accordance with the relevant regulations of the Hong Kong market, and disclose information in accordance with the law and regulations. The H-share [REDACTED] company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSRC of the shares related to the application has been completed.