

SHARE CAPITAL

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB94,248,310, divided into 94,248,310 Shares, with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % to total share capital
Domestic Shares in issue	<u>[5,029,800]</u>	<u>[REDACTED]%</u>
H Shares to be converted from Domestic Shares	<u>[89,218,510]</u>	<u>[REDACTED]%</u>
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>100%</u>

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % to total share capital
Domestic Shares in issue	<u>[5,029,800]</u>	<u>[REDACTED]%</u>
H Shares to be converted from Domestic Shares	<u>[89,218,510]</u>	<u>[REDACTED]%</u>
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>100%</u>

SHARES OF OUR COMPANY

The H Shares, to be issued following the completion of the [REDACTED] and converted from the Domestic Shares, and the Domestic Shares are ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. H Shares may only be subscribed for and traded in Hong Kong dollars. Domestic 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.

SHARE CAPITAL

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Domestic Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite 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.

Our Company [has] applied for H-share full circulation to convert certain of the Domestic Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Domestic Shares into H Shares will involve an aggregate of [REDACTED] Domestic Shares held by 62 existing Shareholders, representing approximately [REDACTED]% of total issued Share capital of our Company upon the completion of the conversion of Domestic Shares into H Shares and the [REDACTED] (assuming the [REDACTED] are not exercised).

If any of the Domestic Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. Based on the procedures for the conversion of Domestic Shares into H Shares as described below, we may apply for the listing of all or any portion of the Domestic 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 listing of additional Shares after our [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 listing at the time of our [REDACTED] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [REDACTED] and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after the [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

[REDACTED] Review and Approval by the CSRC

In accordance with the Guidelines for the “Full Circulation” Programme for Domestic 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, H-share listed companies which apply for the conversion of shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall file the application with the CSRC according to the administrative licensing procedures necessary for the “examination and approval of public issuance and listing (including additional issuance) of overseas shares by a joint stock company”. An H-share listed company may apply for a “Full Circulation” separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for “full circulation” when applying for an overseas initial public offering.

The Company applied for a “Full Circulation” when applying for an overseas listing with the CSRC on [●], and submitted the application reports, authorisation documents of the shareholders of Domestic Shares for which an H-share “full circulation” were applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The Company has received the reply from the CSRC dated [●] in relation to the approval of the overseas listing and “Full Circulation”, pursuant to which, (1) the Company was approved to issue no more than [●] H Shares with a nominal value of RMB1.00 each, which are all ordinary shares, and upon this issuance the Company may be listed on the Main Board of the Hong Kong Stock Exchange; (2) a total of [●] Domestic Shares and held by the [●] Shareholders of the Company were approved to be converted into H Shares, and the relevant Shares may be listed on the Hong Kong Stock Exchange upon completion of the conversion. This reply shall remain effective within 12 months from the date of approval.

SHARE CAPITAL

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Domestic Shares will be withdrawn from the [REDACTED] Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Hong Kong 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 admission of the H Shares to trade on the Hong Kong 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 our H Share register, such Shares would not be listed as H Shares.

RESTRICTION OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded 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 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 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.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix V — Summary of the Articles of Association of the Company” to this document.