

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the [REDACTED], the Share Subdivision and the Conversion of Unlisted Shares into H Shares.

BEFORE THE [REDACTED]

As of the date of this document, our registered share capital was RMB43,041,326 comprising 43,041,326 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 [REDACTED], the Share Subdivision and the Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares converted from Unlisted Shares ⁽²⁾	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED].	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Notes:

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.
- (2) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED], see “History, Development and Corporate Structure — Public Float” and “History, Development and Corporate Structure — Capitalization of our Company.”

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

Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares converted from Unlisted Shares ⁽²⁾	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED].	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

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Notes:

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.
- (2) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED], see “History, Development and Corporate Structure — Public Float” and “History, Development and Corporate Structure — Capitalization of our Company.”

RANKING

Upon completion of the [REDACTED], the share capital of our Company will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares. However, except for certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural persons of the PRC. Unlisted Shares and H Shares 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. All dividends in respect of the H Shares are to be paid by us in Renminbi, Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Our 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 Unlisted Shares may be converted into H Shares. Such converted Shares may be listed or traded 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 trading 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 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 listing of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the listing of all or any portion of the 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 listing of additional Shares after our Company’s [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 listing as at the time of our Company’s [REDACTED] in Hong Kong. Any listing of the converted Shares on the Stock Exchange after the [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

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After all the requisite approvals have been obtained, 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 HKSCC and the HKSCC 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.

RESTRICTIONS 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].

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 unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management 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.

SHAREHOLDERS’ GENERAL MEETINGS

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

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the Detailed Rules for the Implementation of Registration and Custody Business of Non-Overseas Listed Shares of Overseas Listed Companies by China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司境外上市公司非境外上市股份登記存管業務實施細則》) issued by the CSRC, the shares that are not listed on any overseas stock exchange shall be centrally registered and deposited at a domestic securities depository and settlement agency.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors will be granted general unconditional mandates to issue our Shares and repurchase our Shares. Please refer to “Appendix IV — Statutory and General Information — 1. Further Information about our Group — D. Resolutions of the Shareholders of the Company” for further details. 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.