

SHARE CAPITAL

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This section presents certain information regarding the share capital of our Company before and upon completion of the [REDACTED].

Before the [REDACTED]

As of the Latest Practicable Date, the share capital of our Company was RMB50,000,000 divided into 50,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

Immediately prior to the [REDACTED], the ordinary shares of the Company will be [REDACTED] on a [REDACTED] basis, and the registered share capital of our Company will be RMB50,000,000, comprising [REDACTED] Unlisted Shares in issue of nominal value of RMB[REDACTED] each.

Upon completion of the [REDACTED] and the [REDACTED]

Immediately following the completion of the [REDACTED] [and the Conversion of Unlisted Shares into H Shares], [taking into account the [REDACTED] and assuming no exercise of the [REDACTED] and that no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [REDACTED] (except for the [REDACTED])], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[100]%

Immediately following the completion of the [REDACTED] [and the Conversion of Unlisted Shares into H Shares], [taking into account the [REDACTED] and assuming full exercise of the [REDACTED] and no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [REDACTED] (except for the [REDACTED])], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[100]%

Note: Immediately following the completion of the [REDACTED] and according to the notification on completion of filing procedures issued by the CSRC on [●], [REDACTED] Unlisted Shares held by a total of [REDACTED] existing shareholders will be converted into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED].

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OUR SHARES

The H Shares, to be issued following the completion of the [REDACTED] and converted from the Unlisted Shares, and the Unlisted Shares are both ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be [REDACTED] for by, or [REDACTED] between, investors of the PRC. H Shares may only be [REDACTED] for and [REDACTED] in Hong Kong dollars.

RANKING

Unlisted 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.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of our Unlisted Shares may, at their own option, authorise our Company to file to the CSRC for conversion of their respective Unlisted Shares to H Shares, 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 completed the filing procedures with securities regulatory authorities, including the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet 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.

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, the filing with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H 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 after the [REDACTED] 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 the [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. No Shareholder voting is required for the conversion of such 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 [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/filings have been completed, 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 [REDACTED] and the [REDACTED] in force from time to time.

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For further details, please refer to “Risk Factors — Risks Relating to the [REDACTED] — Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the [REDACTED] of H Shares.”

Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be [REDACTED] as H Shares. Below sets forth the details of our existing Shareholders’ proposed conversion of Unlisted Shares into H Shares:

[REDACTED]

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[REDACTED]

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[REDACTED]

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RESTRICTION ON SHARE TRANSFER

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued prior to the [REDACTED] shall not be transferred within a period of one year from the date on which the publicly [REDACTED] shares are [REDACTED] on any stock exchange. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and not be transferred within a period of one year from the [REDACTED].

Our Directors, Supervisor and senior management shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisor and 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] on a stock exchange, 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 our Shares held by our Directors and members of the senior management.

REGISTRATION OF SHARES NOT LISTED 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) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the unlisted shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which a Shareholders’ general meeting is required, see “Appendix VI — Summary of the Articles of Association” in this document.

[REDACTED] ESOP

We have adopted the [REDACTED] ESOP, see “Appendix VII — Statutory and General Information — D. [REDACTED] ESOP”.