

SHARE CAPITAL

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of the Company was RMB20,352,428 comprising 20,352,428 Unlisted Shares with a nominal value of RMB1.00 each.

Immediately upon [REDACTED], the ordinary shares of the Company will be split on a one for five basis, and the registered share capital of our Company will be RMB20,352,428, comprising [REDACTED] Shares with a nominal value of RMB0.20 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] (taking into account the Share Subdivision) and conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the share capital of the Company will be as follows:

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

Assuming the [REDACTED] is fully exercised, the share capital of our Company immediately following completion of the [REDACTED] (taking into account the Share Subdivision) and conversion of Unlisted Shares into H Shares will be as follows:

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

SHARE CLASSES AND RANKING

Upon completion of the [REDACTED], we would have only one class of Shares. The H Shares, to be issued following the completion of the [REDACTED] and converted from the Unlisted Shares, are ordinary Shares in the share capital of the Company. Apart from 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 (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally cannot be subscribed for by, or traded between, legal or natural persons of the PRC.

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 H Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

The Unlisted Shares are currently not listed or traded on any stock exchange.

According to the regulations by the CSRC and our Articles of Association, the holders of these Unlisted Shares may, at their own option, authorize 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 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.

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If any of the Unlisted Shares are to be converted, listed and traded 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. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth 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 listing 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 relevant Unlisted Shares will be withdrawn from the 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 proper 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 traded on the Stock Exchange complies with the Listing Rules and the General Rules of [REDACTED] and the [REDACTED] 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. For details of our existing Shareholders’ proposed conversion of Unlisted Shares into H Shares, please refer to the paragraphs headed “History, Development and Corporate Structure — Capitalization of Our Company” in this document.

DOMESTIC PROCEDURES

The Shareholders who apply for H Share Full Circulation (“**Full Circulation Participating Shareholders**”) may only deal in the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and listing:

- (i) We will appoint China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (“**CSDC**”) as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at [REDACTED] in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;
- (ii) Pursuant to the Guidance on Foreign Exchange Business for Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), once a PRC-incorporated company has obtained approval to participate in the H Share “Full Circulation” program, any domestic shareholder who reduces its shareholding must, within 20 business days of such reduction, complete the domestic shareholding registration with the local branch of the State Administration of Foreign Exchange. Upon completion of the registration, the shareholder will be issued the relevant business registration certificate, which shall be presented to a qualified domestic bank for the purpose of opening the accounts required in connection with such shareholding; and
- (iii) The Full Circulation Participating Shareholders shall submit trading orders of the Converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our share capital registered shall be reduced by the number of Unlisted Shares converted and increased by the number of H Shares so converted.

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A Shareholder holding Unlisted Shares not converted into H Shares can work with our Company according to the Articles of Association and follow the procedures set out in this document to convert the Unlisted Shares into H Shares after the [REDACTED] if they want, provided that such conversion of Unlisted Shares into and [REDACTED] and [REDACTED] of H Shares will be subject to the approval of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by our Company.

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].

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 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 and members of senior management of our Company. Please refer to the section headed “Appendix V — Summary of Articles of Association” for further details of the Articles.

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》), domestic shareholders of unlisted shares shall, in accordance with the relevant business rules of the CSDC, handle the transfer registration of shares, complete the procedures of share registration and stock listing in accordance with the relevant regulations of the Hong Kong market, and disclose information in accordance with the law and regulations. The H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with the CSDC of the shares related to the application has been completed.

SHAREHOLDERS’ GENERAL MEETING

See “Appendix V — Summary of Articles of Association” for details of circumstances under which our general meeting is required.