
SHARE CAPITAL

As of the Latest Practicable Date, the registered share capital of our Company is RMB1,500,000,000, divided into 1,500,000,000 Domestic Shares with a nominal value of RMB1.00 each.

Assuming the Over-allotment Option is not exercised, the share capital of our Company immediately after the Global Offering will be as follows:

Number of Shares	Description of Shares	Approximate percentage to total share capital
405,927,395	Domestic Shares in issue ⁽¹⁾	25.71%
1,094,072,605	H Shares to be converted from Domestic Shares ⁽²⁾	69.29%
78,947,500	H Shares to be issued under the Global Offering	5.00%
<u>1,578,947,500</u>	Total	<u>100.00%</u>

Assuming the Over-allotment Option is exercised in full, the share capital of our Company immediately after the Global Offering will be as follows:

Number of Shares	Description of Shares	Approximate percentage to total share capital
405,927,395	Domestic Shares in issue ⁽¹⁾	25.52%
1,094,072,605	H Shares to be converted from Domestic Shares ⁽²⁾	68.78%
90,789,500	H Shares to be issued under the Global Offering	5.71%
<u>1,590,789,500</u>	Total	<u>100.00%</u>

Notes:

- (1) Including all or part of domestic shares held by Mr. Yu, Mr. Tian Jianzhang, Mr. Chen Dezhong and Mr. Li Hongwei that will not be converted into H Shares upon Listing. Mr. Yu is the Controlling Shareholder and the Director of our Company. Our Company considers that the fact Mr. Yu continues to hold domestic shares demonstrates the confidence of Mr. Yu in the development prospects of our Company and his dedication to our Company's growth. The decision made by Mr. Tian Jianzhang, Mr. Chen Dezhong and Mr. Li Hongwei to continue to hold Domestic Shares in our Company upon Listing is out of their respective own will.
- (2) Subject to the approval of the CSRC and the Stock Exchange, those Domestic Shares shall be converted into H Shares upon Listing, details of which are set out in the sub-paragraph headed "Conversion of Our Domestic Shares into H Shares — Full-circulation Application for Conversion of Certain Domestic Shares into H Shares" below.

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CLASS AND RANKING OF SHARES

After the completion of the Global Offering, we have two classes of ordinary shares, namely Domestic Shares and H Shares, and they shall rank *pari passu* with each other in all respects. Our Domestic Shares are unlisted Shares which are currently not listed or traded on any stock exchange. Domestic Shares and H Shares are regarded as different classes of Shares, further details of which are set out in the section headed “Summary of the Articles of Association” in Appendix V to this prospectus.

According to the Articles of Association, any change or abrogation of the rights of class Shareholders shall be approved by way of a special resolution of the general meeting of our Shareholders and by a separate class meeting of class Shareholders convened by the relevant class Shareholders. Circumstances where a general meeting and/or a class meeting is required is summarized in the section headed “Summary of the Articles of Association” in Appendix V to this prospectus. However, a class meeting is not required under circumstances set forth below:

- issue of Domestic Shares or H Shares of not more than 20% of Domestic Shares or H Shares in issue, respectively, either separately or concurrently within a period of 12 months, pursuant to approval by way of a special resolution of the general meeting of our Shareholders;
- proposed issue of Domestic Shares and H Shares at the time of the establishment of our Company, pursuant to approval of the securities regulatory authority of the State Council and provided that such proposed issue will be completed within 15 months since the date of such approval; and
- other circumstances as stipulated in relevant PRC laws, regulations and the Articles of Association.

For further details, please refer to the section headed “Summary of the Articles of Association” in Appendix V to this prospectus.

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

Conversion of Domestic Shares

According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, our Domestic Shares may be converted into H Shares, and such converted shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted shares any requisite internal approval processes shall have been duly completed and the approval from the relevant PRC regulatory authorities, including the CSRC, shall have been obtained. In addition, pursuant to the Full-circulation Guidelines, eligible PRC companies can convert all or part of their domestic shares into H shares and be listed and traded on the Stock Exchange upon listing and they shall apply to the CSRC for their approval according to the Administration Procedures for the Approval of the

SHARE CAPITAL

Public Offering and Listing (including Additional Issue) of Shares of Joint Stock Companies (《股份有限公司境外公開募集股份及上市(包括增發)審批行政許可程序》). According to the Articles of Association, no approval of class meeting is required for the listing and trading of such converted shares on the Stock Exchange. Any application of a company for listing of such converted shares on the Stock Exchange after its listing on the Stock Exchange is subject to prior notification by way of announcement to inform its shareholders and the public of any proposed conversion.

Such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of our Domestic Shares are to be converted into H Shares, either by way of concurrent conversion upon Listing pursuant to the Full-circulation Guidelines or conversion after Listing, such conversion will need to obtain 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. Based on the methodology and procedures for the conversion of our Domestic Shares into H Shares as described in this section, we can apply for the listing of all or any portion of our Domestic Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed concurrently upon Listing or promptly upon notice to the Stock Exchange (as the case may be) and delivery of shares for entry on the H Share register. As any listing of additional shares after our initial listing 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 initial listing in Hong Kong.

Upon Listing and subject to the approval of the CSRC, 1,094,072,605 Domestic Shares will be converted into H Shares. Such conversion has been deliberated and approved by the Board of Directors and the general meeting of our Shareholders. According to the Articles of Association, no general meeting or class meeting is required for any subsequent conversion of Domestic Shares into overseas listed shares (including H Shares) or the listing and trading of the converted shares on an overseas stock exchange. However, any application for listing of such converted shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform shareholders and the public of any proposed conversion.

Mechanism and Procedures for Conversion

After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: (i) where Domestic Shares are converted into H Shares upon Listing pursuant to the Full-circulation Guidelines, we will directly register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates; and (ii) where Domestic Shares are converted into H Shares after Listing, the relevant Domestic Shares will be withdrawn from the Domestic Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates.

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Registration on our H Share register will be conditional on (a) our H Share Registrar lodging 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 (b) the admission of the H Shares to be traded on the Stock Exchange complying with the Listing Rules and the General Rules of CCASS and the CCASS Operational Procedures 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.

In view of the above, our PRC Legal Adviser has also advised us that our Articles of Association is consistent with the relevant PRC laws and regulations regarding the conversion of our Domestic Shares into H Shares.

Full-circulation Application for Conversion of Certain Domestic Shares into H Shares

Pursuant to a Shareholders' resolution passed at the extraordinary general meeting of our Company on February 8, 2022, our Company has made an application to the CSRC for the full circulation of an aggregate of 1,094,072,605 Domestic Shares in issue, representing approximately 69.2912% of the total issued share capital of our Company upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised), pursuant to which such Domestic Shares will be converted into H Shares on a one-to-one basis and be listed and traded on the Stock Exchange upon Listing (the “**Full-circulation Application**”). Details of the Full-circulation Application are set out below:

Name of Shareholder	Number of H Shares to be converted from Domestic Shares upon Listing	Approximate percentage of share capital upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised)
1. Hongyuan Shanguo	129,749,246	8.2174%
2. Hengyili Investment.	120,663,036	7.6420%
3. Tiantu Xingbei.	92,462,726	5.8560%
4. Shenzhen Huilin	58,869,442	3.7284%
5. CICC Haoze	48,603,957	3.0783%
6. Xinyu Unicorn.	47,684,740	3.0200%
7. CM Fund.	47,684,740	3.0200%
8. Heshun Liru.	46,815,248	2.9650%
9. Huizhi Zhongxiang	43,012,016	2.7241%
10. Xingxintou.	38,239,433	2.4218%
11. Tiantu Xinghui.	37,500,005	2.3750%
12. Henan Zhanxin	31,851,080	2.0172%
13. Zhichun Equity	28,605,776	1.8117%
14. Bole No. 1.	26,886,654	1.7028%

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Name of Shareholder	Number of H Shares to be converted from Domestic Shares upon Listing	Approximate percentage of share capital upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised)
15. Lingyu Jishi	23,888,327	1.5129%
16. SFTZ III	23,267,868	1.4736%
17. Mingrui No. 8	21,499,502	1.3616%
18. Mr. Li Hongwei	10,170,900	0.6442%
19. Mr. Huang Weixiong	18,492,545	1.1712%
20. Tiantu Xingsu	17,862,566	1.1313%
21. Kunxin Xiangyi	16,145,019	1.0225%
22. Suzhou Yuanhan	15,925,574	1.0086%
23. Mr. Cai Jintao	14,574,764	0.9231%
24. Tiantu Tiantou	13,277,374	0.8409%
25. Mr. Liu Gang	13,088,750	0.8290%
26. Mr. Su Meisong	9,246,273	0.5856%
27. Jinyafu	9,246,273	0.5856%
28. Qianhai Equity	9,245,793	0.5856%
29. Tiantu Xingshun	8,749,988	0.5541%
30. Hongtu Equity	7,992,547	0.5062%
31. Shenzhen Capital	7,992,409	0.5062%
32. Mr. Zhang Yungen	7,723,172	0.4891%
33. Mr. Wu Xianfeng	7,198,668	0.4559%
34. Tiantu Xingsi	6,760,532	0.4282%
35. Guangzhou Yuexiu	6,370,202	0.4035%
36. Mr. Huang Chuangru	5,238,801	0.3318%
37. Mr. Zheng Zhijian	5,238,801	0.3318%
38. Yitang Hongtu	3,196,950	0.2025%
39. Mr. Chen Dezhong	1,540,909	0.0976%
40. Hengwang	2,913,398	0.1845%
41. Mr. Chen Jihong	2,780,731	0.1761%
42. M&G Equity	2,062,500	0.1306%
43. Mr. Liu Yunhua	1,915,006	0.1213%
44. Baima No. 4	1,838,364	0.1164%
TOTAL	1,094,072,605	69.2912%

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TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

The PRC Company Law provides that (i) where a limited liability company converted into a joint stock limited company, its shares shall not be transferred within one year from the date of its conversion, (ii) in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and not be transferred within one year from the Listing Date.

Directors, Supervisors and senior management shall notify the Company of the Shares they hold and any changes therein. During their respective tenure of office, any Shares transferred by any of the Company's Directors, Supervisors and senior management in any year shall not exceed 25% of the relevant individual's total Shares in the Company. Shares held by any Director, Supervisor or senior management shall not be transferred within one year from the Listing Date and within six months from the date on which he or she ceases to be a Director, Supervisor or senior management of our Company.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, an overseas listed company is required to register its shares that are not listed on the overseas stock exchange with CSDCC within 15 business days upon listing and provide a written report to the CSRC regarding the centralized registration and deposit of its unlisted shares as well as the current offering and listing of shares. Where an overseas listed company launches initial public offerings outside the territory of China, it shall register and place all its non-overseas listed shares in the custody of CSDCC and submit to the CSRC a written report on the result of centralized register and custody of its non-overseas listed shares and as well as about the current listing of stocks within 15 working days after it gets listed outside the territory of China.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS AND CLASS MEETINGS ARE REQUIRED

According to our Articles of Association, general meetings are required under the following circumstances and must be passed by shareholders representing two-third or more of the voting rights: (i) increase or reduction of the share capital, repurchase of the Company's shares and issue of shares of any class, stock warrants or other similar securities; (ii) the division, merger, dissolution, liquidation or change of corporate forms of the Company; (iii) issuance of bonds or other securities; and (iv) amendments to the Articles of Association.

For further details, please see the sub-section headed "Summary of the Articles of Association — General Meeting of Shareholders" in Appendix V to this prospectus.