

SHARE CAPITAL

IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of the Company was RMB182,000,000, comprising 167,213,746 Domestic Shares and 14,786,254 [REDACTED] Foreign Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] and the conversion of the [REDACTED] Shares into H Shares, assuming the [REDACTED] is not exercised, the share capital of the Company will be as follows:

Description of Shares ⁽²⁾	Number of Shares	Approximate percentage to the total share capital of the Company (%)
Domestic Shares in issue	[REDACTED]	[REDACTED]
[REDACTED] Foreign Shares in issue	[REDACTED]	[REDACTED]
H Shares converted from Domestic Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares converted from [REDACTED] Foreign Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

(1) Please refer to the paragraphs headed “History, Development and Corporate Structure – [REDACTED] Investments – Capitalization of the Company” in this document for details of the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED].

(2) For the avoidance of doubt, both [REDACTED] Shares (comprising Domestic Shares and [REDACTED] Foreign Shares) and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

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Immediately following the completion of the [REDACTED] and the conversion of the [REDACTED] Shares into H Shares, assuming the [REDACTED] is fully exercised, the share capital of the Company will be as follows:

Description of Shares ⁽²⁾	Number of Shares	Approximate percentage to the total share capital of the Company (%)
Domestic Shares in issue	[REDACTED]	[REDACTED]
[REDACTED] Foreign Shares in issue	[REDACTED]	[REDACTED]
H Shares converted from Domestic Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares converted from [REDACTED] Foreign Shares ⁽¹⁾	[REDACTED]	[REDACTED]
H Shares issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

(1) Please refer to the section headed “History, Development and Corporate Structure – [REDACTED] Investments – Capitalization of the Company” in this document for details of the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED].

(2) For the avoidance of doubt, both [REDACTED] Shares (comprising Domestic Shares and [REDACTED] Foreign Shares) and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

PUBLIC FLOAT REQUIREMENTS

Rules 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which [REDACTED] is sought and for a sufficient public float of an issuer’s [REDACTED] securities to be maintained. This normally means that (i) at least 25% of the issuer’s total issued share capital must at all times be held by the public; and (ii) where an issuer has one class of securities or more apart from the class of securities for which [REDACTED] is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of [REDACTED] must be at least 25% of the issuer’s total issued share capital.

Based on the information in the above tables, the Company will meet the public float requirement under the Listing Rules after the completion of the [REDACTED] (whether the [REDACTED] is fully exercised or not).

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OUR SHARES

The H Shares, to be issued following the completion of the [REDACTED] and converted from the [REDACTED] Shares, and the [REDACTED] Shares are ordinary Shares in the share capital of the Company, and 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 subscribed for by, or traded between, investors of the PRC. H Shares may only be subscribed for and traded in Hong Kong dollars.

[REDACTED] 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 [REDACTED] SHARES INTO H SHARES

[REDACTED]

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[REDACTED]

DOMESTIC PROCEDURES

The 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 [REDACTED]:

- (i) We will appoint CSDC as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at HKSCC in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, crossborder settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;
- (ii) We will engage a domestic securities company (the “Domestic Securities Company”) to provide services such as the transmission of sale orders and trading messages in respect of the converted H Shares. The Domestic Securities Company will engage a Hong Kong securities company (the “Hong Kong Securities Company”) for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by Shenzhen Stock Exchange (“SZSE”);

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- (iii) The SZSE shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and trading messages in respect of the Converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;
- (iv) According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders that held Domestic Shares shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full Circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share “Full Circulation” at the Hong Kong Securities Company; and
- (v) 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 Domestic Shares and [REDACTED] Foreign Shares converted and increased by the number of H Shares so converted.

A Shareholder holding Domestic Shares not converted into H Shares can work with the Company according to the Articles of Association and follow the procedures set out in this document to convert the Domestic Shares into H Shares after the [REDACTED] if they want, provided that such conversion of Domestic 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 the Company.

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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 [REDACTED] and [REDACTED] on the relevant stock exchange. As such, the Shares issued by the 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 the Company shall declare their shareholdings in the 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 the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the Shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in the 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 the Company.

REGISTRATION OF SHARES NOT [REDACTED] ON AN 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, the Company is required to register and deposit our Shares that are not [REDACTED] on the overseas stock exchange with the CSDC within 15 business days after the [REDACTED] and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not [REDACTED] on the overseas stock exchange as well as the [REDACTED] and [REDACTED] of our H Shares.