

SHARE CAPITAL

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As at the date of this document, the registered capital of our Company is RMB[REDACTED], divided into [REDACTED] Domestic Shares with a nominal value of RMB1.00 each.

Assuming the [REDACTED] is not exercised, the registered capital of our Company immediately following the [REDACTED] will be increased to RMB[REDACTED] and set out as follows:

Number of Shares	Description of Shares	Percentage of total share capital
[REDACTED]	Domestic Shares <i>(Note 1)</i>	[REDACTED]%
<u>[REDACTED]</u>	H Shares to be issued under the [REDACTED]	<u>[REDACTED]%</u>
<u>[REDACTED]</u>		<u>100.00%</u>

Note: These Domestic Shares may be converted into H Shares. For further details, please see “Conversion of our Domestic Shares into H Shares” in this section.

Assuming the [REDACTED] is exercised in full, the registered capital of our Company immediately following the [REDACTED] will be increased to RMB[REDACTED] and set out as follows:

Number of Shares	Description of Shares	Percentage of total share capital
[REDACTED]	Domestic Shares <i>(Note 1)</i>	[REDACTED]%
[REDACTED]	H Shares to be issued under the [REDACTED]	[REDACTED]%
<u>[REDACTED]</u>	H Shares to be issued upon full exercise of the [REDACTED]	<u>[REDACTED]%</u>
<u>[REDACTED]</u>		<u>100.00%</u>

Note: These Domestic Shares may be converted into H Shares. For further details, please see “Conversion of our Domestic Shares into H Shares” in this section.

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PUBLIC FLOAT REQUIREMENTS

Rules 8.08(1)(a) and (b) of the Listing Rules provides that there must be an open market in the securities for which [REDACTED] is sought. It normally means that the minimum public float of a listed issuer must at all times be at least 25% of the issuer’s total issued share capital.

Based on the information in the above tables, our Company will meet the public float requirement under the Listing Rules after the completion of the [REDACTED] (whether or not the [REDACTED] is exercised in full). We will make appropriate disclosure of our public float and confirm the sufficiency of our public float in successive annual reports after the [REDACTED].

SHARE CLASS

Upon completion of the [REDACTED], our Domestic Shares and H Shares are both ordinary shares in our Company. H Shares may only be subscribed for and traded in HK\$. Domestic Shares, on the other hand, may only be subscribed for and traded in RMB. Apart from certain qualified domestic institutional investors in the PRC or via Shanghai-Hong Kong Stock Connect (滬港通) or Shenzhen-Hong Kong Stock Connect (深港通), H Shares generally cannot be subscribed for by or traded by legal or natural persons of the PRC. Domestic Shares, on the other hand, can only be subscribed for by and traded between legal or natural persons of the PRC. We must pay all dividends in respect of H Shares in HK\$ and all dividends in respect of Domestic Shares in Renminbi.

Except as described in this Document and in relation to the despatch of notices and financial reports to our Shareholders, dispute resolution, registration of Shares in different parts of our register of Shareholders, the method of share transfer and the appointment of dividend receiving agents, which are all provided for in the Articles of Association and summarized in Appendix V to this Document, our Domestic Shares and our H Shares are regarded as one class of Shares under our Articles of Association and will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. However, the transfer of Domestic Shares is subject to such restrictions as the PRC laws may impose from time to time. Save for the [REDACTED] we do not propose to carry out any public or private issue or to place securities simultaneously with the [REDACTED] or within the next six months. We have not approved any share issue plan other than the [REDACTED].

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

Conversion of Domestic Shares

Our Domestic Shares are unlisted Shares which are currently not listed or traded on any stock exchange. 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. Such converted H Shares may be [REDACTED] or traded on an overseas stock exchange provided that the conversion and trading of such converted shares shall have duly completed pursuant to any requisite internal approval processes and the approval from the relevant PRC

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regulatory authorities, including the CSRC, shall have been obtained. In addition, such conversion, trading and [REDACTED] 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.

Approval of the Stock Exchange is required if any of our Domestic Shares are to be converted into and traded as H 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 [REDACTED] 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 promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. As any [REDACTED] of additional shares after our [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 initial [REDACTED] in Hong Kong. According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (CSRC[2019] No. 22) (《H股公司境內未上市股份申請「全流通」業務指引》(中國證券監督管理委員會公告[2019]22號)), the unlisted shares of H-share companies (including (i) unlisted domestic shares held by domestic shareholders before [REDACTED]; (ii) unlisted domestic shares issued overseas after [REDACTED]; and (iii) unlisted shares held by foreign shareholders) are allowed to be [REDACTED] and traded on the Stock Exchange, and it stipulates the application procedures for the full circulation of unlisted shares of H-share company in China.

No Shareholder voting by class is required for the [REDACTED] and trading of the converted shares on an overseas stock exchange. Any application for [REDACTED] 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.

Mechanism and procedure for conversion

After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: 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 our [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on: (i) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due despatch of H Share certificates; and (ii) the admission of our H Shares to trade on the Stock Exchange in compliance with the Listing Rules, the General Rules of [REDACTED] and the [REDACTED] 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 Advisor, has advised us that the Articles of Association of our Company does not contradict any PRC laws and regulations in the conversion of Domestic Shares. To the best information and knowledge of our Directors, our Controlling Shareholder does not intend to convert any of Domestic Shares to H Shares.

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[REDACTED] Approval by the Stock Exchange

We have applied to the [REDACTED] of the Stock Exchange for the granting of [REDACTED] of, and permission to deal in, our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]), which is subject to the approval by the Stock Exchange.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued by a company prior to the [REDACTED] shall not be transferred within a period of one year from the date on which the publicly offered shares are traded 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, 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 a period of one year from the [REDACTED].

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 [REDACTED] company is required to register its shares that are not [REDACTED] on the overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 Business Days upon [REDACTED].

INCREASE IN SHARE CAPITAL

Pursuant to the Articles of Association and subject to the requirements of relevant PRC laws and regulations, our Company, upon the [REDACTED] of our H Shares, is eligible to enlarge its share capital by issuing either new H Shares or new Domestic Shares on condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting and by holders of Shares of that class of Shareholders whose interest is affected in a separate meeting conducted in accordance with the provisions of the Articles of Association and that such issuance complies with the Listing Rules and other relevant laws and regulations of Hong Kong. To adopt a special resolution of Shareholders in general meeting, more than the two-thirds votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favor of the resolution.

CONVENING OF GENERAL MEETINGS

Please refer to “Appendix V – Summary of Articles of Association” in this document for details of the circumstances under which general meetings of our Company are required.