
SHARE CAPITAL

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As of the Latest Practicable Date, the registered capital of our Company was RMB406,568,674 divided into 406,568,674 Domestic Shares with a nominal value of RMB1.00 each, representing 100% of the total share capital of our Company.

Immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised, the total share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
Domestic Shares	[REDACTED]	[REDACTED]
H Shares converted from Domestic Shares	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Immediately following completion of the [REDACTED], assuming the [REDACTED] is exercised in full, the total share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
Domestic Shares	[REDACTED]	[REDACTED]
H Shares converted from Domestic Shares	[REDACTED]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

The above tables assume that the [REDACTED] would become unconditional and be completed.

PUBLIC FLOAT

Rule 8.08(1)(b) of the Listing Rules requires that there shall be an open market for the securities for which [REDACTED] is sought, and it normally means that, where an issuer has more than one class of securities 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.

[REDACTED]

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[REDACTED]

THE SHARES

The H Shares in issue following completion of the [REDACTED] and the Domestic Shares are ordinary Shares in the share capital of the Company. H Shares may only be subscribed for and traded in Hong Kong dollars. Domestic Shares may only be subscribed for and traded in RMB. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Domestic Shares, on the other hand, can be subscribed for by and traded between legal or natural persons of the PRC and qualified foreign institutional investors.

RANKING

Except for the differences set out in “The Shares” above, Domestic Shares and H Shares 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. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Domestic Shares, dividends in the form of Shares will be distributed in the form of additional Domestic Shares.

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

Upon completion of the [REDACTED], all our Domestic Shares (other than those converting to H Shares) are not [REDACTED] or traded on any stock exchange. The holders of our Domestic Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and complete the filing process procedure with CSRC. The [REDACTED] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange.

In accordance with the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境内未上市股份申请“全流通”业务指引(2023修正)》) (“Full Circulation Guidelines”) published and implemented by the CSRC on

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November 14, 2019 and revised on August 10, 2023 and the Overseas Listing Trial Measures, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas [REDACTED], domestic unlisted shares further issued in the PRC after the overseas [REDACTED] and unlisted shares held by foreign shareholders) could be [REDACTED] and traded on the Stock Exchange after application to file with the CSRC. The Full Circulation Guidelines are applicable to domestic companies [REDACTED] on the Stock Exchange only and not applicable to companies dual [REDACTED] in the PRC and on the Stock Exchange.

The Company filed for application for a “full circulation” of the unlisted shares on October 10, 2023 and submitted the application reports, authorization documents of the shareholders of unlisted shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and others documents in accordance with the requirements of the CSRC.

Upon completion of the [REDACTED], a total of [REDACTED] Domestic Shares held by the Full Circulation Participating Shareholders, will be converted into H Shares on a one-for-one basis. The conversion of these Domestic Shares into H Shares have been approved by CSRC on November 2, 2023 and an application has been made to the Listing Committee for such H Shares to be [REDACTED] on the Stock Exchange.

Based on the procedures for the conversion of our Domestic Shares into H Shares as disclosed 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 will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and trading of the converted Shares on the 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 Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Domestic Shares will be withdrawn from the Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our [REDACTED] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to [REDACTED] on the Stock Exchange will comply with the Listing Rules and the General Rules of [REDACTED] and the [REDACTED] in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares.

Please refer to “Risk Factors – Risks Relating to the [REDACTED] and our Shares – Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the market price of our H Shares and our ability to raise additional capital in the future.”

So far as we are aware, upon completion of the [REDACTED], other than the Full Circulation Participating Shareholders, none of our Shareholders currently proposes to convert any of their Domestic Shares into H Shares.

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INCREASE IN SHARE CAPITAL

As advised by the PRC Legal Adviser, pursuant to our Articles of Association and subject to the requirements of relevant PRC laws and regulations, our Company, upon the [REDACTED], 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 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 two-thirds of the votes (including two-thirds) represented by our Shareholders (including proxies) present at the general meeting must be exercised in favor of the resolution.

REGISTRATION OF SHARES NOT [REDACTED] 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].

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

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