

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

As at the Latest Practicable Date, the registered share capital of our Company was RMB46,464,118, comprising 46,464,118 Unlisted Shares in issue of nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

[Our Company has applied for H-Share Full Circulation to convert Unlisted Shares into H Shares as per the instructions of our Shareholders]. For details of the conversion of Unlisted Shares to H Shares and the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED], see “History, Development and Corporate Structure – H-Share Full Circulation” and “History, Development and Corporate Structure – Corporate Structure Immediately Following Completion of the [REDACTED]”.

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

Description of Shares	Number of Shares	Approximate percentage to our total share capital company (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ^(Note 1)	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.0

Immediately following the conversion of Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is exercised in full), the share capital of our Company will be as follows:

SHARE CAPITAL

Description of Shares	Number of Shares	Approximate percentage to our total share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares ^(Note 1)	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.0

SHARE CAPITAL

Notes:

- (1) Subject to the approval of the CSRC and the Stock Exchange, those Unlisted Shares shall be converted into H Shares upon [REDACTED]. See “Conversion of Unlisted Shares into H Shares” in this section.
- (2) The above tables assume the [REDACTED] becomes unconditional and the issue of Shares pursuant thereto is made as described herein. It takes no account of any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates given to our Directors as referred to below, as the case may be.

SHARE CLASSES AND RANKING

Upon the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, including our existing Shareholders who may convert their Unlisted Shares into H Shares upon completion of filing with the CSRC, H Shares generally may not be subscribed for by or traded between legal or natural PRC persons. Unlisted Shares can only be subscribed for by and traded between legal or natural PRC persons, qualified foreign institutional investors and foreign strategic investors.

H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, on the other hand, may only be subscribed for and transferred in Renminbi. Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association. Our Unlisted Shares are not listed or traded on any stock exchange.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital. For details of circumstances under which our Shareholders’ general meetings are required, see “Summary of Articles of Association” as set out in Appendix III in this document.

CONVERSION OF UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council, the Unlisted Shares may be converted into H Shares. Such converted Shares could 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 process has been duly completed and all the filing procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the conversion, trading and listing of such converted Shares, have been obtained. In addition, such conversion, trading and listing shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

SHARE CAPITAL

The conversion of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares held by [REDACTED] existing Shareholders, representing [REDACTED]% of the total issued Shares of the Company as at the Latest Practicable Date and approximately [REDACTED]% of total issued Shares of the Company upon the conversion of Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised).

Filing with the CSRC and H-Share Full Circulation Application

In accordance with the Guidelines for the “Full Circulation” of 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》) and the Overseas Listing Trial Measures announced by the CSRC, H-share listed companies which apply for the conversion of domestic shares and unlisted foreign shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An H-share listed company may apply for a “Full Circulation” separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for “Full Circulation” when applying for an overseas initial public offering.

We [have] filed with the CSRC for, and received the filing notice from the CSRC dated [•] in relation to the [REDACTED] and the conversion of [REDACTED] Unlisted Shares into H Shares upon [REDACTED].

[REDACTED] Approval by the Stock Exchange

We have applied to the [REDACTED] of the Stock Exchange for the granting of the [REDACTED] of, and permission to deal in, (i) 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]); and (ii) the H Shares to be converted from our existing Unlisted Shares.

We will perform the following procedures for the conversion of the Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (i) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be [REDACTED] by HKSCC for deposit, clearance and settlement in the [REDACTED].

RESTRICTIONS ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the Article 160 of the PRC Company Law, the shares issued prior to any listing 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 [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

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 unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

SHARE CAPITAL

For details of the lock-up undertaking given by our Single Largest Shareholder pursuant to Rule 13.16A(1) of the GEM Listing Rules, see “[REDACTED]”.

[REDACTED] SHARE INCENTIVE SCHEME

We adopted the [REDACTED] Share Incentive Scheme. See “Statutory and General Information – D. [REDACTED] Share Incentive Scheme” as set out in Appendix V to this document.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Subject to the completion of the [REDACTED], pursuant to the Shareholders resolutions of our Company, our Board was granted with (a) a general mandate to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the total number of the Shares immediately following the completion of the [REDACTED] (including any sale or transfer of the treasury Shares out of treasury and without taking into account any Shares that may be allotted and issued pursuant to the exercise of the [REDACTED]) in issue as at the date of the resolution granting the general mandate; and (b) a general mandate to repurchase Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued Shares immediately following the completion of the [REDACTED] (excluding any treasury Shares and without taking into account any Shares that may be allotted and issued pursuant to the exercise of the [REDACTED]) as at the date of the resolution granting the general mandate. See “Statutory and General Information – A. Further Information about our Company and our Subsidiaries – 5. Resolutions of Our Shareholders” as set out in Appendix V to this document.