

SHARE CAPITAL

OUR SHARE CAPITAL

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

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total share capital of our Company was RMB26,630,108 comprising 26,630,108 Unlisted Shares with a nominal value of RMB1.0 each.

UPON COMPLETION OF THE [REDACTED]

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

Description of Shares	Number of Shares	Approximate percentage of total share capital %
Unlisted Shares	—	—
H Shares [REDACTED]	[REDACTED]	[REDACTED]
H Shares [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.0%

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately after the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital %
Unlisted Shares	—	—
H Shares [REDACTED]	[REDACTED]	[REDACTED]
H Shares [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.0%

The above table assumes the [REDACTED] becomes unconditional and is completed.

OUR SHARES

Our H Shares in issue upon completion of the [REDACTED], and our Unlisted Shares, are ordinary Shares in our share capital and are considered as one class of Shares. H Shares may only be subscribed for and traded in HK\$. Unlisted 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

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by or traded by legal or natural persons of the PRC. Unlisted 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 Unlisted Shares in RMB.

Under the PRC Company Law, in relation to the public [REDACTED] of a company, the shares of the company which have been issued prior to the offering shall not be transferred within one year from the date of the listing on any stock exchange.

Except as described in this document and in relation to the despatch of notices and financial reports to our Shareholders, 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 provided for in the Articles of Association and summarised in Appendix V to this document, our Unlisted Shares and our H Shares 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 Unlisted Shares is subject to such restrictions as PRC law 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 UNLISTED SHARES INTO H SHARES

Our Company has filed for a “full circulation” of all the existing [REDACTED] Unlisted Shares into H Shares on a one-for-one basis, taking into account the submitted application reports, authorisation documents of the shareholders of Unlisted Shares for which the H-shares “full circulation” are applied, and explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. The relevant filings of the [REDACTED] held by the existing Shareholders into H Shares on a one-for-one basis [have been] completed on [●].

According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, Unlisted Shares may be converted into overseas listed 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, 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 Shares are not [REDACTED] on any stock exchange, such Unlisted Shares may be [REDACTED] as H Shares on the Stock Exchange. Such transfer and 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 Unlisted Shares into H Shares as described in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed transfer to ensure that the transfer 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 [REDACTED] in Hong Kong. However, we are generally required to make filings with the CSRC for the [REDACTED] and trading of the additional shares pursuant to applicable PRC laws and regulations.

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Any application for [REDACTED] on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform shareholders and the public of any proposed conversion. The relevant procedural requirements for the conversion of the Unlisted Shares to H Shares are:

- (1) The holder of Unlisted Shares shall obtain the requisite approval of the CSRC or the authorised securities approval authorities of the State Council for the conversion of all or part of its Unlisted Shares into H Shares.
- (2) The holder of Unlisted Shares shall issue to us a removal request in respect of a specified number of the Shares attaching the relevant documents of title.
- (3) Subject to [REDACTED] the approval of the Board, we would then issue a notice to [REDACTED] with instructions that, with effect from a specified date, our [REDACTED] is to issue the relevant holders with [REDACTED] for such specified number of Shares.
- (4) Such specified number of Unlisted Shares to be converted to H Shares are then re-registered on the [REDACTED] maintained in Hong Kong 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 and the due despatch of H share certificate; and
 - (b) the [REDACTED] of the H Shares (converted from Unlisted Shares) to trade in Hong Kong will comply with the GEM Listing Rules and the [REDACTED] force from time to time.
- (5) Upon completion of the conversion, the shareholding of the relevant holder of Unlisted Shares in our domestic share register will be reduced by such number of Unlisted Shares transferred and the number of H Shares in the H share register will correspondingly be increased by the same number of Shares.
- (6) We will comply with the GEM Listing Rules to inform our Shareholders and the public by way of an announcement of such fact not less than three days prior to the proposed effective date.

[REDACTED]

[REDACTED]