

SHARE CAPITAL

As of the date of this prospectus, the registered share capital of our Company is RMB700,000,000, divided into 700,000,000 Shares with a nominal value of RMB1.00 each.

Assuming the Over-allotment Option is not exercised, the share capital of our Company immediately after the Global Offering will be as follows:

Number of Shares	Description of Shares	Approximate percentage to total share capital
645,140,208	Unlisted Shares ⁽¹⁾	64.51%
24,859,792	H Shares held by BSAM (HK)	2.49%
30,000,000	H Shares held by the NCSSF	3.00%
300,000,000	H Shares issued and sold under the Global Offering	30.00%
1,000,000,000		100.00%

Assuming the Over-allotment Option is exercised in full, the share capital of our Company immediately after the Global Offering will be as follows:

Number of Shares	Description of Shares	Approximate percentage to total share capital
640,640,208	Unlisted Shares ⁽²⁾	61.31%
24,859,792	H Shares held by BSAM (HK)	2.38%
34,500,000	H Shares held by the NCSSF	3.30%
345,000,000	H Shares issued and sold under the Global Offering	33.01%
1,045,000,000		100.00%

PUBLIC FLOAT REQUIREMENT

Rule 8.08(1)(a) and (b) of the Hong Kong Listing Rules require there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed 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 listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Hong Kong Stock Exchange) at the time of listing must be at least 25% of the issuer's total issued share capital.

⁽¹⁾ These Unlisted Shares are held by BSAM, Jianghuai Fund, Poly Fund, Beijing Venture Capital and Jingxiu Investment, and may be converted into H Shares. Please refer to "Conversion of Our Unlisted Shares into H Shares" of this section.

⁽²⁾ These Unlisted Shares are held by BSAM, Jianghuai Fund, Poly Fund, Beijing Venture Capital and Jingxiu Investment, and may be converted into H Shares. Please refer to "Conversion of Our Unlisted Shares into H Shares" of this section.

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However, the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital and must have an expected market capitalization at the time of listing of not less than HK\$50 million.

Based on the share capital information in the above tables, our Company will meet the public float requirement under the Hong Kong Listing Rules after the completion of Global Offering (whether or not the Over-allotment Option 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 Listing.

The above tables assume the Global Offering becomes unconditional and is completed.

OUR SHARES

Our Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company. H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, otherwise referred to as domestic invested shares, may only be subscribed for and transferred in Renminbi. Apart from certain qualified domestic institutional investors in the PRC, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. We must pay all dividends in respect of H Shares in Hong Kong dollars and all dividends in respect of Unlisted Shares in Renminbi.

Except as described in this prospectus and in relation to the dispatch of notices and financial reports to our Shareholders, dispute resolution, registration of H 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 prospectus, 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. However, the transfer of Unlisted Shares is subject to such restrictions as PRC law may impose from time to time. Save for the Global Offering, we do not propose to carry out any public or private issue or to place securities simultaneously with the Global Offering or within the six months from the Listing Date. We have not approved any share issue plan other than the Global Offering.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Conversion of Unlisted Shares

We have two classes of ordinary Shares, foreign invested shares in the form of H Shares and domestic invested shares in the form of Unlisted Shares. Our Unlisted Shares are unlisted Shares which are currently not listed or traded on any stock exchange. Upon completion of the Global Offering, all Unlisted Shares will be held by BSAM, Jianghuai Fund, Poly Fund, Beijing Venture Capital and Jingxiu Investment. The term "Unlisted Shares" is used to describe whether certain Shares are listed on a stock exchange and is not unique to PRC laws.

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Given the above, our PRC legal advisors, Tian Yuan Law Firm, have advised us that the use of the term ‘Unlisted Shares’ in the Articles of Association does not contravene and are not inconsistent with any PRC laws and regulations.

According to the stipulations of the Articles of Association, our Unlisted Shares may be converted into H Shares, and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted H Shares any requisite internal approval processes shall have been duly completed and the approval from the relevant PRC 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. In particular, any change in, reporting of or transfer of indirect shareholding interest in our Company held by certain members of the Directors, Supervisors and senior management of our Company through Jingxiu Investment shall also comply with the relevant provisions of the Articles of Association applicable to Directors, Supervisors and senior management of our Company who have direct shareholding interest in our Company, the regulations prescribed by the regulatory authorities in the PRC and the regulations, requirements and procedures prescribed by the relevant overseas stock exchanges. To ensure compliance with aforesaid provisions and regulations, partners of Jingxiu Investment have entered into a supplemental partnership agreement to stipulate such obligations and such members of the Directors, Supervisors and senior management of our Company have also individually undertaken to our Company to comply with such obligations.

Approval of the Hong Kong Stock Exchange is required if any of our Unlisted Shares are to be converted into and traded as H Shares on the Hong Kong 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 listing of all or any portion of our Unlisted Shares on the Hong Kong 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 Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional H Shares after our initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our initial listing in Hong Kong.

No Shareholder voting by class is required for the listing and trading of the converted H Shares on an overseas stock exchange. Any application for listing of the converted Shares on the Hong Kong Stock Exchange after our initial Listing 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 procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be de-registered from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct our H Share Registrar to issue H Share certificates. Registration on our H Share register will be conditional on (a) our H Share Registrar lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant

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H Shares on the H Share register and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Hong Kong Listing Rules, the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the converted H Shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

Upon completion of the Global Offering, the Unlisted Shares held by BSAM (HK) will be converted into H Shares and will be listed on the Hong Kong Stock Exchange. To the extent of our Director's knowledge, no other holder of the Unlisted Shares proposes to convert any of the Unlisted Shares held by them into H Shares in connection with the Global Offering.

TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

The Company Law provides that in relation to a public offering of shares by a company incorporated in the PRC, the shares issued by such company prior to the public offering 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 Listing Date shall be subject to this PRC statutory restriction and may not be transferred within a period of one year from the Listing Date.

Transfer of State-owned Shares

According to Article 5 of the “Interim Measures of the State Council on the Management of Reducing State-held Shares and Raising Social Security Funds” (《減持國有股籌集社會保障資金管理暫行辦法》) as set out in the “Notice of Interim Measures of the State Council on the Management of Reducing State-held Shares and Raising Social Security Funds” (Guo Fa [2001] No. 22) (《國務院關於印發〈減持國有股籌集社會保障資金管理暫行辦法〉的通知》(國發[2001]22號)), wherever a joint stock limited company (including companies listed overseas) whose shares are owned by the state proceeds initial public offering of shares and issues additional shares to the public investors, it shall sell its state-owned shares in the amount equivalent to 10% of the funds to be raised in case the joint stock limited company has established less than three years; the state-owned shares intended to be sold shall be transferred to the NCSSF by allocation. The NCSSF will authorize the company for the one-off or piecemeal disposal of shares in the public offering. Our Company falls into the category of a joint stock limited company in which the state owns the shares as said above, BSAM and Beijing Venture Capital, both the state-owned shareholders of our Company, shall fulfil the obligation as required in the aforesaid measures regarding the transfer of the state-owned shares. According to “Approval on Several Issues regarding the Administration and Transfer of the State-owned Shares of Dynagreen Environmental Protection Group Co., Ltd” (Guo Zi Chan Quan [2013] No.1057) (《關於綠色動力環保集團股份有限公司國有股權管理及國有股轉持有關問題的批覆》(國資產權[2013]1057號)) issued on December 21, 2013 by SASAC, SASAC approved the transfer of the shares of BSAM and Beijing Venture Capital (the state-owned shareholders of our Company) to the NCSSF in an amount equivalent to 10% of the Shares under the Global Offering.

Based on the above, BSAM and Beijing Venture Capital are required to transfer Unlisted Shares in an amount of 30,000,000 H Shares (assuming the Over-allotment Option has not been exercised), or 34,500,000 H Shares (assuming the Over-allotment Option has been exercised in full), representing 10% of the Shares under the Global Offering to the NCSSF. When H Shares are listed on the Hong Kong Stock Exchange, these Unlisted

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Shares will be converted into H Shares on one-to-one basis, and these H Shares will not constitute a part of the Global Offering, but be deemed as a part of the shares held by the public investors under Rule 8.08 of the Hong Kong Listing Rules. We will not receive any proceeds from the transfer of these Unlisted Shares to the NCSSF from BSAM and Beijing Venture Capital, or the subsequent disposal of any related H Shares by the NCSSF. Our Company's transfer of the state-owned shares is subject to the consent of the NCSSF. The conversion of shares transferred to the NCSSF by the state-owned shareholders BSAM and Beijing Venture Capital into H Shares has been approved by the CSRC and shall comply with the requirements of the relevant regulatory rules as set out in the place of listing, including but not limit to the approval from the Hong Kong Stock Exchange.

REGISTRATION OF SHARES NOT LISTED ON 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 listed company is required to register its shares that are not listed on the overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 Business Days upon Listing.

GENERAL MANDATE TO ISSUE SHARES

Subject to completion of the Global Offering, and subject to compliance with the applicable PRC laws, the Articles of Association, the requirements under the Hong Kong Listing Rules and the approvals by CSRC and the Hong Kong Stock Exchange (if applicable), our Board has been granted a general mandate to issue Unlisted Shares and/or H Shares to the extent that the number of shares shall be less than 20% of issued H Shares or issued Unlisted Shares, as the case may be. Such general mandate shall be effective from the Listing Date and shall expire on the date on which the first Shareholders' general meeting of our Company to be held after listing or the general meeting to be held where the shareholders amend or revoke the terms of the general mandate, whichever is earlier.

For more details of the general mandate, please see "Appendix VI — Statutory and General Information — C. Resolutions passed at our extraordinary Shareholders' meeting on November 1, 2013, December 18, 2013 and January 22, 2014".

CONVENING OF GENERAL AND CLASS MEETINGS

Circumstances under which a Shareholders' general meeting shall be convened

Our Company is required to convene a Shareholders' general meeting under the following circumstances:

- (1) to determine the business directions and investment plans of our Company;
- (2) to elect and change the Directors and Supervisors who are not employees of our Company, and to determine the remuneration of such Directors and Supervisors;

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- (3) to consider and approve the report of the Board of Directors;
- (4) to consider and approve the report of the Board of Supervisors;
- (5) to consider and approve the annual financial budget and final accounts of our Company;
- (6) to consider and approve the profit distribution plans and loss recovery plans of our Company;
- (7) to resolve to increase or decrease our Company's registered capital;
- (8) to adopt resolutions on the merger, division, dissolution, liquidation or change of incorporation nature of our Company;
- (9) to adopt resolutions on the issue of corporate bonds or other securities and listing plans;
- (10) to determine the appointment or dismissal of accounting firms;
- (11) to amend the Articles of Association;
- (12) to consider and approve the external guarantees which shall be considered and approved by the Shareholders' general meetings under Article 64;
- (13) to consider matters concerning our Company's material acquisitions or disposals of assets exceeding 30% of our Company's latest audited total asset values within one year;
- (14) to consider the equity incentive scheme;
- (15) to consider the proposal proposed by the Shareholders who possess more than 3% of our Company's shares entitling voting rights; and
- (16) to consider the laws, administrative regulations, ministerial rules, the listing rules of the place where our Company's shares are listed or other matters that are subject to the resolutions by the Shareholders' general meetings under the Articles of Association.

The following external guarantees by our Company are also subject to the consideration and approval at the general meetings:

- (1) any guarantee provided after the total amount of external guarantees made by our Company and its holding subsidiaries has reached 50% or above of the latest audited net asset values;

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- (2) any guarantee provided after the total amount of external guarantees made by our Company has reached 30% or above of the audited total asset values;
- (3) any guarantee provided to parties with a gearing ratio of over 70%;
- (4) any guarantee provided involving an amount of exceeding 10% of the latest audited net asset in a single deal;
- (5) any guarantee provided to shareholders, effective controllers and their related parties; and
- (6) any guarantee subject to the consideration and approval of the Shareholders' general meetings under the requirements of the stock exchange where our Shares are listed as well as the provisions of the Articles of Association.

Circumstances under which a class meeting (classified shareholders' meeting) shall be convened

Under the following circumstances where the rights of a certain class of Shareholders are changed or abrogated, our Company is required to convene a class Shareholders' meeting, including:

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges *pari passu* with or superior to those of the shares of such class;
- (2) a re-classification of all or part of the shares of such class into the shares of another class, or a conversion of all or part of the shares of another class into the shares of such class or the grant of a conversion right for such shares;
- (3) cancellation or reduction of rights attached to such class of shares in relation to the accrued dividends or cumulative dividends;
- (4) a reduction or cancellation of rights attached to such class of shares in relation to the priority to dividends or property distribution during liquidation of our Company;
- (5) increase, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of our Company attached to that class of shares;
- (6) cancellation or reduction of rights attached to the class of shares to receive amounts payable by our Company in a specified currency;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges *pari passu* with or superior to the shares of that class;

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- (8) an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (9) issue of rights to subscribe for, or convert into, the shares of such class or another class;
- (10) an increase in the rights and privileges of the shares of another class;
- (11) the restructuring plan of our Company may result in disproportionate liability to be borne by shareholders of different classes during the restructuring; and
- (12) an amendment to or abrogation of the terms stipulated in the relevant chapter of the Articles of Association.