

## SHARE CAPITAL

As of the Latest Practicable Date, the registered share capital of our Company is RMB1,464.0 million, divided into 1,464 million Shares which consist of 800,000,000 Domestic Shares and 664,000,000 B Shares with a nominal value of RMB1.00 each. The interest of the Shareholders in our issued share capital was as follows:

<u>Issued fully paid or credited as fully paid:</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Issued Share Capital</u>
Domestic Shares held by Yitai Group . . . . .	800,000,000	54.64%
B Shares indirectly held by Yitai Group <sup>(1)</sup> . . . . .	97,843,064	6.69%
B Shares held by other public shareholders . . . . .	566,156,936	38.67%
Total . . . . .	<u>1,464,000,000</u>	<u>100.00%</u>

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

<u>Issued and to be issued, fully paid or credited as fully paid:</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Issued Share Capital</u>
Domestic Shares held by Yitai Group . . . . .	800,000,000	49.18%
B Shares indirectly held by Yitai Group <sup>(1)</sup> . . . . .	97,843,064	6.02%
B Shares held by other public shareholders . . . . .	566,156,936	34.80%
H Shares under the Global Offering . . . . .	162,667,000	10.00%
Total . . . . .	<u>1,626,667,000</u>	<u>100.00%</u>

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

<u>Issued and to be issued, fully paid or credited as fully paid:</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Issued Share Capital</u>
Domestic Shares held by Yitai Group . . . . .	800,000,000	48.45%
B Shares indirectly held by Yitai Group <sup>(1)</sup> . . . . .	97,843,064	5.93%
B Shares held by other public shareholders . . . . .	566,156,936	34.29%
H Shares under the Global Offering . . . . .	187,067,000	11.33%
Total . . . . .	<u>1,651,067,000</u>	<u>100.00%</u>

(1) These B Shares are indirectly held by Yitai Group through its wholly-owned subsidiary Yitai HK.

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

## OUR SHARES

Our H Shares, B Shares and Domestic Shares are all ordinary shares in the share capital of our Company. H Shares and B Shares may only be subscribed for and traded in Hong Kong dollars and U.S. dollars respectively. Domestic Shares, on the other hand, may only be subscribed for and traded 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. B Shares can be subscribed for by and traded among foreign legal and natural persons and other organisations, legal and natural persons and other organisations in Hong Kong, Macau and Taiwan, overseas Chinese citizens, and other investors approved by the CSRC to subscribe for and deal in domestic listed foreign shares and must be traded in foreign currencies. Starting from June 1, 2001 and according to the rules of CSRC, domestic Chinese citizens are allowed to trade in B shares. Domestic Shares, on the other hand, can only be subscribed for by and traded between legal or natural persons of the PRC, qualified foreign institutional investors or qualified foreign strategic investors. All dividends in respect of the H Shares and B Shares are to be paid by us in Hong Kong dollars and U.S. dollars respectively whereas all dividends in respect of the Domestic Shares are to be paid by us in Renminbi.

Our B Shares have been listed on the SHSE since August 8, 1997. According to the present laws and regulations, our H Shares, B Shares and Domestic Shares are neither interchangeable nor fungible, and the market prices of our Company's H Shares and B Shares may be different. The transfer and trading of our Company's B Shares shall be in accordance with prevailing applicable relevant rules and regulations in the PRC.

According to our Articles of Association, we have two classes of shares, (i) "non-overseas-listed-foreign shares" which include Domestic Shares (shares issued and subscribed for in RMB to investors within the PRC); and B Shares (shares issued and subscribed for in foreign currency to investors within and outside the PRC and listed in the PRC); and (ii) overseas listed foreign shares, i.e. H Shares (shares issued and subscribed for in foreign currency to foreign investors and listed in Hong Kong). According to our PRC legal advisors, Jingtian & Gongcheng Attorneys at Law, there are no laws or regulations treating B Shares and Domestic Shares as different classes of shares in the PRC currently. Shareholders of our B Shares and Domestic Shares enjoy the same rights and interests, and exercise the same voting power at the same shareholders' general meeting. After the proposed issue of H Shares and pursuant to relevant PRC laws and regulations, "non-overseas-listed-foreign shares" and H Shares will be treated as class shares. The abovementioned rules governing the class shares have been stated in our Articles of Association which were approved by our shareholders at the general meeting. Our PRC legal advisor has confirmed that the rules governing the class shares adopted by us are legally valid, binding and comply with the Mandatory Provision.

Shareholders holding different classes of Shares of our Company are considered as different classes of shareholders. Our Company has two classes of shareholders, namely shareholders of "non-overseas-listed-foreign shares" (i.e. Domestic Shares and B Shares) and shareholders of overseas listed foreign shares (i.e. H Shares). The rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders' general meeting and by holders of Shares of that class at a separate meeting conducted in accordance with our Articles of Association. The circumstances which shall be deemed to be a variation or abrogation of the rights of a class are listed in Appendix IX to this Prospectus. However, the special procedures for approval by separate class shareholders shall not apply (i) where we issue, upon approval by a special resolution of our shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of our existing issued "non-overseas-listed-foreign shares" and overseas listed foreign shares; (ii) where our plan to issue "non-overseas-listed-foreign shares" and overseas listed foreign shares at the time of our establishment is implemented within 15 months from the date of approval of the securities supervision and management department of the PRC; or (iii) where our "non-overseas-listed-foreign shares" may be transferred to overseas investors upon the approval of the securities supervision and management department of the PRC and such Shares may be listed or traded on an overseas stock exchange.

Except as described in this Prospectus and in relation to the dispatch 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 IX to this Prospectus, our H Shares, B Shares and Domestic 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 Prospectus. However, the transfer of "non-overseas-listed-foreign 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 next six months. We have not approved any share issue plan other than the Global Offering.

#### **APPROVAL FROM SHAREHOLDERS OF DOMESTIC SHARES AND B SHARES**

Approval from shareholders of Domestic Shares and B Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by our Company at the Second Session of the First Extraordinary General Meeting in 2010 held on May 11, 2010 and in the Second Extraordinary General Meeting in 2011 held on August 26, 2011 and is subject to the following conditions:

(1) Size of the offer

The proposed number of H Shares to be offered shall not exceed 15% of the total issued share capital after the issuing of H Shares, and if the Over-allotment Option is exercised, the number of

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H Shares to be offered under the Over-allotment Option shall not exceed 15% of the number of Offer Shares initially available under the Global Offering.

(2) Method of listing

The method of listing shall be by way of international offering and public offer for subscription in Hong Kong.

(3) Target investors

The H Shares shall be issued to professional, institutional, individual investors and the public outside the PRC.

(4) Price determination basis

The Offer Price shall be determined by the Underwriters and us based on factors including interests of the existing shareholders and market demand.

(5) Validity period

The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 18 months from the date of the shareholders' meeting. According to the resolution passed in the Second Extraordinary General Meeting in 2011, the validity period of the authorization to the Board or its authorized persons to deal with the relevant matters with respect to the Listing and Global Offering is extended to 12 months from November 11, 2011.