
SHARE CAPITAL

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As of the Latest Practicable Date, the registered share capital of our Company was RMB239,906,100, consisting of 239,906,100 Shares with a nominal value of RMB1.00 each.

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

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital</u>
Domestic Shares ⁽¹⁾	239,906,100	75.00%
H Shares to be issued under the Global Offering	79,968,700	25.00%
	319,874,800	100%

Note:

(1) As of the Latest Practicable Date, these Domestic Shares were held by CNNC, CIAE, NPIC, CNNC Fund, 404 Company, Baoyuan Investment, CAIF and CAIC.

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

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage to total share capital</u>
Domestic Shares ⁽¹⁾	239,906,100	72.29%
H Shares to be issued under the Global Offering	91,964,000	27.71%
	331,870,100	100%

Note:

(1) These Domestic Shares will be held by CNNC, CIAE, NPIC, CNNC Fund, 404 Company, Baoyuan Investment, CAIF and CAIC.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Conversion of Unlisted Shares

We have two classes of ordinary shares: H Shares and Domestic Shares. Our Domestic Shares are unlisted Shares which are currently not listed or traded on any stock exchange. Upon completion of the Global Offering, all unlisted Shares are Domestic Shares held by CNNC, CIAE, NPIC, CNNC Fund, 404 Company, Baoyuan Investment, CAIF and CAIC and, therefore, the scope of our unlisted Shares is the same as that of our Domestic Shares. The term “unlisted Shares” is used to describe whether certain Shares are listed on a stock exchange, and is not unique to PRC laws. As confirmed by the Company’s PRC legal advisor, King & Wood Mallesons, the use of the term, “unlisted Shares”, in the Company’s Article of Association does not contravene any PRC laws and regulations (including the Special Regulations and Mandatory Provisions).

According to the stipulations of the State Council’s securities regulatory authority and the Articles of Association, our unlisted Shares may be converted into H Shares. The conversion of H shares only applies to our unlisted Shares. 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 shares, the requisite internal approval processes have been duly completed and the approval from the relevant PRC regulatory authorities, including CSRC, 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.

Based on the methodology and the procedures for the conversion of our unlisted Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our Domestic

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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 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 will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class shareholder voting is required for the listing and trading of the converted 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 Shareholders and the public of such proposed conversion.

Mechanism and Procedures for Conversion

After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: the relevant unlisted Shares will be withdrawn from our Domestic Share register, and we will then re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be conditional on (i) our H Share Registrar lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates, and (ii) the admission of the H Shares to trading on the Stock Exchange complying with the Listing Rules, the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the transferred Shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

So far as our Directors are aware, none of our promoters currently proposes to convert any of the unlisted Shares held by it into H Shares.

RANKING

Our Domestic 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. Domestic Shares may only be subscribed for and traded in RMB. Apart from certain qualified domestic institutional investors in the PRC or through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. However, Domestic Shares (unlisted) can only be subscribed for by and traded between legal or natural persons of the PRC, qualified foreign institutional investors and qualified foreign strategic investors. We shall pay all dividends in respect of H Shares in Hong Kong dollars and all dividends in respect of Domestic Shares in RMB. For details of the circumstances under which general meetings and class meetings of our Company are required, please refer to the section headed “Appendix V — Summary of Articles of Association”.

Except as described in this prospectus and in relation to the dispatch of notices and financial reports to our Shareholders, dispute resolution, the registration of Shares in different sections 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 Domestic 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

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date of this prospectus. However, the transfer of Domestic 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 following the Listing Date. We have not approved any share issue plan other than the Global Offering.

TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

The Company Law provides that in relation to the Hong Kong Public Offering of a company, the shares issued by a company prior to the Hong Kong Public Offering shall not be transferred for 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 statutory restriction and shall not be transferred for a period of one year from the Listing Date.

REGISTRATION OF SHARES NOT LISTED ON AN 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 CSRC, an overseas listed company seeking initial public offering of overseas listed foreign shares is required to register its shares that are not listed on an overseas stock exchange with the China Securities Depository and Clearing Corporation Limited within 15 business days upon overseas listing and provide a written report to CSRC regarding the centralized registration and deposit of its non-overseas listed shares as well as the current offering and listing of shares.