
SHARE CAPITAL

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This section presents certain information regarding the share capital of our Company following the completion of the Global Offering.

As of the Latest Practicable Date, the registered share capital of our Company was RMB877,728,362, divided into 731,529,532 Domestic Shares and 146,198,830 Unlisted Foreign 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:

	<u>Number of shares</u>	<u>Approximate percentage of registered share capital</u>
Domestic Shares ⁽¹⁾	731,529,532	71.42%
H Shares to be converted from Unlisted Foreign Shares and held by CM International, GF Energy and L.R. Capital Growth I	146,198,830	14.28%
H Shares to be issued by the Company under the Global Offering	<u>146,500,000</u>	<u>14.30%</u>
Total Share Capital	<u>1,024,228,362</u>	<u>100%</u>

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

	<u>Number of shares</u>	<u>Approximate percentage of registered share capital</u>
Domestic Shares ⁽¹⁾	731,529,532	69.93%
H Shares to be converted from Unlisted Foreign Shares and held by CM International, GF Energy and L.R. Capital Growth I	146,198,830	13.97%
H Shares to be issued by the Company under the Global Offering	<u>168,472,000</u>	<u>16.10%</u>
Total Share Capital	<u>1,046,200,362</u>	<u>100%</u>

Note:

(1) These Domestic Shares are held by TBEA, Xinjiang Tebian, Xinjiang Honglian, Xinjiang Far Excellence, Liu Bingcheng, Jia Boyun and Jinglong Technology which may be converted into H Shares. See “Conversion of our Unlisted Shares into H Shares” in this section.

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 TBEA, Xinjiang Tebian, Xinjiang Honglian, Xinjiang Far Excellence, Liu Bingcheng, Jia Boyun and Jinglong Technology and therefore, the scope of our unlisted Shares is the same as the scope 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.

According to the stipulations by the State Council’s securities regulatory authority and the Articles of Association, our unlisted Shares may be converted into H Shares, and such converted H

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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 approvals 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.

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 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 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.

Given the above, our PRC legal adviser, Grandall Law Firm (Beijing), has advised us that our Articles of Association are not inconsistent with any PRC laws and regulations regarding the 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 Shares register and we will 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 conditioned on (i) our H Share Registrar lodging with the Hong Kong 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 trade on the Hong Kong Stock Exchange complying with the Hong Kong Listing Rules and 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 the holders of our Domestic Shares currently proposes to convert any of the Domestic Shares held by it into H Shares.

Conversion of Unlisted Foreign Shares

Upon completion of the Global Offering and pursuant to the approval of CSRC dated August 7, 2015, Unlisted Foreign Shares held by CM International, GF Energy and L.R. Capital Growth I will be converted to H Shares on a one-for-one basis and will be listed for trading on the Hong Kong Stock Exchange.

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After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: the holders of relevant unlisted foreign shares will be withdrawn from the unlisted foreign 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 (i) our H Share Registrar lodging with the Hong Kong 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 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 shares are re-registered on our H Share register, such Shares would not be listed as 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, on the other hand, 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, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Domestic Shares (unlisted), on the other hand, 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 must pay all dividends in respect of H Shares in Hong Kong dollars and all dividends in respect of Domestic Shares in RMB. See “*Appendix IV—Summary of Principal PRC and Hong Kong Legal and Regulatory Provisions*” and “*Appendix V—Summary of the Articles of Association*” in this prospectus for details of the circumstances under which general meetings and class meetings of the Company are required.

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 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 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 next six months from 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 PRC 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.

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REGISTRATION OF SHARES NOT LISTED ON THE 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.