

SUBSTANTIAL AND INITIAL MANAGEMENT SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, immediately after completion of the Placing (and assuming the Over-allocation Option is not exercised at all), the following persons will be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company and are accordingly regarded as Substantial Shareholders under the GEM Listing Rules:

Name of the Substantial Shareholder	Number of Domestic Shares of RMB0.10 each held	Approximate percentage of shareholding (immediately after the completion of the Placing but before the exercise of the Over-allocation Option) (%)
Professor Xiao (<i>Note 1</i>)	180,000,000	27.8
Xi'an Jiefang Group (<i>Note 1</i>)	100,000,000	15.5
XITIC (<i>Note 1</i>)	70,151,471	10.8
Xi'an Finance Bureau (<i>Note 1</i>)	70,151,471 (<i>Note 2</i>)	10.8
Shaanxi Baosheng International Investment Company Limited (<i>Note 1</i>)	70,151,471 (<i>Note 2</i>)	10.8

Notes:

- For details of these shareholders, please refer to the paragraph headed "Corporate structure" in the "Business" section of this prospectus.
- Each of Xi'an Finance Bureau and Shaanxi Baosheng International Investment Company Limited is deemed to be interested in the 70,151,471 Domestic Shares of RMB0.10 each held by the XITIC as each of Xi'an Finance Bureau and Shaanxi Baosheng International Investment Company Limited is interested in approximately 39.6% and 34.3% respectively of the registered capital of XITIC.

INITIAL MANAGEMENT SHAREHOLDERS

The following persons are entitled as a group of persons together to exercise, or control the exercise of, 5% or more of the voting power at any general meeting of the Company and are able to, as a practicable matter, direct or influence the management of the Company immediately prior to the date of commencement of dealings in the H Shares on GEM and are therefore regarded as Initial Management Shareholders under the GEM Listing Rules:

Name of Initial Management Shareholder	Number of Domestic Shares of RMB0.10 each held immediately after the completion of the Placing but before the exercise of the Over-allocation Option	Approximate Percentage of shareholding immediately after the completion of the Placing but before the exercise of the Over-allocation Option (%) (<i>Note 1</i>)
Professor Xiao (<i>Note 2</i>)	180,000,000	27.8
Xi'an Jiefang Group (<i>Note 2</i>)	100,000,000	15.5
XITIC (<i>Note 2</i>)	70,151,471	10.8
Xi'an Finance Bureau (<i>Note 2</i>)	70,151,471 (<i>Note 3</i>)	10.8
Shaanxi Baosheng International Investment Company Limited (<i>Note 2</i>)	70,151,471 (<i>Note 3</i>)	10.8

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Name of Initial Management Shareholder	Number of Domestic Shares of RMB0.10 each held immediately after the completion of the Placing but before the exercise of the Over-allocation Option	Approximate Percentage of shareholding (immediately after the completion of the Placing but before the exercise of the Over-allocation Option) (%) (Note 1)
BJ Holdings (Note 2)	54,077,941	8.4
Beijing Holdings Limited (Note 2)	54,077,941 (Note 4)	8.4
Shaanxi Silk (Note 2)	45,064,706	7.0
Shaanxi Finance Bureau	45,064,706 (Note 5)	7.0
Xi'an Zhengheng Investment (Note 2)	15,000,000	2.3
Lei Hua Feng (Note 2)	15,000,000 (Note 6)	2.3
Gao Hui Min (Note 2)	15,000,000 (Note 6)	2.3
Gao Xu (Note 2)	15,000,000 (Note 6)	2.3
Mr. Wu (Note 2)	10,000,000	1.5
Mr. Chen (Note 2)	6,000,000	0.9
Shaanxi Mant (Note 2)	5,000,000	0.8
Li Zhong Min (Note 2)	5,000,000 (Note 7)	0.8
Wu Juan (Note 2)	5,000,000 (Note 7)	0.8

Note 1: If the Over-allocation Option is exercised in full, the Company will be required to issue up to an additional 22,058,824 New H Shares and the Vendors will be required to sell up to an additional 2,205,882 Sale H Shares such that there will be a total of 186,029,412 H Shares in issue. The shareholding interests of the Initial Management Shareholders will be diluted and reduced accordingly.

Note 2: For details of these shareholders, please refer to the paragraph headed "Corporate structure" in the section headed "Business" of this prospectus.

Note 3: Each of Xi'an Finance Bureau and Shaanxi Baosheng International Investment Company Limited is deemed to be interested in the 70,151,471 Domestic Shares of RMB0.10 each held by XITIC as each of Xi'an Finance Bureau and Shaanxi Baosheng International Investment Company Limited is interested in approximately 39.6% and 34.3% respectively of the registered capital of XITIC.

Note 4: Beijing Holdings Limited is deemed to be interested in the 54,077,941 Domestic Shares of RMB0.10 each held by BJ Holdings as the entire registered capital of BJ Holdings is invested by Beijing Holdings Limited.

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Note 5: Shaanxi Finance Bureau is deemed to be interested in the 45,064,706 Domestic Shares of RMB0.10 each held by Shaanxi Silk as the entire registered capital of Shaanxi Silk is invested/held by Shaanxi Finance Bureau.

Note 6: Each of Lei Hua Feng, Gao Hui Min and Gao Xu is deemed to be interested in the 15,000,000 Domestic Shares of RMB0.10 each held by Xi'an Zhengheng Investment as they are interested in 33.4%, 33.3% and 33.3% respectively of the registered capital of Xi'an Zhengheng Investment.

Note 7: Each of Li Zhong Min and Wu Juan is deemed to be interested in the 5,000,000 Domestic Shares of RMB0.10 each held by Shaanxi Mant as they are interested in 70% and 30% respectively of the registered capital of Shaanxi Mant.

SIGNIFICANT SHAREHOLDERS

So far as the Directors are aware, apart from the Substantial Shareholders and the Initial Management Shareholders referred to above, there are no significant Shareholders, being persons who are not management Shareholders but are entitled to exercise or control the exercise of 5% or more of the voting power at any general meetings of the Company prior to the date of this prospectus.

UNDERTAKINGS

Non-disposal undertakings

1. Professor Xiao, being an Initial Management Shareholder who will be interested in more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that he will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his equity interest in his Relevant Securities for a period of 12 months from the Listing Date.
2. Xi'an Jiefang Group, being an Initial Management Shareholder which will be interested in more than 1% of the issued share capital of the Company as at the Listing Date. Xi'an Jiefang Group has undertaken to the Company and the Stock Exchange that it will not dispose of (or enter into any agreement to dispose of) its equity interest in the Company for a period of 12 months from the Listing Date.
3. (i) XITIC, being an Initial Management Shareholder which will be interested in more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its equity interest in its Relevant Securities for a period of 12 months from the Listing Date.

(ii) Each of Shaanxi Baosheng International Investment Company Limited, Shaanxi Blower (Group) Limited Company, Xi'an Finance Bureau, Xi'an Mingwei (Group) Economic Technology Development Company Limited, Shaanxi Baichuan Xingye Investment Company Limited, Xi'an Qinli Property (Group) Company Limited, Xi'an National Hi-tech Industrial Development Zone Scientific & Technology Investment Service Centre, Xi'an Television Broadcast and Xi'an Lanxi Technology Enterprise (Group) Company Limited, which are shareholders of XITIC, has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of their respective equity interest in XITIC for a period of 12 months from the Listing Date.

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- (iii) (a) Each of the shareholders of Shaanxi Baosheng International Investment Company Limited, being Shaanxi Zhongxing Enterprise Holdings Company Limited, Shaanxi Longchang Industrial Development Company Limited, Shaanxi Baiye Foundation Engineering Company Limited, Kuang San Hong, Li Zhao Yi and Pan An Sheng, has undertaken to the Company and the Stock Exchange that it/he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its/his/her equity interest in Shaanxi Baosheng International Investment Company Limited for a period of 12 months from the Listing Date.
- (b) Each of the shareholders of Shaanxi Zhongxing Enterprise Holdings Company Limited, being Kuang Jing Song, Wu Hai Quan, Li Wen Feng, Zhang Gui Lan, Wu Yu Jiong and Shaanxi Longchang Industrial Development Company Limited, has undertaken to the Company and the Stock Exchange that it/he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its/his/her equity interest in Shaanxi Zhongxing Enterprise Holdings Company Limited for a period of 12 months from the Listing Date.
- (c) Each of the shareholders of Shaanxi Longchang Industrial Development Company Limited, being Wu Xiao Yin, Liu Juan Chu, Pan An Sheng and Wei Ying E, has undertaken to the Company and the Stock Exchange that he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his/her equity interest in Shaanxi Longchang Industrial Development Company Limited for a period of 12 months from the Listing Date.
- (d) Each of the shareholders of Shaanxi Baiye Foundation Engineering Company Limited, being Kuang Jin Song, Zhang Jian Bin, Liu Xiao Bin and Qiao Dong Sheng, has undertaken to the Company and the Stock Exchange that he will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his equity interest in Shaanxi Baiye Foundation Engineering Company Limited for a period of 12 months from the Listing Date.
- (iv) Each of the shareholders of Xi'an Mingwei (Group) Economic Technology Development Company Limited, being Shao Guang Ming, Fan Zhen Jun and Shen Ji Hua, has undertaken to the Company and the Stock Exchange that he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his/her equity interest in Xi'an Mingwei (Group) Economic Technology Development Company Limited for a period of 12 months from the Listing Date.
- (v) All the shareholders of Shaanxi Baichuan Xingye Investment Company Limited, being Shaanxi Zhongxing Enterprise Holdings Company Limited, Li Yuan, Wei Ying E, Liu Xiao Bin and Pan An Sheng, has undertaken to the Company and the Stock Exchange that it/he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its/his/her equity interest in Shaanxi Baichuan Xingye Investment Company Limited for a period of 12 months from the Listing Date.

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- (vi) All the shareholders of Xi'an Qinli Property (Group) Company Limited, being Sun Zhi Gang, Zhao Yong, Luo Wen and Zhe De Gang has undertaken to the Company and the Stock Exchange that they will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of their equity interests in Xi'an Qinli Property (Group) Company Limited for a period of 12 months from the Listing Date.
 - (vii) The shareholder of Xi'an National Hi-tech Industrial Development Zone Science and Technology Investment Service Centre, being 西安高新技術產業開發區管理委員會 (Administrative Committee of Xi'an National Hi-tech Industrial Development Zone), has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its equity interest in Xi'an National Hi-tech Industrial Development Zone Science and Technology Investment Service Centre for a period of 12 months from the Listing Date.
 - (viii) All the shareholders of Xi'an Lanxi Technology Enterprise (Group) Company Limited, being Wang Wu, Chang Chun, Zhang Qin, Wang Xiao Xia, Xia Min, Li Kang, Tao San Ding, Lu Yu, Chen Shao Jing and Hao Shu Ping, has undertaken to the Company and the Stock Exchange that they will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of their equity interests in Xi'an Lanxi Technology Enterprise (Group) Company Limited for a period of 12 months from the Listing Date.
4. BJ Holdings, being an Initial Management Shareholder which will be interested in more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its equity interest in its Relevant Securities for a period of 12 months from the Listing Date.
5. Shaanxi Silk, being an Initial Management Shareholder which will be interested in more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its equity in its Relevant Securities for a period of 12 months from the Listing Date.
6. (a) Xi'an Zhengheng Investment, being an Initial Management Shareholder which will be interested in more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its equity interest in its Relevant Securities for a period of 12 months from the Listing Date.
- (b) Each of the shareholders of Xi'an Zhengheng Investment, being Lei Hua Feng, Gao Hui Min and Gao Xu, has undertaken to the Company and the Stock Exchange that he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his/her equity interest in Xi'an Zhengheng Investment for a period of 12 months from the Listing Date.

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7. Mr. Wu, being an Initial Management Shareholder who will be interested in more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that he will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his equity interest in his Relevant Securities for a period of 12 months from the Listing Date.
8. Mr. Chen, being an Initial Management Shareholder who will be interested in no more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that he will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his equity interest in his Relevant Securities for a period of six months from the Listing Date.
9.
 - (a) Shaanxi Mant, being an Initial Management Shareholder which will be interested in no more than 1% of the issued share capital of the Company as at the Listing Date, has undertaken to the Company and the Stock Exchange that it will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its equity interest in its Relevant Securities for a period of six months from the Listing Date.
 - (b) Each of the shareholders of Shaanxi Mant, being Li Zhong Min and Wu Juan, has undertaken to the Company and the Stock Exchange that he/she will not dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his/her equity interest in Shaanxi Mant for a period of six months from the Listing Date.

Each of the Directors (including the non-executive Directors and independent non-executive Directors) has undertaken (i) not to approve, and to procure the Company not to approve, the registration of any transfer of the Domestic Shares owned by the Initial Management Shareholders within a period of 12 months or six months, as the case may be, after the Listing Date; and (ii) to submit a copy of the undertakings in favour of the Stock Exchange and the Company in relation to the restriction on disposal of the Domestic Shares given by the Initial Management Shareholders to 西安工商行政管理局 (the Administration of Industry and Commerce of Xi'an) for filing purpose and request the Administration of Industry and Commerce of Xi'an, after the Listing, (i) to insert a note in the register of the Company's information maintained by the Administration of Industry and Commerce of Xi'an which shall state that all the Domestic Shares held by the Initial Management Shareholders cannot be transferred; and (ii) not to register any transfer of the Domestic Shares held by the Initial Management Shareholders, within their respective moratorium periods under the GEM Listing Rules as stated in this prospectus. According to Jingtian & Gongcheng, the Administration of Industry and Commerce of Xi'an is the relevant authority for the Company to file and register its corporate information.