
SHARE CAPITAL

As at the Latest Practicable Date, the share capital of the Company was RMB170,000,000.

Assuming that the Over-allotment Option is not exercised, the Company's share capital immediately following the International Placing will be as follows:

RMB

Issued and to be issued, fully paid or credited as fully paid upon completion of the International Placing:

(Shares)

340,000,000	Domestic Shares in issue (<i>Note 1</i>)	170,000,000
145,714,000	H Shares to be issued and/or offered under the International Placing	72,857,000
<u>485,714,000</u>	Total	<u>242,857,000</u>

Note:

- (1) As at the Latest Practicable Date, the owners of the Domestic Shares of the Company were Tianda Holding (as to 272,000,000 Shares) and Tianda Investment (as to 68,000,000 Shares).

Assuming that the Over-allotment Option is exercised in full, the Company's share capital will be as follows:

RMB

Issued and to be issued, fully paid or credited as fully paid upon completion of the International Placing and the exercise of the Over-allotment Option in full:

(Shares)

340,000,000	Domestic Shares in issue (<i>Note 1</i>)	170,000,000
167,570,000	H Shares to be issued and/or offered under the International Placing	83,785,000
<u>507,570,000</u>	Total	<u>253,785,000</u>

Note:

- (1) As at the Latest Practicable Date, the owners of the Domestic Shares of the Company were Tianda Holding (as to 272,000,000 Shares) and Tianda Investment (as to 68,000,000 Shares).

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Ranking

The Shares referred to in the above table have been or will be fully paid or credited as fully paid when issued.

Domestic Shares and H Shares are both ordinary shares in the share capital of the Company. However, H Shares are only issued for subscription and trading by legal persons or natural persons in countries or places outside the PRC (including those persons in Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC), and the subscription for and dealings in H Shares have to be made in Hong Kong dollars. Conversely, Domestic Shares are only issued for subscription and trading by legal persons or natural persons in the PRC (excluding those in Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC) or qualified foreign institutional investors approved by CSRC, and the subscription for and dealings in Domestic Shares have to be made in Renminbi. In accordance with the requirement of article 27 of the Special Regulations, the payment of dividends on H Shares has to be made in Hong Kong dollars. Under the PRC laws, the payment of dividends on Domestic Shares has to be made in Renminbi.

All the existing Domestic Shares are held by the Promoters as promoter shares (as defined in the PRC Company Law). Promoter shares may not be sold within a period of time from the Listing Date as stipulated under the Articles of Association. Subject to the approval by the securities supervisory and administrative authorities of the State Council, the holders of Domestic Shares may transfer their shares to overseas investors and such shares may be listed or traded on an overseas securities exchange. Any listing or trading of the transferred shares on an overseas securities exchange shall also comply with the regulatory procedures, rules and requirements of such overseas securities exchange.

According and subject to the stipulations by the State Council securities regulatory authority and the Articles of Association, the Domestic Shares may be transferred to overseas investors, and, subject to the following, such transferred shares may be listed or traded on the GEM board of the Stock Exchange:

- (i) approval granted by the CSRC and compliance with the transfer procedures duly established and announced by the Company. Domestic Shares of the Company could then be transferred to Hong Kong, listed on the GEM board of the Stock Exchange as H Shares and sold in the open market;
- (ii) the transfer of Domestic Shares to Hong Kong would be required to meet the established administrative procedures for listing at the GEM board of the Stock Exchange, including the submission of necessary documentation and the delivery of the shares for inclusion in the Hong Kong share registrar;
- (iii) the Company could apply to list all or any portion of its Domestic Shares on the GEM board of the Stock Exchange as H shares in advance of any proposed transfer to ensure that the transfer process could be completed promptly upon notice to the Stock Exchange and delivery of shares for inclusion in the Hong Kong share registrar. However, as the listing of additional shares after the Company's initial listing was ordinarily considered by the Stock Exchange to be a

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purely administrative matter, the Stock Exchange does not require such prior application as a condition for the transfer, listing and sale of shares in the form of H Shares;

- (iv) in the event that the Domestic Shares are to be transferred to overseas investors and to be traded as H Shares on GEM, such transfer and conversion will need to obtain the approval of the relevant PRC regulatory authorities, including the CSRC. The listing of such converted shares on GEM will also need to obtain the approval of the Stock Exchange. Any application for listing of the converted shares on GEM after this initial listing is subject to prior notification by way of announcement to inform shareholders and the public of any proposed transfer. The Company can apply for the listing of all or any portion of the Domestic Shares on GEM as H Shares in advance of any proposed transfer to ensure that the transfer process can be completed promptly upon notice to the Stock Exchange and delivery of such shares for entry on the H Share register; any listing of additional shares after this initial listing on GEM is ordinarily considered by the Stock Exchange to be an administrative matter. No application for the listing of such Domestic Shares on GEM has been made at the time of this initial listing on GEM;
- (v) the relevant Domestic Shares being removed from the relevant shareholder records of the Company (subject to and in accordance with the requirements of the then prevailing PRC law) and registered in the register of shareholders of the Company created for the purpose of complying with the requirements of the relevant stock exchange. In the event that the Domestic Shares are to be transferred to overseas investors and to be traded as H Shares on GEM, after all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Domestic Shares will be withdrawn from the PRC share register of the Company and will be re-registered on the Company's H Share register maintained in Hong Kong and the Company's Hong Kong share registrar will be instructed to issue H Share certificates for such shares. Listing of such converted shares on GEM will also be on the condition that (a) the Company's Hong Kong share registrar lodges 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 (b) the admission of the converted shares to trade on GEM will comply with the GEM 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 the Company's H Share register, such shares will not be listed as H Shares. Insofar as the Company is aware, none of the Company's Promoters currently proposes to convert any of their Domestic Shares into H Shares;
- (vi) no further approval by the Shareholders in general meetings and/or class meetings would be required for the transfer, listing and sale of Domestic Shares held by the Company in the form of H shares.

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Save as mentioned above and the required approval for certain proposals affecting the Company, the notices and financial reports addressed to its shareholders, the resolution of disputes, the method of share registration and transfer for different parts of the register of members, and the appointment of receiving agent (all as provided for in the Articles of Association and summarised in Appendix VI to this prospectus), Domestic Shares rank *pari passu* with H Shares, in particular in the declaration, payment or distribution of dividends in full made after the date of this prospectus. Nonetheless, the transfer of Domestic Shares (including Domestic Shares held by the Directors, the Supervisors and the staff of the Company, if any) is subject to restrictions imposed by PRC law from time to time. Domestic Shares have not been admitted for listing or dealing in any authorised trading facility such as the Securities Trading Automated Quotation System in the PRC.