

SHARE CAPITAL

SHARE CAPITAL

As at the Latest Practicable Date, the registered share capital of our Company was RMB1,629,000,000, divided into 1,629,000,000 Shares with a nominal value of RMB1.00 each.

Assuming the [REDACTED] is not exercised, the share capital of our Company immediately after the [REDACTED] will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of share capital</u>
Domestic Shares ⁽¹⁾	1,629,000,000	[REDACTED]%
H Shares to be issued by our Company under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u> %
Total	<u><u>[REDACTED]</u></u>	<u><u>100.00%</u></u>

Note:

- (1) These Domestic Shares are held by Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile which may be converted into H Shares. See “— Conversion of Our Domestic Shares into H Shares”

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately after the [REDACTED] will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of share capital</u>
Domestic Shares ⁽¹⁾	1,629,000,000	[REDACTED]
H Shares to be issued by our Company under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.00%</u></u>

Note:

- (1) These Domestic Shares are held by Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile which may be converted into H Shares. See “— Conversion of Our Domestic Shares into H Shares”

CLASS OF SHARES

Upon the completion of the [REDACTED], the Shares will consist of Domestic Shares and H Shares. Our Domestic Shares and H Shares are all ordinary shares in the share capital of our Company.

SHARE CAPITAL

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, our H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons.

Our Domestic Shares and H Shares are regarded as different classes of Shares. The differences between the two classes of Shares, provisions on class rights, dispatch of notices and financial reports to Shareholders, dispute resolution, registration of Shares on different registers of Shareholders, the procedure of transfer of Shares and appointment of dividend receiving agents as contained in the Articles of Association are summarised in the section headed “Appendix V — Summary of the Articles of Association” in this document.

Furthermore, any change or abrogation of the rights of class Shareholders shall be approved by way of a special resolution of the general meeting of Shareholders and by a separate class shareholders meeting of class Shareholders convened by the affected class of Shareholders. The circumstances under which a general meeting and/or a class meeting is required are summarised in the section headed “Appendix V — Summary of the Articles of Association” in this document.

Save as disclosed above, our Domestic Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for our H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for our Domestic Shares will be paid in Renminbi.

PUBLIC FLOAT REQUIREMENTS

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which [REDACTED] is sought and for a sufficient public float of an issuer’s [REDACTED] securities to be maintained. This normally means that (i) at least 25.00% of the issuer’s total issued shares must at all times be held by public, and (ii) where an issuer has one class of securities or more apart from the class of securities for which [REDACTED] is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of [REDACTED] must be at least 25.00% of the issuer’s total number of issued shares. However, the class of securities for which [REDACTED] is sought must not be less than 15.00% of the issuer’s total number of issued shares, having an expected [REDACTED] at the time of [REDACTED] of not less than HK\$125,000,000.

Based on the information in the above tables, the Company will meet the public float requirements under the Listing Rules after the completion of the [REDACTED] (whether or not the [REDACTED] is exercised in full). We will make appropriate disclosure of our public float and confirm the sufficiency of our public float in successive annual reports after [REDACTED].

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

We have two classes of ordinary shares, H Shares and Domestic Shares. Our Domestic Shares are [REDACTED] Shares which are currently not [REDACTED] or traded on any stock exchange. Upon completion of the [REDACTED], all [REDACTED] Shares are Domestic Shares held by Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile and therefore, the scope of our [REDACTED] Shares is the same as the scope of our Domestic Shares. The term “[REDACTED] Shares” is used to describe whether certain Shares are [REDACTED] on a stock exchange and is not unique to PRC laws.

SHARE CAPITAL

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, our Domestic Shares may be converted into H Shares, and such converted H Shares may be [REDACTED] 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 approval from the relevant PRC regulatory authorities, including the CSRC, shall have been obtained. In addition, such conversion, trading and [REDACTED] 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 Domestic 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 [REDACTED] Shares into H Shares as described in this section, we can apply for the [REDACTED] of all or any portion of our [REDACTED] 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 [REDACTED] of additional shares after our initial [REDACTED] 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 [REDACTED] at the time of our initial [REDACTED] in Hong Kong.

No Shareholder voting by class is required for the [REDACTED] and trading of the converted shares on an overseas stock exchange. Any application for [REDACTED] of the converted shares on the Hong Kong Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

Mechanism and Procedure for Conversion

Following the grant of relevant approvals, the holder of Domestic Shares shall submit an application to us to deregister the Domestic Shares to be converted from the Domestic Share register, together with the relevant document(s) of title. Upon obtaining all the requisite approvals, we will instruct the [REDACTED] to issue certificates of such number of H Shares to the relevant holders. Registration on our H Share register will be on the condition that (i) our [REDACTED] 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 will comply with the Hong Kong Listing Rules as well as the General Rules of [REDACTED] and the [REDACTED] Operational Procedures in force from time to time. The converted Shares will not be [REDACTED] as H Shares until they are registered on our H Share register.

As at the Latest Practicable Date, our Directors were not aware of any intention of any holders of Domestic Shares to convert all or part of their Domestic Shares into H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued prior to the [REDACTED] shall not be transferred within one year from the date on which the publicly offered shares are [REDACTED] on any stock exchange. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and shall not be transferred within one year from the [REDACTED].

SHARE CAPITAL

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralised 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, our Company 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 [REDACTED] of our H Shares and provide a written report to the CSRC regarding the centralised registration and deposit of our Domestic Shares as well as the [REDACTED] and [REDACTED] of our H Shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

For details of circumstances under which our Shareholders’ general meeting and class Shareholders’ meeting are required, please refer to the section headed “Appendix V — Summary of the Articles of Association” in this document. Furthermore, we need to obtain approvals from the CSRC and other relevant PRC authorities for the actual issuance of H Shares.