
CORNERSTONE INVESTORS

The Cornerstone Placing

We and the Joint Global Coordinators have entered into cornerstone investment agreements with the following investors (the “**Cornerstone Investors**”, each a “**Cornerstone Investor**”), pursuant to which the Cornerstone Investors have agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 1,000 Shares) that may be purchased for an aggregate amount of approximately US\$20.9 million (the “**Cornerstone Placing**”). Assuming an Offer Price of HK\$2.46 (being the mid-point of the indicative Offer Price range stated in this Prospectus), the total number of Shares to be subscribed for by the Cornerstone Investors would be approximately 65,190,000 Shares, representing approximately (i) 16.3% of the Offer Shares initially available under the Global Offering; and (ii) 4.1% of our Company’s enlarged share capital immediately upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Each of the Cornerstone Investors and its ultimate beneficial owners are independent third parties of the Company. Save as disclosed in this section, each of the Cornerstone Investors is independent with each other. Each of the Cornerstone Investors is not our connected person and is not an existing shareholder of our Company. Depending on the final Offer Price, details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by our Company on or around July 10, 2013.

The Cornerstone Placing forms part of the International Offering. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares in issue and will be counted towards the public float of our Company. The Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than and pursuant to the respective cornerstone investment agreement). Upon the completion of the Global Offering, the Cornerstone Investors will not have any board representation nor enjoy any special rights in our Company. None of them will become our substantial shareholders. The Offer Shares to be subscribed for by the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering described in “Structure of the Global Offering — Pricing and Allocation”.

Our Cornerstone Investors

A brief description of the Cornerstone Investors is set out below:

China Orient International Asset Management Limited (“China Orient”)

Pursuant to a cornerstone investment agreement (as supplemented by a supplemental agreement dated June 25, 2013) entered into between the Company, Joint Global Coordinators and China Orient, China Orient has agreed to purchase a number of International Offer Shares at the Offer Price for a total of US\$12 million (rounded down to the nearest board lot of 1,000 Shares) (inclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy). Assuming an Offer Price of HK\$2.46 (being the mid-point of the Offer Price range stated in this Prospectus), the total number of Shares to be purchased by China Orient would be 37,495,000 Shares, representing approximately 9.4% of the total Offer Shares initially available under the Global Offering and approximately 2.3% of our Company’s enlarged share capital immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

China Orient was incorporated in Hong Kong and is a wholly-owned subsidiary of China Orient Asset Management Corporation (“**COAMC**”). Approved by the State Council and the People’s Bank of China, and registered with the State Administration for Industry and Commerce as a wholly state-owned financial institution, COAMC was founded on October 15, 1999. COAMC’s businesses include a variety of financial services, such as insurance, securities, trust, leases, credit rating and assets management, enabling it to provide various financial services to its customers.

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CSI Capital Management Limited (“CSI Capital”)

CSI Capital has agreed to purchase a number of International Offer Shares at the Offer Price for a total of HK\$30 million (approximately US\$3.9 million) (rounded down to the nearest board lot of 1,000 Shares) (inclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy). Assuming an Offer Price of HK\$2.46 (being the mid-point of the Offer Price range stated in this Prospectus), the total number of Shares to be purchased by CSI Capital would be 12,073,000 Shares, representing approximately 3.0% of the total Offer Shares initially available under the Global Offering and approximately 0.8% of our Company’s enlarged share capital immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

CSI Capital, a company incorporated in British Virgin Islands, has its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. It is wholly owned by CITIC Securities International Company Limited, being a wholly-owned subsidiary of CITIC Securities Company Limited, a joint stock company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6030) and Shanghai Stock Exchange (ticker: 600030). CITIC Securities Company Limited indirectly holds approximately 7% interest in CSCIL.

Yung Hang Investment Co., Ltd. (“Yung Hang”)

Yung Hang has agreed to purchase a number of International Offer Shares at the Offer Price for a total of US\$4.2 million (rounded down to the nearest board lot of 1,000 Shares) (inclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy). Assuming an Offer Price of HK\$2.46 (being the mid-point of the Offer Price range stated in this Prospectus), the total number of Shares to be purchased by Yung Hang would be 13,123,000 Shares, representing approximately 3.3% of the total Offer Shares initially available under the Global Offering and approximately 0.8% of our Company’s enlarged share capital immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Yung Hang is a 99.99% owned subsidiary of Yulon Motor Co. Ltd. (“Yulon”) and was incorporated in Taiwan in 1994. Yung Hang’s main business is investment in manufacturing industry, financial industry and service industry. Its parent company Yulon is Taiwan’s largest car manufacturing group and is listed on the Taiwan Stock Exchange (ticker: 2201 TT). Yulon was founded by Mr. Tjing-Ling Yen and his wife, Mrs. Vivian Wu Yen.

Vivian Investment Co., Ltd (“Vivian Investment”)

Vivian Investment has agreed to purchase a number of International Offer Shares at the Offer Price for a total of US\$0.8 million (rounded down to the nearest board lot of 1,000 Shares) (inclusive of brokerage fee, Stock Exchange trading fee and SFC transaction levy). Assuming an Offer Price of HK\$2.46 (being the mid-point of the Offer Price range stated in this Prospectus), the total number of Shares to be purchased by Vivian Investment would be 2,499,000 Shares, representing approximately 0.6% of the total Offer Shares initially available under the Global Offering and approximately 0.2% of our Company’s enlarged share capital immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Vivian Investment Co., Ltd was incorporated in Taiwan and was founded on November 1987. It is principally engaged in businesses involving investment in various manufacturing industry, financial industry, service industry, securities business and investment in real estate properties. Vivian Investment is owned 99% by Mr. Kenneth Yen. Mr. Kenneth Yen is also the Chairman and a shareholder holding a direct interest of approximately 10% of Yulon, which is holding 99.99% of another Cornerstone Investor, Yung Hang. Mr. Tjing-Ling Yen is the father of Mr. Kenneth Yen. Taking into account the aggregate number of Shares that may be purchased by Vivian Investment and Yung Hang pursuant to their respective cornerstone investment agreement, they will not become our substantial shareholders.

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Conditions Precedent

The subscription obligation of the Cornerstone Investors is subject to, among other things, the following conditions precedent:

- (i) the Underwriting Agreements having been entered into, become effective and having become effective and unconditional (in accordance with their respective original terms, as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties) by no later than the time and date as specified in these underwriting or purchase agreements;
- (ii) neither of the aforesaid underwriting or purchase agreements having been terminated;
- (iii) the Listing Committee of the Hong Kong Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares and that such approval or permission has not been revoked;
- (iv) no laws shall have been enacted or promulgated by any governmental authority which prohibit the consummation of the closing of the subscription contemplated under the cornerstone investment agreements (“**Closing**”) and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of the Closing; and
- (v) the respective representations, warranties and confirmations of the Cornerstone Investor and the Company set out in the cornerstone investment agreements are accurate and true in all material respects and not misleading and there is no material breach of the cornerstone investment agreements on the part of the Cornerstone Investor.

Restrictions on Disposals by the Cornerstone Investors

Each of the Cornerstone Investors has agreed that, without the prior written consent of each of our Company and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during a period of six months following the Listing Date, dispose of (as defined in the cornerstone investment agreements) any of the Shares subscribed for by it pursuant to the relevant cornerstone investment agreements. Each of the Cornerstone Investors may transfer all or part of the Shares so subscribed to any of its wholly-owned subsidiaries, provided that such wholly-owned subsidiary undertakes in writing in favor of the Company and the Joint Global Coordinators that it will, and the Cornerstone Investor undertakes in writing in favor of the Company and the Joint Global Coordinators prior to such transfer to procure that such wholly-owned subsidiary will, abide by the terms and restrictions in the cornerstone investment agreements imposed on such Cornerstone Investor as if such wholly-owned subsidiary were itself subject to such terms and restrictions.

Each of the Cornerstone Investors agrees that, save that with the prior written consent of the Company and the Joint Global Coordinators, the aggregate holding of the Cornerstone Investor and its associates in the total issued share capital of the Company shall be less than 10% of the Company’s entire issued share capital at all times, further, that the aggregate shareholding of such Cornerstone Investor and its associates in the total issued share capital of the Company shall not be such as to cause the total securities of the Company held by the public to fall below the required percentage set out in the Listing Rules or such other percentage as may be approved by the Stock Exchange and applicable to the Company from time to time.

Pursuant to the cornerstone investment agreements, each of the Cornerstone Investors shall not, and shall procure that none of its controlling shareholder and none of the beneficial owners and associates of each of the Cornerstone Investors and its controlling shareholders (each such controlling shareholder, beneficial owner or associate is referred to as an “**Associated Person**”) shall, apply for any Shares under the Global Offering (other than the Shares so subscribed under the cornerstone investment agreements), except where such Cornerstone Investor or its Associated Person is acting as a nominee for its customer.