

**A. FURTHER INFORMATION ABOUT OUR GROUP****1. Incorporation**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on January 13, 2011 under the Cayman Companies Law. Our registered address is at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands. We have registered a place of business in Hong Kong at Unit D, 13/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong and have been registered as a non-Hong Kong company under the Companies Ordinance. Ms. So Yee Kwan of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, has been appointed as our agent for the acceptance of service of process and notices in Hong Kong and such appointment shall be effective from the Listing Date.

As we are incorporated in the Cayman Islands, our corporate structure, our Memorandum of Association and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of the relevant provisions of our Memorandum of Association and Articles of Association and certain relevant aspects of Cayman Islands company law are set out in Appendix IV to this prospectus.

**2. Changes in Share Capital**

As at the date of our incorporation, the authorized share capital of the Company was US\$50,000 divided into 50,000 shares of par value of US\$1.00 each. The following sets out the changes in the Company's issued share capital since the date of its incorporation:

- (a) On January 13, 2011, one share of a par value of US\$1.00 was allotted, issued and credited as fully paid to Offshore Incorporations (Cayman) Limited as the initial subscriber. On the same date, Offshore Incorporations (Cayman) Limited transferred one share to Golden Speed, an additional 69 shares and 30 shares of par value of US\$1.00 each were allotted, issued and credited as fully paid to Golden Speed and Win Force, respectively.
- (b) On February 21, 2011, 70 shares held by Golden Speed and 30 shares held by Win Force were transferred to Top Wheel for consideration of US\$70 and US\$30 respectively.
- (c) On April 15, 2011, an additional 1,000 shares were allotted, issued and credited as fully paid to Top Wheel as consideration to capitalize the Restructuring Loans of HK\$125,621,500, the details of which are set out in the section headed "Our History and Reorganization".
- (d) On June 30, 2012, an additional 43,900 shares were allotted, issued and credited as fully paid to Top Wheel as consideration to capitalize two non-interest bearing loans with an outstanding aggregate principal amount of US\$34.22 million due to Top Wheel.

- (e) On January 8, 2014, the authorized share capital of our Company was changed from US\$50,000 divided into 50,000 shares of a par value of US\$1.00 each to US\$50,000 divided into 50,000 shares of a par value of US\$1.00 each and US\$100,000 divided into 1,000,000,000 Shares of a par value of US\$0.0001 each, through the creation of an additional 1,000,000,000 Shares with a par value of US\$0.0001 each ranking pari passu in all respects with the existing Shares. On the same date, our Company issued 450,000,000 Shares with a par value of US\$0.0001 to Top Wheel. Immediately following the completion of the above steps, our Company repurchased 45,000 shares with a par value of US\$1.00 in issue from Top Wheel for a consideration of US\$45,000, which has been settled in full by the amount payable by Top Wheel for the subscription of 450,000,000 Shares with a par value of US\$0.0001. All authorized shares of a par value of US\$1.00 each was cancelled immediately after this repurchase of shares. As a result, the authorized share capital of our Company became US\$100,000 divided into 1,000,000,000 Shares of a par value of US\$0.0001 each.
- (f) On January 8, 2014, 9,000,000 Shares held by Top Wheel were transferred to Westernrobust for nil consideration.

Pursuant to the terms of the Pre-IPO Investment Agreements, 90,000,000 Shares will be transferred to Standard Chartered Private Equity as the consideration for Top Wheel to repurchase all its shares held by Standard Chartered Private Equity, immediately prior to completion of the Global Offering.

Immediately following the completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), our authorized share capital upon completion of the Global Offering will be US\$100,000 divided into 1,000,000,000 Shares, of which 600,000,000 Shares will be issued fully paid or credited as fully paid, and 400,000,000 Shares will remain unissued.

Save as disclosed in this Appendix and in the section headed “Our History and Reorganization” in this prospectus, there has been no alteration in the Company’s share capital since the date of our incorporation.

### **3. Resolutions of our Shareholders**

Pursuant to the written resolutions dated January 18, 2014 and April 28, 2014, our Shareholders resolved that:

- (a) the Memorandum of Association and Articles of Association were approved and adopted conditional upon Listing;
- (b) conditional upon all the conditions set out in “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this prospectus being fulfilled:
- (1) the Global Offering, the proposed Listing of the Shares on the Main Board of the Stock Exchange and the Over-allotment Option be and are hereby approved and the Board (or any committee thereof established by the Board pursuant to the Articles of Association) be and is hereby authorized to effect or make modifications to the same as it thinks fit;

- (2) the Board (or any committee thereof established by the Board pursuant to the Articles of Association) be and is hereby authorized to allot and issue, and approve the transfer of such number of Shares in connection with the Global Offering;
  - (3) the Board (or any committee thereof established by the Board pursuant to the Articles of Association) be and is hereby authorized to agree the price per Offer Share with the Joint Global Coordinators; and
- (c) a general unconditional mandate be and is hereby given to our Directors to exercise all the powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers or agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require Shares to be allotted, issued or dealt with, otherwise than pursuant to a rights issue or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, not exceeding 20% of the aggregate nominal value of the Shares in issue immediately following completion of the Global Offering (assuming the Over-allotment Option or the options to be granted under the Share Option Scheme is not exercised), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any applicable laws, or until being revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first;
- (d) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of our Company to repurchase its own Shares on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any applicable laws, or until being revoked or varied by an ordinary resolution of Shareholders in a general meeting, whichever occurs first;
- (e) the general mandate mentioned in paragraph (c) above be extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by the Company pursuant to the mandate to purchase Shares referred to in paragraph (d) above; and
- (f) the Share Option Scheme be approved and adopted and our Directors be authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme.

#### **4. Repurchases of our own Shares**

This section includes information relating to the repurchase of our Shares, including information required by the Hong Kong Stock Exchange to be included in this prospectus concerning such repurchase.

##### **(a) Relevant Legal and Regulatory Requirements**

The Listing Rules permit our shareholders to grant to our directors a general mandate to repurchase our Shares that are listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by our shareholders in a general meeting.

##### **(b) Shareholders' Approval**

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by ordinary resolutions of our shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

On January 18, 2014, our Directors were granted a general unconditional mandate to repurchase up to 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering on the Hong Kong Stock Exchange or on any other stock exchange on which our securities may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose before any exercise of the Over-allotment Option. This mandate will expire at the earliest of (i) the conclusion of our next annual shareholders' general meeting, (ii) the date by which our next shareholders' general meeting is required by applicable laws and our Articles of Association to be held, or (iii) such mandate being revoked or varied by ordinary resolutions of our shareholders in a general meeting (the "Relevant Period").

##### **(c) Source of Funds**

Our repurchase of the Shares listed on the Hong Kong Stock Exchange must be funded from the funds legally available for the purpose in accordance with our Memorandum of Association and Articles of Association and the applicable laws of the Cayman Islands. We may not repurchase our Shares on the Hong Kong Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange. Subject to the above, we may make repurchases with funds which would otherwise be available for dividend or distribution or out of an issuance of new Shares for the purpose of the repurchase.

##### **(d) Reasons for Repurchases**

Our Directors believe that it is in the Company's and our Shareholders' best interests for our directors to have general authority to execute repurchases of our Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit the Company and our Shareholders.

***(e) Funding of Repurchases***

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with our Memorandum of Association and Articles of Association, the applicable laws of the Cayman Islands and the Listing Rules.

On the basis of the current financial position of our Company as disclosed in this prospectus and taking into account the current working capital position of our Company, our directors believe that, if the repurchase mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this prospectus. However, our directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our directors are from time to time appropriate for us.

***(f) Share Capital***

The exercise in full of the current repurchase mandate, on the basis of 600,000,000 Shares in issue immediately after completion of the Global Offering assuming the Over-allotment Option is not exercised, could accordingly result in up to 60,000,000 Shares being repurchased by us during the Relevant Period.

***(g) General***

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any of our Shares to us or our subsidiaries.

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, our Memorandum of Association and Articles of Association, the Cayman Companies Law and any other applicable laws of the Cayman Islands.

If, as a result of any repurchase of our Shares, a shareholder's proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers. Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Hong Kong Code on Takeovers and Mergers. Our directors are not aware of any consequences of repurchases which would arise under the Hong Kong Code on Takeovers and Mergers.

No connected person as defined by the Listing Rules has notified us that he or it has a present intention to sell his or its Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

## 5. Changes in the Share Capital of Subsidiaries

Our subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

### (a) Onshore companies

#### (i) *Yulin Sunfonda Kaisheng*

On December 4, 2012, Yulin Sunfonda Kaisheng decreased its registered capital from HK\$20 million to HK\$8 million which had all been paid up as at the Latest Practicable Date.

On October 25, 2013, Sunfonda HK transferred the entire equity interest in Yulin Sunfonda Kaisheng to Shaanxi Sunfonda Technology at nil consideration.

#### (ii) *Yulin Sunfonda Meidong*

On December 4, 2012, Yulin Sunfonda Meidong decreased its registered capital from HK\$20 million to HK\$8 million, which had all been paid up as at the Latest Practicable Date.

On October 25, 2013, Sunfonda HK transferred the entire equity interest in Yulin Sunfonda Meidong to Shaanxi Sunfonda Technology at nil consideration.

#### (iii) *Shaanxi Sunfonda Junmei*

On June 12, 2012, Shaanxi Sunfonda Junmei was established under the laws of the PRC with a registered capital of RMB50 million, of which RMB30 million had been paid up as at the Latest Practicable Date.

#### (iv) *Shanxi Sunfonda*

On September 13, 2012, Shanxi Sunfonda was established under the laws of the PRC with a registered capital of RMB10 million, of which RMB2 million had been paid up as at the Latest Practicable Date.

#### (v) *Suzhou Sunfonda Meidong*

On September 18, 2012, Suzhou Sunfonda Meidong was established under the laws of the PRC with a registered capital of RMB10 million, of which RMB2 million had been paid up as at the Latest Practicable Date.

#### (vi) *Shanxi Sunfonda Junmei*

On December 21, 2012, Shanxi Sunfonda Junmei was established under the laws of the PRC with a registered capital of RMB50 million, of which RMB20 million had been paid up as at the Latest Practicable Date.

*(vii) Yangzhou Boao*

On February 1, 2013, Yangzhou Boao was established under the laws of the PRC with a registered capital of RMB30 million which has been fully paid up.

*(viii) Xi'an Sunfonda Star*

On July 10, 2013, the registered capital of Xi'an Sunfonda Star was increased from HK\$17 million to HK\$84 million and has been fully paid up. The increased amount of the registered capital was subscribed by Shaanxi Sunfonda.

*(ix) Xi'an Hongqi*

On May 10, 2013, Xi'an Hongqi was established under the laws of the PRC with a registered capital of RMB2 million.

On July 12, 2013, the registered capital of Xi'an Sunfonda Star was increased from RMB2 million to RMB10 million and has been fully paid up.

*(x) Shaanxi Sunfonda*

On June 4, 2013, Sunfonda HK transferred the entire equity interest in Shaanxi Sunfonda to Shaanxi Sunfonda Technology at nil consideration.

*(xi) Ordos Sunfonda Kaisheng*

On October 19, 2013, Sunfonda HK transferred the entire equity interest in Ordos Sunfonda Kaisheng to Shaanxi Sunfonda Technology at nil consideration.

*(xii) Xi'an Junsheng*

On June 16, 2013, Sunfonda HK transferred the entire equity interest in Xi'an Junsheng to Shaanxi Sunfonda Technology at nil consideration.

*(xiii) Lanzhou Sunfonda*

On August 30, 2013, Sunfonda HK transferred the entire equity interest in Lanzhou Sunfonda to Shaanxi Sunfonda Technology at nil consideration.

On April 9, 2014, the registered capital of Lanzhou Sunfonda was increased from HK\$9.8 million to RMB38.1 million which has been fully paid up.

*(xiv) Yan'an Sunfonda Boao*

On July 30, 2013, Sunfonda HK transferred the entire equity interest in Yan'an Sunfonda Boao to Shaanxi Sunfonda Technology at nil consideration.



*(xv) Shaanxi Sunfonda Bentley*

On June 25, 2013, Sunfonda HK transferred the entire equity interest in Shaanxi Sunfonda Bentley to Shaanxi Sunfonda Technology at nil consideration.

*(xvi) Xi'an Xinmingyang*

On July 15, 2013, Sunfonda HK transferred the entire equity interest in Xi'an Xinmingyang to Shaanxi Sunfonda Technology at nil consideration.

*(xvii) Shaanxi Kaisheng*

On June 25, 2013, Sunfonda HK transferred the entire equity interest in Shaanxi Kaisheng to Shaanxi Sunfonda Technology at nil consideration.

*(xviii) Shaanxi Xinjie*

On June 25, 2013, Sunfonda HK transferred the entire equity interest in Shaanxi Xinjie to Shaanxi Sunfonda Technology at nil consideration.

*(xix) Shanxi Yingjie*

On August 8, 2013, Sunfonda HK transferred the entire equity interest in Shanxi Yingjie to Shaanxi Sunfonda Technology at nil consideration.

*(xx) Ordos Sunfonda Xinjie*

On October 9, 2013, Sunfonda HK transferred the entire equity interest in Ordos Sunfonda Xinjie to Shaanxi Sunfonda Technology at nil consideration.

*(xxi) Shaanxi Sunfonda Boao*

On June 4, 2013, Sunfonda HK transferred the entire equity interest in Shaanxi Sunfonda Boao to Shaanxi Sunfonda Technology at nil consideration.

On August 6, 2013, the registered capital of Shaanxi Sunfonda Boao was increased from HK\$30 million to approximately RMB55.2 million and has been fully paid up.

*(xxii) Wuxi Sunfonda*

On January 5, 2013, Wuxi Sunfonda was established under the laws of the PRC with a registered capital of RMB10 million, of which RMB2 million had been fully paid up as at the Latest Practicable Date.

*(xxiii) Wuxi Sunfonda Dehui*

On August 30, 2013, Wuxi Sunfonda Dehui was established under the laws of the PRC with a registered capital of RMB5 million which has been fully paid up.



*(xxiv) Ningxia Sunfonda Xinjie*

On June 18, 2013, Ningxia Sunfonda Xinjie was established under the laws of the PRC with a registered capital of HK\$5 million which has been fully paid up.

*(xxv) Ningxia Sunfonda Junmei*

On August 12, 2013, Ningxia Sunfonda Junmei was established under the laws of the PRC with a registered capital of RMB4 million.

On September 17, 2013, the registered capital of Ningxia Sunfonda Junmei was increased from RMB4 million to RMB20 million and has been fully paid up.

*(xxvi) Yulin Sunfonda*

On March 25, 2013, Yulin Sunfonda was established under the laws of the PRC with a registered capital of RMB10 million, of which RMB2 million had been fully paid up as at the Latest Practicable Date.

*(xxvii) Shaanxi Sunfonda Technology*

On October 22, 2013, the registered capital of Shaanxi Sunfonda Technology was increased from RMB10 million to RMB250 million and has been fully paid up.

*(xxviii) Suzhou Sunfonda Dehui*

On December 24, 2013, Suzhou Sunfonda Dehui was established under the laws of the PRC with a registered capital of RMB5 million which has been fully paid up.

*(xxiv) Beijing Sunfonda Automobile*

On January 6, 2014, Beijing Sunfonda Automobile was established under the laws of the PRC with a registered capital of RMB10 million which has been fully paid up.

*(xxv) Weinan Sunfonda Boao*

On January 8, 2014, Weinan Sunfonda Boao was established under the laws of the PRC with a registered capital of RMB10 million which has been fully paid up.

**(b) Offshore companies**

*(i) Grand Forever*

On June 30, 2012, Grand Forever novated its liabilities and obligations under certain loan amounting to US\$3.3 million due to Top Wheel to our Company by issuing an additional 1,000 shares to our Company. For further details, please refer to the section headed “Our History and Reorganization — Pre-IPO Investment — Novation and capitalization of Top Wheel’s loans” of this prospectus.

(ii) *Sunfonda HK*

On June 30, 2012, Sunfonda HK novated its liabilities and obligations under certain loan amounting to US\$3.3 million due to Top Wheel to Grand Forever by issuing an additional 1,000 shares to Grand Forever. For further details, please refer to the section headed “Our History and Reorganization — Pre-IPO Investment — Novation and capitalization of Top Wheel’s loans” of this prospectus.

Save as disclosed herein and in the section headed “Our History and Reorganization” in this prospectus, there had been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

## **6. Corporate Reorganization**

The companies comprising our Group underwent the Reorganization in preparation for the Listing. Please refer to the section “Our History and Reorganization” in this prospectus.

## **B. FURTHER INFORMATION ABOUT OUR BUSINESS**

### **1. Summary of Material Contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) the Deed. See “Our History and Reorganisation — Pre-IPO Investment”;
- (b) the Supplemental Deed. See “Our History and Reorganisation — Pre-IPO Investment”;
- (c) an agreement dated June 30, 2012 entered into between Top Wheel, Grand Forever, Sunfonda HK and the Company in relation to the novation and capitalization of certain loans from Top Wheel, details of which are disclosed in the section headed “Our History and Reorganization — Pre-IPO Investment — Novation and capitalization of Top Wheel’s loans”;
- (d) an equity transfer agreement dated March 5, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Shaanxi Sunfonda to Shaanxi Sunfonda Technology at nil consideration;
- (e) an equity transfer agreement dated March 5, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Shaanxi Sunfonda Bentley to Shaanxi Sunfonda Technology at nil consideration;
- (f) an equity transfer agreement dated March 5, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Shaanxi Kaisheng to Shaanxi Sunfonda Technology at nil consideration;

- (g) an equity transfer agreement dated March 5, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Shaanxi Xinjie to Shaanxi Sunfonda Technology at nil consideration;
- (h) an equity transfer agreement dated March 5, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Shaanxi Sunfonda Boao to Shaanxi Sunfonda Technology at nil consideration;
- (i) an equity transfer agreement dated March 5, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology pursuant to which Sunfonda HK agreed to sell the entire equity interest in Yulin Sunfonda Meidong to Shaanxi Sunfonda Technology at nil consideration;
- (j) A commitment letter on the conversion of certain debts into equity dated May 20, 2013 between Shaanxi Sunfonda and Xi'an Sunfonda Star to the effect that Shaanxi Sunfonda committed to subscribe the increased registered capital of Xi'an Sunfonda Star of HK\$67 million, out of which approximately HK\$19.2 million shall be paid up by conversion of the RMB18 million debts owed to Shaanxi Sunfonda by Xi'an Sunfonda Star into its equity;
- (k) an equity transfer agreement dated May 30, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Xi'an Junsheng to Shaanxi Sunfonda Technology at nil consideration;
- (l) an equity transfer agreement dated May 30, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Yan'an Sunfonda Boao to Shaanxi Sunfonda Technology at nil consideration;
- (m) an equity transfer agreement dated May 30, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Xi'an Xinmingyang to Shaanxi Sunfonda Technology at nil consideration;
- (n) an equity transfer agreement dated May 30, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Yulin Sunfonda Kaisheng to Shaanxi Sunfonda Technology at nil consideration;
- (o) an equity transfer agreement dated June 16, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Ordos Sunfonda Kaisheng to Shaanxi Sunfonda Technology at nil consideration;
- (p) an equity transfer agreement dated June 16, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Lanzhou Sunfonda to Shaanxi Sunfonda Technology at nil consideration;

- (q) an equity transfer agreement dated June 16, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Shanxi Yingjie to Shaanxi Sunfonda Technology at nil consideration;
- (r) an equity transfer agreement dated June 16, 2013 entered into between Sunfonda HK and Shaanxi Sunfonda Technology, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Ordos Sunfonda Xinjie to Shaanxi Sunfonda Technology at nil consideration;
- (s) an equity transfer agreement dated June 20, 2013 entered into between Sunfonda HK and Mr. Zhao, pursuant to which Sunfonda HK agreed to sell the entire equity interest in Yangzhou Sunfonda to Mr. Zhao at a consideration of US\$5 million;
- (t) the sponsor agreement dated September 23, 2013 entered into between the Sole Sponsor and the Company relating to the engagement of the Sole Sponsor by the Company in connection with the Global Offering;
- (u) an agreement dated October 14, 2013 entered into among Sunfonda HK, Mr. Zhao and Yangzhou Sunfonda, pursuant to which the parties agreed that following the disposal of the entire interest of Yangzhou Sunfonda to Mr. Zhao by Sunfonda HK, (i) Sunfonda HK shall enjoy no rights and take no obligations, liabilities or risks in connection with Yangzhou Sunfonda and its assets, including without limitation, any legal and economic responsibilities arising from incidents existing before the said disposal; (ii) Yangzhou Sunfonda and Mr. Zhao should be responsible for and should hold harmless Sunfonda HK against any disputes, claims, litigation, administrative sanctions, investigation or other administrative proceedings involving Yangzhou Sunfonda and its assets; and (iii) Sunfonda HK should not be responsible for any of these disputes, claims, litigation, administrative sanctions, investigation or other administrative proceedings involving Yangzhou Sunfonda and its assets;
- (v) the Second Supplemental Deed. See “Our History and Reorganisation — Pre-IPO Investment”;
- (w) the Deed of Indemnity;
- (x) the Deed of Non-competition;
- (y) the cornerstone investment agreement dated April 23, 2014 entered into between the Company, CIG Trustees Limited and J.P. Morgan Securities (Asia Pacific) Limited, pursuant to which CIG Trustees Limited agreed to subscribe for Offer Shares for a consideration of US\$10,000,000 at the Offer Price per Offer Share;
- (z) the cornerstone investment agreement dated April 24, 2014 entered into between the Company, Beijing Hua Yuan Ying Fu Investment Co., Ltd., Beijing Yun Tong Guo Rong Investment Co., Ltd., J.P. Morgan Securities (Asia Pacific) Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which Beijing Hua Yuan Ying Fu Investment Co., Ltd. agreed to subscribe for Offer Shares for a consideration of US\$10,000,000 at the Offer Price per Offer Share;



(aa) the cornerstone investment agreement dated April 24, 2014 entered into between the Company, GAC Capital Co., Ltd., J.P. Morgan Securities (Asia Pacific) Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which GAC Capital Co., Ltd. agreed to subscribe for Offer Shares for a consideration of US\$8,000,000 at the Offer Price per Offer Share; and

(bb) Hong Kong Underwriting Agreement.



## 2. Intellectual Property Rights of our Group

### Trademarks

As at the Latest Practicable Date, the following trademarks were registered in the PRC:

Trademark	Registrant	Class	Registration Number	Expiry Date
 新丰泰	Shaanxi Sunfonda	37	3542968	January 27, 2018
 新丰泰	Shaanxi Sunfonda	35	3542969	January 6, 2015

As at the Latest Practicable Date, the following trademarks were registered in Hong Kong:

Trademark	Registrant	Registration number	Class	Expiry Date
 Sunfonda Automobile Group (in series)	Shaanxi Sunfonda	302247381	35	May 10, 2022
 Sunfonda Group Holdings (in series)	Shaanxi Sunfonda	302315493	35	July 16, 2022

**Domain names**

As at the Latest Practicable Date, the following domain names were registered and principally used by our Group in its business operations:

Domain Name	Registrant	Valid until
sunfonda.com.cn . . . . .	Shaanxi Sunfonda	October 9, 2018
vw-sfd.com.cn . . . . .	Shaanxi Sunfonda Technology	April 1, 2016

**3. Material Properties**

Among our owned and leased properties, 26 of them are considered material by our Group as we operate outlets and spare parts distribution center thereon, which altogether contributed substantially all of our revenue during the Track Record Period. Details of such material properties are set out as below:

No.	Owner/Lessee	Property Name, Address and Use	Approximate Area (m <sup>2</sup> )		Actual Use and Restrictions on Use	Owned or Leased (Lease Term)	Method of Acquisition of Land Use Right/ Expiry Date of Land Use Right of Owned Land
			Land	Building			
1	Shaanxi Sunfonda Automobile Co., Ltd. (陝西新豐泰汽車有限責任公司) <sup>(1)</sup>	A 4S shop of Audi located at No. 8 West Portion of North 2nd Ring Road, Weiyan District, Xi'an, Shaanxi Province, PRC (中國陝西省西安市未央區北二環西段8號之奧迪4S店)	9,541	5,660	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until August 22, 2041
2	Shaanxi Sunfonda Automobile Co., Ltd. Jinghe Branch (陝西新豐泰汽車有限責任公司涇河分公司) <sup>(2)(3)</sup>	A warehouse of FAW-Volkswagen located at No. 188 Jingwei East Road, Jinghe Industrial Park, Xi'an, Shaanxi Province, PRC (中國陝西省西安市涇河工業園涇渭東路188號之一汽大眾備件中轉庫)	33,655	14,706	Actual: Warehouse Restriction: Residential	Owned	Land Grant until June 1, 2080
3	Shaanxi Sunfonda Automobile Technology Development Co., Ltd. (陝西新豐泰汽車技術開發有限責任公司)	A 4S shop of Volkswagen located at No. 1555 Ouya 1st Road, Xi'an Chanba Ecological Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安市西安滻灞生態區歐亞一路1555號之大眾4S店)	7,475	13,213	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until November 12, 2049
4	Xi'an Xinmingyang Toyota Automobile Sales Services Co., Ltd. (西安新銘洋豐田汽車銷售服務有限公司) <sup>(3)</sup>	A 4S shop of Toyota located at No. 67 Jinye 2nd Road, Hi-Tech Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安市高新區錦業二路67號之豐田4S店)	10,500	5,887	Actual: 4S dealership store Restriction: Commercial Service	Owned	Land Grant until February 17, 2044
5	Shaanxi Kaisheng Automobile Sales Services Co., Ltd. (陝西凱盛汽車銷售服務有限公司) <sup>(3)</sup>	A 4S shop for Cadillac located at Mingguang Road, Economic and Technique Development Zone, Weiyang District, Xi'an, Shaanxi Province, PRC (中國陝西省西安市未央區經濟技術開發區明光路之凱迪拉克4S店)	6,722	3,627	Actual: 4S dealership store Restriction: Industrial	Owned	Land Grant until July 11, 2056

No.	Owner/Lessee	Property Name, Address and Use	Approximate Area (m <sup>2</sup> )		Actual Use and Restrictions on Use	Owned or Leased (Lease Term)	Method of Acquisition of Land Use Right/ Expiry Date of Land Use Right of Owned Land
			Land	Building			
6	Shaanxi Xinjie Automobile Co., Ltd. (陝西信捷汽車有限責任公司) <sup>(3)</sup>	A 4S shop of Porsche located at No. 30 3rd Ring South Road, Hi-Tech Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安市高新區三環南輔道30號之保時捷4S店)	6,753	3,134	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until July 7, 2047
7	Xi'an Junsheng Lexus Automobile Sales Services Co., Ltd. (西安鈞盛雷克薩斯汽車銷售服務有限公司) <sup>(3)</sup>	A 4S shop for Lexus located at No. 28 3rd Ring South Road, Hi-Tech Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安市高新區三環南輔道28號之雷克薩斯4S店)	8,049	4,483	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until January 29, 2047
8	Xi'an Junsheng Lexus Automobile Sales Services Co., Ltd. (西安鈞盛雷克薩斯汽車銷售服務有限公司) <sup>(4)</sup>	An automobile showroom for Lexus located at Taoyuan South Road, Xi'an, Shaanxi Province, PRC (中國陝西省西安市桃園南路之雷克薩斯銷售展廳)	—	660	Actual: Automobile Showroom Restriction: Commercial	Leased until April 30, 2021	Leased Land
9	Shanxi Yingjie Automobile Sales Services Co., Ltd. (山西盈捷汽車銷售服務有限公司) <sup>(5)</sup>	A 4S shop for Porsche located at No. 56 Huangling Road, Xiaodian District, Taiyuan, Shanxi Province, PRC (中國山西省太原市小店區黃陵路56號之保時捷4S店)	6,300	3,705	Actual: 4S dealership store Restriction: Science Research and Education	Leased until October 31, 2023	Leased Land
10	Shaanxi Sunfonda Boao Automobile Co., Ltd. (陝西新豐泰博奧汽車有限責任公司) <sup>(3)</sup>	A 4S shop for Audi located at No. 1535 Quya 1st Road, Xi'an Chanba Ecological Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安市西安滄瀾生態區歐亞一路1535號之奧迪4S店)	10,248	9,943	Actual: 4S dealership store Restriction: Wholesale and Retail	Owned	Land Grant until November 12, 2049
11	Ordos Sunfonda Xinjie Automobile Co., Ltd. (鄂爾多斯市新豐泰信捷汽車有限責任公司) <sup>(3)</sup>	A 4S shop for Porsche located at south of Tianjun Main Road and north of Anjun South Road, Tongchuan Town, Dongsheng District, Ordos, Inner Mongolian Autonomous Region, PRC (中國內蒙古自治區鄂爾多斯市東勝區銅川鎮天駿大道南、安居南路北之保時捷4S店)	12,712	3,881	Actual: 4S dealership store Restriction: Wholesale and retail uses	Owned	Land Grant until August 30, 2050
12	Shaanxi Sunfonda Yingbin Automobile Sales Services Co., Ltd. (陝西新豐泰迎賓汽車銷售服務有限公司) <sup>(3)</sup>	A 3S shop for Bentley located at No. 1688 Ouya 1st Road, Xi'an Chanba Ecological Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安市滄瀾生態區歐亞一路1688號之賓利銷售3S店)	11,131	5,684	Actual: 3S dealership store Restriction: Commercial	Owned	Land Grant until November 12, 2049
13	Shaanxi Sunfonda Yingbin Automobile Sales Services Co., Ltd. (陝西新豐泰迎賓汽車銷售服務有限公司分公司)	An automobile showroom for Bentley located at Linkai International Building, No. 38 Keji Road, Xi'an, Shaanxi Province, PRC (中國陝西省西安市高新區科技路38號林凱國際大廈一層之賓利銷售展廳)	—	630	Actual: Automobile Showroom Restriction: Commercial	Leased until July 19, 2014	Leased Land



**APPENDIX V**
**STATUTORY AND GENERAL INFORMATION**

No.	Owner/Lessee	Property Name, Address and Use	Approximate Area (m <sup>2</sup> )		Actual Use and Restrictions on Use	Owned or Leased (Lease Term)	Method of Acquisition of Land Use Right/ Expiry Date of Land Use Right of Owned Land
			Land	Building			
14	Shaanxi Sunfonda Junmei Automobile Sales Services Co., Ltd. (陝西新豐泰駿美汽車銷售服務有限公司) <sup>(5)</sup>	An automobile showroom for Ferrari/Maserati located at west Peony Manor of South Fenghui Road, Lianhu District, Xi'an, Shaanxi Province, PRC (中國陝西省西安市蓮湖區灃惠南路北段西側牡丹莊園一層之法拉利、瑪莎拉蒂展廳)	—	931	Actual: Automobile Showroom Restriction: Commercial	Leased until June 20, 2022	Leased Land
15	Yan'an Sunfonda Boao Automobile Co., Ltd. (延安新豐泰博奧汽車有限責任公司) <sup>(6)</sup>	A 4S shop of Audi located at Ershilipu of Baota District, Yanan, Shaanxi Province, PRC (中國陝西省延安市寶塔區南二十里鋪之奧迪4S店)	—	12,000	Actual: 4S dealership store Restriction: Collective Land	Leased until September 1, 2021	Leased Land
16	Lanzhou Sunfonda Automobile Sales Co., Ltd. (蘭州新豐泰汽車銷售有限責任公司)	A 4S shop of Porsche located at No. 88 of West Binhe Road of Annign District, Lanzhou, Gansu Province, PRC (中國甘肅省蘭州市安寧區北濱河西路88號之保時捷4S店)	17,071	1,424	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until June 18, 2052
17	Suzhou Sunfonda Automobile Sales Services Co., Ltd. (蘇州新豐泰汽車銷售服務有限責任公司) <sup>(3)</sup>	A 4S shop of Volkswagen Imported located at No. 21 of Shuangyu Road, Suzhou, Jiangsu Province, PRC (中國江蘇省蘇州工業園區雙圩路21號之進口大眾4S店)	9,654	7,639	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until October 12, 2051
18	Xi'an Sunfonda Hongqi Automobile Sales Services Co., Ltd. (西安新豐泰紅旗汽車銷售服務有限公司) <sup>(5)</sup>	An automobile showroom for Hongqi located at No. 1688 Ouya 1st Road, Xi'an Chanba Ecological Zone, Xi'an, Shaanxi Province, PRC (陝西省西安市滻灞生態區歐亞一路1688號之紅旗展廳)	—	230	Actual: Automobile Showroom Restriction: Commercial	Leased until April 25, 2018	Leased Land
19	Ordos Sunfonda Kaisheng Automobile Co., Ltd. (鄂爾多斯市新豐泰凱盛汽車有限責任公司) <sup>(3)</sup>	A 4S shop of Cadillac located at south of Tianjun Main Road and north of Anjun South Road, Tongchuan Town, Dongsheng District, Ordos, Inner Mongolian Autonomous Region, PRC (中國內蒙古鄂爾多斯市東勝區銅川鎮銅川汽車博覽園天駿大道南、安居南路北、振興街西、振興西街東之凱迪拉克4S店)	5,884	3,996	Actual: 4S dealership store Restriction: Wholesale and retail	Owned	Land Grant until March 8, 2051
20	Wuxi Sunfonda Dehui Automobile Sales Services Co., Ltd. (無錫新豐泰德輝汽車銷售服務有限公司)	A Volkswagen imported automobile showroom located at No. 600, Beitang Road and Xingyuan North Road, Wuxi, Jiangsu Province, PRC (中國江蘇省無錫市北塘路興源北路600號之大眾進口展廳)	—	510	Actual: Automobile Showroom Restriction: Commercial	Leased until January 31, 2018	Leased Land

No.	Owner/Lessee	Property Name, Address and Use	Approximate Area (m <sup>2</sup> )		Actual Use and Restrictions on Use	Owned or Leased (Lease Term)	Method of Acquisition of Land Use Right/ Expiry Date of Land Use Right of Owned Land
			Land	Building			
21	Xi'an Sunfonda Star Automobile Sales Services Co., Ltd. (西安新豐泰之星汽車銷售服務有限公司) <sup>(3)</sup>	A 4S shop of Mercedes-Benz at Room 10101, Unit 1, Building No. 1, No. 2399, West of Ouya Avenue, Chanba Ecological Zone, Xi'an, Shaanxi Province, PRC (中國陝西省西安產滿生態區歐亞大道西段2399號1幢1單元10101室)	13,155	23,913	Actual: 4S dealership store Restriction: Commercial	Owned	Land Grant until November 12, 2049
22	Shaanxi Sunfonda Automobile Co., Ltd. (陝西新豐泰汽車有限責任公司)	An automobile showroom for Porsche located at No. 154, West of South 2nd Ring Road, Yanta District, Xi'an, Shaanxi Province, PRC (中國陝西省西安市雁塔區二環南路西段154號)	—	513	Actual: Automobile Showroom Restriction: Commercial	Owned	Land Grant until September 29, 2078
23	Shaanxi Sunfonda Automobile Technology Development Co., Ltd. (陝西新豐泰汽車技術開發有限責任公司) <sup>(5)</sup>	A 4S shop of Porsche located at the cross of National Road 109 and East Yongsheng Road, Desheng Industrial Zone, Yinchuan, Ningxia Province, PRC (中國寧夏銀川市德勝工業園區109國道與永勝東路路口)	—	4,500	Actual: 4S dealership store Restriction: Commercial	Leased	Leased Land
24	Shanxi Sunfonda Junmei Automobile Sales Co., Ltd. (山西新豐泰駿美汽車銷售服務有限公司)	A 4S shop of Maserati located at Room 10-12, Changfeng Automobile Trade City, No.20, West of Changfeng Avenue, Xiaodian District, Taiyuan, Shanxi Province, PRC (中國山西省太原市小店區長風西大街20號長風汽貿城10-12)	—	1,046.25	Actual: 4S dealership store Restriction: Commercial	Leased	Leased Land
25	Shanxi Sunfonda Junmei Automobile Sales Co., Ltd. (山西新豐泰駿美汽車銷售服務有限公司) <sup>(4)</sup>	An automobile showroom for Maserati located at No.1, Torch Venture Building, the Southeast corner of Central Street and Changzhi Road, Taiyuan, Shanxi Province, PRC (中國山西省太原市南中環街與長治路東南角火炬創業大廈1號)	—	1,306	Actual: Automobile Showroom Restriction: Commercial	Leased	Leased Land
26	Ningxia Sunfonda Junmei Automobile Sales Co., Ltd. (寧夏新豐泰駿美汽車銷售服務有限公司)	A 4S shop of Maserati located at the Northwest cross corner of 109 State Road and West Yongsheng Road, Desheng Industrial Park, Yinchuan, Ningxia Province, PRC (中國寧夏銀川市德勝工業園區109國道永勝西路十字西北角)	—	5,767.56	Actual: 4S dealership store Restriction: Commercial	Leased	Leased Land

*Notes:*

- (1) We have not obtained the building ownership certificate for an ancillary building with a gross floor area of approximately 1,500 square meters. The land use rights and the property have been pledged.
- (2) The actual use of land is not in compliance with its designated usage.
- (3) The land use rights and the property have been pledged.
- (4) The lessor has not obtained the building ownership certificate.
- (5) The land is State-owned allocated land.
- (6) The land is collectively-owned land.

None of the above material properties is related to property activities (as defined in the Chapter 5 of the Hong Kong Listing Rules). To the best of our knowledge and belief, except as otherwise disclosed in the above table and/or notes, none of our material properties have:

- third-party rights such as encumbrances, liens, pledges or mortgages;
- restrictions on its use or conflicts with its actual use;
- environmental violation issues;
- investigations, notices, pending litigations, breaches of law or title defects;
- plans for construction, renovation, improvement or development;
- plans to dispose of or change the use; or
- any other information considered material for investors to enable them to make a properly informed assessment on the properties of our Company.

## C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 1. Disclosure of Interests

#### (a) *Interests and short positions of the Directors and the chief executive officer of our Company in the shares, underlying shares and debentures of our Company and its associated corporations*

So far as our Directors are aware, immediately following completion of the Global Offering (assuming that (i) the Over-allotment Option is not exercised, and (ii) no option granted under the Share Option Scheme is exercised), the interests and short positions of our Directors and chief executive officer of our Company in the equity or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules to be notified to us and the Hong Kong Stock Exchange or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein once the Shares are listed, are as follows:

<u>Name of Director/ chief executive officer</u>	<u>Nature of interest</u>	<u>Number and class of securities<sup>(1)</sup></u>	<u>Approximate percentage of interest in our Company immediately after completion of the Global Offering<sup>(2)</sup></u>
Mr. Wu .....	Deemed Interest, interest of controlled company <sup>(3)(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Ms. Chiu.....	Deemed Interest, interest of controlled company <sup>(4)(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Mr. Jia Ruobing <sup>(6)</sup> .....	Personal interest	200,000 <sup>(L)</sup>	0.03%
Ms. You Jia <sup>(7)</sup> .....	Personal interest	200,000 <sup>(L)</sup>	0.03%

*Notes:*

(1) The letter "L" denotes the person's long position in such Shares.

(2) Assuming the Over-allotment Option is not exercised.

(3) Mr. Wu holds the entire issued share capital of Golden Speed and Golden Speed holds 70% of the issued share capital of Top Wheel. The remaining 30% of the issued share capital of Top Wheel is indirectly held by his wife, Ms. Chiu, through her wholly owned investment company, Win Force. Under the SFO, Mr. Wu and Golden Speed are deemed to be interested in the 351,000,000 Shares held by Top Wheel.

(4) Ms. Chiu holds the entire issued share capital of Win Force and Win Force holds 30% of the issued share capital of Top Wheel. The remaining 70% of the issued share capital of Top Wheel is indirectly held by her husband, Mr. Wu, through his wholly owned investment company, Golden Speed. Under the SFO, Ms. Chiu and Win Force are deemed to be interested in the 351,000,000 Shares held by Top Wheel.

(5) The Management Trust holds 100% issued share capital of Westernrobust, thus the Management Trust is deemed to be interested in the 9,000,000 Shares held by Westernrobust. Top Wheel is the settler of the Management Trust and possesses all voting rights attached to the unawarded Shares and awarded Shares which have not vested under the

Management Trust. The beneficiaries of the Management Trust include certain selected employees of our Group. Therefore, Mr. Wu and Ms. Chiu, as the ultimate shareholders of Top Wheel, are deemed to be interested in the 9,000,000 Shares held by Westernrobust immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

- (6) 200,000 Awarded Shares (as defined below) will be granted to Mr. Jia Ruobing pursuant to the Pre-IPO Share Award Scheme after the date of the prospectus but before the Listing.
- (7) 200,000 Awarded Shares will be granted to Ms. You Jia pursuant to the Pre-IPO Share Award Scheme after the date of the prospectus but before the Listing.

**(b) Interests and short positions of the substantial shareholders in the Shares and Underlying Shares of Our Company**

So far as our Directors are aware, assuming no exercise of the Over-allotment Option, the following persons will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name of Shareholder	Nature of interest	Number and class of securities <sup>(1)</sup>	Approximate percentage of interest in our Company immediately after completion of the Global Offering <sup>(2)</sup>
Mr. Wu .....	Deemed interest, interest of controlled company <sup>(3)(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Golden Speed .....	Deemed interest, interest of controlled company <sup>(3)(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Ms. Chiu .....	Deemed interest, interest of controlled company <sup>(4)(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Win Force .....	Deemed interest, interest of controlled company <sup>(4)(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Top Wheel .....	Beneficial owner, deemed interest, interest of controlled company <sup>(5)</sup>	360,000,000 <sup>(L)</sup>	60%
Standard Chartered Private Equity .....	Beneficial owner	90,000,000 <sup>(L)</sup>	15%
Standard Chartered PLC .....	Deemed interest, interest of controlled company <sup>(6)</sup>	90,000,000 <sup>(L)</sup>	15%

**Notes:**

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Assuming the Over-allotment Option is not exercised.
- (3) Mr. Wu holds the entire issued share capital of Golden Speed and Golden Speed holds 70% of the issued share capital of Top Wheel. The remaining 30% of the issued share capital of Top Wheel is indirectly held by his wife, Ms. Chiu, through her wholly owned investment company, Win Force. Under the SFO, Mr. Wu and Golden Speed are deemed to be interested in the 351,000,000 Shares held by Top Wheel.
- (4) Ms. Chiu holds the entire issued share capital of Win Force and Win Force holds 30% of the issued share capital of Top Wheel. The remaining 70% of the issued share capital of Top Wheel is indirectly held by her husband, Mr. Wu, through his wholly owned investment company, Golden Speed. Under the SFO, Ms. Chiu and Win Force are deemed to be interested in the 351,000,000 Shares held by Top Wheel.

- (5) The Management Trust holds 100% issued share capital of Westernrobust, thus the Management Trust is deemed to be interested in the 9,000,000 Shares held by Westernrobust. Top Wheel is the settler of the Management Trust and possesses all voting rights attached to the unawarded Shares and awarded Shares which have not vested under the Management Trust. The beneficiaries of the Management Trust include certain selected employees of our Group. Therefore, Mr. Wu, Golden Speed, Ms. Chiu, Win Force and Top Wheel are deemed to be interested in the 9,000,000 Shares held by Westernrobust as disclosed above immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).
- (6) Standard Chartered PLC, a bank listed on the stock exchange of London, Hong Kong and Mumbai, indirectly holds the entire issued share capital of Standard Chartered Private Equity through a series of wholly owned subsidiaries, Standard Chartered Holdings Limited, Standard Chartered Bank, SCMB Overseas Limited, Standard Chartered Holdings (International) B.V., Standard Chartered MB Holdings B.V., Standard Chartered Asia Limited and Standard Chartered Private Equity Limited, and is therefore deemed to be interested in the Shares held by Standard Chartered Private Equity.

**(c) *Interests of the substantial shareholder of any member of our Group (other than our Company)***

So far as our Directors are aware, no person (other than members of our Group) will, immediately following the completion of the Global Offering, be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

**2. Arrangement with our Directors**

**(a) *Service contracts of our Directors***

Each of our Directors has entered into a service contract or a letter of appointment with our Company on January 18, 2014 with a term of three years commencing from the Listing Date, which may be terminated by not less than three month's prior written notice served by either party.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by our Group within one year without the payment of compensation save statutory compensation).

**(b) *Directors' remuneration***

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to our Directors for the years ended December 31, 2011, 2012 and 2013 were approximately RMB1.0 million, RMB1.7 million and RMB1.8 million, respectively.

Under the arrangements in force as at the Latest Practicable Date, the estimated aggregate amount of remuneration payable to, and benefits in kind receivable by, our Directors in respect of the financial year ended December 31, 2014, is estimated to be approximately RMB2.3 million in aggregate.

None of the Directors or any past Directors or the five highest paid individuals of any members of our Group has been paid any sum of money for the three years ended December 31, 2013 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a Director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any remuneration or benefits in kind for the three years ended December 31, 2013.

**(c) Fees or commissions received**

Save as disclosed in this prospectus, none of the Directors nor any of the persons whose names are listed in the paragraph titled “Consents” in this Appendix had received any commissions, discounts, agency fees, brokerages, or other special terms in connection with the issue or sale of any capital of our Company or any of our subsidiaries within the two years preceding the date of this prospectus.

**(d) Disclaimers**

Save as disclosed in this prospectus:

- (i) none of our Directors or chief executive of our Company has any interest or short position in the Shares, underlying shares and debentures of our Company, or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code, to be notified to our Company and the Hong Kong Stock Exchange, in each case once our Shares are listed;
- (ii) none of our Directors nor any of the parties listed in the paragraph entitled “Consents” in this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (iii) none of our Directors nor any of the parties listed in the paragraph entitled “Consents” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is unusual in its nature or conditions or significant in relation to the business of our Group;
- (iv) save for the Underwriting Agreements, none of the parties listed in the paragraph entitled “Consents” in this Appendix is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries, or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities;
- (v) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special item has been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (vi) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscriptions or agreeing to procure subscriptions of any shares in our Company; and



- (vii) so far as is known to our Directors, none of our Directors or Shareholders who are interested in 5% or more of our issued share capital or their associates has any interest in either our five largest suppliers or five largest customers.

#### D. PRE-IPO SHARE AWARD SCHEME

We adopted the Pre-IPO Share Award Scheme on January 8, 2014. The principal terms of the scheme is summarized below.

##### Objective

We adopted the Pre-IPO Share Award Scheme on January 8, 2014 to recognise the contribution of certain of our employees, especially those whom we consider have contributed to the development and growth of our Group, and to align their interests with those of our Shareholders.

##### Implementation

Pursuant to the Pre-IPO Share Award Scheme, the selected employees of our Group will be awarded Shares representing 2% of the total issued share capital of our Company as at the Latest Practicable Date, equivalent to 1.5% of the issued share capital of our Company after the Listing (on a fully diluted basis assuming no exercise of the Over-allotment Option). A total of 2,250,000 Shares (the “**Awarded Shares**”), representing 0.5% of the total issued share capital of our Company as at the Latest Practicable Date will be granted to certain employees after the date of the prospectus but prior to the Listing.

For the implementation of the Pre-IPO Share Award Scheme, the Management Trust was established on January 8, 2014 and Cantrust (Far East) Limited acts as the trustee thereof.

##### Vesting of the Awarded Shares

- The selected employees are not entitled to exercise or enjoy the rights to the Awarded Shares pending the vesting of the Awarded Shares in accordance with the applicable vesting period.
- Vesting period is five years during which the Awarded Shares granted to any particular selected employee will vest on each anniversary of the grant date of the relevant awards in equal portions. In the event that Listing takes place on a date later than any of the vesting dates, vesting of the Awarded Shares shall be deferred to the Listing Date (in the context of the Pre-IPO Share Award Scheme, shall also be referred to as the vesting date) with the other vesting dates remaining the same. For the avoidance of doubt, cumulative number of Awarded Shares to be vested on the Listing Date shall represent the Awarded Shares which shall have been vested up to and including the Listing Date should the first vesting date and the subsequent vesting dates (if applicable) take place after the Listing Date.
- Vesting period of a selected employee is subject to postponement in the event of unsatisfactory performance of such employee based on his or her annual performance appraisal.

**Triggering events for surrender of Awarded Shares**

Awarded Shares granted will be deemed to have been surrendered by a selected employee upon the occurrence of any of the following events:

- Termination of employment with or without cause;
- Unsatisfactory performance leading to demotion and failure to satisfy the criteria for re-promotion within one year; or
- Performance appraisal rating at the lowest range for two consecutive years.

Awarded Shares deemed to have been surrendered may be repurchased and cancelled or re-allocated at the discretion of our Company.

**E. SHARE OPTION SCHEME**

The following is a summary of the principal terms of our Share Option Scheme, conditionally adopted by a resolution of our Shareholders passed on January 18, 2014 and a resolution of our Board on January 18, 2014. The terms of our Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

**1. Purpose of our Share Option Scheme**

The purpose of our Share Option Scheme is to recognize and acknowledge the contributions made by our employees, to attract skilled and experienced personnel, to incentivize them to remain with our Company and to motivate them to strive for the future development and expansion of our Company and its subsidiaries, by providing them with the opportunity to acquire equity interests in our Company.

**2. Participants of our Share Option Scheme and the basis of determining the eligibility of the participants**

Our Board may from time to time grant options to any individual who is an employee of our Group (including executive Directors) or any entity in which our Company holds any equity interest (the **"Invested Entity"**) and such other persons who has or will contribute to our Company as approved by our Board from time to time (the **"Participants"**) on the basis of their contribution to the development and growth of our Group.

**3. Status of our Share Option Scheme****(a) Conditions of our Share Option Scheme**

Our Share Option Scheme shall take effect subject to: (i) the commencement of dealings in our Shares on the Hong Kong Stock Exchange; (ii) the passing of the necessary resolutions to adopt our Share Option Scheme by our Shareholders; (iii) the obligations of the underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms thereof or otherwise; and (iv) the Listing Committee approving the listing of and permission to deal in any Shares to be allotted and issued pursuant to the exercise of options under our Share Option Scheme (the **"Conditions"**).

**(b) Life of our Share Option Scheme**

Our Share Option Scheme shall be valid and effective for 10 years from the date on which the last of the Conditions is fulfilled (the “**Scheme Period**”), after which time no further option will be granted but the provisions of our Share Option Scheme shall remain in full force and effect in all other respects. The total number of Shares that may be allotted and issued upon the exercise of all options to be granted under our Share Option Scheme initially must not in aggregate exceed the number of shares in issue (without taking into account shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option) as at the Listing Date.

**4. Grant of options****(a) Making of an offer**

An offer of the grant of an option shall be made to a Participant by letter (the “**Offer Letter**”) in such form as our Board may from time to time determine, requiring the Participant to undertake to hold the option on the terms on which it is to be granted (which may include a minimum period for which the option must be held before it can be exercised and a performance target that must be reached before the option can be exercised in whole or in part) and to be bound by the provisions of our Share Option Scheme (including any operational rules made under our Share Option Scheme). The offer shall remain open for acceptance for such time to be determined by our Board provided that no such offer shall be open for acceptance after the expiry of the Scheme Period or after the termination of our Share Option Scheme.

**(b) Acceptance of an offer**

An option shall be deemed to have been granted to (subject to certain restrictions in our Share Option Scheme), and accepted by, the Participant (the “**Grantee**”) and to have taken effect after we receive the Offer Letter signed by the Grantee together with a remittance in favour of our Company of HK\$1.00 or the equivalent amount in any currency by way of consideration for the grant of the option on or before the last day for acceptance as defined by our Board. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Grantee.

**(c) Restrictions on time of grant**

No grant of options shall be made after a price-sensitive event in relation to the securities of our Company has occurred or a price-sensitive matter in relation to the securities of our Company has been the subject of a decision, until the price-sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period of one month immediately preceding the earlier of:

- (i) the date of our Board meeting as shall have been notified to the Stock Exchange for the approval of our Company’s results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

**(d) Grant to connected persons**

Any grant of options to a connected person must be approved by all our independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of the options).

**(e) Grant to substantial shareholders and independent non-executive Directors**

Without prejudice to paragraph 4(d) above, any grant of options to a substantial shareholder or an independent non-executive Director of our Company or any of their respective associates must be approved by our Shareholders in general meeting if our Shares issued and to be issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12-month period up to and including the proposed date of such grant:

- (i) would represent in aggregate more than 0.1% of our Shares then in issue; and
- (ii) would have an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million (or such other amount as shall be permissible under the Listing Rules from time to time).

**(f) Proceedings in general meeting to approve the grant of option**

At the general meeting to approve the proposed grant of options under paragraph (e), all connected persons of our Company must abstain from voting unless intending to vote against the proposed grant. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

**5. Subscription price**

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the “**Subscription Price**”) shall, subject to any adjustment pursuant to paragraph 7 below, be a price determined by our Board in its sole and absolute discretion but in any event shall be at least the highest of:

- (i) the closing price of our Shares as stated in the Stock Exchange’s daily quotations sheets on the date on which the option is offered (the “**Offer Date**”);
- (ii) the average of the closing prices of our Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and
- (iii) the par value of our Shares,

except that for the purposes of calculating the Subscription Price under paragraph 5(ii) above for an option offered within five business days of the Listing Date, the price at which our Shares are to be offered for subscription pursuant to the Global Offering shall be used as the closing price for any business day falling within the period before the Listing Date.

**6. Maximum number of Shares available for subscription****(a) Scheme Mandate**

Subject to sub-paragraphs 6(b) and 6(c) below, the maximum number of Shares in respect of which options may be granted under our Share Option Scheme and any other share option schemes of our Company shall not in aggregate exceed the number of shares that shall represent 10% of the total number of Shares in issue (without taking into account shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option) as of the Listing Date (the “**Scheme Mandate**”) being 60,000,000 Shares. For the purpose of calculating the Scheme Mandate, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted in calculating the 10% limit.

**(b) Renewal of Scheme Mandate**

Our Company may seek approval by our Shareholders in general meeting for renewing or increasing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under our Share Option Scheme and any other schemes of our Company under the Scheme Mandate as renewed must not exceed 10% of the total number of Shares in issue as at the date of our Shareholders’ approval. Options previously granted under our Share Option Scheme and any other Share Option Schemes of our Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted for the purpose of calculating the limit as renewed.

For the purpose of seeking the approval of our Shareholders under this sub-paragraph 6(b), a circular containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to our Shareholders.

**(c) Grant of Options beyond Scheme Mandate**

Our Company may seek separate approval by our Shareholders in general meeting for granting options beyond the Scheme Mandate provided that the options in excess of the Scheme Mandate are granted only to Participants who are specifically identified before such approval in sought.

For the purpose of seeking the approval of our Shareholders under this sub-paragraph (6)(c), our Company must send a circular to our Shareholders containing a generic description of the specified Grantees who may be granted such options, the number and terms of the options to be granted, the purpose of granting such options to the Grantees with an explanation as to how the terms of options serve such purpose and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules.

**(d) Maximum number of Shares issued pursuant to Options**

Notwithstanding anything to the contrary in our Share Option Scheme, the maximum limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under our Share Option Scheme and any other schemes of our Company must not exceed such number of Shares as shall represent 30% of our Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

**(e) Grantee's maximum holding**

Unless approved by our Shareholders in general meeting in the manner prescribed in the Listing Rules, our Board shall not grant options to any Grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that Grantee on exercise of his options during any 12-month period exceeding 1% of the total Shares then in issue.

Where any further grant of options to a Grantee, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options granted and to be granted to such Grantee (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by our Shareholders in general meeting with such Grantee and his associates abstaining from voting. Our Company must send a circular to our Shareholders and the circular must disclose the identity of the Grantee, the number and terms of the options to be granted and options previously granted to such Grantee and the information required under the Listing Rules. The number and terms (including the Subscription Price) of the options to be granted to such Participant must be fixed before our Shareholders' approval. The date of the Board meeting for proposing such further grant of option should be taken as the date of grant for the purpose of calculating the Subscription Price.

**(f) Adjustment**

The number of Shares subject to the options issued pursuant to our Share Option Scheme may be adjusted in such manner as our Company's independent financial adviser or auditor (acting as expert and not as arbitrator) shall certify in writing to our Board to be in its opinion fair and reasonable in accordance with sub-paragraph 7(b) below.

**7. Reorganization of capital structure****(a) Adjustment of options**

In the event of any alteration in the capital structure of our Company whilst any option becomes or remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party), our Board shall make (and shall notify to the Grantee) such corresponding alterations (if any) to:

- (i) the number of Shares subject to the option so far as unexercised;
- (ii) the Subscription Price; or
- (iii) the number of Shares subject to our Share Option Scheme;

that are required to give each Grantee the same proportion of share capital as that to which the Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to Share Option Schemes), but not so that the effect would be to enable any Share to be issued to a Grantee at less than its nominal value, provided that no adjustments to the Subscription Price and number of Shares should be made to the advantage of the Participants without specific prior approval of our Shareholders.

**(b) Auditors/independent financial adviser confirmation**

On any capital reorganization other than a capitalization issue, the auditors or an independent financial adviser shall certify in writing to our Board that the adjustments made by our Board pursuant to sub-paragraph 7(a) above are in their opinion fair and reasonable.

**8. Cancellation of options**

Subject to the consent from the relevant Grantee, our Board may at its discretion cancel options previously granted to and yet to be exercised by a Grantee for the purpose of re-issuing new options to that Grantee provided that there are sufficient available unissued options under the Scheme Mandate as renewed from time to time (excluding such cancelled options) in accordance with the terms of our Share Option Scheme.

**9. Assignment of options**

An option is personal to the Grantee and shall not be transferable or assignable.

**10. Options attached to our Shares**

Our Shares to be allotted upon exercise of an option will be subject to all the provisions of our Articles of Association and will rank pari passu with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of our Company (the "**Registration Date**"). Accordingly our Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the Registration Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which is before the Registration Date.

A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee or his nominee as the holder of the Share on the register of members of our Company.

Unless otherwise regulated by applicable law, a Grantee shall have no rights as Shareholder with respect to any Shares covered by an option before such Grantee exercises the option.

**11. Exercise of options****(a) General**

The period during which an option may be exercised in accordance with the terms of our Share Option Scheme (the "**Option Period**") shall be the period of time to be notified by our Board to each Grantee, which our Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date.

**(b) Rights of Grantee upon his retirement or death**

If the Grantee ceases to be a Participant by reason of retirement, death or disability, the option shall vest immediately at the date of cessation and the Grantee or his legal personal



representative shall be entitled within a period of 12 months from the date of retirement or death (or within such longer period as our Board may determine) to exercise the option (to the extent not already exercised).

**(c) *Rights of Grantee upon his cessation of employment under certain circumstances***

If the Grantee ceases to be a Participant for any reason other than his retirement or death or disability or termination of his employment on one or more of the grounds specified in sub-paragraph 12(iv) below or the termination of his business relation with the relevant member of our Group, the Grantee may exercise the option up to his or her entitlement at the date of cessation.

**(d) *Rights on a takeover***

In the event a general or partial offer, whether by way of take-over offer, or a take-over by way of a scheme of arrangement or otherwise in like manner, is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror and the take-over offer becomes or is declared unconditional, the Grantee shall be entitled to exercise the option (to the extent not already exercised), within one month from the date the take-over offer is declared unconditional.

**(e) *Rights on a voluntary winding up***

In the event of a notice is given by our Company to our Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each of our Shareholders give notice to all Grantees (together with a notice of the existence of the provisions of this sub-paragraph 11(e)). Upon receipt of such notice, each Grantee (or where permitted under sub-paragraph 11(b) his legal personal representative(s)) shall be entitled to exercise all or any of the option (to the extent which has become exercisable and not already exercised) at any time not later than two (2) business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for our Shares in respect of which the notice is given. Upon receipt of such notice together with the remittance by our Company, our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. The allotted Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up our Company to participate in the distribution of assets of our Company available in liquidation.

**(f) *Rights on a compromise or arrangement***

If a compromise or arrangement between our Company and our Shareholders or creditors is proposed in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice to the Grantee on the same day as it gives notice of the meeting to our Shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (i) the date two calendar months thereafter; and
- (ii) the date on which such compromise or arrangement is sanctioned by the court,

exercise the option (to the extent not already exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Our Company may require the Grantee to transfer or otherwise deal with our Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full and shall thereupon become exercisable (but subject to the other terms of this Share Option Scheme) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

## 12. Lapse of options

An option where vested or unvested shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in sub-paragraphs 11(a) to (f) above;
- (iii) in respect of a Grantee (being a Director or employee of our Group or Invested Entity) who ceases to be engaged by our Group or the Invested Entity by reasons other than termination of employment on grounds under paragraph 12(iv) below, the last date on which such Grantee was at work with our Group or the Invested Entity (whether salary is paid in lieu of notice or not);
- (iv) the date on which the Grantee (being a Director or employee of our Group or Invested Entity) ceases to be a Participant by reason of the termination of his employment on any one or more of the following grounds:
  - (a) that he has been guilty of misconduct; or
  - (b) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; or
  - (c) that he has been convicted of a criminal offence involving his integrity or honesty; or
  - (d) any misconduct based on the sole and absolute option of our Company; or
  - (e) and a resolution of our Board or our Board of Directors of the relevant subsidiary of our Company to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 12(iv) shall be conclusive;
- (v) in the event of the Grantee not being a Director or employee of our Group or Invested Entity, the date on which our Board in its sole and absolute discretion resolves that

such Grantee ceases to be qualified as a Participant by reason of termination of its business relations with the relevant member of our Group or by reason of its failure to comply with the provisions of the relevant contracts or agreements and/or its breaches of its fiduciary duties under common law or otherwise on other grounds as our Board considers appropriate;

- (vi) the date on which the Grantee commits a breach of paragraph 9 above;
- (vii) if an option is granted subject to certain conditions, restrictions or limitations, the date on which our Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; and
- (viii) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter, if any.

### **13. Amendment of our Share Option Scheme**

The specific provisions of our Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of our Board in relation to any alteration of the terms of our Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of our Share Option Scheme which are of material nature, or any change to the terms of options granted, must also, to be effective, be approved by our Shareholders in general meeting, except where alterations take effect automatically under the existing terms of our Share Option Scheme. Our Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

### **14. Termination**

Our Company may at any time terminate the operation of our Share Option Scheme by resolution of our Board or resolution of our Shareholders in general meeting and in such event no further options will be offered but the provisions of our Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the options (to the extent not already exercised) granted prior to the termination or otherwise or may be required in accordance with the provisions of our Share Option Scheme. All options granted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of our Share Option Scheme.

As of the Latest Practicable Date, no option has been granted by our Company under our Share Option Scheme.

## **F. OTHER INFORMATION**

### **1. Tax and other indemnities**

Our Controlling Shareholders have entered into the Deed of Indemnity with and in favor of each member of our Company (being the contract referred to in paragraph (w) of the section entitled “Further Information About Our Business — Summary of Material Contracts” above) to irrevocably provide indemnities on a joint and several basis in respect of, among other matters, estate duty, taxation resulting from income, profits or gains earned, accrued or received as well as any claims relating to the non-compliance incidents and property title defects of any member of our Group which may be subject and payable on or before the date when the Global Offering becomes unconditional.

## 2. Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which estate duty ceased to be chargeable in Hong Kong in respect of the estates of persons dying on or after that date. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application for a grant of representation in respect of holders of Shares whose death occur on or after February 11, 2006.

## 3. Stamp Duty

Dealings in the Shares will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. In other words, a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares.

## 4. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against any member of our Group.

## 5. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options which may be granted pursuant to the Share Option Scheme).

## 6. Sponsor's Fees

Our Company agreed to pay the Sole Sponsor a fee of US\$800,000 as the sponsor to our Company for the Global Offering (the "**Sponsor Fee**"). The Sponsor Fee relates solely to services provided by the Sole Sponsor in the capacity of a sponsor, and not other services which it may provide, such as (without limitation) bookbuilding, pricing and underwriting. Our Company further agrees that (i) its responsibility for the Sponsor Fee hereunder is not contingent on the success or the final size of the Offering; and (ii) any termination of this agreement with the Sole Sponsor will not affect any accrued rights or obligations of both parties, including the payment of the Sponsor Fee.

The Sponsor Fee will be payable by us in accordance with the following timetable:

- (i) 50% of the Sponsor Fee plus all accrued out-of-pocket expenses will be paid within 30 days of the submission of the listing application; and
- (ii) 50% of the Sponsor Fee plus all accrued out-of-pocket expenses will be paid within 30 days after the listing hearing.

Upon completion of the Global Offering, an amount equal to the Sponsor Fee already paid to the Sole Sponsor shall be credited against the underwriting commissions pursuant to the Underwriting agreements.

## 7. Preliminary Expenses

Our estimated preliminary expenses are approximately US\$70,000. All preliminary expenses and all expenses relating to the Global Offering will be borne by the Company.

## 8. Promoter

The Company has no promoter for the purpose of the Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

## 9. Qualifications of Experts

The qualifications of the experts who have given their opinions or advice in this prospectus are as follows:

Name	Qualifications
J.P. Morgan Securities (Far East) Limited . . . . .	a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young . . . . .	Certified Public Accountants
King & Wood Mallesons . . . . .	PRC legal advisor
Maples and Calder . . . . .	Cayman Islands attorneys-at-law
Beijing Moores Rowland Certified Public Accountants ("Moores Rowland") . . . . .	Internal Control Consultant
All China Marketing Research Co., Ltd. . . . .	Independent Industry Consultant

## 10. Consents

Each of J.P. Morgan Securities (Far East) Limited, Ernst & Young, King & Wood Mallesons, Maples and Calder, Moores Rowland and All China Marketing Research Co., Ltd. has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or opinion and/or the references to their names included herein in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

**11. Binding Effect**

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

**12. Reserves Available for Distribution**

As at December 31, 2013, our Company has no available reserves for distribution to our Shareholders.

**13. Miscellaneous**

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
  - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
  - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) no founders or management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
  - (iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
  - (v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.
- (b) Save as disclosed in this prospectus, our Group had not issued any debentures nor did it have any outstanding debentures or any convertible debt securities.
- (c) Our Directors confirm that:
  - (i) there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2013 (being the date to which the latest audited consolidated financial statements of our Group were prepared);
  - (ii) there is no arrangement under which future dividends are waived or agreed to be waived; and
  - (iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

- (d) The Hong Kong register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Share Registrar and may not be lodged in the Cayman Islands.
- (e) All necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement.
- (f) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (g) The Directors have been advised that, under the Cayman Companies Law, the use of a Chinese name by the Company for identification purposes only does not contravene the Cayman Companies Law.

#### **14. Bilingual prospectus**

The English language and Chinese language version of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

#### **15. Property Valuation Report**

Our Company has not obtained a valuation report in respect of its property interests in reliance upon the exemption provided by section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong) and Chapter 5 of the Listing Rules.