

A. FURTHER INFORMATION ABOUT THE COMPANY**1. Incorporation**

Our Company was incorporated as an exempted company in the Cayman Islands under the Companies Law on 25 May 2010. Our Company has established a principal place of business and head office in Hong Kong at Room 1613, 16th Floor, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 11 August 2010. Mr. Chui Wing Fai has been appointed as our authorised representative for the acceptance of service of process in Hong Kong. The address for acceptance of service of process in Hong Kong is the same as our principal place of business in Hong Kong set out above.

As our Company was incorporated in the Cayman Islands, it operates subject to Cayman Islands law and its constitution comprising the Memorandum and Articles. A summary of various provisions of its constitution and relevant aspects of Cayman Islands company law is set out in Appendix V to this prospectus.

2. Changes in share capital of our Company

- (a) The authorised share capital of our Company as at the date of its incorporation was HK\$100,000 divided into 10,000,000 Shares.
- (b) On 25 May 2010, one Share was allotted and issued as nil paid to Mapcal Limited as the initial subscriber.
- (c) On 8 June 2010, Mapcal Limited transferred its one Share to Fang Brothers as nil paid Share.
- (d) On 8 June 2010, our Company allotted and issued 699 Shares to Fang Brothers, 3,600 Shares to CITIC Capital China, 870 Shares to CDH Cool and 1,830 Shares to CDH Auto, respectively, as nil paid Shares.
- (e) Pursuant to the written resolutions of the Shareholders passed on 9 November 2010, the authorised share capital of our Company was increased from HK\$100,000 to HK\$20,000,000 by the creation of additional 1,990,000,000 Shares.
- (f) On 10 November 2010, in consideration of the transfer of 95 shares in Aotecar International from CUAS to our Company, the Shares described in (c) and (d) above were credited as fully paid up at par value and our Company allotted and issued a further 700 Shares to Fang Brothers, 3,600 Shares to CITIC Capital China, 870 Shares to CDH Cool and 1,830 Shares to CDH Auto, respectively, all credited as fully paid up. Details of the said transfer of shares in Aotecar International are set out in “Further information about the Company – Corporate reorganisation” in this Appendix.
- (g) On 10 November 2010, Mr. Qian transferred his five shares in Aotecar International to our Company in consideration of the allotment and issue by our

Company to him of 737 Shares credited as fully paid up. Details of the said share swap between our Company and Mr. Qian are set out in “Further information about the Company – Corporate reorganisation” in this Appendix.

- (h) Immediately upon completion of the Global Offering and the Capitalisation Issue, but without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options or any options which may be granted under the Share Option Scheme, 1,000,000,000 Shares will be allotted and issued or credited as fully paid up, and 1,000,000,000 Shares will remain unissued. Other than pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options or any options which may be granted under the Share Option Scheme, and save as otherwise disclosed herein, the Directors have no present intention to issue any part of the authorised but unissued share capital of our Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Except as discussed above and in “Further information about the Company – Written resolutions of the Shareholders passed on 9 November 2010”, “Further information about the Company – Written resolutions of the Shareholders passed on 11 April 2011” and “Corporate reorganisation” in this Appendix, there has been no alteration in our share capital since the date of our incorporation.

3. Written resolutions of the Shareholders passed on 9 November 2010

Pursuant to the written resolutions of the Shareholders passed on 9 November 2010, approving among other matters:

- (a) the authorised share capital of our Company was increased from HK\$100,000 divided into 10,000,000 Shares to HK\$20,000,000 by the creation of an additional 1,990,000,000 Shares; and
- (b) the amended and restated Memorandum and Articles were adopted in substitution for and to the exclusion of the existing Memorandum and Articles conditional upon the Listing of the Shares on the Stock Exchange.

4. Written resolutions of the Shareholders passed on 11 April 2011

Pursuant to the written resolutions of the Shareholders passed on 11 April 2011, approving, among other matters, that conditional on (1) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus and (2) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

- (a) the Global Offering and the Over-allotment Option were approved and the Directors were authorised to approve the allotment and issue of the Offer Shares

and any Shares which are required to be issued if the Over-allotment Option is exercised;

- (b) the rules of the Share Option Scheme, the principal terms of which are set out in “Share Option Schemes – Summary of the terms of the Share Option Scheme” in this Appendix, were approved and adopted and the Directors were authorised to implement the same, to grant options to subscribe for Shares thereunder, and to allot and issue Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme;
- (c) conditional further on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to capitalise an amount of HK\$6,999,852.63 from the amount standing to the credit of the share premium account of our Company and to appropriate such amount as capital to pay up in full at par 699,985,263 Shares for allotment and issue to our Shareholders whose names appear on the register of members of our Company at the close of business on 11 April 2011 or its nominees in proportion to their then existing shareholdings in our Company, each ranking pari passu in all respects with the then existing issued Shares;
- (d) a general unconditional mandate was given to the Directors to exercise all the powers to allot, issue and deal with, otherwise than by way of rights, scrip dividend schemes or similar arrangements in accordance with the Articles, or pursuant to the exercise of any options which have been granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme or any other option scheme or similar arrangement for the time being adopted, Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue (excluding Shares which may be issued pursuant to the exercise of the Over-allotment Option or pursuant to any options which have been granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the date by which the next annual general meeting of our Company is required to be held by the Articles or any applicable law; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution by the Shareholders in a general meeting;
- (e) a general unconditional mandate was given to the Directors authorising them to exercise all powers of our Company to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue (excluding Shares which may be issued

pursuant to the exercise of the Over-allotment Option or pursuant to any options which have been granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the date by which the next annual general meeting of our Company is required to be held by the Articles or any applicable law; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution by Shareholders in a general meeting; and
- (f) the general unconditional mandate mentioned in paragraph (d) above was 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 by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above.

5. Corporate reorganisation

In preparation for the listing of Shares on the Stock Exchange, the companies comprising our Group underwent the Reorganisation and our Company became the holding company of our Group. Our Reorganisation involved the following major steps:

(a) Incorporation of the Company

On 25 May 2010, our Company was incorporated in the Cayman Islands as an exempted company with an authorised share capital of HK\$100,000 divided into 10,000,000 Shares.

On 25 May 2010, one Share was allotted and issued as nil paid to Mapcal Limited as the initial subscriber.

On 8 June 2010, Mapcal Limited transferred its one Share to Fang Brothers as nil paid Share.

On 8 June 2010, our Company allotted and issued 699 Shares to Fang Brothers, 3,600 Shares to CITIC Capital China, 870 Shares to CDH Cool and 1,830 Shares to CDH Auto respectively, as nil paid Shares.

(b) Allotment of 99 shares in Aotecar International to CUAS

On 22 June 2010, Aotecar International allotted and issued for cash at par its 99 shares of US\$1.00 each to CUAS.

(c) *Transfer of five shares in Aotecar International from CUAS to Mr. Qian*

On 22 June 2010:

- (a) CUAS transferred to Mr. Qian legal interest in three shares in Aotecar International (the beneficial interest in which CUAS had previously transferred to Mr. Qian on 11 September 2008);
- (b) CUAS transferred to Mr. Qian the legal and beneficial interests in two shares in Aotecar International; and
- (c) Mr. Qian settled in full (i) the cash consideration of US\$1,145,485 payable to CUAS for the transfer by CUAS to Mr. Qian of the legal and beneficial interests in the three shares described in (a) above and the creditor's right to 3% of a US\$30,673,735.70 amount owed by Aotecar Hong Kong to CUAS and (ii) the cash consideration of US\$2 payable to CUAS for the transfer by CUAS to Mr. Qian of the legal and beneficial interests in the two shares described in (b) above and the creditor's right to 2% of a US\$30,673,735.70 amount owed by Aotecar Hong Kong to CUAS.

(For details regarding the transfers by CUAS to Mr. Qian of the legal and beneficial interests in a total of five shares in Aotecar International and the creditor's right to 5% of a US\$30,673,735.70 amount owed by Aotecar Hong Kong to CUAS, please refer to "History, Development and Reorganisation – Corporate history" in this prospectus.)

(d) *Increase in authorised share capital of the Company*

On 9 November 2010, the authorised share capital of our Company was increased from HK\$100,000 to HK\$20,000,000 by the creation of an additional 1,990,000,000 Shares.

(e) *Share swap for our Company's Shares*

On 10 November 2010, CUAS transferred its 95 shares in the issued share capital of Aotecar International to our Company in consideration of:-

- (i) the crediting as fully paid up at par by our Company of the 700 Shares, 3,600 Shares, 870 Shares and 1,830 Shares held by Fang Brothers, CITIC Capital China, CDH Cool and CDH Auto, respectively; and
- (ii) the allotment and issue by our Company of a further 700 Shares, 3,600 Shares, 870 Shares and 1,830 Shares credited as fully paid up to Fang Brothers, CITIC Capital China, CDH Cool and CDH Auto, respectively.

On 10 November 2010, Mr. Qian transferred his five shares in Aotecar International to our Company in consideration of the allotment and issue by our Company to him of 737 Shares credited as fully paid up.

(f) Capitalisation Issue

Pursuant to the written resolutions of the Shareholders passed on 11 April 2011 and conditional on the conditions set out in “Structure and Conditions of the Global Offering – Conditions of the Public Offering” in this prospectus and conditional on the share premium account of our Company being created as a result of the Global Offering, the Directors were authorised to allot and issue an aggregate of 699,985,263 Shares by way of capitalisation of the amount of HK\$6,999,852.63 from the amount standing to the credit of the share premium account of our Company, details of which are set out in “Further information about the Company – Written resolutions of the Shareholders passed on 11 April 2011” in this Appendix.

As at the Latest Practicable Date, our Company had five registered Shareholders.

6. Changes in the share capital of our subsidiaries

Our subsidiaries are listed 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 the subsidiaries of our Company have taken place within two years preceding the date of this prospectus:

(a) Aotecar International

On 22 June 2010, 99 shares of US\$1.00 each in Aotecar International were allotted and issued for cash at par to CUAS.

On 22 June 2010, CUAS transferred its legal interest in three shares (the beneficial interest in which CUAS had previously transferred to Mr. Qian on 11 September 2008) and legal and beneficial interest in two shares in the issued share capital of Aotecar International to Mr. Qian. For details regarding the aforesaid transfer of shares in Aotecar International by CUAS to Mr. Qian, including the consideration paid therefor by Mr. Qian, please refer to “History, Development and Reorganisation – Corporate History” in this prospectus.

On 10 November 2010, CUAS transferred its 95 shares in the issued share capital of Aotecar International to our Company in consideration of:–

- (i) the crediting as fully paid up at par by our Company of the 700 Shares, 3,600 Shares, 870 Shares and 1,830 Shares held by Fang Brothers, CITIC Capital China, CDH Cool and CDH Auto, respectively; and
- (ii) the allotment and issue by our Company of a further 700 Shares, 3,600 Shares, 870 Shares and 1,830 Shares credited as fully paid up to Fang Brothers, CITIC Capital China, CDH Cool and CDH Auto, respectively.

On 10 November 2010, Mr. Qian transferred his five shares in Aotecar International to our Company in consideration of the allotment and issue by our Company to him of 737 Shares credited as fully paid up.

(b) Aotecar Nanjing

On 16 August 2010, the registered capital of Aotecar Nanjing was increased from RMB14,460,000 to RMB20,460,000.

(c) Aotecar Casting

On 26 May 2010, the registered capital of Aotecar Casting was increased from RMB5,000,000 to RMB7,000,000.

Save as disclosed in this prospectus, there have been no alterations in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

7. Repurchase by our Company of our own securities

This paragraph sets forth information required by the Stock Exchange to be included in this prospectus concerning the repurchase by us of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All proposed repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a specific transaction.

As set forth in "Further information about the Company – Written resolutions of the Shareholders passed on 11 April 2011" in this Appendix, our Directors were given a general unconditional mandate to repurchase securities.

(ii) Source of funds

Repurchases must only be funded out of funds legally available for the purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement

otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Any repurchases may be made out of funds legally available for the purpose, namely profits or the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by the Articles and subject to the Companies Law, out of capital. Any premium on a purchase may be made out of profits or the Company's share premium account or, if so authorised by the Articles and subject to the Companies Law, out of capital.

(iii) Trading restrictions

The total number of shares which a company is authorised to repurchase on the Stock Exchange is such number of shares which represents up to a maximum of 10% of the existing issued share capital of our Company as at the date of the resolution approving the repurchase. A company may not issue or announce an issue of securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange.

(iv) Shares to be purchased

The Listing Rules provide that the shares which are proposed to be purchased by a company must be fully paid up.

(v) Status of repurchased securities

The listing of all repurchased securities (whether on the Stock Exchange or otherwise) is automatically cancelled and the relative certificates for those securities must be cancelled and destroyed. Under the laws of the Cayman Islands, a company's repurchased securities are to be treated as cancelled.

(vi) Suspension of repurchases

Securities repurchases are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In addition, the Stock Exchange reserves the right to prohibit repurchases of securities on the Stock Exchange if a company has breached the Listing Rules.

(vii) Reporting requirements

Repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, the company's annual report is required to

disclose details regarding repurchases of securities made during the year, including the number of securities repurchased and the aggregate prices paid.

(viii) Connected persons

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a connected person, that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his securities to the company.

(b) *Share capital*

The exercise in full of the repurchase mandate, on the basis of 1,000,000,000 Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option, the Pre-IPO Share Options and the options which may be granted under the Share Option Scheme are not exercised), could accordingly result in up to 100,000,000 Shares being repurchased by our Company during the period prior to the date on which such repurchase mandate expires or terminates.

(c) *General information relevant to the repurchase mandate*

- (i) Our Directors believe that it is in the best interests of our Company and our Shareholders to have a general authority from Shareholders to enable our Directors to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of our net value and our assets and/or earnings per Share.
- (ii) There might be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate is exercised in full. However, our Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on our working capital requirements or on such gearing levels that our Directors consider appropriate from time to time.
- (iii) None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates, have any present intention to sell any Shares to our Company if the repurchase mandate is exercised.
- (iv) Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate only in

accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands. We shall procure the broker who effects the repurchase of securities to disclose to the Stock Exchange such information in relation to the purchase as the Stock Exchange may request.

- (v) If as a result of a repurchase of securities a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder (or a group of Shareholders acting in concert, as defined in the Takeovers Code) could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Except as aforesaid, our Directors are not aware of any consequences that may arise under the Takeovers Code as a result of a repurchase pursuant to the repurchase mandate.
- (vi) Any repurchase of Shares which results in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange to waive the requirement regarding the public shareholding referred to above. Except in extraordinary circumstances, a waiver of this provision would not normally be given by the Stock Exchange.
- (vii) No connected person has notified us that he has any present intention to sell Shares to our Company, nor has any connected person undertaken not to do so, if the repurchase mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by us within the two years preceding the date of this prospectus and are, or may be, material:

- (a) a share transfer agreement dated 11 September 2008 entered into among Aotecar International, CUAS and Mr. Qian (the "**Share Transfer Agreement**") pursuant to which CUAS (i) agreed to transfer three shares (representing 3%) in the issued share capital of Aotecar International to Mr. Qian for a cash consideration of US\$1,145,485 and (ii) granted an option to Mr. Qian to acquire from CUAS a further two shares in the issued share capital of Aotecar International (the "**Option Shares**") for a cash consideration of US\$2 upon the fulfilment of certain conditions, including the condition that the net profit (excluding the effect of the Share Transfer Agreement (as supplemented by the two agreements dated 7 June 2010 and 15 July 2010 respectively) in relation to the 5%

shareholding in Aotecar International) of Aotecar Nanjing for the year ended 31 December 2008 was at least RMB45,000,000;

- (b) a supplemental agreement to the Share Transfer Agreement dated 7 June 2010 entered into among Aotecar International, CUAS and Mr. Qian pursuant to which (i) the parties confirmed that beneficial interest in 3% of the shareholding of Aotecar International had been transferred by CUAS to Mr. Qian on 11 September 2008 and (ii) the parties agreed that the legal interest in the said 3% shareholding together with the legal and beneficial interest in the 2% Option Shares shall, upon the exercise of the option by Mr. Qian, be transferred by CUAS to Mr. Qian on or before 25 June 2010 or such other date as the parties may agree;
- (c) a second supplemental agreement to the Share Transfer Agreement dated 15 July 2010 entered into among Aotecar International, CUAS and Mr. Qian pursuant to which the parties confirmed that (i) on 11 September 2008, in addition to the 3% beneficial interest in the shareholding of Aotecar International as described at (b)(i) above, CUAS also transferred to Mr. Qian the creditor's right to 3% of a US\$30,673,735.70 amount owed by Aotecar Hong Kong to CUAS; (ii) when Mr. Qian exercised the option to acquire the 2% Option Shares described at (b)(ii) above, he also acquired from CUAS the creditor's right to 2% of the US\$30,673,735.70 amount owed by Aotecar Hong Kong to CUAS and (iii) CUAS would notify Aotecar Hong Kong of Mr. Qian's 5% interest in the US\$30,673,735.70 owed by Aotecar Hong Kong;
- (d) a non-competition deed dated 9 November 2010 entered into among CITIC Capital China Fund I, CITIC Capital China, Mr. Qian and our Company (for itself and as trustee for its subsidiaries) pursuant to which certain non-competition arrangements shall be implemented, particulars of which are set forth in "Relationship with Controlling Shareholders" in this prospectus;
- (e) a share purchase agreement dated 10 November 2010 entered into among CUAS, Mr. Qian and our Company pursuant to which (i) CUAS transferred to the Company 95 shares in the issued share capital of Aotecar International in consideration of and in exchange for the crediting as fully paid up at par of 700 Shares, 3,600 Shares, 870 Shares and 1,830 Shares held by Fang Brothers, CITIC Capital China, CDH Cool and CDH Auto, respectively, and the allotment and issue by our Company of a further 700 Shares, 3,600 Shares, 870 Shares and 1,830 Shares credited as fully paid up to Fang Brothers, CITIC Capital China, CDH Cool and CDH Auto, respectively, and (ii) Mr. Qian transferred his five shares in the issued share capital of Aotecar International to our Company in consideration of the allotment and issue by our Company to Mr. Qian of 737 Shares credited as fully paid up; and
- (f) the Public Offering Underwriting Agreement dated 14 April 2011 entered into among our Company, CITIC Capital China, Mr. Qian, Goldman Sachs, CIMB and the other Public Offering Underwriters.

2. Our intellectual property rights

(a) Trademarks

- (i) As at the Latest Practicable Date, we were the registered owner of the following trademarks:

	Trademark	Place of Registration	Class(es)	Registration Number	Validity Period	Registered Owner
1.		PRC	11	1638043	2001/09/21-2011/09/20	Aotecar Nanjing
2.		PRC	7	1653723	2001/10/21-2011/10/20	Aotecar Nanjing
3.		PRC	11	1638040	2001/09/21-2011/09/20	Aotecar Nanjing
4.	AOTECAR	PRC	12	6642299	2010/03/28-2020/03/27	Aotecar Nanjing
5.	AOTECAR	PRC	7	6642301	2010/03/28-2020/03/27	Aotecar Nanjing
6.	AOTECAR	PRC	11	6642300	2010/05/14-2020/05/13	Aotecar Nanjing
7.	奥特佳	PRC	4	7036548	2010/07/28-2020/07/27	Aotecar Nanjing
8.	AOTECAR	PRC	4	7036549	2010/07/28-2020/07/27	Aotecar Nanjing
9.	AOTECAR	PRC	1	7037042	2010/07/28-2020/07/27	Aotecar Nanjing
10.		USA	13, 21, 23, 31, 34	3406667	2008/04/01-2018/03/31	Aotecar Nanjing
11.	AOTECAR	Hong Kong	1, 4, 7, 11, 12	301616094	2010/05/18-2020/05/17	Aotecar Hong Kong
12.	奥特佳	Hong Kong	1, 4, 7, 11, 12	301616102	2010/05/18-2020/05/17	Aotecar Hong Kong
13.		Hong Kong	1	301616111AB	2010/05/18-2020/05/17	Aotecar Hong Kong

- (ii) As at the Latest Practicable Date, we had applied for the registration of the following trademarks:

Trademark	Place of Application	Class(es)	Application Number	Application Date	Applicant
1. 	Hong Kong	4, 7, 12	301616111AA	2010/05/18	Aotecar Hong Kong
2. 	Hong Kong	11	301616111AC	2010/05/18	Aotecar Hong Kong
3. CHINA GREENWAY SYSTEM TECHNOLOGIES	Hong Kong	1, 4, 7, 11, 12	301644921	2010/06/21	The Company
4. 中國綠源系統技術, 中国绿源系统技术	Hong Kong	1, 4, 7, 11, 12	301644930	2010/06/21	The Company
5. 	Hong Kong	1, 4, 7, 11, 12	301644912	2010/06/21	The Company
6. 	Hong Kong	1, 4, 7, 11, 12	301691424	2010/08/17	The Company

(b) *Patents*

- (i) As at the Latest Practicable Date, we were the registered owner of the following patents in the PRC:

Type	Patent Description	Patent Number	Validity Period	Registered Owner
1. Invention	Variable scroll compressor with centrifugal force control (離心力控制式變排量渦旋式壓縮機)	ZL 2004 1 0014037.6	2004/02/11 - 2024/02/10	Aotecar Nanjing
2. Invention	Method and structure of compact automotive scroll compressor (渦旋式車用空調壓縮機的小型化方法及其結構)	ZL 2006 1 0038169.1	2006/02/07 - 2026/02/06	Aotecar Nanjing
3. Invention	Large displacement automotive scroll compressor (大排量車用渦旋式壓縮機)	ZL 2005 1 0041482.6	2005/08/15 - 2025/08/14	Aotecar Nanjing
4. Invention	Hermetic constant pressure automotive scroll compressor (車用恒壓式全封閉渦旋壓縮機)	ZL 2006 1 0040514.5	2006/05/22 - 2026/05/21	Aotecar Nanjing
5. Invention	Control device for variable scroll compressor (渦旋式壓縮機用變排量控制裝置)	ZL 2006 1 0096136.2	2006/09/22 - 2026/09/21	Aotecar Nanjing
6. Invention	High efficiency low noise electric vehicle scroll compressor (電動汽車用高效低噪渦旋式壓縮機)	ZL 2008 1 0023678.6	2008/04/23 - 2028/04/22	Aotecar Nanjing
7. Invention	Methods of improving efficiency and reliability of the vertical hermetic scroll compressor and its structure (提高立式全封閉渦旋式壓縮機效率和可靠性的方法及其結構)	ZL 2005 1 0038118.4	2005/01/17 - 2025/01/16	Aotecar Nanjing

	Type	Patent Description	Patent Number	Validity Period	Registered Owner
8.	Utility Model	Scroll compressor unit for bus (大客車用渦旋式壓縮機組)	ZL 2004 2 0024425.8	2004/01/20 - 2014/01/19	Aotecar Nanjing
9.	Utility Model	By pass variable scroll compressor (旁通式變排量渦旋式壓縮機)	ZL 2004 2 0062933.5	2004/07/21 - 2014/07/20	Aotecar Nanjing
10.	Utility Model	Ring-pin structure automotive scroll compressor (環銷結構的渦旋式車用空調壓縮機)	ZL 2007 2 0041284.4	2007/08/01 - 2017/07/31	Aotecar Nanjing
11.	Utility Model	External relief valve large displacement automotive scroll compressor (帶外置泄荷裝置的大排量車用渦旋式壓縮機)	ZL 2005 2 0074476.6	2005/08/15 - 2015/08/14	Aotecar Nanjing
12.	Utility Model	Large displacement automotive scroll compressor with oil separator (帶油氣分離裝置的大排量車用渦旋式壓縮機)	ZL 2005 2 0074474.7	2005/08/15 - 2015/08/14	Aotecar Nanjing
13.	Utility Model	Large displacement automotive scroll compressor with oil return device (帶回油裝置的大排量車用渦旋式壓縮機)	ZL 2005 2 0074478.5	2005/08/15 - 2015/08/14	Aotecar Nanjing
14.	Utility Model	External clutch large displacement automotive scroll compressor (離合器外置式大排量車用渦旋式壓縮機)	ZL 2005 2 0074475.1	2005/08/15 - 2015/08/14	Aotecar Nanjing
15.	Utility Model	Large displacement automotive scroll compressor with internal relief valve (帶內置泄荷裝置的大排量車用渦旋式壓縮機)	ZL 2005 2 0074473.2	2005/08/15 - 2015/08/14	Aotecar Nanjing
16.	Utility Model	Anti liquid slug device for bus compressor (客車空調壓縮機抗液擊裝置)	ZL 2008 2 0161916.5	2008/10/15 - 2018/10/14	Aotecar Nanjing
17.	Utility Model	Electric scroll compressor with suction passage on front cover (吸氣通道位於前蓋上的電動汽車用渦旋式壓縮機)	ZL 2008 2 0034636.8	2008/04/23 - 2018/04/22	Aotecar Nanjing
18.	Utility Model	High efficiency low noise electric scroll compressor (電動汽車用高效低噪渦旋式壓縮機)	ZL 2008 2 0034633.4	2008/04/23 - 2018/04/22	Aotecar Nanjing
19.	Utility Model	Multi-piston swash automotive compressor (斜盤式多活塞車用空調壓縮機)	ZL 2008 2 0032301.2	2008/02/26 - 2018/02/25	Aotecar Nanjing
20.	Utility Model	Electric automotive scroll compressor with reducing noise device in fixed scroll (靜盤上帶有降噪排氣結構的電動汽車用渦旋式壓縮機)	ZL 2008 2 0034635.3	2008/04/23 - 2018/04/22	Aotecar Nanjing
21.	Utility Model	Electric automotive scroll compressor (電動汽車用渦旋式壓縮機)	ZL 2008 2 0034634.9	2008/04/23 - 2018/04/22	Aotecar Nanjing
22.	Design	Bus scroll compressor (渦旋式客車空調壓縮機)	ZL 2005 3 0080999.7	2005/03/03 - 2015/03/02	Aotecar Nanjing
23.	Design	Automotive scroll compressor (渦旋式汽車空調壓縮機)	ZL 2005 3 0080998.2	2005/03/03 - 2015/03/02	Aotecar Nanjing
24.	Design	Automotive scroll compressor (WXH-086-L) (渦旋式汽車空調壓縮機 (WXH-086-L))	ZL 2005 3 0154256.X	2005/12/12 - 2015/12/11	Aotecar Nanjing

	Type	Patent Description	Patent Number	Validity Period	Registered Owner
25.	Design	Automotive scroll compressor (WXH-086-C5) (渦旋式汽車空調壓縮機 (WXH-086-C5))	ZL 2005 3 0171792.0	2005/12/28 - 2015/12/27	Aotecar Nanjing
26.	Design	Automotive scroll compressor (WXH-106-C6) (渦旋式汽車空調壓縮機 (WXH-106-C6))	ZL 2005 3 0154257.4	2005/12/12 - 2015/12/11	Aotecar Nanjing
27.	Design	Automotive scroll compressor (WXH-086-F10) (渦旋式車用壓縮機 (WXH-086-F10))	ZL 2005 3 0154258.9	2005/12/12 - 2015/12/11	Aotecar Nanjing
28.	Design	Automotive scroll compressor (車用渦旋式壓縮機)	ZL 2005 3 0087897.8	2005/08/16 - 2015/08/15	Aotecar Nanjing
29.	Design	Electric automotive scroll compressor (渦旋式汽車空調電動壓縮機)	ZL 2008 3 0027499.0	2008/04/23 - 2018/04/22	Aotecar Nanjing
30.	Utility Model	Variable scroll compressor with micro-motor control displacement (以微電機調節閥控制排量的變排量渦旋壓縮機)	ZL 01 2 45453.2	2001/08/20 - 2011/08/19	Aotecar Nanjing
31.	Utility Model	Automotive scroll compressor with positioner (帶定位機構的渦旋式汽車空調壓縮機)	ZL 02 2 62678.6	2002/06/25 - 2012/06/24	Aotecar Nanjing
32.	Utility Model	Scroll compressor with axial seal element (渦旋壓縮機的軸向密封機構)	ZL 02 2 21114.4	2002/06/10 - 2012/06/09	Aotecar Nanjing
33.	Utility Model	Multi source electric auto (多源電動汽車)	ZL 2009 2 0041436.X	2009/04/01 - 2019/03/31	Aotecar Nanjing
34.	Utility Model	Bidirectional piston swash compressor (斜盤式雙頭活塞式壓縮機)	ZL 2009 2 0043490.8	2009/07/09 - 2019/07/08	Aotecar Nanjing
35.	Utility Model	Multi-source hybrid electric vehicle (多源混合驅動電動車)	ZL 201020122298.0	2010/03/03 - 2020/03/02	Aotecar Nanjing
36.	Utility Model	Electric vehicle intelligent temperature control system (電動汽車智能溫度控制系統)	ZL 201020122296.1	2010/03/03 - 2020/03/02	Aotecar Nanjing
37.	Utility Model	Scroll compressors with high-pressure discharge device for room air conditioner (帶高壓泄荷裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074486.X	2005/08/15 - 2015/08/14	Aotecar Nanjing
38.	Utility Model	Scroll compressors with oil return device for room air conditioner (帶回油裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074480.2	2005/08/15 - 2015/08/14	Aotecar Nanjing
39.	Utility Model	Scroll compressors with radial compensation device for room air conditioner (帶徑向補償裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074487.4	2005/08/15 - 2015/08/14	Aotecar Nanjing
40.	Utility Model	Scroll compressors with oil separator for room air conditioner (帶油氣分離裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074488.9	2005/08/15 - 2015/08/14	Aotecar Nanjing

	Type	Patent Description	Patent Number	Validity Period	Registered Owner
41.	Utility Model	Scroll compressors with moving disc type linear seal device for room air conditioner (帶有動盤型線密封裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074484.0	2005/08/15 - 2015/08/14	Aotecar Nanjing
42.	Utility Model	Scroll compressors with anti-reverse device for room air conditioner (帶有防反轉裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074481.7	2005/08/15 - 2015/08/14	Aotecar Nanjing
43.	Utility Model	Scroll compressors with new down-support structure for room air conditioner (帶有新型下支承結構的房間空用渦旋式壓縮機)	ZL 2005 2 0074482.1	2005/08/15 - 2015/08/14	Aotecar Nanjing
44.	Utility Model	Scroll compressors with axial compensation device for room air conditioner (帶軸向補償裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074483.6	2005/08/15 - 2015/08/14	Aotecar Nanjing
45.	Utility Model	Scroll compressors with anti-return air device on exhaust port for room air conditioner (排氣口帶有防回氣裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074479.X	2005/08/15 - 2015/08/14	Aotecar Nanjing
46.	Utility Model	Scroll compressors with oil suction device on crankshaft for room air conditioner (曲軸中設有吸油裝置的房間空調器用渦旋式壓縮機)	ZL 2005 2 0074485.5	2005/08/15 - 2015/08/14	Aotecar Nanjing

With respect to the patents described under items 40 and 44 above, prior to their assignment to Aotecar Nanjing by Mr. Qian on 9 November 2010, an exclusive license was granted by Mr. Qian to Hebei Zhongxing Automobile Co., Ltd. (河北中興汽車製造有限公司) for a period from 7 July 2009 to 7 July 2016, and an application for the recordal of the assignment was filed on 27 August 2009. Such exclusive license would prevent our Group from using such patents during the relevant licensing period. The Directors have confirmed that the Group has not used the said patents in our Group's business since their assignment to Aotecar Nanjing and the Group has no intention to use such patents in future. Further, the Directors have confirmed that the said patents are not material to our Group's business.

- (ii) As at the Latest Practicable Date, we had applied for the registration of the following patents in the PRC:

	Type of Patent	Patent Description	Application Number	Acceptance Date	Applicant
1.	Invention	Bidirectional piston swash compressor (斜盤式雙頭活塞式壓縮機)	200910032126.6	2009/07/09	Aotecar Nanjing
2.	Invention	Multi source electric auto (多源電動汽車)	200910026124.6	2009/04/03	Aotecar Nanjing
3.	Invention	Eccentric type crankshaft bearing lubrication device for speed based scroll compressor (基於轉速的渦旋式壓縮機曲軸偏心套軸承潤滑裝置)	201010269346.3	2010/09/02	Aotecar Nanjing
4.	Invention	Energy-saving method and system of electric bus air conditioner controlled by smart temperature based on modularity in multi-temperature zones (基於多溫區模塊化智能溫度控制的電動大客車空調節能方法及系統)	201010553527.9	2010/11/23	Aotecar Nanjing
5.	Utility Model	Energy-saving system of electric bus air conditioner controlled by smart temperature based on modularity in multi-temperature zones (基於多溫區模塊化智能溫度控制的電動大客車空調節能系統)	201020617995.3	2010/11/23	Aotecar Nanjing
6.	Design	Scroll compressor (1) (渦旋式壓縮機 (1))	201030620550.6	2010/11/19	Aotecar Nanjing
7.	Design	Scroll compressor (2) (渦旋式壓縮機 (2))	201030620679.7	2010/11/19	Aotecar Nanjing
8.	Design	Scroll compressor (3) (渦旋式壓縮機 (3))	201030620702.2	2010/11/19	Aotecar Nanjing
9.	Design	Scroll compressor (4) (渦旋式壓縮機 (4))	201030620572.2	2010/11/19	Aotecar Nanjing
10.	Design	Scroll compressor (5) (渦旋式壓縮機 (5))	201030620614.2	2010/11/19	Aotecar Nanjing
11.	Design	Scroll compressor (6) (渦旋式壓縮機 (6))	201030620591.5	2010/11/19	Aotecar Nanjing
12.	Design	Scroll compressor (7) (渦旋式壓縮機 (7))	201030620710.7	2010/11/19	Aotecar Nanjing
13.	Design	Scroll compressor (8) (渦旋式壓縮機 (8))	201030620754.X	2010/11/19	Aotecar Nanjing
14.	Design	Scroll compressor (9) (渦旋式壓縮機 (9))	201030620619.5	2010/11/19	Aotecar Nanjing
15.	Design	Scroll compressor (10) (渦旋式壓縮機 (10))	201030620681.4	2010/11/19	Aotecar Nanjing
16.	Design	Scroll compressor (11) (渦旋式壓縮機 (11))	201030620604.9	2010/11/19	Aotecar Nanjing
17.	Design	Scroll compressor (12) (渦旋式壓縮機 (12))	201030620559.7	2010/11/19	Aotecar Nanjing
18.	Design	Scroll compressor (13) (渦旋式壓縮機 (13))	201030620778.5	2010/11/19	Aotecar Nanjing
19.	Design	Scroll compressor (14) (渦旋式壓縮機 (14))	201030620551.0	2010/11/19	Aotecar Nanjing
20.	Design	Scroll compressor (15) (渦旋式壓縮機 (15))	201030620791.0	2010/11/19	Aotecar Nanjing
21.	Design	Scroll compressor (16) (渦旋式壓縮機 (16))	201030620706.0	2010/11/19	Aotecar Nanjing
22.	Design	Scroll compressor (17) (渦旋式壓縮機 (17))	201030620624.6	2010/11/19	Aotecar Nanjing

	Type of Patent	Patent Description	Application Number	Acceptance Date	Applicant
23.	Design	Scroll compressor (18) (渦旋式壓縮機 (18))	201030620715.X	2010/11/19	Aotecar Nanjing
24.	Design	Scroll compressor (19) (渦旋式壓縮機 (19))	201030620573.7	2010/11/19	Aotecar Nanjing
25.	Design	Scroll compressor (20) (渦旋式壓縮機 (20))	201030620599.1	2010/11/19	Aotecar Nanjing
26.	Design	Scroll compressor (21) (渦旋式壓縮機 (21))	201030620787.4	2010/11/19	Aotecar Nanjing
27.	Design	Scroll compressor (22) (渦旋式壓縮機 (22))	201030620741.2	2010/11/19	Aotecar Nanjing
28.	Design	Scroll compressor (23) (渦旋式壓縮機 (23))	201030620627.X	2010/11/19	Aotecar Nanjing
29.	Design	Scroll compressor (24) (渦旋式壓縮機 (24))	201030620598.7	2010/11/19	Aotecar Nanjing
30.	Design	Scroll compressor (25) (渦旋式壓縮機 (25))	201030620789.3	2010/11/19	Aotecar Nanjing
31.	Design	Scroll compressor (26) (渦旋式壓縮機 (26))	201030620642.4	2010/11/19	Aotecar Nanjing
32.	Design	Scroll compressor (27) (渦旋式壓縮機 (27))	201030620792.5	2010/11/19	Aotecar Nanjing
33.	Design	Scroll compressor (28) (渦旋式壓縮機 (28))	201030620667.4	2010/11/19	Aotecar Nanjing
34.	Design	Scroll compressor (29) (渦旋式壓縮機 (29))	201030620600.0	2010/11/19	Aotecar Nanjing
35.	Design	Scroll compressor (30) (渦旋式壓縮機 (30))	201030620660.2	2010/11/19	Aotecar Nanjing
36.	Design	Scroll compressor (31) (渦旋式壓縮機 (31))	201030620747.X	2010/11/19	Aotecar Nanjing
37.	Design	Scroll compressor (32) (渦旋式壓縮機 (32))	201030620682.9	2010/11/19	Aotecar Nanjing
38.	Design	Scroll compressor (33) (渦旋式壓縮機 (33))	201030620755.4	2010/11/19	Aotecar Nanjing
39.	Design	Scroll compressor (34) (渦旋式壓縮機 (34))	201030620552.5	2010/11/19	Aotecar Nanjing
40.	Design	Scroll compressor (35) (渦旋式壓縮機 (35))	201030620560.X	2010/11/19	Aotecar Nanjing
41.	Design	Scroll electric compressor (1) (渦旋式電動壓縮機 (1))	201030620680.X	2010/11/19	Aotecar Nanjing
42.	Design	Scroll electric compressor (2) (渦旋式電動壓縮機 (2))	201030620644.3	2010/11/19	Aotecar Nanjing
43.	Design	Scroll electric compressor (3) (渦旋式電動壓縮機 (3))	201030620623.1	2010/11/19	Aotecar Nanjing
44.	Design	Scroll electric compressor (4) (渦旋式電動壓縮機 (4))	201030620617.6	2010/11/19	Aotecar Nanjing
45.	Utility Model	Wear-resistant scroll compressor bead-fixing ring (耐磨型渦旋壓縮機定珠圈)	201120068397.X	2011/03/16	Aotecar Nanjing
46.	Invention	Ring pin structure scroll compressor with lubrication groove in brake discs (動盤端面帶有潤滑油槽的圈銷結構式渦旋式壓縮機)	201110062544.7	2011/03/16	Aotecar Nanjing
47.	Utility Model	Ring pin structure scroll compressor with lubrication groove in brake discs (動盤端面帶有潤滑油槽的圈銷結構式渦旋式壓縮機)	201120068378.7	2011/03/16	Aotecar Nanjing

(c) Domain name

As at the Latest Practicable Date, we were the registered owner of the following domain names:

Domain Name	Place of Registration	Registration Date	Expiry Date
1. aotecar.com	PRC	2003/04/03	2015/04/03
2. 奥特佳.com	PRC	2008/09/08	2015/09/08
3. chinagreenway.com.cn	PRC	2010/07/20	2020/07/20
4. greenwaysystech.com.cn	PRC	2010/07/20	2020/07/20
5. greenwaysystech.com	PRC	2010/07/20	2020/07/20
6. 中國綠源系統技術.com	PRC	2010/07/20	2020/07/20
7. chinaautosystem.com	PRC	2010/09/01	2020/09/01
8. chinagreenway.com.hk	Hong Kong	2010/07/13	2013/07/29
9. greenwaysystech.com.hk	Hong Kong	2010/07/13	2013/07/29

The contents of the website(s), registered or licensed, do not form part of this prospectus.

(d) Copyright

As at the Latest Practicable Date, we were the registered owner of the following software copyright:

Copyright	Place of Registration	Registration Number	Registration Date	Registrant
Aotecar Scroll Compressor Process Simulation Software V1.0 (奥特佳渦旋壓縮機 過程模擬軟件V1.0)	PRC	2009SR057244	2009/12/10	Aotecar Nanjing

Except as aforesaid, there are no other trade or service marks, patents, other intellectual or industrial property rights which are or may be material in relation to our Group's business.

C. FURTHER INFORMATION ABOUT THE GROUP'S ENTERPRISES IN THE PRC

Brief particulars of the operating subsidiaries of our Company set up in the PRC are set out below:

(1) Aotecar Nanjing

Names:	南京奥特佳冷機有限公司 (Nanjing Aotecar Refrigerating Co., Ltd.)
Date and place of establishment:	16 May 2000, PRC
Nature:	Limited liability company (wholly foreign-owned enterprise)
Registered office:	103 Daming Road, Qinhuai District, Nanjing
Shareholder:	Aotecar Hong Kong
Scope of business:	Develop and promote the application technology of freon alternative; production and sales of non-freon environmentally friendly refrigeration products and related ancillary consultancy services
Registered capital:	US\$20,460,000
Total investment:	US\$38,640,000
Attributable interest to our Group:	100%
Term of operation:	16 May 2000 to 15 May 2030
Legal representative:	Mr. Zhang Yichen

(2) Aotecar Xiangyun

Names:	南京奥特佳祥雲冷機有限公司 (Nanjing Aotecar Xiangyun Refrigerating Co., Ltd.)
Date and place of establishment:	27 June 2008, PRC
Nature:	Limited liability company (wholly foreign-owned enterprise)

Shareholder:	Aotecar Hong Kong
Registered office:	Moling Subdistrict Industrial Centre, Jiangning District, Nanjing
Scope of business:	Production and sale of automobile air-conditioners, refrigeration compressors and other equipment for refrigeration, and provision of related ancillary services
Registered capital:	US\$12,000,000
Total investment:	US\$29,800,000
Attributable interest to our Group:	100%
Term of operation:	27 June 2008 to 26 June 2038
Legal representative:	Mr. Zhang Yichen
(3) Aotecar Casting	
Names:	南京奥特佳長恆鑄造有限公司 (Nanjing Aotecar Changheng Casting Co., Ltd.)
Date and place of establishment:	4 December 2008, PRC
Nature:	Limited liability company
Shareholders:	Aotecar Nanjing (51%), Changheng Casting (49%)
Registered office:	11 Ningyang Street, Hengxi Subdistrict, Jiangning District, Nanjing
Scope of business:	Production of aluminium alloy casting; research, development and sales of machinery products
Registered capital:	RMB7,000,000
Attributable interest to our Group:	51%
Term of operation:	4 December 2008 to 3 December 2028
Legal representative:	Mr. Wu Peirong

D. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT, STAFF AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' service agreements

Our executive Director has entered into a service agreement with our Company commencing from the Listing Date for a term of three years.

Our executive Director is entitled to a basic salary. The current basic annual remuneration (excluding any discretionary bonus which may be paid) payable by our Group to the executive Director is set out below.

RMB

Executive Director

Mr. Qian Yonggui	264,000
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Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date and renewable by mutual agreement on annual basis. The current basic annual remuneration payable by our Group to the non-executive Directors and the independent non-executive Directors are as follows:

HK\$

Non-executive Directors

Mr. Kenneth Fang	nil
Mr. Gao Chunhe	nil
Mr. Liu Xiaoping	nil
Mr. Wang Zhenyu	nil
Mr. Zhang Yichen	nil

HK\$

Independent non-executive Directors

Mr. Cheung Man Sang	200,000
Mr. Lai Ni Hium	200,000
Mr. Zhao Chunming	200,000

2. Directors' remuneration

The aggregate remuneration paid and payable to the Directors by our Group in respect of the financial year ended 31 December 2010 was approximately RMB2.3 million. The aggregate remuneration and benefits in kind which the Directors are entitled to receive for the financial year ending 31 December 2011 is estimated to be RMB0.8 million, excluding any discretionary bonuses which may be paid to the Directors.

3. Interests of Directors and chief executive in our share capital

Immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares that may be issued and allotted pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options or the options which may be granted under the Share Option Scheme or Shares that may be taken by a person under the Global Offering which would affect disclosure in this section), the interests and short positions of the Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which, once the Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, will be as follows:

Shares

Name of Director	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Mr. Qian Yonggui	Beneficial owner	35,000,000 (L)	3.50%
Mr. Kenneth Fang ⁽²⁾	Interest of a controlled corporation	66,500,000 (L)	6.65%

Notes:

⁽¹⁾ The letter "L" denotes long position of the directors in the Shares.

⁽²⁾ Fang Brothers is wholly-owned by Fang Brothers Holdings, which is in turn owned as to 50% by Mr. Kenneth Fang. Therefore, Mr. Kenneth Fang is deemed to be interested in all the Shares in which Fang Brothers Holdings is interested in by virtue of the SFO.

4. Substantial shareholders

So far as the Directors are aware, information on the persons, not being Directors or the chief executive of our Company, who will have, immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account Shares that may be issued and allotted pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options or the options which may be granted under the Share Option Scheme or Shares that may be taken by a person under the Global Offering which would affect disclosure in this section), an interest or short position in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO will be as follows:

Name of Shareholder	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Fang Brothers ⁽²⁾	Beneficial owner	66,500,000 (L)	6.65%
Fang Brothers Holdings ⁽²⁾	Interest of a controlled corporation	66,500,000 (L)	6.65%
CDH Cool ⁽³⁾	Beneficial owner	82,650,000 (L)	8.26%
CDH China Growth Capital Fund II, L.P. ⁽³⁾⁽⁴⁾	Interest of a controlled corporation	82,650,000 (L)	8.26%
CDH China Growth Capital Holdings Company Limited ⁽⁴⁾⁽⁵⁾	Interest of a controlled corporation	82,650,000 (L)	8.26%
China Diamond Holdings II, L.P. ⁽⁵⁾⁽⁶⁾	Interest of a controlled corporation	82,650,000 (L)	8.26%
CDH Auto ⁽⁷⁾	Beneficial owner	173,850,000 (L)	17.39%
CDH China Fund III, L.P. ⁽⁷⁾⁽⁸⁾	Interest of a controlled corporation	173,850,000 (L)	17.39%
CDH III Holdings Company Limited ⁽⁸⁾⁽⁹⁾	Interest of a controlled corporation	173,850,000 (L)	17.39%
China Diamond Holdings III, L.P. ⁽⁶⁾⁽⁹⁾	Interest of a controlled corporation	173,850,000 (L)	17.39%
China Diamond Holdings Company Limited ⁽⁶⁾	Interest of a controlled corporation	256,500,000 (L)	25.65%
CITIC Capital China ⁽¹⁰⁾	Beneficial Owner	342,000,000 (L)	34.20%
CITIC Capital China Fund I ⁽¹⁰⁾⁽¹¹⁾	Interest of a controlled corporation	342,000,000 (L)	34.20%
CCP GP Ltd. ⁽¹¹⁾	Interest of a controlled corporation	342,000,000 (L)	34.20%

Notes:

- (1) The letter “L” denotes long position of the shareholders in the Shares.
- (2) Fang Brothers is wholly-owned by Fang Brothers Holdings, therefore, Fang Brothers Holdings is deemed to be interested in all the Shares in which Fang Brothers is interested in by virtue of the SFO.
- (3) CDH Cool is wholly-owned by CDH China Growth Capital Fund II, L.P., therefore, CDH China Growth Capital Fund II, L.P. is deemed to be interested in all the Shares in which CDH Cool is interested in by virtue of the SFO.
- (4) CDH China Growth Capital Holdings Company Limited is the general partner of CDH China Growth Capital Fund II, L.P., therefore, CDH China Growth Capital Holdings Company Limited is deemed to be interested in all the Shares in which CDH China Growth Capital Fund II, L.P. is interested in by virtue of the SFO.
- (5) CDH China Growth Capital Holdings Company Limited is owned as to 69.5% by China Diamond Holdings II, L.P., therefore, China Diamond Holdings II, L.P. is deemed to be interested in all the Shares in which CDH China Growth Capital Holdings Company Limited is interested in by virtue of the SFO.
- (6) China Diamond Holdings Company Limited is the general partner for each of China Diamond Holdings II, L.P. and China Diamond Holdings III, L.P., therefore, China Diamond Holdings Company Limited is deemed to be interested in all the Shares in which China Diamond Holdings II, L.P. and China Diamond Holdings III, L.P. are interested in by virtue of the SFO.
- (7) CDH Auto is wholly-owned by CDH China Fund III, L.P., therefore, CDH China Fund III, L.P. is deemed to be interested in all the Shares in which CDH Auto is interested in by virtue of the SFO.
- (8) CDH III Holdings Company Limited is the general partner of CDH China Fund III, L.P., therefore, CDH III Holdings Company Limited is deemed to be interested in all the Shares in which CDH China Fund III, L.P. is interested in by virtue of the SFO.
- (9) CDH III Holdings Company Limited is owned as to 80% by China Diamond Holdings III, L.P., therefore, China Diamond Holdings III, L.P. is deemed to be interested in all the Shares in which CDH III Holdings Company Limited is interested in by virtue of the SFO.
- (10) CITIC Capital China is wholly owned by CITIC Capital China Fund I, therefore, CITIC Capital China Fund I is deemed to be interested in all the Shares in which CITIC Capital China is interested in by virtue of the SFO.
- (11) CCP GP Ltd. is the general partner of CITIC Capital China Fund I, therefore, CCP GP Ltd. is deemed to be interested in all the Shares in which CITIC Capital China Fund I is interested in by virtue of the SFO.

In addition to the above and so far as the Directors are aware, information on the persons who are, immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account Shares that may be issued and allotted pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options or the options which may be granted under the Share Option Scheme or Shares that may be taken by a person under the Global Offering which would affect disclosure in this section), 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 will be as follows:

<u>Name of our subsidiary</u>	<u>Substantial shareholder of such subsidiary</u>	<u>Percentage of shareholding</u>
Aotecar Casting	Changheng Casting	49%

5. Disclaimers

Except as disclosed in this prospectus:

- (a) none of our Directors or any of the experts referred to in “Other information – Consents of experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be so acquired, disposed of or leased;

- (b) none of our Directors or any of the experts referred to in “Other information – Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date to this prospectus which is significant in relation to our business;
- (c) none of the experts referred to in “Other information – Consents of experts” in this Appendix has any shareholding 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, save in connection with the Underwriting Agreements, nor is in the employment of an officer of our Company; and
- (d) none of our Directors, any of their associates (as defined in the Listing Rules) or any shareholder of our Company (which to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) has any interest in any of our Group’s five largest suppliers or five largest customers.

E. SHARE OPTION SCHEMES

1. Summary of the terms of the Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme approved and adopted pursuant to the written resolutions of the Shareholders passed on 11 April 2011.

(a) *Purpose*

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of the Eligible Participants (as defined in paragraph (b) below) to the Group by granting options to them as incentives or rewards.

(b) *Who may join*

The Board may during the Scheme Period (as defined in paragraph (j) below) at its absolute discretion (subject to any conditions as it may think fit) offer (“**Offer**”) to grant options to subscribe for such number of Shares as the Board may determine at an option price determined in accordance with paragraph (c) below to the following persons (“**Eligible Participants**”):

- (i) any executive, employee, director (including non-executive director and independent non-executive director), consultant, adviser and/or agent of any member of the Group (or persons proposed to be appointed as such provided that the Offer to such appointee(s) shall be conditional upon the proposed appointment taking effect); and
- (ii) other individuals as may be proposed by the Board.

(c) *Subscription price*

The subscription price of a Share payable on the exercise of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price shall at least be the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of Offer, which must be a day on which the Stock Exchange is open for the business of dealing in securities ("**Business Day**"); and
- (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of Offer.

(d) *Acceptance of Offer*

HK\$1.00 is payable by an Eligible Participant on acceptance of an Offer of option. Any Offer of option may be accepted, in whole or in part, in a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and in writing received by any Director or the secretary of the Company until 5:00 p.m. on the date specified in the Offer provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period (as defined in paragraph (j) below) or after the Share Option Scheme has been terminated in accordance with the rules thereof.

(e) *Maximum number of Shares in respect of which options may be granted*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Group must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date, which is expected to be 100,000,000 Shares (assuming that the Over-allotment Option is not exercised and that none of the options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme are exercised) (the "**Limit**"). Options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company) will not be counted for the purpose of calculating the Limit.

Subject to the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Company may refresh the Limit at any time provided that:

- (i) the Limit as refreshed does not exceed 10% of the Shares in issue as at the date of the approval by the refreshed Limit;
- (ii) the options previously granted (including those outstanding, cancelled, lapsed in accordance with the provisions of the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the Limit as refreshed; and

- (iii) a circular containing the information and the disclaimer, respectively required under Rule 17.02(2)(d) and Rule 17.02(4) of the Listing Rules shall be despatched to the Shareholders together with the notice of the relevant general meeting.

The Company may also with the approval of Shareholders in general meeting grant options in respect of Shares in excess of the Limit (as refreshed from time to time) to Eligible Participants specifically identified by the Company. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at anytime shall not exceed 30% of the Shares in issue from time to time. No Offer may be made under any schemes of the Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded.

(f) *Maximum entitlement of each Eligible Participant*

The total number of Shares issued and which fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant of the options shall not exceed 1% of the Shares in issue as at the date of grant of the options.

Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company disclosing the identity of the Eligible Participant, the number of and terms of the options to be granted (and options previously granted to such participant) and the information as required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates abstaining from voting.

The number and terms (including the exercise price) of options to be granted to such Eligible Participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible

Participant shall be taken as the date of grant of the options for the purpose of calculating the subscription price of the Shares.

(g) Granting options to connected persons

Any grant of options to a director, chief executive (as defined in the Listing Rules) or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is proposed to be an option holder).

If the Company proposes to grant options to a substantial shareholder or any independent non-executive director of the Company or their respective associates which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting at which all connected persons of the Company shall abstain from voting in favour at such general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

(h) Restrictions on the times of grant of options

An Offer may not be made after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the requirements of the Listing Rules. In particular, no Offer may be made during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of publication of the results announcement.

(i) *Rights are personal to option holder*

An option is personal to the option holder. No option holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any options or attempt so to do.

(j) *Exercise period and duration of the Share Option Scheme*

Subject to the rules of the Share Option Scheme, options may be exercised by an Eligible Participant, in whole or in part, at any time during the period commencing from the date of grant and ending on such date as the Board may determine in granting the option, but in any event not exceeding ten years from the date of grant. Subject to earlier termination by the Company in general meeting, the Share Option Scheme shall be valid and effective for a period commencing from 11 April 2011 and expiring at 5:00 p.m. on the business day preceding the tenth anniversary of such date (the “**Scheme Period**”).

(k) *Rights of exercise for option holders*

Unless otherwise determined by the Board, no performance target is required to be achieved before an option can be exercised.

In the event that the grantee ceases to be an Eligible Participant under the Share Option Scheme by reason of ill-health, injury, disability or death or because his employing company ceases to be a member of the Group before exercising his options in full, the grantee or his personal representative may exercise the options (to the extent not already exercised) within a period of six months of such ill-health, injury, disability or death or cessation, failing which such options will lapse at the end of the relevant period.

In the event that a grantee ceases to be an Eligible Participant under the Share Option Scheme by reason of retirement in accordance with his contract of employment or upon expiration of his or her contract of employment or term of directorship before exercising his or her options in full, the grantee may exercise the options (to the extent not already exercised) within a period of six months after he so retires or expiration of his contract of employment or term of directorship, failing which such options will lapse at the end of the relevant period.

In the event that a grantee ceases to be an Eligible Participant under the Share Option Scheme by reason of voluntary resignation other than by reason of the circumstances set out above or by termination of his employment in accordance with the termination provisions of his contract of employment by his employing company before exercising his options in full, such options and any outstanding Offer will lapse on the date he so ceases to be an Eligible Participant.

(l) *Discretion of the Board*

Notwithstanding the aforesaid in paragraph (k) above, in each case, the Board may in its absolute discretion decide that any option shall not so lapse or determine subject to such conditions or limitations as the Board may decide.

(m) *Rights on general offers*

If a general offer by way of takeover is made to all the Shareholders and the offeror shall have obtained control of the Company as a consequence, option holders shall, subject to paragraph (k) above, be entitled at any time within the period of one month after control has been obtained to exercise the option in whole or in part (to the extent not already exercised), notwithstanding any restrictions in the terms of grant of the option which would otherwise have prevented the option from being exercised during such period. Any option that has not been so exercised within the one-month period shall cease and determine.

(n) *Rights on winding-up*

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all option holders and thereupon, each option holder shall be entitled to exercise all or any of his or her options (to the extent not already exercised) at any time thereafter until such resolution is duly passed or defeated or the general meeting concluded or adjourned sine die, whichever shall first occur. If such resolution is duly passed, all options shall, to the extent that they have not been exercised, lapse and determine.

(o) *Rights on compromise or arrangement between the Company and its members or creditors*

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice to all the option holders on the same date as it gives notice of the meeting to its members or creditors summoning the meeting to consider such compromise or arrangement and each option holder shall forthwith be entitled to exercise his or her option until the earlier of the date two months thereafter or the date on which the compromise or arrangement is sanctioned by the court. But the exercise of the option as aforesaid shall be conditional upon the compromise or arrangement being sanctioned by the court and becoming effective.

Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine.

(p) Ranking of Shares issued upon exercise of options

The Shares to be allotted and issued upon the exercise of an option will not carry voting rights until completion of the registration of the option holder (or any other person nominated by the option holder) as the Shareholder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank pari passu in all respects with Shares in issue on the date of the exercise and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation, as attached to the other fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

(q) Effect of alterations to capital

Upon any variation in the share capital of the Company arising from any reduction, sub-division or consolidation of share capital, any rights issue or the issue of any share capital by way of capitalisation of profits or reserves or in connection with an open offer to the Shareholders (each a “**Relevant Event**”), the number or nominal amount of Shares comprised in each option and/or the subscription price thereunder may be adjusted in any manner as the Board (having received a confirmation in writing from the auditors of the Company or an approved independent financial adviser that in their/its opinion the adjustments proposed satisfy the requirements of the note to Rule 17.03(13) of the Listing Rules and/or the rules, requirements and guidelines issued by the Stock Exchange from time to time) may deem appropriate provided always that:

- (i) no increase shall be made in the aggregate subscription price relating to any option;
- (ii) any adjustments should give each option holder the same proportion of the share capital of the Company as that to which he or she was previously entitled prior to such adjustments;
- (iii) no adjustments shall be made which will enable a Share to be issued at less than its nominal value; and
- (iv) where the Relevant Event arises from an issue of Shares, references to options shall include references to options that have been exercised prior to the date of the adjustment in respect of Shares which otherwise do not rank and are not entitled to participate in the issue by reason of the option holder not having been then registered as the holder of the relevant Shares.

(r) Lapse of options

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

- (i) the date of expiry of the option as may be determined by the Board;

- (ii) the date of lapse as provided in paragraphs (k), (m), (n) or (o) above; and
- (iii) the date on which the option holder commits a breach of paragraph (i) above.

(s) Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the option holders or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting except where the proposed alteration takes effect automatically under the existing terms of the Share Option Scheme. Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

(t) Cancellation of options

Any unexercised option may be cancelled if the option holder so agrees. Issuance of new options to the same option holder may only be made if there are unissued options available under the Share Option Scheme (excluding the cancelled options) within the 10% Limit or the Limit as refreshed pursuant to rule 5.1(b) of the Share Option Scheme and in compliance with the terms of the Share Option Scheme in force from time to time.

(u) Termination of the Share Option Scheme

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the Share Option Scheme and in such event no further options shall be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(v) Administration of the Share Option Scheme

The Share Option Scheme shall be administered by the Board whose decision (save as otherwise provided therein) shall be final and binding on all parties.

(w) *Condition of the Share Option Scheme*

The Share Option Scheme is conditional upon: (1) the approval for the listing of, and permission to deal in, the Shares in issue and to be issued, and any Shares to be issued pursuant to the exercise of Options under the Share Option Scheme, being granted by the Listing Committee of the Stock Exchange; (2) the Global Offering becoming unconditional and not being terminated according to the terms thereof; and (3) the commencement of dealing of the Shares on the Stock Exchange.

(x) *Present status of the Share Option Scheme*

As at the Latest Practicable Date, no option has been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

2. **Summary of the terms of the Pre-IPO Share Option Scheme**

The rules of the Pre-IPO Share Option Scheme were approved and adopted pursuant to the written resolutions of the Shareholders passed on 20 September 2010, and were amended on 4 April 2011.

(a) *Purpose and terms*

The purpose of the Pre-IPO Share Option Scheme is to recognise and acknowledge the contributions of certain executives, employees and directors of the members of the Group to the growth of the Group and/or to the listing of the Shares on the Stock Exchange by granting options to them as incentives or rewards. The principal terms of the Pre-IPO Share Option Scheme, approved and adopted pursuant to the written resolutions of the Shareholders passed on 20 September 2010, are substantially the same as the terms of the Share Option Scheme except that:

- (i) an “eligible participant” is defined as any executive, director and/or employee of any member of the Group and other individuals who have made contributions to our Group at the time when an option is granted;
- (ii) options granted hereunder shall vest in the relevant option holder in tranches in the following manner:
 - (a) 34% of the options shall vest on the first anniversary of the Listing Date (“**First Tranche**”) at an option price equal to 85% of the Offer Price payable on the exercise of the options; and
 - (b) 33% of the options shall vest on each of the second and third anniversaries of the Listing Date (“**Subsequent Tranches**”) at an

option price equal to 85% of the Offer Price payable on the exercise of the options;

- (iii) any options vested may be exercised in whole or in part at anytime during the period commencing on the date of grant and expiring on such date as the Board may determine in granting the Option but in any event not exceeding ten (10) years from the date of grant;
- (iv) any options which are not vested prior to an option holder ceasing to be an eligible participant shall lapse upon such cessation except in circumstances set out in rules of the Pre-IPO Share Option Scheme;
- (v) the maximum number of Shares subject to the Pre-IPO Share Option Scheme in respect of options granted thereunder is 7,500,000 Shares;
- (vi) save for the options which have been granted (see below) no further options will be offered or granted, as the right to do so will end upon the Listing;
- (vii) the Pre-IPO Share Option Scheme contains no provisions relating to (a) the granting of options to connected persons; (b) the refreshment of the 10% limit or the seeking of separate approval for granting options beyond the 10% limit as anticipated in the note to Rule 17.03(3) of the Listing Rules; and (c) the restrictions on the number of Shares issued or to be issued pursuant to the exercise of any options granted in any 12-month period to any eligible participant of the Pre-IPO Share Option Scheme not exceeding 1% of the shares in issue as anticipated in the note to Rule 17.03(4) of the Listing Rules; and
- (viii) there is no prohibition on granting of options after a price-sensitive event has occurred.

Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme.

(b) Outstanding options under the Pre-IPO Share Option Scheme

As at the date of this prospectus, options to subscribe for an aggregate of 7,500,000 Shares have been conditionally granted by the Company under the Pre-IPO Share Option Scheme. An amount of HK\$1.00 is payable by the grantees on acceptance of an offer of option. All of these options are exercisable subject to such period of time (if any) as may be determined by the Board and have a duration of not exceeding ten years from the date of grant or on any other grounds set out in the Pre-IPO Share Option Scheme. A discount to the subscription price of the Shares under the Pre-IPO Share Option Scheme is granted as a recognition of the contribution of the grantees to the growth of the Group.

Particulars of the outstanding options conditionally granted under the Pre-IPO Share Option Scheme are set out below:

Grantee and Position	Residential Address	Number of Shares to be issued upon full exercise of the Pre-IPO Share Options	Percentage of issued share capital of our Company immediately after completion of the Global Offering ⁽¹⁾
Directors of Aotecar Casting			
Wu Pinliang	Room 103, Block 21, Yaohuaxincun 6 Yaojia Road, Qixia District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Guo Jun	Room 608, Unit 4, Block 30 Jinwangfu, Jiangning District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Sub-total		150,000	0.0150%
Senior management of our Group who are not Directors			
Mak Wai Man Raymond	Flat B, 35th Floor, Tower 8 The Belcher's 89 Pokfulam Road Hong Kong	375,000	0.0375%
Tian Shichao	Room 304, Block 24, Cuizhuyuan 5 Yulan Road, Yuhuatai District Nanjing, Jiangsu Province PRC	378,000	0.0378%
Yi Fengshou	Room 406, 15 Xianxia Road Gulou District Nanjing, Jiangsu Province PRC	378,000	0.0378%
Zhao Chengzhou	Room 202, Block 2, Wuyi Garden Dongshan Town, Jiangning District, Nanjing, Jiangsu Province PRC	378,000	0.0378%
Wang Jianming	Room 506, Block 2, Yingjiachuntian, Jiangning District Nanjing, Jiangsu Province PRC	378,000	0.0378%
Liu Shantong	Room 502, Unit 1, Block 9 Bishuiyuntian 15 Yingtian Avenue, Qinhuai District Nanjing, Jiangsu Province PRC	378,000	0.0378%
Yu Heyuan	Room 603, Unit 2, Block 7 30 Dayanggou, Baixia District Nanjing, Jiangsu Province PRC	225,000	0.0225%
Chui Wing Fai	Flat C, 9th Floor, One Madison 305 Castle Peak Road Cheung Sha Wan Kowloon Hong Kong	225,000	0.0225%
Sub-total		2,715,000	0.2715%

Grantee and Position	Residential Address	Number of Shares to be issued upon full exercise of the Pre-IPO Share Options	Percentage of issued share capital of our Company immediately after completion of the Global Offering ⁽¹⁾
Other employees of our Group with options to subscribe for more than 75,000 Shares			
Chen Wenbing	Room 210, Block A1 Nantian Mansions Private Science and Technology Park Dongshan Town, Jiangning District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Shen Peihai	Room 505, Block 16 Nanfangfengcaiyuan 833 Shuanglong Avenue Jiangning District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Wu Weixin	Room 305, Unit 2, Block 06 Wenjinyayuan 1 Yingyuan South Road Xuanwu District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Zhu Xiaogang	Room 601, No. 51, Block 13 Jihongyuan, Qinhuai District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Li Jianxin	Room 505, Block 18 Caiyunwan, Gangwanhuayuan Jiangning District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Xu Lidong	Room 501, No. 24, Block 08 Chuntianjiayuan, Qinhuai District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Huang Ying	Room 3-1, Block 28 1 Gupinggang, Gulou District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Wang Xiaoliang	Room 205, Unit 21, Building 10 Wuyi Garden, Jiangning District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Wu Jian	Room 504, Unit 2, Block 2 Henghuayuan, 24 Jiangning Road Nanjing, Jiangsu Province PRC	90,000	0.0090%
Shi Yuxing	Room 404, 290 Bancang Street Xuanwu District Nanjing, Jiangsu Province PRC	90,000	0.0090%

Grantee and Position	Residential Address	Number of Shares to be issued upon full exercise of the Pre-IPO Share Options	Percentage of issued share capital of our Company immediately after completion of the Global Offering ⁽¹⁾
Zhang Weilin	Room 204, Block 9 Xuriwan, Gangwanhuayuan 988 Jinsheng Road, Jiangning District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Cao Zhenyu	Room 502, Block 19 Tianyuanjidicheng 369 Hushan Road, Dongshan Street, Jiangning District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Ji Jun	Room 304, Unit 2, Block 5 228 Shepopomiao, Qinhuai District Nanjing, Jiangsu Province PRC	90,000	0.0090%
Liu Aijun	Room 606, Block 15 Dongchengjiayuan 863 Shangyuan Avenue Dongshan Street, Jiangning District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Wang Jianxin	Room 101, Unit 1, No. 4 Jihongyuan, Qinhongxiaoqu Qinhong Road, Qinhuai District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Zang Ruoling	Room 202, 72 Hunan Road Gulou District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Song Huiming	Room 602, No. 55, Block 10 Jiaoshigongyu, Qinhuai District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Jia Chuanbao	Room 1007, Unit 4, Block 1 Youranyuan, Yuecheng International Garden 9 Huashen Avenue, Yuhuatai District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Liu Yongxing	Room 106, Block 5 72 Babao Front Street Baixia District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Shen Qingren	Room 601, Unit 2, Block 07 Liangchengmeijingjiayuan 168 Qinhong South Road Qinhuai District Nanjing, Jiangsu Province PRC	75,000	0.0075%

Grantee and Position	Residential Address	Number of Shares to be issued upon full exercise of the Pre-IPO Share Options	Percentage of issued share capital of our Company immediately after completion of the Global Offering ⁽¹⁾
Zhang Lei	Room 304, Block 7, Dongyinhuayuan Dongshan Street, Jiangning District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Zhu Xiaojian	Room 302, Block 17 Caiyunwan, Gangwanhuayuan 988 Jinsheng Road Dongshan Street, Jiangning District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Han Bin	Room 502, Block 11, Moxiangshanzhuang 30 Moxiang Road, Xuanwu District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Qiu Guo	Room 406, Block 14, Hejiahuayuan 899 Chengxin Avenue Moling Street, Jiangning District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Huang Wanru	Room 704, Block 39 Qiaobeixincun, Pukou District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Yin Meixian	Room 101, Block 6, Yiyuanxiaoqu 150 Jinqu Village, Qixia District Nanjing, Jiangsu Province PRC	75,000	0.0075%
Sub-total		2,145,000	0.2145%
Other 91 employees of our Group		2,490,000	0.2490%
TOTAL		7,500,000	0.7500%

Note:

⁽¹⁾ On the assumption that the Over-allotment Option and the options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme are not exercised immediately after completion of the Global Offering.

Our shareholding immediately following the Global Offering, assuming that the Over-allotment Option is not exercised, would be diluted by 0.7% upon the exercise in full of the Pre-IPO Share Options. Assuming that (i) the Company had been listed on the Stock Exchange since 1 January 2011, (ii) a total of 1,000,000,000 Shares had been in issue during the financial year and (iii) all the Pre-IPO Share Options were exercised in full on 1 January 2011, without taking into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme, the earnings per Share on a pro forma fully diluted basis would decrease from RMB0.099 (equivalent to HK\$0.117) to RMB0.098 (equivalent to HK\$0.116) for the six months ending 30 June 2011.

Save as disclosed above, no other options have been granted or agreed to be granted by the Company under the Pre-IPO Share Option Scheme or the Share Option Scheme as at the date of the prospectus.

F. WAIVERS FROM COMPLIANCE WITH THE COMPANIES ORDINANCE AND THE LISTING RULES**Pre-IPO Share Options**

Under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance, this prospectus is required to include, among other things, details of the number, description and amount of any of our Shares which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for Shares subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given. We have granted options to 127 persons to subscribe for 7,500,000 Shares on the terms set out in “Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme” in this Appendix. Except for those 10 grantees who are directors or senior management of our Group as disclosed in “Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme” in this Appendix, no grantees under the Pre-IPO Share Option Scheme are directors or senior management or connected persons of our Group.

Under the Pre-IPO Share Option Scheme, eligible persons include any executive, director and/or employee of our Group and other individuals who have made contributions to our Group at the time when the Pre-IPO Share Option is granted.

We have applied for (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance on the ground that disclosure of the names and addresses of the remaining 91 grantees of the Pre-IPO Share Option Scheme who are not directors or senior management or connected persons of our Group or any other employees of the Group with a right to subscribe for more than 75,000 Shares (such grantees to be collectively referred to as the “**Grantees**”), as well as the number of Shares in respect of which options have been conditionally granted to each Grantee would be unduly burdensome for us due to the following reasons:

- (i) as the options granted under the Pre-IPO Share Option Scheme are in many instances considered as part of each Grantee’s remuneration package, individual information on such options is highly sensitive and confidential among the Grantees;
- (ii) given the 91 Grantees involved, strict compliance with the applicable disclosure requirements under the Companies Ordinance on an individual basis in this prospectus will be costly and unduly burdensome on our Company in light of a significant increase in cost and timing for information compilation, prospectus preparation and printing;
- (iii) the grant and exercise in full of the options granted under the Pre-IPO Share Option Scheme will not cause any material adverse change in the financial position of our Company;

- (iv) the lack of full compliance with the applicable disclosure requirements under the Listing Rules and the Companies Ordinance will not hinder our Company in providing an informed assessment of our Company's activities, assets and liabilities, financial position, management and prospects to its potential investors; and
- (v) the disclosure of a summary of information relating to the options granted under the Pre-IPO Share Option Scheme, as described in "Share Option Schemes – Summary of the terms of the Pre-IPO Share Option Scheme" in this Appendix should provide potential investors with sufficient information to make a relevant assessment of our Company in their investment decision-making process.

The Stock Exchange has granted the waiver to us subject to that:

- (a) the grant of a certificate of exemption from strict compliance with the relevant Companies Ordinance requirements by the SFC;
- (b) full disclosure in this prospectus on all options under the Pre-IPO Share Option Scheme granted to each of the Directors, senior management, connected persons and employees of our Group who have been granted options for 75,000 Shares or more, including all the particulars required under paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance and Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules;
- (c) disclosure in this prospectus, for the remaining grantees on an aggregate basis:
 - (1) their aggregate number and the number of Shares underlying the options granted;
 - (2) the consideration paid for the options;
 - (3) the exercise period of each option; and
 - (4) the exercise price of the options;
- (d) disclosure in this prospectus the aggregate number of Shares underlying the options under the Pre-IPO Share Option Scheme and the percentage of our Company's issued share capital represented by them, the dilution effect and impact on earnings per Share upon full exercise of the options under the Pre-IPO Share Option Scheme; and
- (e) availability for public inspection a full list of all the grantees under the Pre-IPO Share Option Scheme with all the particulars required under the relevant provisions of the Companies Ordinance and the Listing Rules.

The SFC has issued a certificate of exemption under section 342A of the Companies Ordinance exempting the Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance subject to the conditions that:

- (aa) full details of the options granted by our Company under the Pre-IPO Share Option Scheme to each of the directors of the Company or its subsidiaries, senior management, connected persons and grantees who have been granted options for 75,000 Shares or more be disclosed in this prospectus, including all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;
- (bb) in respect of the options granted by our Company under the Pre-IPO Share Option Scheme to the employees other than those referred to in sub-paragraph (aa), the following details be disclosed in this prospectus:
 - (1) the aggregate number of grantees and number of Shares subject to the options;
 - (2) the consideration paid for the grant of the options; and
 - (3) the exercise period and the exercise price for the options; and
- (cc) a full list of all the grantees (including the persons referred to in sub-paragraph (aa) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance be made available for public inspection in accordance with the section headed “Documents available for inspection” in Appendix VII to this prospectus.

G. OTHER INFORMATION

1. Estate duty

We have been advised that no material liability for estate duty is likely to fall on us or any of our subsidiaries in the PRC and that the Cayman Islands currently have no estate duty, inheritance tax or gift tax.

2. Litigation

Save as disclosed in this prospectus, neither our Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance is known by the Directors to be pending or threatened by or against any member of our Group.

3. Promoters

Our Company has no promoter as the term is defined under 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 any proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

4. Sponsor

The Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for a listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Options and the options which may be granted under the Share Option Scheme). CIMB has met the criteria under Rule 3A.07 of the Listing Rules and is an independent sponsor to the Company.

5. Preliminary expenses

The preliminary expenses of our Company were HK\$47,000 and were paid by us.

6. Qualifications of experts

The following are the qualifications of the experts which have given their opinions or advice which are contained, or referred to, in this prospectus:

Expert	Qualification
CIMB Securities (HK) Limited	Licensed corporation for carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG	Certified Public Accountants
Savills Valuation and Professional Services Limited	Chartered professional surveyors and valuers
Maples and Calder	Cayman Islands legal advisers
Chen & Co. Law Firm	PRC legal advisers

7. Consents of experts

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this prospectus with inclusion of its report and/or letter and/or valuation certificate(s) and/or the references to its name and/or opinion in the form and context in which they are respectively included.

As at the Latest Practicable Date, none of the experts referred to above has any shareholding 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.

8. Binding effect

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

9. Miscellaneous

Except as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid for either cash or a consideration other than cash;
- (b) within the two years immediately preceding the date of this prospectus, 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;
- (c) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (d) since 31 December 2010 (being the date to which the latest audited combined financial statements of our Group were made up) there has not been any material adverse effect in the financial or trading position of our Group;
- (e) no founder, management or deferred shares or debentures of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (f) all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;
- (g) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (h) there is no arrangement under which future dividends are waived or agreed to be waived;
- (i) there has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the twelve (12) months immediately preceding the date of this prospectus; and
- (j) the principal register of members of our Company will be maintained in the Cayman Islands by our principal share registrar, Butterfield Fulcrum Group

(Cayman) Limited, and a branch register of members of our Company will be maintained in Hong Kong by our Hong Kong Share Registrar, Tricor Investor Services Limited. Unless our 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.

10. Bilingual Prospectus

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