
CORNERSTONE PLACING

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements with 10 cornerstone investors (the “**Cornerstone Investors**” and each a “**Cornerstone Investor**”) pursuant to which the Cornerstone Investors have agreed to subscribe, or cause their designated entities (each an “**Investor Subsidiary**”) to subscribe, at the Offer Price, for such number of Offer Shares in aggregate (rounded down to the nearest whole board lot of 500 H Shares) that may be purchased with an aggregate amount of approximately US\$785.8 million (approximately HK\$6,093.7 million) (the “**Cornerstone Placing**”) at the Offer Price.

Assuming an Offer Price of HK\$7.60 (being the low end of the Offer Price range set out in this prospectus), the total number of Offer Shares subscribed for by the Cornerstone Investors would be approximately 801,804,500, representing approximately (i) 64.7% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 10.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 10.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming an Offer Price of HK\$8.70 (being the mid-point of the Offer Price range set out in this prospectus), the total number of Offer Shares subscribed for by the Cornerstone Investors would be approximately 700,427,000, representing approximately (i) 56.5% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 9.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 9.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming an Offer Price of HK\$9.80 (being the high end of the Offer Price range set out in this prospectus), the total number of Offer Shares subscribed for by the Cornerstone Investors would be approximately 621,807,500, representing approximately (i) 50.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 8.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 8.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Each of the Cornerstone Investors has agreed that, if the requirement pursuant to Rule 8.08(3) of the Listing Rules, in which no more than 50% of the Shares in public hands on the Listing Date can be beneficially owned by the three largest public Shareholders cannot be satisfied, the Joint Global Coordinators and the Company have the right to adjust the allocation of the number of Shares to be purchased by the Cornerstone Investor in their sole and absolute discretion to satisfy the requirement pursuant to Rule 8.08(3) of the Listing Rules.

To the best knowledge of the Company, each of the Cornerstone Investors is an independent third party, independent of each other, not our connected person, and not an existing Shareholder of the Company.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around 18 December 2014.

The Cornerstone Placing forms part of the International Offering. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue and will be counted towards the public float of our Company. None of the Cornerstone Investors will subscribe for any Offer Shares under the Global Offering (other than and

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pursuant to the respective cornerstone investment agreements). Immediately following the completion of the Global Offering, none of the Cornerstone Investors will have any board representation in our Company, nor will any of the Cornerstone Investors become a substantial shareholder of our Company (as defined under the Listing Rules).

Cornerstone Investors

We have entered into cornerstone investment agreements with each of the following Cornerstone Investors in respect of the Cornerstone Placing. The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

1. Easy Smart

Easy Smart Limited (“**Easy Smart**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of HK\$2,480,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, Easy Smart will subscribe for approximately 326,315,500 Offer Shares representing approximately (i) 26.3% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 4.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 4.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, Easy Smart will subscribe for approximately 285,057,000 Offer Shares representing approximately (i) 23% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 3.8% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 3.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, Easy Smart will subscribe for approximately 253,061,000 Offer Shares representing approximately (i) 20.4% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 3.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 3.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Easy Smart is a company incorporated in the Cayman Islands, which is wholly owned and controlled by China Aerospace Investment Holdings Ltd (“**CAIH**”). Easy Smart is the overseas investment platform of CAIH, which focuses on the satellite application equipment and products, electronic information technology, new materials and new energy products, financial services and other plate investment.

2. Capital Transportation (HK)

Capital Transportation (HK) Investment Limited (“**Capital Transportation (HK)**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of

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500 H Shares) which may be purchased with an aggregate amount of US\$100,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, Capital Transportation (HK) will subscribe for approximately 102,036,500 Offer Shares representing approximately (i) 8.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 1.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 1.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, Capital Transportation (HK) will subscribe for approximately 89,135,500 Offer Shares representing approximately (i) 7.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 1.2% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 1.2% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, Capital Transportation (HK) will subscribe for approximately 79,130,500 Offer Shares representing approximately (i) 6.4% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 1.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 1.0% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Capital Transportation (HK) is a limited company incorporated in Hong Kong. It is a wholly-owned subsidiary of Beijing Automobile City Investment and Management Co. Ltd.. Capital Transportation (HK) is principally engaged in professional investment in the field of innovative technology, renewable energy sources and new materials.

3. E-Town International

E-Town International Holding (Hong Kong) Co., Limited (“**E-Town International**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$100,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, E-Town International will subscribe for approximately 102,036,500 Offer Shares representing approximately (i) 8.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 1.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 1.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, E-Town International will subscribe for approximately 89,135,500 Offer Shares representing approximately (i) 7.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 1.2% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 1.2% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

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Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, E-Town International will subscribe for approximately 79,130,500 Offer Shares representing approximately (i) 6.4% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 1.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 1.0% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

E-Town International is a company incorporated in Hong Kong with its principal business of equity investment in Asia and North America. It is a wholly-owned subsidiary of Beijing E-Town International Investment & Development Co., Ltd which is a mainly engaged in businesses of industrial financing services, equity investment, fund management and industrial/high-tech park operations.

4. BEG (BVI)

Beijing Enterprises Group (BVI) Company Limited (“**BEG BVI**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$50,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, BEG BVI will subscribe for approximately 51,018,000 Offer Shares representing approximately (i) 4.1% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, BEG BVI will subscribe for approximately 44,567,500 Offer Shares representing approximately (i) 3.6% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, BEG BVI will subscribe for approximately 39,565,000 Offer Shares representing approximately (i) 3.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

BEG (BVI) is a company incorporated in the British Virgin Islands and is mainly engaged in investment holding. It is a wholly-owned subsidiary of Beijing Enterprises Group Company Limited which is mainly engaged in the investments in infrastructure and public utility sectors in Beijing.

5. CMB International Capital Corporation Limited

CMB International Capital Corporation Limited (“**CMB International Capital**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$50,000,000 at the Offer Price.

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Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, CMB International Capital will subscribe for approximately 51,018,000 Offer Shares representing approximately (i) 4.1% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, CMB International Capital will subscribe for approximately 44,567,500 Offer Shares representing approximately (i) 3.6% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, CMB International Capital will subscribe for approximately 39,565,000 Offer Shares representing approximately (i) 3.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

CMB International Capital is a company incorporated in Hong Kong. Through its wholly owned subsidiaries, CMB International Capital is primarily engaged in providing financial services and investment banking services to institutional and individual clients. It is a 99.99%-owned subsidiary of China Merchants Bank Co., Limited.

6. Fortune Class

Fortune Class Investments Limited (瑞群投資有限公司) (“**Fortune Class**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$50,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, Fortune Class will subscribe for approximately 51,018,000 Offer Shares representing approximately (i) 4.1% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, Fortune Class will subscribe for approximately 44,567,500 Offer Shares representing approximately (i) 3.6% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, Fortune Class will subscribe for approximately 39,565,000 Offer Shares representing approximately (i) 3.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.5% of the Shares in issue upon completion of the Global Offering,

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assuming that the Over-allotment Option is not exercised; or (iii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Fortune Class is a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of CITIC Limited. On August 25, 2014, CITIC Pacific Limited, which was the Hong Kong listed subsidiary of CITIC Group Corporation (“CITIC Group”), acquired the main business of CITIC Group and changed its name to CITIC Limited. CITIC Limited is one of China’s largest conglomerate enterprises and is principally engaged in the businesses of financial services, real estate and infrastructure, engineering contracting, resources and energy, and manufacturing.

7. PICC Property and Casualty

PICC Property and Casualty Company Limited (“**PICC Property and Casualty**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$50,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, PICC Property and Casualty will subscribe for approximately 51,018,000 Offer Shares representing approximately (i) 4.1% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.7% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, PICC Property and Casualty will subscribe for approximately 44,567,500 Offer Shares representing approximately (i) 3.6% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.6% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, PICC Property and Casualty will subscribe for approximately 39,565,000 Offer Shares representing approximately (i) 3.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

PICC P&C is a company incorporated in the PRC. It is 69% owned by The People’s Insurance Company (Group) of China Limited, which was established in October 1949 and is principally engaged in the businesses of life insurance, property and casualty insurance, health insurance, asset management and provision of integrated financial products and services.

8. Dazhong Transportation (Hong Kong)

Dazhong Transportation (Hong Kong) Limited (大眾交通(香港)有限公司) (“**Dazhong Transportation (Hong Kong)**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$30,000,000 at the Offer Price.

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Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, Dazhong Transportation (Hong Kong) will subscribe for approximately 30,611,000 Offer Shares representing approximately (i) 2.5% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, Dazhong Transportation (Hong Kong) will subscribe for approximately 26,740,500 Offer Shares representing approximately (i) 2.2% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, Dazhong Transportation (Hong Kong) will subscribe for approximately 23,739,000 Offer Shares representing approximately (i) 1.9% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Dazhong Transportation (Hong Kong), incorporated in Hong Kong, was principally engaged in transportation activities. It was wholly owned by Dazhong Transportation (Group) Co., LTD., which is one of the largest comprehensive transportation service providers in the area of Shanghai and Yangtze River Delta region.

9. Converge Bright

Converge Bright Assets Limited (匯明資產有限公司) (“**Converge Bright**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$26,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this prospectus, Converge Bright will subscribe for approximately 26,529,500 Offer Shares representing approximately (i) 2.1% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.4% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this prospectus, Converge Bright will subscribe for approximately 23,175,000 Offer Shares representing approximately (i) 1.9% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this prospectus, Converge Bright will subscribe for approximately 20,573,500 Offer Shares representing approximately (i) 1.7% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.3% of the Shares in issue upon completion of the Global

Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.3% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Converge Bright is a company incorporated in the British Virgin Island with its principal business being financial and equity investment. Converge Bright's ultimate controlling shareholder is Mr. Liu Weizhong who is an individual financial investor.

10. North Industries Group Investment Management Company Ltd.

North Industries Group Investment Management Company Ltd. (中兵投資管理有限責任公司) (“**North Industries Group Investment**”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 H Shares) which may be purchased with an aggregate amount of US\$10,000,000 at the Offer Price.

Assuming the Offer Price is fixed at HK\$7.60, being the low end of the Offer Price range set out in this Prospectus, North Industries Group Investment will subscribe for approximately 10,203,500 Offer Shares representing approximately (i) 0.8% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$8.70, being the mid-point of the Offer Price range set out in this Prospectus, North Industries Group Investment will subscribe for approximately 8,913,500 Offer Shares representing approximately (i) 0.7% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full. Assuming the Offer Price is fixed at HK\$9.80, being the high end of the Offer Price range set out in this Prospectus, North Industries Group Investment will subscribe for approximately 7,913,000 Offer Shares representing approximately (i) 0.6% of the Offer Shares under the Global Offering, assuming that the Over-allotment Option is not exercised; (ii) 0.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 0.1% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is exercised in full.

Established on March 18, 2014, North Industries Group Investment, incorporated in China with limited liability, is a wholly-owned subsidiary of China North Industries Group Corporation with a registered capital of RMB1 billion. North Industries Group Investment Management Company Ltd is mainly engaged in investment management, asset management, project investment and provision of economic information consultation. It will adhere to the strategy of systematic and lean management on the whole value chain, and implement a market-oriented, standardized and specialized operation mode. Through the provision of financial services and capital operation, it will promote the effective integration of the industrial capital in the ordnance industry and the financial capital in the society, and gradually explore and establish its peculiar modes of equity operation, asset operation and management and financial investment.

Conditions Precedent

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

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement having been entered into and having become unconditional (in accordance with their respective original terms or as subsequently varied by agreement of the parties thereto) and not having been terminated;
- (b) the Listing Committee of the Hong Kong Stock Exchange having granted the Listing of, and permission to deal in, the H Shares and that such approval or permission has not been revoked prior to the commencement of dealings in the H Shares on the Hong Kong Stock Exchange;
- (c) the respective representations, warranties, undertakings and acknowledgements of the relevant Cornerstone Investor and the Company under the relevant cornerstone investment agreement are, at the relevant time, accurate and true in all material respects and not misleading and there being no material breach of the relevant cornerstone investment agreement on the part of the relevant Cornerstone Investor; and
- (d) no laws having been enacted or promulgated by any governmental authority which prohibit the consummation of the transactions contemplated in the Global Offering and there being no orders or injunctions from a court of competent jurisdiction in effect preceding or prohibiting consummation of such transactions.

Restrictions on the Cornerstone Investors' Investment

Each of the Cornerstone Investors has agreed that, without the prior written consent of our Company, the Joint Global Coordinators and the Joint Sponsors, it will not, and will procure that the Investor Subsidiary will not, at any time during the period of six (6) months following the Listing Date, dispose of (as defined in the relevant cornerstone investment agreement) any of the H Shares or any interest in any company or entity holding any of the relevant H Shares, other than in certain limited circumstances such as transfers to any wholly-owned subsidiary of such Cornerstone Investor provided that, among others, such wholly-owned subsidiary undertakes to, and the Cornerstone Investor undertakes to procure that such subsidiary will, abide by the terms and restrictions imposed on the Cornerstone Investor.