

THE CORNERSTONE PLACING

We have entered into a cornerstone investment agreement (the “**Cornerstone Investment Agreement**”) with the following investor (the “**Cornerstone Investor**”) and the Joint Global Coordinators, pursuant to which the Cornerstone Investor has agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 1,000 Shares) that may be purchased with an amount equal to the Hong Kong dollars equivalent of US\$15 million (approximately HK\$117 million calculated at the exchange rate of US\$1:HK\$7.8) (the “**Cornerstone Placing**”). Details of the actual number of the Offer Shares to be allocated to the Cornerstone Investor will be disclosed in the allotment results announcement to be issued by our Company on or around 10 July 2015.

The Cornerstone Placing forms part of the International Placing. The Offer Shares to be subscribed for by the Cornerstone Investor will rank *pari passu* in all respects with the Offer Shares in issue and will be counted towards the public float of our Company. The Cornerstone Investor will not subscribe for any Offer Shares under the Global Offering (other than and pursuant to the Cornerstone Investment Agreement). Immediately following completion of the Global Offering, the Cornerstone Investor will not have any board representation in our Company, and to the best of its knowledge, will be independent of our Company, its connected persons and their respective associates (as defined in the Listing Rules). The Cornerstone Investor does not have any preferential rights compared with other public Shareholders in the Cornerstone Investment Agreement.

The information about our Cornerstone Investor set forth below has been provided by the Cornerstone Investor in connection with the Cornerstone Placing.

Zhongrong International Trust Co., Ltd.*

Zhongrong International Trust Co., Ltd.* (中融國際信託有限公司) (“**Zhongrong**”) was incorporated in the PRC with limited liability. It is principally engaged in trust business. As at the Latest Practicable Date, Zhongrong’s registered capital is owned as to approximately 37.47% by Jingwei Textile Machinery Company Limited* (經緯紡織機械股份有限公司), a company whose shares are listed on the Stock Exchange (Stock Code: 350) and the Shenzhen Stock Exchange (Stock Code: 000666), approximately 32.99% by Zhongzhi Enterprise Group Co., Ltd.* (中植企業集團有限公司), approximately 21.54% by Harbin Investment Group Co., Ltd.* (哈爾濱投資集團有限公司) and approximately 8.00% by Shenyang Antaida Trading Company* (瀋陽安泰達商貿有限公司). Zhongrong and its subsidiaries are engaged in among others, securities, equity investments and trust business.

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Assuming an Offer Price of HK\$2.46, being the low-end of the indicative Offer Price range, the total number of Offer Shares that Zhongrong would subscribe for would be 47,560,000, representing approximately (i) 26.42% of the total number of International Placing Shares issued under the International Placing, assuming that the Over-allotment Option is not exercised; or (ii) 5.95% of the Shares in issue immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 5.73% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is fully exercised. Assuming an Offer Price of HK\$3.08, being the high-end of the indicative Offer Price range, the total number of Offer Shares that Zhongrong would subscribe for would be 37,987,000, representing approximately (i) 21.10% of the total number of International Placing Shares issued under the International Placing, assuming that the Over-allotment Option is not exercised; or (ii) 4.75% of the Shares in issue immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised; or (iii) 4.58% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is fully exercised.

CONDITIONS PRECEDENT

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

- (1) the Hong Kong Underwriting Agreement and the International Placing Underwriting Agreement having been entered into and having become unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified or as subsequently waived or varied by agreement of the parties thereto;
- (2) the Underwriting Agreements not having been terminated;
- (3) the Listing Committee having granted approval for the listing of, and permission to deal in, the Shares (including the Offer Shares to be subscribed by the Cornerstone Investor pursuant to the Cornerstone Investment Agreement) and such approval or permission not having been revoked;
- (4) no Laws (as defined in the Cornerstone Investment Agreement) shall have been enacted or promulgated to prohibit the consummation of the transactions contemplated in the Global Offering or under the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions contemplated thereunder;

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- (5) the respective representations, warranties, undertakings and confirmations of the Cornerstone Investor or our Company, as the case may be in the Cornerstone Investment Agreement are accurate and true in all material respects and that there is no material breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor or our Company, as the case may be; and
- (6) the Offer Price having been agreed upon by our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters).

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTOR

The Cornerstone Investor has agreed that, without the prior written consent of our Company and the Joint Global Coordinators, it will not, whether directly or indirectly, at any time during a period of six months starting from and inclusive of the Listing Date, dispose of any of the Shares subscribed by it under the Cornerstone Investment Agreement and any shares or securities of our Company derived therefrom (the “**Relevant Shares**”) or any interest in any company or entity holding (directly or indirectly) any of the Relevant Shares.

The Cornerstone Investor may transfer the Shares so subscribed in certain limited circumstances as set out in the Cornerstone Investment Agreement, such as transfer to a wholly owned subsidiary of the Cornerstone Investor, provided that, among others, such wholly owned subsidiary undertakes in writing, and the Cornerstone Investor undertakes in writing to procure, that such wholly owned subsidiary agrees to be subject to the restrictions on disposals imposed on the Cornerstone Investor.