
CORNERSTONE INVESTOR

THE CORNERSTONE PLACING

We have entered into a cornerstone investment agreement (the “Cornerstone Investment Agreement”) with Huarong International Asset Management Great China Investment Fund L.P. (“Huarong Asset Management Fund”), pursuant to which Huarong Asset Management Fund has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 1,000 H Shares) which may be purchased with a principal amount of HK\$230.18 million (exclusive of applicable brokerage, SFC transaction levy and Stock Exchange trading fee) at the Offer Price (the “Cornerstone Placing”).

Based on the Offer Price of HK\$2.10 (being the low-end of the proposed Offer Price range), the total number of H Shares to be subscribed by Huarong Asset Management Fund would be 109,609,000, representing approximately (i) 6.09% of the Shares in issue upon the completion of the Global Offering and 24.36% of the H Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised; or (ii) 5.87% of the Shares in issue upon completion of the Global Offering and 21.18% of the H Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is fully exercised. Based on the Offer Price of HK\$2.39 (being the mid-point of the proposed Offer Price range), the total number of H Shares to be subscribed by Huarong Asset Management Fund would be 96,309,000, representing approximately (i) 5.35% of the Shares in issue upon the completion of the Global Offering and 21.40% of the H Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised; or (ii) 5.16% of the Shares in issue upon completion of the Global Offering and 18.61% of the H Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is fully exercised. Based on the Offer Price of HK\$2.68 (being the high-end of the proposed Offer Price range), the total number of H Shares to be subscribed by Huarong Asset Management Fund would be 85,888,000, representing approximately (i) 4.77% of the Shares in issue upon the completion of the Global Offering and 19.09% of the H Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised; or (ii) 4.60% of the Shares in issue upon completion of the Global Offering and 16.60% of the H Shares offered pursuant to the Global Offering, assuming that the Over-allotment Option is fully exercised.

The Cornerstone Placing forms part of the International Placing. The Offer Shares to be subscribed by Huarong Asset Management Fund will rank *pari passu* in all respects with the other fully paid H Shares in issue and will be counted towards the public float of our Company. Huarong Asset Management Fund will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreement. Immediately following the completion of the Global Offering, Huarong Asset Management Fund will not have any board representation in our Company, nor will it become a substantial shareholder (as defined under the Listing Rules) of our Company. Huarong Asset Management Fund does not have any preferential rights compared with other public Shareholders under the Cornerstone Investment Agreement. The Offer Shares to be subscribed by Huarong Asset Management Fund will not be affected by any reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offer.

Huarong Asset Management Fund is an exempted limited partnership established in the Cayman Islands and principally engaged in equity investment. The limited partners of Huarong Asset Management Fund are Beyond Steady Limited (堅越有限公司) (“Beyond Steady”, a company incorporated in the British Virgin Islands with limited liability) and an individual (the “Individual

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Investor”). Huarong Asset Management Fund is managed by Huarong International Asset Management Great China Investment Fund Limited (“Huarong GP”), an exempted limited liability company incorporated in the Cayman Islands, as the general partner. Huarong GP and Beyond Steady are respectively indirect wholly-owned subsidiaries of Huarong International Financial Holdings Limited (“HRIF”), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 993). HRIF and its subsidiaries are principally engaged in brokerage and dealings of securities, futures and options contracts, margin financing, loan financing, financial advisory, investment holding, provision of management and consultancy services.

Each of Huarong Asset Management Fund, Beyond Steady, the Individual Investor, Huarong GP, HRIF and their respective ultimate beneficial owners (as the case may be) is an Independent Third Party and is not our connected person (as defined under the Listing Rules), and is not a shareholder of our Company. Details of the actual number of the Offer Shares to be allocated to Huarong Asset Management Fund will be disclosed in the allotment results announcement to be issued by our Company on or around November 25, 2015.

CONDITIONS PRECEDENT

The subscription obligation of Huarong Asset Management Fund under the Cornerstone Investment Agreement is subject to, among other things, the following conditions precedent:

- (1) the Hong Kong Underwriting Agreement and the International Placing Agreement being entered into and having become effective and unconditional and not having been terminated (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 in these agreements;
- (2) the Listing Committee having granted approval of the listing of, and permission to deal in, the H Shares (including the Offer Shares to be subscribed by Huarong Asset Management Fund) and that such approval or permission having not been revoked;
- (3) no Laws shall have been enacted or promulgated which prohibit the consummation of the transactions contemplated in the Hong Kong Public Offer, the International Placing or herein and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (4) the respective representations, warranties, undertakings and confirmations of Huarong Asset Management Fund and our Company under the Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of Huarong Asset Management Fund.

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RESTRICTIONS ON DISPOSALS BY HUARONG ASSET MANAGEMENT FUND

Huarong Asset Management Fund has agreed that, without the prior written consent of our Company and the Joint Bookrunners, it will not, whether directly or indirectly, at any time during a period of six months starting from the Listing Date, dispose of any of the shares subscribed by it under the Cornerstone Investment Agreement and any shares or other securities of or interests in our Company derived therefrom (the “Relevant Shares”) or any interest in any company or entity holding any Relevant Shares, including any securities convertible into or exchangeable or exercisable for or that represent the right to receive any of the foregoing securities, nor shall it agree or contract to, or publicly announce any intention to enter into a transaction with a third party for disposal of the Relevant Shares, in any way.

Huarong Asset Management Fund may transfer the H Shares so subscribed in certain limited circumstances as set out in the Cornerstone Investment Agreement, such as transfer to a wholly-owned subsidiary of Huarong Asset Management Fund, provided that, among other things, such wholly-owned subsidiary undertakes in writing that it will be bound by Huarong Asset Management Fund’s obligations under the Cornerstone Investment Agreement.