



**BOHAI HARVEST RST (SHANGHAI) EQUITY INVESTMENT
MANAGEMENT CO., LTD.**



BHR
PARTNERS

BHR Partners 2016

Confidential

BHR 渤海华美

WHO WE ARE

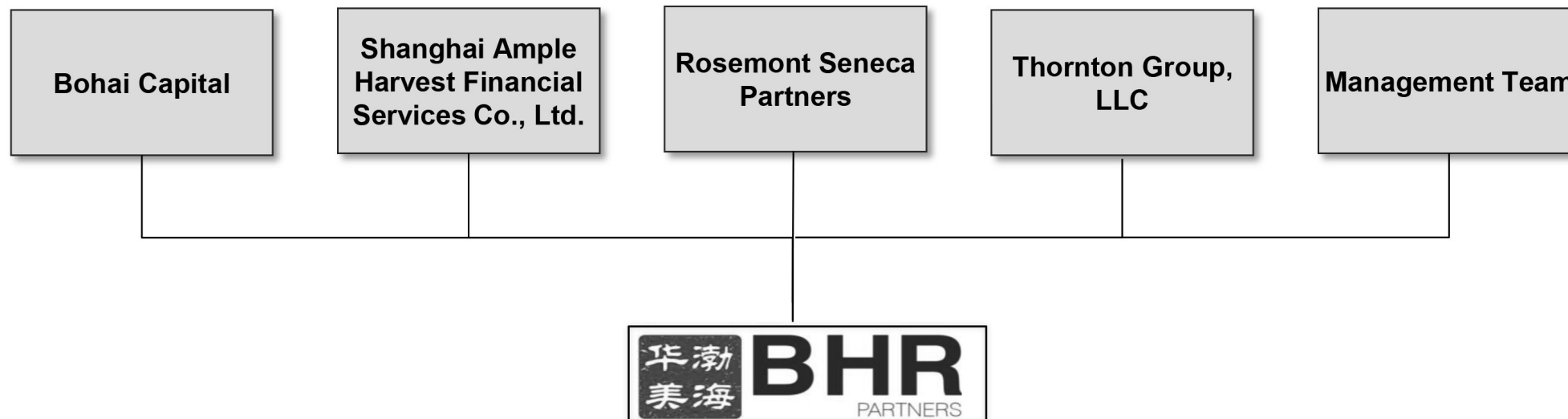
BHR is the cross-border investment platform of Bohai Industrial Investment Fund with offices in Beijing, Shanghai, Hong Kong and London



BHR Shareholder Structure

BHR HISTORY

- BHR, established in the Shanghai Free Trade Zone in December 2013, is the designated cross-border investment platform of Bohai Industrial Investment Fund Management Co., Ltd. (“Bohai Capital”)
- Bohai Capital manages China’s first RMB private equity fund (RMB20 Billion as approved by China’s State Council) and counts among its shareholders the Bank of China, China Development Bank Capital, the National Council for Social Security Fund
- BHR, aside from Bohai Capital, is jointly sponsored by Shanghai Ample Harvest Financial Services, a subsidiary of one of China’s largest mutual funds – Harvest Fund, Rosemont Seneca Partners, Thornton Group and the management team



BHR Cross-Border Investment Targets and Strategy

BHR BUSINESS MODEL AND INVESTMENT STRATEGY

■ Investment Targets

- ❑ We scout for mature stage investment targets globally (North America, Australia, Europe, Asia Pacific and the Middle East) with positive revenue, public or private
- ❑ We pursue Target Companies with proprietary technology, experienced management team, brand recognition and synergy potential with a Chinese Strategic Partner, in the high-end manufacturing, pharmaceuticals, consumer goods and energy and natural resource sectors

■ Investment Strategy

- ❑ We team up with a Strategic Partner, being a leading China and/or global player in the same sector as the Target Company
- ❑ We acquire the controlling stake in each Target Company, jointly with or on behalf of our Strategic Partner
- ❑ We maximize growth potential of our Target Companies through:
 - ✓ synergy building
 - ✓ economies of scale and cost efficiency
 - ✓ valuation arbitrage and downside protection measures
- ❑ We exit from our investments through listings or block sale to our Strategic Partner or other financial investors

BHR Cross-Border Investment Core Strengths – FUNDING & PIPELINE

BHR CORE STRENGTHS

FUNDING & PIPELINE

■ Funding and Deal Sourcing Network

- ❑ Bank of China, as BHR's primary stakeholder, provides full financing support
- ❑ Bank of China operates in over 37 countries and is one of the most active overseas acquisitions financier, as of September 2014, it has provided acquisition loans in excess of US\$42.4 billion
- ❑ Other institutional investors include:
 - ✓ China Development Bank
 - ✓ China Reform Holdings
 - ✓ China Minsheng Bank
 - ✓ China Merchants Bank
 - ✓ GF Securities
 - ✓ Everbright Group



■ Pipeline

- ❑ Bank of China's global network provides BHR with firsthand access to exclusive cross-border investment opportunities
- ❑ BHR's own global network of venture partners also offer access to exclusive opportunities

BHR Cross-Border Investment Core Strengths – STRATEGIC PARTNERS

BHR CORE STRENGTHS

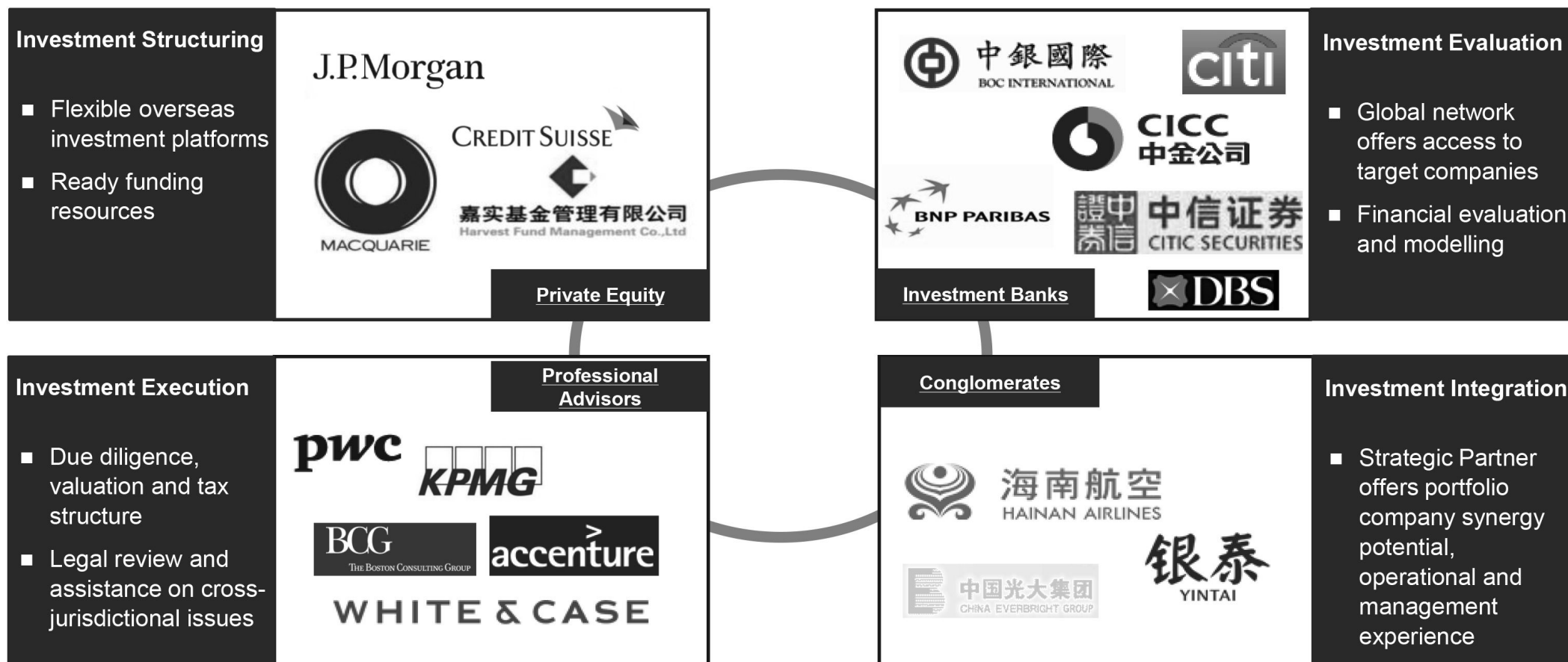
STRATEGIC PARTNERS

Strategic Partner's industrial expertise + BHR financial strength and cross-border experience = Successful Investment & Strong IRR

- BHR has, over the years, built upon the legacy of its stakeholders (the Bank of China and Bohai Capital among others) and further strengthened our relationships with leading Chinese enterprises in their pursuit of cross-border investment opportunities
- Key strategic relationships work seamlessly to form an unparalleled platform for cross-border investments:
 - historical relationships with China's State-Owned Enterprises advising them in their overseas strategies
 - close working relationships with cross-border investment supervisory and regulatory bodies such as NDRC, SASAC, Ministry of Commerce, Shanghai Free Trade Zone Finance Bureau and SAFE
 - strategic partnerships with leading industrial players seeking to create synergy with overseas Target Companies – representative partners include:
 - ✓ Industrials: AVIC Auto 中航汽车, Beijing Enterprises Group 北京控股, CRSC 中国通号, Zhongwang 忠旺, Metallurgical Corporation of China 中冶, CNBM 中国建材
 - ✓ Pharmaceuticals: China Grand Enterprises 远大集团, Hepalink 海普瑞, Luye Pharma 绿叶制药
 - ✓ Consumer Goods: Wanda Group 万达, NVC Lighting 雷士照明, Bright Dairy Group 光明乳业, Sanpower Group 三胞集团, LETV 乐视
 - ✓ Energy & Natural Resources: Sinopec 中石化, Chinalco 中铝, Poly Energy 保利能源

BHR Cross-Border Investment Core Strengths – TEAM

- Veteran team of financial, investment banking, legal & consulting background experienced in cross-border investments
- Unique Sino-U.S. platform offers resourceful global networks and capabilities for deal sourcing, deal execution, governmental relations coordination and in-depth market knowledge



BHR Cross-Border Investment Parameters

BHR INVESTMENT PARAMETERS

■ Sectoral Focus

- ❑ Manufacturing (technology-intensive companies with global market share such as auto parts, transportation equipment, semi-conductor manufacture)
- ❑ Pharmaceutical / Medical (proprietary / generic medicine, health supplements, medical equipment, medical technology)
- ❑ Environmental technology (environmental monitoring equipment, water / air / soil treatment, biomass companies with proven and patented technology)
- ❑ Consumer Goods
- ❑ Energy and Natural Resources

■ Target Company Financial Metrics

- ❑ Growth to mature stage with positive earnings
- ❑ Enterprise Value starting from around **US\$400 Million**

■ Investment Thresholds

- ❑ Typical investment per Target Company: **>US\$200 Million**

BHR Track Record Case Study – Project Hanson

Investment Overview

- BHR, jointly with AVIC as strategic investor, acquired 100% of Target on a debt-free and cash-free basis for approximately US\$600 million
- Target is a global leading supplier of highly-engineered and technology intensive sealing and anti-vibration products for automobiles based in the United States and with subsidiaries in 6 countries including Germany, Mexico and China
- AVIC, BHR's strategic partner, is the leading Chinese aviation and auto parts manufacturer exhibiting tremendous synergy potential with Target

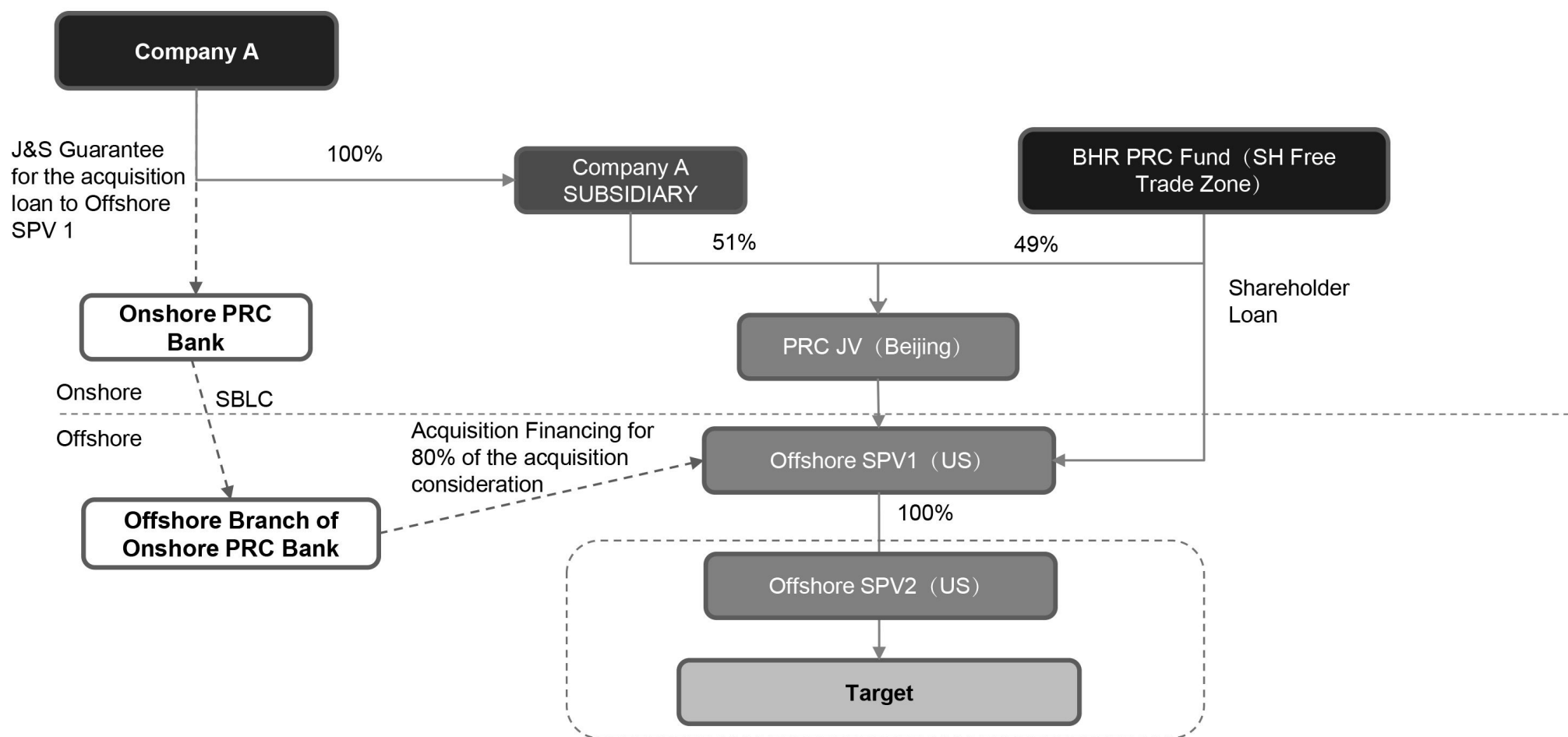
BHR Approach

- BHR formed exclusive partnership with AVIC at very beginning of bidding process for Target
- BHR team actively participated in and provided invaluable insight at each stage of the acquisition from valuation, due diligence (legal, financial, environmental, labor, IP, tax, anti-trust), bidding, competitive bidding strategizing, SPA negotiation, regulatory approvals (CFIUS, anti-trust) and finally to the successful closing of the acquisition
- Clear exit strategy agreed on day one with strategic partner including down-side protection

Target Company Highlights

- **Attractive Financial Metrics**
 - Positive and growing revenue and profit margin with stable cashflow secured by backlog orders
 - P/E multiple (calculated with respect of 2015 expected net earnings) of less than 9x, EV/EBITDA (calculated with respect of 2015 expected EBITDA) less than 6x
 - Anticipated exit PE multiple of at least 25x
- **Leading Market Position:** #2 in North America with 22% market share; #3 player in China; #4 player globally
- **Blue-Chip Customer Base Migrating Towards Global Platforms:** longstanding relationships (over 50 years) with blue-chip OEM customers including GM, Ford, VW, BMW and Daimler
- **Synergy with Strategic Investor**
 - Target owns world-class manufacturing operations in China
 - AVIC, BHR's strategic partner, is the leading Chinese aviation and auto parts manufacturer
 - Acquisition grants Target access to AVIC's customer base, supply chains, distribution channels and other resources in China

BHR Track Record Case Study – Project Hanson (continued)



Select Portfolio Companies

中石化销售公司



2014

中国广核集团有限公司



2014

广发证券



2015

中国再保险集团



2015

国内某动力电池制造商
*PRC-based Leading EV
 Battery Designer and
 Manufacturer*

2016

瀚德汽车控股有限公司



2015

滴滴出行



2015

Watagan Mining

US\$950,000,000
 Asset-backed Bonds

2016

BHR Key Management



Bing Zhou
Chairman

Deputy General Manager, Financing Division, Bank of China with over fifteen years of investment banking and cross-border M&A experience, particularly in the energy and power sectors. Tsinghua University, Master of Engineering



Jonathan Li
CEO, IC Member, Board Member

CEO of Bohai Capital since 2009. Veteran investment banker, financier and entrepreneur. Spearheaded the earliest red-chip listings for Chinese enterprises. Qualified PRC lawyer. University of London, LLM
University of Nanjing, BA Law and Physics



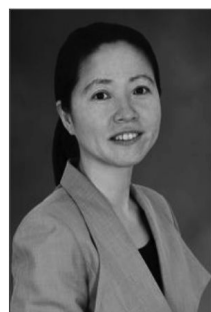
Ming Xue
Managing Partner, IC Member, Board Member

Experienced investor in DCM and ECM. Former director of Societe Generale, Everbright Temasek and Everbright Group. University of Nanjing, MBA
North-eastern University of Finance and Economics, BA International Trade



Xinzhong Li
Managing Partner, IC Member

Former head of China M&A at DBS Asia Capital, director of BNP Paribas Peregrine Capital and deputy GM of Tianjin International Economic Cooperation Consulting. University of London, LLM
Nankai University, BA Economics



Annie Zhao
Managing Partner

Former Co-Head of Equity Capital Markets for BOCI Asia, also served with Credit Suisse, JP Morgan Securities, over twenty years of ECM experience
York University, MBA
Dalian University of Technology, BA English



Xin Wang
Managing Partner

Former Counsel with White & Case LLP advising financial institutions and corporations in cross-border acquisition financings, leveraged buyouts, project financings and overseas investments. Boston University School of Law, JD
McGill University, B. Commerce International Finance

OUR INVESTMENT TEAM



Jason Zhu

Managing Director

Former executive director of Bohai Industrial Fund Management overseeing investments in the manufacturing, financial services, media and consumer goods sectors.

Brock University, MBA

Tongji University, B. Eng. Civil Engineering



Felix Yu

General Counsel

Experience legal and compliance lawyer with many years of experience in fund formation, fund investment and fund management.

Chinese Academy of Social Science, Master of Laws



Zhe (Jay) Liu

Executive Director

Former vice president of Bohai Industrial Investment Fund and manager at Accenture providing strategy and corporate management consulting services for SOEs and MNCs.

London School of Economics, Master of Science

Harbin Institute of Technology, B. Eng.



Yu Xia

Executive Director

Led BHR's RMB4 billion investment into Sinopec Marketing Company. Formerly attached to China International Capital Corporation's research department focusing SOE and cyclical industries.

University of International Business & Economics, B. Management



Bo Xiang

Executive Director

Focuses on cross-border M&A and overseas direct investments in the manufacturing and healthcare sectors.

Tsinghua University, Master of Management,

Tsinghua University, B. Economics



Huiping Zhou

Executive Director

Focuses primarily on cross-border M&A investments in the advanced manufacturing and bio-tech sectors. Formerly attached to CGN & Associates.

Massachusetts Institute of Technology, Master of Science in Management Studies

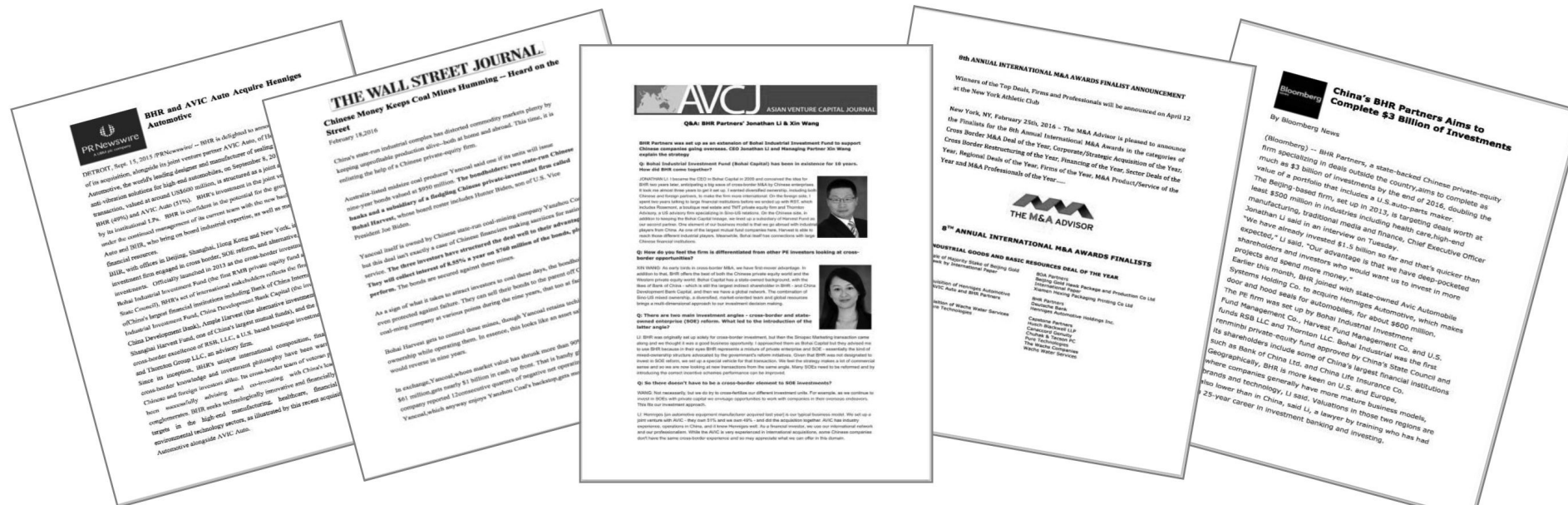
Tsinghua University, MBA

Huazhong University of Science & Technology, B. Eng.

BHR Global Network



BHR in the News



"The bondholders: two state-run Chinese banks and a subsidiary of a fledgling Chinese private-investment firm called Bohai Harvest...The three investors have structured the deal well to their advantage"----- Wall Street Journal Feb. 2016

*BHR's acquisition of Henniges Automotive – **winner of the Cross Border Deal Financing of the Year** at the 8th Annual International M&A Awards ----- The International M&A Advisor Mar. 2016*

"BHR's unique international composition, financial resources, cross-border knowledge and investment philosophy have been warmly received by Chinese and foreign investors alike. Its cross-border team of veteran professionals has been successfully advising and co-investing with China's leading industrial conglomerates...."----- Preenewswire

"BHR...The fund is using a company set up in Shanghai's Pilot Free Trade Zone (FTZ) as a way to simplify access to foreign exchange, and experts on the web of regulations that China has put in place to control its currency indicate that this approach will make it possible for the fund to more rapidly deploy Chinese capital for acquiring overseas assets."----- Forbes

Contact

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