A Merchant Bank for China

JFP Holdings

Company Overview
JFP Holdings: Who We Are

Introduction
- Beijing-based merchant banking firm founded by Jack Perkowski, a private equity and auto industry pioneer in China.
- China staff includes a mix of Chinese professionals with substantial management experience in sales, marketing, operations, technology and government relations and Western professionals with financial expertise.
- Representatives in the United States, Japan and the United Kingdom.

Key Services
- **Strategic Advisory**: Assists international companies to develop and implement their strategies for China.
- **Mergers & Acquisitions**: Assists international companies to make acquisitions in China and Chinese companies to acquire companies overseas.
- **Capital**: Raise debt and equity capital from Chinese and international sources.
- **Research**: Provide value added research ideas on Chinese companies listed in China and overseas stock exchanges.
Founder’s Profile – Jack Perkowski

- Founded JFP Holdings in April 2009.
- 20+ years experience in China: Private equity and auto industry pioneer in China; raised $400 million for investment in the country; founded ASIMCO Technologies in 1994; Board Member, Credit First, China’s first independent auto leasing company; Member of China Advisory Committee, Magna International; Board Member and Chairman of the Special Committee of Fushi Copperweld from 2008 to 2012.
- 20 years experience on Wall Street: Head of investment banking at PaineWebber in mid-1980s; negotiated a $350 million capital infusion into PaineWebber by Yasuda Life in the aftermath of Black Monday; raised over $1.2 billion in private placements of debt and equity and $1.0 billion to finance 10 office complexes in the U.S. as the head Paine Webber’s Real Estate group.
- Named one of “30 Outstanding Entrepreneurs in China’s Auto Components Industry During the 30 Years of Economic Reform” by China Auto News, the only foreigner to receive the honor.


“I’ve just finished Managing the Dragon, which I thought was fantastic. I was riveted by it. I cannot believe what Jack Perkowski has accomplished and what an adventure he’s had, how he lived through it, how he has succeeded, and how well written his book is. It reads somewhere between a novel, a how-to book, and primer on a second business life in a developing country.”
—Michael Eisner

“If you want to do business in China, Jack Perkowski is your man. In Managing the Dragon he takes you into the heart of the Middle Kingdom and shows you the way with insight, humor, and the kind of practical advice an entrepreneur or a down-home tourist needs to navigate this fascinating and often bewildering colossus of a country.”
—Tom Brokaw
## Advisory and Financial Services

### Market Analysis
- Analyze size, growth and market trends
- Research
- Identify foreign and local competitors
- Evaluate product or service competitiveness
- Identify customers and channels of distribution
- Define the keys to success
- Establish affordability price points

### Strategy
- Assist clients to develop business plans and feasibility studies
- Develop a China strategy
- Quantify the economics of in-country manufacturing, sales and service
- Identify potential joint venture, manufacturing, service or sales partners
- Identify growth areas for client expansion plans in China

### Implementation
- Provide an immediate on-the-ground presence
- Assist clients to implement a China strategy
- Help to identify and develop a local management team
- Establish a legal and physical presence in China
- Assist clients in establishing the necessary relationships with government agencies
### Advisory and Financial Services (Cont.)

<table>
<thead>
<tr>
<th>Capital</th>
<th>Acquisitions</th>
<th>Equity Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assist clients in deal structuring</td>
<td><strong>Global Clients</strong>: Identify acquisition candidates and business partners in China</td>
<td><strong>Thesis</strong>: Many good Chinese companies are selling at significant discounts in overseas markets</td>
</tr>
<tr>
<td>Identify the best funding options</td>
<td><strong>China Clients</strong>: Identify overseas acquisition candidates</td>
<td><strong>Thesis</strong>: Close the information and credibility gap that exists</td>
</tr>
<tr>
<td>Obtain the capital needed to fund China strategies</td>
<td>Assist in acquisition negotiations</td>
<td>Provide proprietary, value added research on Chinese companies listed on overseas markets</td>
</tr>
<tr>
<td>Access private equity sources of capital</td>
<td>Arrange acquisition financing</td>
<td>Provide bespoke research services for institutional clients</td>
</tr>
<tr>
<td>Arrange bank financing</td>
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</tr>
</tbody>
</table>

**Thesis:** Many good Chinese companies are selling at significant discounts in overseas markets.

**Thesis:** Close the information and credibility gap that exists.

Provide proprietary, value added research on Chinese companies listed on overseas markets.

Provide bespoke research services for institutional clients.
What Sets JFP Holdings Apart

**On-the-Ground Operating Experience**
- **Business Builder and Operator in China:**
  - Created ASIMCO Technologies, the largest independent automotive components manufacturer in China.
  - Established JFP Holdings, a leading China-based financial and strategic advisory firm.
- **Sophisticated Investor:**
  - Built one of the earliest and largest China-focused PE investment groups.
  - Invested in 19 companies across China.

**Highly Experienced, Global Professional Team**
- 21 Western and Chinese team members, including 12 senior transaction executives and special industry advisors.
- Headquartered in Beijing with overseas presence in the U.S., Japan and U.K.
- Extensive experience in investment banking, private equity, marketing, operations, strategic advisory, technology and government relations.
- Substantial domestic and cross-border M&A expertise.

**Extensive Relationships Across China**
- **Chinese Strategies:**
  - Longstanding relationships with Chinese industry players based on twenty years of operating experience in China.
- **Chinese Financial Sponsors:**
  - Substantial knowledge and understanding of domestic and international private equity funds and their offshore M&A strategies.

**Substantial Advisory Services Track Record**
- **Broad Range of Clients and Industries:**
  - Chinese and Western operating companies.
  - Financial investors.
  - Industrial, automotive, consumer products, healthcare, financial services.
- **Extensive Range of Transactions:**
  - Strategy development and execution.
  - M&A.
  - Corporate finance.
On-The-Ground Operating Experience

Founded by Jack Perkowski in February 1994, ASIMCO Technologies pioneered China’s auto supply industry as the first industry consolidator and a leading independent automotive components company in China with sales in excess of $650 million. Sold to Bain Capital in 2010.

### Products
- Blocks and heads, piston rings, camshafts, fuel systems, compressors, starters and alternators, NVH, and other products.

### Locations
- Headquarters: Beijing, PRC.
- 10 manufacturing facilities.
- 52 sales offices in China.
- Regional offices in the U.S., Germany and Japan.

### Customers
- 85% China.
- 15% overseas, primarily U.S., Europe and Japan.
- Leading assemblers and Tier-One companies in China and globally.

### Management
- Pioneered the development of local management in China.
- Named one of the “Ten Best Employers in China” three times.

### ASIMCO’s Competitive Advantages

<table>
<thead>
<tr>
<th>Category</th>
<th>Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comprehensive Product Portfolio</strong></td>
<td>Offers most major components to the diesel engine market.</td>
</tr>
<tr>
<td></td>
<td>Dominant market share in core product areas; typically holds the #1 or #2 market position in China.</td>
</tr>
<tr>
<td><strong>Entrenched Customer Relationships</strong></td>
<td>Longstanding relationships with the largest diesel engine OEMs in China.</td>
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<tr>
<td></td>
<td>Unequaled knowledge of local market and global trends.</td>
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<tr>
<td><strong>Domestic Distribution Network</strong></td>
<td>Extensive distribution network in China.</td>
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<tr>
<td></td>
<td>Ability to service aftermarket that is vital to customer relationships.</td>
</tr>
<tr>
<td><strong>Market-Leading Engineering and Product Development</strong></td>
<td>Engineering leadership in China spearheads the development of next generation products.</td>
</tr>
<tr>
<td></td>
<td>Shapes product portfolio based on direct feedback from customers.</td>
</tr>
<tr>
<td></td>
<td>Collaborates directly with customers on the design, specification and development of new products.</td>
</tr>
<tr>
<td><strong>Platform for Growth</strong></td>
<td>Localized market intelligence and expertise on the changing dynamics in the Chinese market.</td>
</tr>
<tr>
<td></td>
<td>Potential to expand product offerings through licensing agreements or joint ventures.</td>
</tr>
<tr>
<td></td>
<td>Acquisition opportunities in related product lines.</td>
</tr>
</tbody>
</table>
On-The-Ground Operating Experience

ASIMCO Technologies operates a global business platform that offers a wide range of key products with world-class technology to major automotive manufacturers around the world.

Global Operations

- 10 manufacturing facilities, 6 R&D centers, 52 sales offices, and 800 services centers in China.
- 3 overseas sales branches.

1. Beijing
   - Headquarters
   - Fuel System
2. Tianjin
   - Aluminum Casting
3. Hebei
   - Air Compressor
   - Brake Disc
4. Shanxi
   - Foundry for Engine Head & Block
5. Hubei
   - Starter & Alternator
6. Anhui
   - NVH and Rubber Products
7. Jiangsu
   - Piston Ring
   - Camshaft
   - Powdered Metal Parts
8. Tokyo Japan
   - ASIMCO Sales Presence
9. Michigan USA
   - ASIMCO Sales & Trading Office
10. Europe
    - ASIMCO Sales Presence

Product Portfolio

- Fuel Systems
- Engine Systems
- Braking Systems
- Noise, Vibration & Harshness
- Rotating Electric

Multinational Customers and Technology Partners
JFP Equity Research and Mike Kobal

JFP Equity Research

- An independent, Beijing-based research company established in January 2015 that provides value-added equity research on Chinese companies listed in Shanghai, Shenzhen or on overseas stock exchanges.

- Due to “credibility and information gaps” between the overseas investment community and Chinese companies, the shares of many Chinese listed companies are selling at substantial discounts to their intrinsic value.

- With an on-the-ground presence and significant experience in China, JFP Equity Research, under the leadership of Mike Kobal, is well positioned to assist investors to create value by exploiting the valuation gaps that exist.

- Initial focus will be on identifying value-added ideas in China’s auto industry, with other industries added as appropriate.

- The services and reports of JFP Equity Research will only be made available on a subscription basis to a select group of investors.

- On a case-by-case basis, JFP Equity Research will undertake bespoke research projects on behalf of its clients.

Mike Kobal

- A Chartered Financial Analyst and fluent Mandarin speaker who has spent over a decade in China, Taiwan and Southeast Asia conducting bottom-up fundamental research on companies in the region.

- Has worked both independently and for well-known sell-side research firms, including Jardine Fleming, J.P. Morgan (Taiwan), and Arete Research (Asia).

- In 2007, opened office in Taipei and launched Arete Research’s first research office outside its London headquarters. Provided Asia-sourced research that called turns in the Memory, LCD, and GPS chip sectors.

- As the Greater China Oil & Gas News Editor for Platts in 2005 and 2006, expanded coverage of China’s energy sector amid record oil prices and unprecedented client focus on China’s growing energy needs.

- Based in Taipei, provided research across a number of sectors, including PC Components, System Assemblers, and Semiconductor Manufacturing, for J.P. Morgan Securities (Taiwan) over 1999-2005 period.

- Received a BA in Chinese Language and Literature from the University of Hawaii at Manoa and a Master’s degree in International Business (MBA) from The Darla Moore School of Business, University of South Carolina.
Highly Professional, Global Management Team

England, UK:
- Carl Blencowe, Senior Advisor

Beijing, P.R.C.:
- Jack Perkowski, Managing Partner
- Henry Huang, Managing Director
- John Liang, Managing Director
- Jim O’Neill, Managing Director
- Carleen Giacalone, Vice President
- Haowen Meng, Vice President
- Bob Zhang, Vice President
- Beau Barbe, Vice President
- Zoya Ji, Analyst
- Mike Kobal, President, JFP Research

Shanghai, P.R.C.:
- Jeffrey Williams, Senior Advisor

Tokyo, Japan:
- Bob Iwata, Managing Director

New York City, NY:
- Sara Cusimano, Vice President
- Libby Perkowski, Honorary Vice President
- Doug Perkowski, Honorary Vice President

Reno, NV:
- Del Marting, Senior Advisor

Los Angeles, CA:
- Gary LePon, Managing Director

San Francisco, CA:
- Kishan Bulusu, Managing Director
Highly Experienced Professional Team - Beijing

“We commit the full resources of the firm to our clients. Senior professionals are highly engaged throughout each phase of the process – from process development to closing – to deliver results.”

Jack Perkowski, Managing Partner – Beijing
- Founded JFP Holdings in 2009.
- Prior to JFP Holdings, was the Founder and Chairman of ASIMCO Technologies, a leading global automotive components manufacturer headquartered in Beijing, China.
- Prior to ASIMCO, served as Head of Investment Banking of PaineWebber.
- Received an MBA degree with high distinction from Harvard University, where he was designated a Baker Scholar, and a BA from Yale University.

Henry Huang, Managing Director – Beijing
- Joined JFP Holdings in Beijing in February 2010 and serves as Managing Director.
- Prior to JFP Holdings, served as Vice President of Corporate & Government Affairs, and earlier, Manager of Corporate Communications at ASIMCO Technologies.
- Received a BA from the University of International Relations in Beijing, and holds a post-graduation diploma in Journalism from the Chinese Academy of Social Sciences.

John Liang, Managing Director – Beijing
- Joined JFP Holdings in January 2010 and currently serves as Managing Director.
- Over 15 years experience in the domestic and global automotive industries, having been a sales and marketing executive in several major automotive companies, such as China Auto Electronic Group, Tenneco, ASIMCO Technologies and NORINCO (China Northern Industries Corporation).
- Holds a B. Eng. degree in Automotive Engineering and a Master's degree in Management from Tianjin University.
Highly Experienced Professional Team - Beijing

Jim O’Neill, Managing Director – Beijing

- Over 25 years of international investment banking private equity experience, including 10 years working with ASIMCO.
- Prior to JFP Holdings, founded Jin Niu Investment, a China-based strategic and investment advisory firm.
- Previously, managed a $2.2 billion emerging market PE investment program for Trust Company of the West and spent 12 years in investment banking, executing $4.5 billion in transactions.
- Holds an MBA from Harvard University and BBA-Finance degree from University of Notre Dame.

Haowen Meng, Vice President – Beijing

- Joined JFP Holdings in August 2014 and currently serves as Vice President.
- Prior to JFP Holdings, served as Senior Investment Banking Analyst at Lincoln International and Investment Banking Analyst at Cedar Street Capital in New York City.
- Earned an M.Eng. of Financial Engineering at Cornell University, and an honor BA in Mathematics and Economics from Rutgers University, where he graduated Cum Laude and was elected a member of Phi Beta Kappa.

Bob Zhang, Vice President – Beijing

- Joined JFP Holdings in 2014 to provide research and transaction support for cross-border M&A transactions.
- Prior to JFP Holdings, spent 4 years with Jin Niu Investment, executing strategic advisory and M&A assignments for Chinese and foreign companies.
- Earned a Master of Management degree from Chinese Academy of Sciences and a BS from Shandong University.
# Highly Experienced Professional Team - Beijing

## Carleen Giacalone, Vice President of Communications – Beijing
- Joined JFP Holdings in 2009 at the inception of the company.
- Prior to JFP Holdings, served as Director of Corporate Communications at ASIMCO, where she developed ASIMCO's relationships with the media and the company's corporate identity and brand; implemented common architectural guidelines throughout the operating units; developed all marketing materials and coordinated all internal and external company events.
- Graduated from Fordham University in New York City.

## Beau Barbe, Vice President – Beijing
- Joined JFP Holdings in January 2015 to provide transaction support and analysis of cross-border M&A.
- Prior to joining JFPH, served as a financial analyst at Jin Niu Investment and China Hydroelectric Corporation in Beijing.
- Earned a BS of Economics at Miami University and a distinction in Chinese Studies from Tsinghua University.

## Zoya Ji, Analyst – Beijing
- Joined JFP Holdings in Beijing in December 2015 and currently serves as an Analyst.
- Prior to JFP Holdings, worked as an intern at Bloomberg Businessweek/China, iResearch Consulting Group and Gikoo Information and Technology Ltd.
- Holds a BA in English Language and Literature from the University of International Business and Economics (UIBE).
- Candidate for a Master Degree in Foreign Linguistics and Applied Linguistics from UIBE.
Highly Experienced Professional Team - USA

Walter (“Del”) A. Marting, Jr., Senior Advisor – Reno

- Joined JFP Holdings in January 2012 as a Senior Advisor.
- Began his career in the mining industry, working for AMAX, Inc., a large mining company now part of Freeport-McMoRan. Served as the CFO of Amax Europe and CEO of Lucky Chance Mining Co.
- Founded M and M Advisors, a financial advisor to early-stage companies, and Transdigital Communications.
- Received a BA from Yale University and an MBA from Harvard Business School, and served in the US Navy with SEAL Team Two from 1970 to 1973.

Kishan Bulusu, Managing Director – San Francisco

- Joined JFP Holdings in 2013 and currently serves as Managing Director.
- Prior to JFP Holdings, served as a Managing Director at AnEx Global Partners, a New York-based financial services company focusing on cross-border transactions.
- Prior to AnEx Global, was the Founder and CEO of Intvo, a mobile interactive technology company based in Silicon Valley.
- CAIA from San Francisco, Chartered Accountant from ICAI, India and a CMA from ICWAI. Graduated in honors in Commerce from Delhi University.

Gary LePon, Managing Director – Los Angeles

- Joined JFP Holdings in 2014 and brings more than four decades of experience in global business, specializing in Asia and the automotive industry.
- Prior to JFP Holdings, served as head of Japan for Avery Dennison for five years, and held senior positions with companies such as Chicago Pneumatic Tool, SKF and ASIMCO Technologies.
- Received a BA in Asian Studies and Economics and a Master’s degree from Thunderbird University.
Highly Experienced Professional Team - USA

Sara Cusimano, Vice President – New York City

- Joined JFP Holdings in 2009 and is responsible for managing U.S. client relationships.
- Prior to JFP holdings, worked in Investment Management at Goldman Sachs, where she worked on a team that managed over $5 billion across approximately seventy family relationships.
- Prior to Goldman Sachs, worked in communications as Tom Brokaw’s Coordinator at NBC News where she coordinated with Mr. Brokaw’s television, documentary and book producers and managed his staff.
- Received a BA from Yale University.

Doug Perkowski, Honorary Vice President – New York City

- Currently the Chief Executive Officer and major shareholder of OC3Entertainment, the leading facial animation company powering the gaming industry with realistic talking characters.
- Joined the predecessor company to OC3 Entertainment immediately after graduation from university.
- As an Honorary Vice President of JFP Holdings, a position he has held since 2009, he advises on technology-related matters and interfaces with U.S. clients, primarily private equity and hedge funds.
- Received a BA from Yale University.

Libby Perkowski, Honorary Vice President – New York City

- Currently a Senior Advisor in the Office of Global Programs at New York University.
- As an Honorary Vice President of JFP Holdings, a position she has held since 2009, she assists in various projects and interfaces with U.S. clients.
- Worked at Forstmann Little & Co., where she helped organize the company’s renowned Aspen Conference and assisted the Chairman in various capacities.
- Graduated Magna Cum Laude and Phi Beta Kappa from Georgetown University.
Highly Experienced Professional Team – Japan & UK

Bob Iwata, Managing Director – Tokyo

- Joined JFP Holdings in 2013 and brings fifty years of experience in the Japanese auto industry and strong business relationships in Japan, the U.S. and Europe.
- Prior to JFP Holdings, worked for ASIMCO Technologies as the Chief Representative of Japan, based in Tokyo.
- Prior to ASIMCO, worked for 41 years for Nippon Piston Ring Co., Ltd. in senior management positions in both Japan and the United States.
- Holds a BA from Waseda University in Japan.

Carl Blencowe, Senior Advisor – London

- Joined JFP Holdings as a Senior Advisor in 2014 and brings over twenty years of experience in the automotive industry.
- Served as Managing Director of ASIMCO’s European operations where he worked on projects in China, Romania, France, Sweden, Germany, UK, and Saudi Arabia.
- Began his career with Aston Martin and has worked with auto suppliers in Europe, North America, and Brazil.
- Served in the British Royal Air Force and holds degrees in Engineering and Business Management.
### Extensive Relationships Across China – Corporate

<table>
<thead>
<tr>
<th>State-Owned Companies</th>
<th>Privately Owned Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="BAIC Group" /></td>
<td><img src="image" alt="BYD" /></td>
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<tr>
<td><img src="image" alt="China Shenhua" /></td>
<td><img src="image" alt="CHERY" /></td>
</tr>
<tr>
<td><img src="image" alt="CNPC" /></td>
<td><img src="image" alt="Fosun" /></td>
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<tr>
<td><img src="image" alt="CNR" /></td>
<td><img src="image" alt="HuiYuan Juice" /></td>
</tr>
<tr>
<td><img src="image" alt="GAG Group" /></td>
<td><img src="image" alt="Geely" /></td>
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<tr>
<td><img src="image" alt="SAIC Motor" /></td>
<td><img src="image" alt="Lenovo" /></td>
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<td><img src="image" alt="Shanghai" /></td>
<td><img src="image" alt="SANY" /></td>
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<td><img src="image" alt="China CAMC" /></td>
<td><img src="image" alt="China Wanxiang" /></td>
</tr>
<tr>
<td><img src="image" alt="Zhejiang" /></td>
<td><img src="image" alt="Zhongdong" /></td>
</tr>
</tbody>
</table>

- Industry oriented.
- Increased interest in overseas acquisitions.
- Strong support from the government and publicly listed parent companies.
- Strategy of growth through acquisition.

- Industry oriented.
- Innovation and market-driven overseas acquisition strategy.
- Strong financial performance and cash flow.
- Sub-industry leaders seeking external growth.
### Extensive Relationships Across China – Financial

<table>
<thead>
<tr>
<th>China Buyout Funds</th>
<th>Asian Buyout Funds</th>
</tr>
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<tbody>
<tr>
<td><img src="image1" alt="CDH Investments" /></td>
<td><img src="image2" alt="AFFINITY EQUITY PARTNERS" /></td>
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<tr>
<td><img src="image3" alt="CITIC CAPITAL" /></td>
<td><img src="image4" alt="Baring Private Equity Asia" /></td>
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<tr>
<td><img src="image5" alt="HONGHAI" /></td>
<td><img src="image6" alt="MBK PARTNERS" /></td>
</tr>
<tr>
<td><img src="image7" alt="HONY CAPITAL" /></td>
<td><img src="image8" alt="Goldman Sachs" /></td>
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<tr>
<td><img src="image9" alt="Primavera" /></td>
<td><img src="image10" alt="TEMASEK HOLDINGS" /></td>
</tr>
<tr>
<td><img src="image11" alt="SAIF Partners" /></td>
<td><img src="image12" alt="Permira" /></td>
</tr>
</tbody>
</table>

- Many invest primarily in China.
- However, a number of Chinese buyout funds have closed multiple significant deals globally.
- Will grow in importance as China develops.

- Regional buyout funds have already penetrated the China market.
- Asset allocation weighted towards China.
- Knowledge of Asia.
### Substantial Strategic Advisory Experience

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Expert</td>
<td>Automotive</td>
<td>Strategic Advisory, Market Expansion</td>
</tr>
<tr>
<td>Continental</td>
<td>Automotive</td>
<td>Strategic Advisory, Market Expansion</td>
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<tr>
<td>SEYI</td>
<td>Industrial</td>
<td>Strategic Advisory</td>
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<tr>
<td>AISIN</td>
<td>Automotive</td>
<td>Strategic Advisory, Market Expansion, Financial Advisory</td>
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<tr>
<td>BPL</td>
<td>Industrial</td>
<td>Strategic Advisory</td>
</tr>
<tr>
<td>MITSUI &amp; CO., LTD.</td>
<td>Automotive</td>
<td>Strategic Advisory, Market Expansion, Metal &amp; Mining</td>
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<tr>
<td>ENVISION</td>
<td>Educational</td>
<td>Strategic Advisory</td>
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<td>MAGNA</td>
<td>Automotive</td>
<td>Strategic Advisory, Market Expansion</td>
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<td>Tomkins</td>
<td>Automotive</td>
<td>Strategic Advisory, Market Expansion in Auto Aftermarket</td>
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<tr>
<td>JESSEN</td>
<td>Automotive</td>
<td>Strategic Advisory</td>
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<tr>
<td>IMPCO</td>
<td>Automotive</td>
<td>Strategic Advisory</td>
</tr>
<tr>
<td>Kellogg’s</td>
<td>Consumer</td>
<td>Strategic Advisory, Market Expansion and Joint Venture Development</td>
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<tr>
<td>BIRKS &amp; MAYSORS</td>
<td>Consumer</td>
<td>Strategic Advisory, Market Entry</td>
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<td>EmiSense</td>
<td>Automotive</td>
<td>Strategic Advisory</td>
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<tr>
<td>NAPA</td>
<td>Automotive</td>
<td>Strategic Advisory</td>
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<td>TOPPS</td>
<td>Consumer</td>
<td>Strategic Advisory</td>
</tr>
<tr>
<td>Dean</td>
<td>Dairy</td>
<td>Strategic Advisory</td>
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</tbody>
</table>

19 CONFIDENTIAL
## Substantial Strategic Advisory Experience

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Advisory</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE TAO GROUP</td>
<td>Strategic Advisory</td>
<td>Business Development</td>
<td>TMT</td>
</tr>
<tr>
<td>Northern Power Systems</td>
<td>Strategic Advisory</td>
<td>Sale Of Technology</td>
<td>Energy</td>
</tr>
<tr>
<td>RIBE</td>
<td>Strategic Advisory</td>
<td>Market Entry</td>
<td>Industrial</td>
</tr>
<tr>
<td>CATERPILLAR</td>
<td>Strategic Advisory</td>
<td>Business Development and Financing</td>
<td>Industrial</td>
</tr>
<tr>
<td>Hunter</td>
<td>Strategic Advisory</td>
<td>Market Entry</td>
<td>Consumer</td>
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<td>Miller</td>
<td>Strategic Advisory</td>
<td>Market Entry</td>
<td>Consumer</td>
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<tr>
<td>JFP Holdings</td>
<td>Strategic Advisory</td>
<td>Market Entry</td>
<td>Financial Services</td>
</tr>
</tbody>
</table>
## Substantial M&A Experience

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Ownership Interest</th>
<th>Transaction Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langfang Melian Brake Installation</td>
<td>Automotive</td>
<td>Acquisition of 66% Ownership Interest</td>
<td>$56.2 MM</td>
</tr>
<tr>
<td>Beijing Tianwei Fuel Injection Equipment</td>
<td>Automotive</td>
<td>Acquisition of 56% Ownership Interest</td>
<td>$69.6 MM</td>
</tr>
<tr>
<td>Federal-Mogul Corporation U.S. Camshaft Operations</td>
<td>Automotive</td>
<td>Acquisition</td>
<td>$21 MM</td>
</tr>
<tr>
<td>Shenzhen Monli Garden Automotive Industrial</td>
<td>Automotive</td>
<td>Acquisition of 56% Ownership Interest</td>
<td>$10.8 MM</td>
</tr>
<tr>
<td>ASIMCO Components Group (USA), Inc.</td>
<td>Automotive</td>
<td>Acquisition</td>
<td>$5 MM</td>
</tr>
<tr>
<td>Hubei Delphi Automotive Generator</td>
<td>Automotive</td>
<td>Acquisition of 40% Ownership Interest</td>
<td>$7.0 MM</td>
</tr>
<tr>
<td>Anhui Ningguo Zhongding Automobile Components</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$19.3 MM</td>
</tr>
<tr>
<td>Anhui Zhongding CR Seals</td>
<td>Automotive</td>
<td>Acquisition of 40% Ownership Interest</td>
<td>$10 MM</td>
</tr>
<tr>
<td>Hubei Super-Elec Auto Electric Motor</td>
<td>Automotive</td>
<td>Acquisition of 51% Ownership Interest</td>
<td>$24.6 MM</td>
</tr>
<tr>
<td>Nanyue Fuel Injection Pump Assembly</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$30.7 MM</td>
</tr>
<tr>
<td>Hubei Asia Shuang He Sheng Five Star Beer</td>
<td>Consumer</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$108.4 MM</td>
</tr>
<tr>
<td>Yizheng Shuanghuan Piston Ring</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$42.3 MM</td>
</tr>
<tr>
<td>Beijing Three Ring Asia Pacific Beer</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$36.0 MM</td>
</tr>
<tr>
<td>Sichuan Shuangtai Wheel</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$13.3 MM</td>
</tr>
<tr>
<td>CAC Brake</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$11.4 MM</td>
</tr>
<tr>
<td>Sichuan Danchi Industry</td>
<td>Automotive</td>
<td>Acquisition of 60% Ownership Interest</td>
<td>$28.9 MM</td>
</tr>
</tbody>
</table>

*Note: The above transactions are illustrative examples and may not reflect actual data.*
Substantial M&A Experience

- ASIMCO Casting (Beijing)
  - Acquired
  - $10 MM
  - Automotive

- Bosch
  - Robert Bosch Braking Systems (Guangzhou)
    - Acquired
    - N/A
    - Automotive

- Beijing Asia Shuanghesheng Five Star Beer
  - Sale of Company to Tsingtao

- Beijing Three Ring Asia Pacific Beer
  - Sale of Company to Tsingtao

- Sichuan Yahua Industrial
  - Acquired
  - RedBull Powder Company
  - Industrial

- China Shenhua Group
  - Joint Venture
  - $90 MM
  - Energy

- Winner
  - Privatization
  - $120 MM
  - Healthcare

- Pansoft
  - Privatization
  - $8 MM
  - TMT

- Waterpik
  - Sale
  - $120 MM
  - Healthcare

- Fushi Copperweld
  - Privatization
  - $364 MM
  - Industrial
The Case for China

- China’s continued economic development provides opportunity for companies and investors seeking growth. Many experts predict that China’s economy will surpass that of the U.S. by 2020.

- Despite being the world’s second largest economy, China is in an embryonic stage of development, with many product, service and technology “gaps” needing to be filled.

- Each gap represents a significant business opportunity for companies and entrepreneurs. In the coming years, many fast growing companies with first mover advantages will be created. China is the world’s largest consumption story today, and consumer products and services will be two particular areas of growth.

- China is rapidly becoming a source of capital. The development of China’s capital markets will fuel the country’s next round of growth and will constitute an “instant replay” of what happened in the U.S. in the 1980s and 1990s.
China: Positioned for Sustainable Growth

**Manufactured Slowdown:** To curb property speculation, combat inflation and position its economy for long term sustainable growth, China put in place monetary, fiscal and administrative measures beginning in May 2010.

**Measures Taken by Chinese Authorities:**

- **Credit Tightening.** High interest rates and lending restrictions. The current benchmark interest rate of 5.6% in China remains well above rates in developed markets.

- **Infrastructure Spending.** Per annum growth slowed to 13.8% in 2012 from 22% YOY growth from 2005 to 2011, and 40% in 2009.

- **Housing Restrictions.** Implemented to reduce demand for housing and to curb housing price growth in China’s major cities.

**Sustainable Growth:**

China’s economy is now poised for sustainable, long-term growth.
China’s Economy in Transition

Shifting from the “World’s Factory” to the “World’s Consumer”

China is currently shifting from an export-oriented to a consumption oriented economy, as well as from an agrarian society to a modern, urban economy.

- Contrary to popular belief, net exports (after subtracting imports) contribute less than 5% to China’s GDP.
- China is the biggest consumption story in the world – retail sales grew by 12.0% in 2014.
- Wealth is spreading. Rural incomes were up 11.2% in 2014, compared to 9.0% for urban incomes, reversing the trend of previous years.
- Urbanization will continue to be a powerful trend as more than 260 million Chinese move into the cities in the coming years.
- China is projected to account for 36% of global growth in consumer goods consumption between 2010 and 2020.

From: Heavy Manufacturing and Infrastructure Spending

To: Consumption, Services and High Value Manufacturing
Private Companies And Capital Markets

Privately owned companies are replacing State Owned Enterprises as the dominant economic growth engine in China and are being fueled by the expansion of China’s capital markets.

**The Importance of Privately Owned Companies in China’s Economy**

<table>
<thead>
<tr>
<th>% Private-owned Share</th>
<th>SOE Share</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>99% No. of Firms</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>70% GDP</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>65% Employment</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>60% No. of Patents Filed</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>60% Exports</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>50% Tax Revenues</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>20% Share of Financial Resources</td>
<td>80%</td>
<td></td>
</tr>
</tbody>
</table>

**Current Situation:**
- Privately owned companies are 8 to 10 times more efficient in job creation than China’s large companies, and 4 to 6 times more efficient in generating GDP.
- Despite their importance to China’s economy, privately owned companies have found it difficult to access capital.

**Recent Developments:**
- PE capital is dominant source of growth capital.
- Listings are becoming easier and more prevalent.
- Junk bond issuances have begun.
- China is opening its banking sector to encourage more lending to privately owned companies.

**Impact:**
- The development of China’s capital markets over the next 10 years will fuel a new round of growth, innovation and wealth accumulation in the country.
# Strategic Advice You Can Trust

We are uniquely positioned to advise companies seeking to enter the China market or expand their business in the country.

<table>
<thead>
<tr>
<th>Key Considerations</th>
<th>JFP Holdings</th>
</tr>
</thead>
</table>
| **1 Strong Reputation in China**  | ▪ Chinese respect commitment and follow through. With more than 20 years experience in China, the principals of JFP Holdings have stood the test of time.  
▪ Chinese companies, managers and government entities trust JFP Holdings. |
| **2 On-the-Ground Operating Experience** | ▪ Over 20 years of experience building and managing a major businesses in one of the most important industries in China.  
▪ We understand what it takes to operate a successful business in China. |
| **3 Deep and Experienced Team**   | ▪ Senior-level involvement at all stages of the assignment  
▪ Coordinated global senior team provides unparalleled services, market knowledge and strong access to Chinese partners. |
| **4 Superior Knowledge of the World’s Largest Market** | ▪ First-hand and direct knowledge of the China market.  
▪ Focused on China and based in Beijing, JFP Holdings always has the most updated knowledge and insider insight on market developments and current trends in China. |
| **5 Unparalleled Access to Chinese Partners** | ▪ Wide range of contacts built through twenty years of experience operating in China; multiple advisory projects with international clients; and high level of visibility in the country.  
▪ JFP Holdings can access decision makers in any company in any industry in China. |
| **6 Maximize Shareholder Value**   | ▪ Shareholder value is maximized when a company can take advantage of the world’s fastest-growing large market and can tap into the growing wealth in China.  
▪ JFP Holdings can provide companies with access to market opportunities and capital resources in China. |
A Trusted Advisor at All Stages of Investment

We are relentless in our commitment to understand a business’s core values and drivers, as well as opportunities for growth and fit with Chinese partners. Our on-the-ground experience enables us to verify key due diligence issues.

Pre-Acquisition
- Unique China intelligence and unparalleled operating experience.
- Enables clients to identify potential China threats.
- Enables clients to develop a pre-acquisition China strategy that identifies opportunities and maximizes returns.

Post-Acquisition (Within 1-2 Years)
- Develop practical China strategies that are based on real world experienced analysis and advice.
- Assist in implementation – from establishing a legal presence to negotiating a joint venture or acquisition.

“Early Bird” Marketing
- “Early Bird” marketing ideally occurs one or two years before a formal global auction process.
- An effective way to identify and calibrate potential China interest in a portfolio company.
- Chinese companies are always interested in meeting potential overseas partners.

Exit: Expanding the Universe of Potential Buyers to China
- Chinese buyers may be the most likely to pay a premium for portfolio companies.
- JFP Holdings can work with your investment banker of choice to provide access to Chinese buyers, OR team up with a U.S. M&A firm to compete for the sell-side assignment.

Pre-Investment
- Co-investor analysis with China-focused funds.

Holding Period
- Strategy execution
- Raise China profile
- Early-bird marketing
- Potential buyer identification

Exit
- Sale execution

Step
1. China threats / opportunity analysis.
2. Preliminary partner identification.
3. Co-investor analysis with China-focused funds.

Year
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