

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We and the Joint Bookrunners have entered into cornerstone investment agreements (the “**Cornerstone Investment Agreements**”, each a “**Cornerstone Investment Agreement**”) with the investors as set out in the paragraph headed “Cornerstone Investors” below (the “**Cornerstone Investors**,” each a “**Cornerstone Investor**”), pursuant to which the Cornerstone Investors have agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 400 H Shares) that may be purchased for an aggregate amount of up to US\$45.0 million (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$8.61 (being the mid-point of the indicative Offer Price range stated in this prospectus), the total number of H Shares to be subscribed for by the Cornerstone Investors would be 40,120,000, representing approximately (i) 26.2% of the Offer Shares and 7.3% of the Shares in issue upon the completion of the Global Offering, assuming that the Over-allotment Option is fully exercised; or (ii) 30.1% of the Offer Shares and 7.5% of the Shares in issue upon completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Each of the Cornerstone Investors is an Independent Third Party, is independent with each other, is not our connected person, and is not an existing shareholder of our 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 our Company on or around 19 December 2013.

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 H 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 pursuant to the respective Cornerstone Investment Agreements). Upon 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 our substantial shareholder.

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We and the Joint Bookrunners have entered into the 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:

Haidian-Creation International Limited

Haidian-Creation International Limited (“**Haidian-Creation**”) has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 400 H Shares) which may be purchased for the Hong Kong dollars equivalent of US\$15.0 million (calculated at the exchange rate published by HSBC after the close of business as at the Price Determination Date) at the Offer Price. Assuming an Offer Price of HK\$8.61, being the mid-point of the Offer Price range set out in this prospectus, the total number of H shares that Haidian-Creation would subscribe for would be 13,506,000, representing approximately (i) 8.8% of the Offer Shares and 2.4% of the Shares in issue immediately following the completion of the Global Offering assuming that the Over-allotment Option is fully exercised, or, (ii) 10.1% of the Offer Shares and 2.5% of the Shares in issue immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

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Haidian-Creation is a company incorporated in the British Virgin Islands on 20 August 1998 and mainly engaged in listed equity investments. It is a wholly-owned subsidiary of China Haidian Holdings Limited (“**China Haidian**”), a company incorporated in Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 256). The principal activities of China Haidian include manufacture and distribution of watches and timepieces, property investments and distribution of yachts.

Zhejiang Haining Jiahui Investment Partnership (Limited Partnership)

Zhejiang Haining Jiahui Investment Partnership (Limited Partnership)* (浙江海寧嘉慧投資合夥企業(有限合夥)) (“**Jiahui Investment**”) has agreed to subscribe for such number of H Shares that may be purchased with the Hong Kong dollars equivalent of US\$30.0 million (calculated at the exchange rate published by HSBC after the close of business as at the Price Determination Date) divided by the Offer Price but subject to a maximum of such number of H Shares which shall represent 4.99% of the total issued share capital of our Company immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming the Offer Price is fixed between HK\$7.17 (being the lower end of the Offer Price range set out in this prospectus) and HK\$8.73, the total number of H shares that Jiahui Investment would subscribe for would be 26,614,000, representing (i) approximately 17.36% and 4.81% of the Offer Shares and the Shares in issue immediately following the completion of the Global Offering assuming that the Over-allotment Option is fully exercised, or, (ii) approximately 19.96% and 4.99% of the Offer Shares and the Shares in issue immediately following the completion of the Global Offering assuming that the Over-allotment Option is not exercised. Under such circumstances, the investment amount would be approximately between US\$24.6 million and US\$30.0 million.

Assuming the Offer Price is fixed at HK\$8.74 or above the total number of H shares that Jiahui Investment would subscribe for would be such number of H Shares that may be purchased with the Hong Kong dollars equivalent of US\$30.0 million (calculated at the exchange rate published by HSBC after the close of business as at the Price Determination Date) divided by the Offer Price, rounded down to the nearest whole board lot of 400 H Shares.

Assuming the Offer Price of HK\$10.04, being the upper end of the Offer Price range set out in this prospectus, the total number of H shares that Jiahui Investment would subscribe for would be 23,164,800, representing (i) approximately 15.11% and 4.19% of the Offer Shares and the Shares in issue immediately following the completion of the Global Offering assuming that the Over-allotment Option is fully exercised, or, (ii) approximately 17.37% and 4.34% of the Offer Shares and the Shares in issue immediately following the completion of the Global Offering assuming that the Over-allotment Option is not exercised, rounded down to the nearest whole board lot of 400 H Shares.

Jiahui Investment was established in November 2013 in the PRC with RMB1.1 billion of capital. Jiahui Investment is a professional investment institution primarily engaged in equity investment, and also engaged in fixed income investment. The executive partner of Jiahui Investment is Zhejiang Haode Jiahui Investment Management Co., Ltd.* (浙江昊德嘉慧投資管理有限公司) (“**Haode Jiahui**”). Haode Jiahui is primarily engaged in investment by way of venture capital, private equity and merger and acquisition, as well as investing in high yield fixed income investment products.

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CONDITIONS PRECEDENT

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

- (1) the underwriting agreement for the Hong Kong Public Offering and the underwriting agreement for the International Offering being entered into by, inter alia, our Company and the Joint Bookrunners and having become unconditional and not having been terminated by no later than the time and date as specified in those underwriting agreements in accordance with their respective original terms, or as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties;
- (2) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares and that such approval or permission having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (3) the respective representations, warranties, undertakings and acknowledgements of the Cornerstone Investor and our Company in the relevant Cornerstone Investment Agreement are and will be accurate and true in all material respects and not misleading as at the respective dates of these agreements and the Listing Date respectively and there being no material breach of the relevant Cornerstone Investment Agreement on the part of the Cornerstone Investor; and
- (4) no laws shall have been enacted or promulgated which prohibit the consummation of the transactions contemplated in the Hong Kong Public Offering, the International Offering or in the relevant Cornerstone Investment Agreement and no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that, without the prior written consent of our Company and the Joint Bookrunners, it will not, and will procure that the subsidiaries controlled by the Cornerstone Investors, if any, will not, at any time during a period of six months starting from and inclusive of the Listing Date, dispose of (as defined in the relevant Cornerstone Investment Agreement) any of the H Shares subscribed for by it pursuant to the relevant Cornerstone Investment Agreement.

In the event of a disposal of any relevant Offer Shares at any time after the Lock-up Period, the Cornerstone Investor (i) will notify our Company and the Joint Bookrunners in writing prior to the disposal and will use its best endeavours to ensure that any such disposal will not create a disorderly or false market in the H Shares and will comply with all applicable laws; and (ii) will not enter into any such transaction with a person who engages directly or indirectly in a business that competes or potentially competes with the business of our Company or with any other entity that is a holding company, subsidiary or associate (as defined in the Listing Rules) of such person without the prior written consent of each of our Company and the Joint Bookrunners.

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Each Cornerstone Investor may transfer the H Shares so subscribed to a wholly-owned subsidiary of such Cornerstone Investor, provided that (i) such wholly-owned subsidiary agrees to be subject to the restrictions on disposals imposed on such Cornerstone Investor; (ii) such subsidiary is not a U.S. Person (as defined in Rule 902(k) of Regulation S under the Securities Act), and is and will be outside the United States and would be acquiring these Shares in an offshore transaction in reliance on Regulation S under the Securities Act; and (iii) if any of the Cornerstone Investor's wholly-owned subsidiaries that holds any Offer Shares as a result of such transfer is about to or will cease to be a wholly-owned subsidiary of the Cornerstone Investor, such entity must, before ceasing to be a wholly-owned subsidiary of the Cornerstone Investor, ensure that its entire interest in the relevant Offer Shares shall be transferred to the Cornerstone Investor or to another wholly-owned subsidiary of the Cornerstone Investor.