

THE CORNERSTONE INVESTMENTS

Structure of the Cornerstone Investment

MHL and CEF entered into their respective Cornerstone Investment Agreements with the Company, Petropavlovsk, Cayiron Limited and the Joint Bookrunners on 22 September 2010 to subscribe at the Offer Price for such number of Offer Shares that may be purchased at the Offer Price with an aggregate amount of US\$60 million. Assuming an Offer Price of HK\$2.60, the mid-point of the estimated Offer Price range set forth in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be approximately 180 million Shares, representing approximately 5.3 per cent. of the Company's issued and outstanding share capital after the completion of the Global Offering (assuming the Over-allotment Option is not exercised). As detailed further below, the Cornerstone Investors are independent third parties and not connected with the Company. Also as detailed below, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreement. The Cornerstone Investors will not have any board representation in the Company.

The shareholding of the Cornerstone Investors will be counted towards the public float of the Company's Shares. The actual number of Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or before 13 October 2010. The Offer Shares to be subscribed for by the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offering in the event of an over-subscription under the Hong Kong Public Offering as described in the section headed "Structure of the Global Offering" in this prospectus.

About the Cornerstone Investors

MHL is a wholly owned subsidiary of Asia Resources Fund ("ARF"), which is managed by General Enterprise Management Services (International) Limited ("GEMS"). GEMS is a private equity fund management group founded in 1998. GEMS manages several private equity funds which make investments in the Asia Pacific region. MHL, ARF and GEMS are independent third parties which (save for the entry into the Pre-IPO Investment Agreement and the Pre-IPO Investment Supplemental Agreement) have no previous connection with the Company or Petropavlovsk.

CEF is 50 per cent. owned by Cheung Kong (Holdings) Limited and 50 per cent. owned by the Canadian Imperial Bank of Commerce ("CIBC"). Cheung Kong (Holdings) Limited is a company listed on the Main Board of the Stock Exchange, and its principal business activities are investment holding and project management. Its subsidiaries are active in the field of property development and investment, hotel and serviced suite operation, property and project management and investment in securities. CIBC is headquartered in Toronto and is one of Canada's largest banks, dealing in wholesale, commercial and retail banking. CEF, CIBC and Cheung Kong (Holdings) Limited are independent third parties which (save for the entry into the Pre-IPO Investment Agreement and the Pre-IPO Investment Supplemental Agreement) have no previous connection with the Company or Petropavlovsk.

The Cornerstone Investors are, and will immediately following Listing be, independent third parties who will not be considered connected persons of the Company within the meaning of the Listing Rules.

Restrictions on the Cornerstone Investors*Lock-up*

The Cornerstone Investment Agreement imposes a restriction on the Cornerstone Investors' ability to deal in the Shares following Listing. The Cornerstone Investors are restricted from selling, transferring, granting options over, or otherwise disposing of (either conditionally or unconditionally, or directly or indirectly, or otherwise) the Shares held by them or any interest therein for a period of six months from the date of Listing ("Lock-up Period"). On the expiry of the Lock-up Period, the Cornerstone Investors shall be free to dispose of any Shares, provided that they will take all reasonable steps to ensure that they will not create a false market in the Shares.

Associate subscribing for Shares in the Global Offering

The Cornerstone Investor must ensure that none of its associates will apply for or place an order through the book building process for Shares in the Global Offering (other than the Cornerstone Investor's Shares).