
CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe at the Offer Price a certain number of our Offer Shares (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$14.38, being the low-end of the indicative Offer Price Range set out in this document, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 138,053,400 Offer Shares, representing approximately 42.76% of the Offer Shares and approximately 9.41% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised and no options are granted under the Post-IPO Share Option Scheme).

Assuming an Offer Price of HK\$16.03, being the mid-point of the indicative Offer Price Range set out in this document, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 131,395,800 Offer Shares, representing approximately 40.70% of the Offer Shares and approximately 8.95% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised and no options are granted under the Post-IPO Share Option Scheme).

Assuming an Offer Price of HK\$17.68, being the high-end of the indicative Offer Price Range set out in this document, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 125,980,200 Offer Shares, representing approximately 39.02% of the Offer Shares and approximately 8.59% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised and no options are granted under the Post-IPO Share Option Scheme).

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respect with the fully paid Shares in issue and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company, nor will it become a substantial shareholder of the Company. To the best knowledge of our Company, each of the Cornerstone Investors is an Independent Third Party and independent of other Cornerstone Investors, and is not our connected person (as defined in the Listing Rules).

The total number of Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation”. After such reallocation (if any), the number of Offer Shares to be subscribed by each of the Cornerstone Investors will be determined at the discretion of the Company and the relevant Joint Global Coordinator(s). Details of allocation to the Cornerstone Investors will be disclosed in the announcement of allotment results of our Company to be published on or about 19 July 2018.

CORNERSTONE INVESTORS

The table below sets forth details of Cornerstone Placing:

Cornerstone Investor	Total subscription amount	Assuming a final Offer Price of HK\$14.38 per Offer Share (being the low-end of the indicative Offer Price Range)				Assuming a final Offer Price of HK\$16.03 per Offer Share (being the mid-point of the indicative Offer Price Range)				Assuming a final Offer Price of HK\$17.68 per Offer Share (being the high-end of the indicative Offer Price Range)					
		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised			
		Number of Offer Shares to be subscribed ⁽²⁾	Approximate % of the Shares in issue ⁽³⁾	Approximate % of the Shares in issue ⁽³⁾	Approximate % of the Shares in issue ⁽³⁾	Number of Offer Shares to be subscribed ⁽²⁾	Approximate % of the Shares in issue ⁽³⁾	Approximate % of the Shares in issue ⁽³⁾	Approximate % of the Shares in issue ⁽³⁾	Number of Offer Shares to be subscribed ⁽²⁾	Approximate % of the Shares in issue ⁽³⁾	Approximate % of the Shares in issue ⁽³⁾	Approximate % of the Shares in issue ⁽³⁾		
Taobao China Holding Limited (淘寶中國控股有限公司)	US\$50,000,000 (HK\$392,315,000) ⁽¹⁾	27,281,700	8.45	1.86	7.35	1.80	7.58	1.67	6.59	1.61	22,189,500	6.87	1.51	5.98	1.46
Successful Lotus Limited	HK\$300,000,000	20,862,300	6.46	1.42	5.62	1.38	5.80	1.28	5.04	1.23	16,968,300	5.26	1.16	4.57	1.12
City Legend International Limited (華昌國際有限公司)	HK\$1,297,215,192 ⁽⁴⁾	73,371,900	22.73	5.00	19.76	4.84	22.73	5.00	19.76	4.84	73,371,900	22.73	5.00	19.76	4.84
Educado Company Limited	HK\$237,810,000	16,537,500	5.12	1.13	4.45	1.09	4.60	1.01	4.00	0.98	13,450,500	4.17	0.92	3.62	0.89

Notes:

- (1) Calculated based on an exchange rate of US\$1.00 to HK\$7.8463 as described in the section headed "Information about this Document and the Global Offering – Exchange Rate Conversion". The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.
- (2) Subject to rounding down to the nearest whole board lot of 300 Shares.
- (3) Immediately following the completion of the Global Offering and assuming the options granted under the Pre-IPO Share Option Scheme are not exercised and no options are granted under the Post-IPO Share Option Scheme.
- (4) Assuming the final Offer Price of HK\$17.68 per Offer Share (being the high-end of the indicative Offer Price Range). The total subscription amount will be HK\$1,176,151,557, if the final Offer Price is HK\$16.03 per Offer Share (being the mid-point of the indicative Offer Price Range). The total subscription amount will be HK\$1,055,087,922, if the final Offer Price is HK\$14.38 per Offer Share (being the low-end of the indicative Offer Price Range).

CORNERSTONE INVESTORS

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The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

1. Taobao China Holding Limited (淘寶中國控股有限公司)

Taobao China Holding Limited has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased with US\$50,000,000 at the Offer Price.

Taobao China Holding Limited is a company incorporated in Hong Kong with limited liability, and is an indirect wholly-owned subsidiary of Alibaba Group Holding Limited. It is the direct holding company of the PRC subsidiaries relating to Taobao Marketplace and Tmall and operating entity for the overseas business of Taobao Marketplace and Tmall Global. Alibaba Group Holding Limited is a company incorporated in the Cayman Islands and its American depositary shares are listed on the New York Stock Exchange.

2. Successful Lotus Limited

Successful Lotus Limited has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased with HK\$300,000,000 at the Offer Price.

Successful Lotus Limited is an investment company wholly owned by Mr. LEE Ka Kit. Mr. LEE Ka Kit is an executive director and the vice chairman of Henderson Land Development Company Limited, a company listed on the Hong Kong Stock Exchange with stock code 12.

3. City Legend International Limited (華昌國際有限公司)

City Legend International Limited has agreed to subscribe for 73,371,900 Shares at the Offer Price, representing approximately 5% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised and no options are granted under the Post-IPO Share Option Scheme).

City Legend International Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by Overseas Chinese Town (Asia) Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (3366.HK). Overseas Chinese Town (Asia) Holdings Limited is principally engaged in the property development business and the manufacture and sale of cartons and paper products.

4. Educado Company Limited

Educado Company Limited has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased with HK\$237,810,000 at the Offer Price.

Educado Company Limited is an investment holding company wholly owned by City Developments Limited. City Developments Limited is a leading global real estate development, investment and management company listed on the Singapore Exchange.

CLOSING CONDITIONS

The obligation of each Cornerstone Investors to acquire the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms, as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated or lapsed;
- (ii) the Offer Price having been agreed upon between the Company and the Joint Representatives or the representative(s) of the Joint Representatives (for themselves and on behalf of the underwriters of the Global Offering);
- (iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering and that such approval or permission having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (iv) no laws shall have been enacted or promulgated by any Governmental Authority (as defined in the relevant Cornerstone Investment Agreement) which prohibits the consummation of the transactions contemplated under the Global Offering or the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (v) the representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are and will be (as of the closing of the Cornerstone Investment Agreement) accurate and true in all material respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

CORNERSTONE INVESTORS

In addition, the subscription obligation in relation to the Cornerstone Placings with each of Taobao China Holding Limited and Educado Company Limited are also subject to the additional condition precedent that the final Offer Price is fixed at a price no more than HK\$17.68 per Offer Share excluding brokerage, SFC transaction levy and Stock Exchange trading fee.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have purchased pursuant to the relevant cornerstone investor agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.