

**Dear Shareholders,**

**The Board is pleased to announce that RMB5 million investment in The Style Merchants (Hong Kong) Limited (“TSMHK”) mentioned in the announcement released on 19 October 2012 has been fully subscribed and paid-up. Additional 190 shares (“Shares”) in the share capital of TSMHK have been issued. Subsequent to the issuance of Shares, the Company’s interest in TSMHK and the Fashion Retail operation is diluted to 5%.**

**Such RMB5 million has been deployed in purchase of stock and working capital of the Fashion Retail operation.**

**From the Board of Directors  
27 November 2012**