
UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager

Great Roc Capital Securities Limited

Co-Managers

Ample Orient Capital Limited

Bonus Eventus Securities Limited

Convoy Investment Services Limited

KGI Capital Asia Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company has agreed to initially offer 10,000,000 new Shares for subscription by members of the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to, among other conditions, the granting of the approval for the listing of, and permission to deal in, all the Shares in issue and any Shares to be issued as mentioned in this prospectus by the Listing Division and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally, but not jointly or jointly and severally, agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement. In addition, the Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed, becoming, and continuing to be, unconditional and not having been terminated.

Grounds for termination

The respective obligations of the Public Offer Underwriters to subscribe, or procure subscribers for, the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination. The Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters) shall have the absolute right to terminate the Public Offer Underwriting Agreement by notice in writing to our Company with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the “**Termination Time**”) if prior to the Termination Time:

- (a) there has come to the notice of the Sole Global Coordinator or any of the Public Offer Underwriters:
 - (i) any matter or event showing any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement to be untrue, inaccurate or misleading in any respect when given or repeated or there has been a breach of any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement or any other provisions of the Public Offer

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Underwriting Agreement by any party thereto (other than the Sole Sponsor and the Public Offer Underwriters) which, in any such cases, is considered, in the sole and absolute opinion of the Sole Global Coordinator, to be material in the context of the Share Offer; or

- (ii) any statement contained in this prospectus, the Application Forms, the post hearing information pack, the formal notice and any announcements issued by our Company (including any supplement or amendment to each of the said documents) has become or been discovered to be untrue, incorrect or misleading in any respect which is considered, in the sole and absolute opinion of the Sole Global Coordinator to be material in the context of the Share Offer; or
 - (iii) any event, series of events, matter or circumstance occurs or arises on or after the date of the Public Offer Underwriting Agreement and before the Termination Time, being an event, matter or circumstance which, if it had occurred before the date of the Public Offer Underwriting Agreement, would have rendered any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement untrue, incorrect or misleading in any respect, and which is considered, in the sole and absolute opinion of the Sole Global Coordinator, to be material in the context of the Share Offer; or
 - (iv) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the sole and absolute opinion of the Sole Global Coordinator, a material omission in the context of the Share Offer; or
 - (v) any event, act or omission which gives or is likely to give rise to any liability of our Company or any of the executive Directors or our Controlling Shareholders arising out of or in connection with the breach of any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement; or
 - (vi) any breach by any party to the Public Offer Underwriting Agreement (other than the Sole Sponsor, the Sole Global Coordinator and the Public Offer Underwriters) of any provision of the Public Offer Underwriting Agreement which, in the sole and absolute opinion of the Sole Global Coordinator, is material; or
- (b) there shall have developed, occurred, existed, or come into effect any event or series of events, matter or circumstance whether occurring or continuing before, on and/or after the date of the Public Offer Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:
- (i) any new law or regulation or any change in existing laws or regulations, or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the BVI, the Cayman Islands or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a

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- presence (by whatever name called) or any other jurisdiction relevant to the business and/or operation of our Group (the “**Relevant Jurisdictions**”); or
- (ii) any change in, or any event or series of events or development resulting or likely to result in any change in local, regional or international financial, equity securities, currency, political, military, industrial, economic, stock market or other market conditions or prospects in or affecting the Relevant Jurisdictions; or
 - (iii) any change in the system under which the value of the HK dollars is linked to that of the U.S. dollars; or
 - (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (v) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in the Relevant Jurisdictions; or
 - (vi) any change or prospective change in the business or in the financial or trading position or prospects of any member of our Group; or
 - (vii) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by the Relevant Jurisdictions; or
 - (viii) a general moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance service in or affecting the Relevant Jurisdictions; or
 - (ix) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism (whether or not responsibility has been claimed), strike or lock-out; or
 - (x) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting the Relevant Jurisdictions; or
 - (xi) a demand by any creditor for repayment or payment of any material indebtedness of any other member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
 - (xii) any material loss or damage sustained by any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
 - (xiii) a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with

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its creditors or enters into a scheme of arrangement or any resolution is passed for the winding up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or

- (xiv) any litigation or claim of importance of any third party being instigated or threatened against any member of our Group,

which, in the sole and absolute opinion of the Sole Global Coordinator:

- (i) is or will be, or is likely to be, adverse to the business, financial, trading or other conditions or prospects of our Group taken as a whole or any member of our Group; or
- (ii) has or will have or is likely to have an adverse effect on the success of the Share Offer or the level of the Offer Shares being applied for or accepted, the distribution of the Offer Shares or the demand or market price of the Shares following the Listing; or
- (iii) for any other reason makes it impracticable, inadvisable or inexpedient for the Public Offer Underwriters to proceed with the Share Offer as a whole.

For the above purpose:

- (i) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the U.S. shall be taken as an event resulting in a change in currency conditions; and
- (ii) any normal market fluctuations shall not be construed as events or series of events affecting market conditions referred to above.

Lock-up undertakings to the Public Offer Underwriters

Each of our Controlling Shareholders has undertaken to our Company, the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters) that:

- (i) he/she/it will not, without the prior written consent of the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters), directly or indirectly, and will procure that none of his/her/its close associates (as defined in the GEM Listing Rules) or companies controlled by him/her/it or any nominee or trustee holding in trust for him/her/it shall, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) any of the Shares (or any interest in any Shares or any voting or other right attaching to any Shares) in respect of

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which he/she/it is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares or such securities at any time during the period commencing on the date by reference to which disclosure of his/her/its shareholding is made in this prospectus and ending on the date which is six months from the date on which dealings in our Shares commence on the Stock Exchange (the “**First Six-Month Period**”), subject always to compliance with the provisions of the GEM Listing Rules, in the event of a disposal of any Shares or such securities or any interest therein at any time during the period of eighteen months immediately after the expiry of the First Six Month Period (the “**Eighteen Month Period**”), (a) in respect of our Controlling Shareholders, such disposal shall not result in any of our Controlling Shareholders ceasing to be the controlling shareholder (as defined in the GEM Listing Rules) of our Company at any time during the Eighteen Month Period; and (b) he/she/it shall take all steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of our Company or any interest therein; and

- (ii) within the First Six-Month Period and the Eighteen Month Period he/she/it shall:
 - (a) if and when he/she/it pledges or charges, directly or indirectly, any Shares or other securities of our Company beneficially owned by him/her/it, immediately inform our Company, the Sole Sponsor and the Sole Global Coordinator in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and
 - (b) if and when he/she/it receives indications, either verbal or written, from any pledgee or chargee that any Shares or other securities in our Company pledged or charged by him/her/it will be disposed of, immediately inform our Company, the Sole Sponsor and the Sole Global Coordinator in writing of such indications.

Our Company has undertaken to each of the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters) that it will not:

- (i) except pursuant to the Share Offer, the Capitalisation Issue, the options that may be granted under the Share Option Scheme, without the prior written consent of the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters), and subject always to the provisions of the GEM Listing Rules, offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of our affiliates (as such term is defined under the Underwriting Agreements)), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any

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voting or other right attaching to any Shares) or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to effect any such transaction during the First Six Month Period;

- (ii) at any time during the First Six-Month Period, issue, or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or securities of our Company) or repurchase any Shares or securities of our Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of our Company or agree to do any of the foregoing, except pursuant to the Share Offer, the Capitalisation Issue or to the options that may be granted under the Share Option Scheme;
- (iii) at any time within the Eighteen Month Period do any of the acts set out in paragraphs (i) and (ii) above such that any of our Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder of our Company (within the meaning defined in the GEM Listing Rules); and
- (iv) during a period of two years from the date of this prospectus, in the event that our Company does any of the acts set out in paragraphs (i) or (ii) after the expiry of the First Six-Month Period or the Eighteen Month Period, as the case may be, take all steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Lock-up undertakings to the Stock Exchange

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange that, save as permitted under the GEM Listing Rules, he/she/it shall not and shall procure that the relevant registered holder(s) shall not:

- (i) in the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/she/it is shown by this prospectus to be the beneficial owner; or
- (ii) in the period of six months commencing on the date on which the period referred to in (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to (i) above if, immediately following such disposal or upon the exercise or

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enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder (as defined in the GEM Listing Rules) or they would cease to be a group of controlling shareholders (as defined in the GEM Listing Rules) of our Company.

Each of our Controlling Shareholders has also undertaken to the Stock Exchange and our Company to comply with the following requirements:

- (i) in the event that he/she/it pledges or charges any his/her/its direct or indirect interest in the Shares in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), as security for a bona fide commercial loan under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, at any time during the periods specified in Rule 13.16A of the GEM Listing Rules, he/she/it must inform our Company immediately thereafter, disclosing the details specified in Rules 17.43(1) to (4) of the GEM Listing Rules; and
- (ii) having pledged or charged any interest in Shares under (i) above, he/she/it must inform our Company immediately in the event that he/she/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of Shares affected.

Our Company will inform the Stock Exchange as soon as we have been informed of such matters and must forthwith publish an announcement giving details of the same in accordance with the requirements of Rule 17.43 of the GEM Listing Rules.

Placing

In connection with the Placing, it is expected that our Company and the covenantors to be named therein (namely our Controlling Shareholders and the executive Directors) will enter into the Placing Underwriting Agreement with the Sole Sponsor, the Sole Global Coordinator and the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally, but not jointly and not jointly and severally, agree to act as agents of our Company to procure subscribers for the Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and our Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in “— Underwriting arrangements and expenses — Public Offer — Lock-up undertakings to the Public Offer Underwriters” above.

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Commission and expenses

The Public Offer Underwriters will, and the Placing Underwriters are expected to receive a commission of 3.0% of the aggregate Offer Price payable for the Offer Shares underwritten by them, out of which they shall pay any sub-underwriting commissions.

The underwriting commission, documentation and advisory fee, listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses relating to the Share Offer, assuming an Offer Price of HK\$0.6 per Share (being the mid-point of the indicative Offer Price range), are estimated to amount to approximately HK\$21.6 million in total, and are payable by our Company.

SOLE SPONSOR'S, SOLE GLOBAL COORDINATOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sole Sponsor will receive a documentation fee. The Sole Global Coordinator and the other Underwriters will receive an underwriting commission. Particulars of these underwriting commission and expenses are set forth under “— Underwriting arrangements and expenses — Commission and expenses” above.

We have appointed Lego Corporate Finance Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of the despatch of our annual report for the second full financial year commencing after the Listing Date.

Save as disclosed above, none of the Sole Sponsor, the Sole Global Coordinator and the Underwriters is interested legally or beneficially in the shares of any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members nor any interest in the Share Offer.