
UNDERWRITING

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Joint Bookrunners and Joint Lead Managers

Yuanta Securities (Hong Kong) Company Limited
China Everbright Securities (HK) Limited

Public Offer Underwriters

Yuanta Securities (Hong Kong) Company Limited
China Everbright Securities (HK) Limited

Placing Underwriters

Yuanta Securities (Hong Kong) Company Limited
China Everbright Securities (HK) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is offering initially 12,000,000 Public Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price.

Subject to:

- the Listing Division of Stock Exchange granting the listing of, and permission to deal in, the Shares in issue or to be issued pursuant to the Share Offer or otherwise as mentioned in this prospectus and such listing and permission not subsequently being revoked; and
- certain other conditions set out in the Public Offer Underwriting Agreement being satisfied or waived on or before the dates and times as specified therein or such other dates as the Joint Lead Managers (for themselves and on behalf of the Underwriters) may agree (but in any event not later than the 30th day after the date of this prospectus),

The Public Offer Underwriters have agreed to subscribe or procure subscribers applications, on the terms and conditions of this prospectus, the related Application Forms and the Public Offer Underwriting Agreement, for the Public Offer Shares now being offered and which are not taken up under the Public Offer.

The Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed, becoming unconditional and not having been terminated in accordance with its terms.

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Grounds for termination

The 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 Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) shall have the right, in its sole and absolute discretion, by notice in writing to terminate the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement if it see fits upon the occurrence of, but not limited to any of the following events at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date:

- (a) there has come to the notice of the Joint Lead Managers:
 - (i) that any statement contained in this prospectus or the Application Forms, considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material in relation to the Share Offer, was, when the same was issued, or has become, untrue, incorrect or misleading in any respect or that any forecasts, expressions of opinion, intention or expectation expressed in the web proof information pack, this prospectus, the Application Forms and/or any notice, announcements, advertisements communications and other documents issued or used by our Company in connection with the Share Offer (including any supplement or amendment thereto), was not, when it was made, fair and honest and based on reasonable assumptions in any material respect; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a misstatement or omission therefrom as considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material to the Share Offer; or
 - (iii) any breach of any of the obligations imposed upon any party under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement (other than on the Public Offer Underwriters) which the Joint Lead Managers considers to be material; or
 - (iv) any breach, considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in their sole and reasonable opinion to be material in the context of the Share Offer, of any of the representations, warranties and undertakings given by our Company, our executive provisions Directors, the Controlling Shareholders contained in the Public Offer Underwriting Agreement, or any event rendering any such representations and warranties to be untrue, incorrect, inaccurate or misleading in any respect; or

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- (v) any change or development involving a prospective change in the conditions, business affairs, prospects, assets, liabilities, general affairs, management, shareholders' equity, profits, losses or the financial or trading position or performance of any members of our Group which is considered by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriter) in their sole and reasonable opinion to be material in the context of the Share Offer; or
- (vi) approval by the Listing Division of the listing of, and permission to deal in, the Shares in issue or to be issued under the Share Offer is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (vii) our Company withdraws any of this prospectus, the Application Forms and/or any other documents used in connection with contemplated subscription and sale of the Offer Shares; or
- (viii) any person (other than any of the Public Offer Underwriter) has withdrawn or sought to withdraw its consent to being named in this prospectus, the Application Forms and/or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or to the issue of any of such documents; or
- (ix) other than with the approval of the Joint Lead Managers, the issue or requirement to issue by our Company of any supplement or amendment to this prospectus and the Application Forms (or to any other documents used in connection with the contemplated subscription and sale of the Offer Shares) pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance; or
- (x) any potential litigation, disputes or claims which would affect the operation, financial condition or reputation of any member of the Group in any material respect; or
- (xi) GEM Listing Rules, the SFO or any other applicable laws, or any requirement or request of the Stock Exchange and/or the SFC where the matter to be disclosed is, in the sole and reasonable opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriter), materially adverse to the marketing or implementation of the Share Offer; or
- (xii) any prohibition on our Company by a governmental authority for whatever reasons from offering, allotting, issuing or selling of the Offer Shares pursuant to the terms of the Share Offer; or
- (xiii) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnified parties under the Public Offer Underwriting Agreement; or

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- (xiv) the Placing Underwriting Agreement have not been duly executed at or before 13 July 2017 (or such other date as may be agreed between our Company and the Joint Lead Managers); or
 - (xv) the imposition of any moratorium, suspension or material restriction on trading securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (xvi) any event of force majeure including but without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, natural disaster or outbreak of infectious diseases, which in the reasonable opinion of the Sole Sponsor and/or the Joint Lead Managers (for themselves and on behalf of the Underwriters):
 - (1) is or will be materially adverse to the business, financial condition or prospects of our Group taken as a whole; or
 - (2) has or will have a material adverse effect on the success of the Share Offer or has or will have the effect of making any part of the Underwriting Agreements incapable of implementation or performance in accordance with its terms; or
 - (3) makes it inadvisable or inexpedient to proceed with the Share Offer.
- (b) there shall develop, occur, exist or come into effect:
- (i) any change or development involving a prospective change, or any event or series of events resulting in or representing a change or development involving a prospective change, in local, national, regional or international, financial, political, military, industrial, economic, fiscal, regulatory, currency or market conditions and matters and/ or disaster or any monetary or trading settlement systems (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and interbank markets, or any monetary or trading settlement system, any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, any change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US dollars, or any material fluctuation in the exchange rate of Hong Kong dollars against any foreign currencies, or any interruption in the securities settlement or clearing service or procedures) in or affecting Hong Kong, China, Bermuda or any other jurisdictions where any member of our Group or its major service providers is incorporated or operates (collectively, the “Relevant Jurisdictions” and individually, a “Relevant Jurisdiction”); or
 - (ii) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or

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- (iii) any event or series of events in the nature of force majeure or otherwise beyond control of the Public Offer Underwriter (whether or not covered by insurance or responsibility has been claimed) including, without limitation, acts of government, strikes, lock-outs, fire, explosions, flooding, earthquakes, epidemics, pandemics, outbreaks of infections, diseases, Severe Acute Respiratory Syndrome (SARS) and Influenza A (H5N1) and any related or mutated forms of infectious diseases, civil commotions, economic sanctions, public disorder, social or political crises, acts of war, acts of terrorism, acts of God, accidents or interruptions or delays in transportation in or affecting any Relevant Jurisdiction; or
- (iv) 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 calamity or crisis in or affecting any Relevant Jurisdiction; or
- (v) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, or (B) a general moratorium on commercial banking activities or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of the Relevant Jurisdictions; or
- (vi) any change or development involving a prospective change in taxation or exchange controls, currency exchange rates or foreign investment regulations (including without limitation a material devaluation of the Hong Kong dollar against any foreign currencies) or the implementation of any exchange control in any Relevant Jurisdiction; or
- (vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (viii) any litigation, legal action or claim being threatened or instigated against any member of our Group; or
- (ix) the commencement by any governmental, law enforcement agency, regulatory or political body or organisation of any action against any Director or any member of our Group or an announcement by any governmental, law enforcement agency, regulatory or political body or organisation that it intends to take any such action; or
- (x) any Director being charged or indicted or detained with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company or the commencement by any government authority of any investigation or other action against any Director in his/her capacity as such or an announcement by any government authority that it intends to investigate or take any such actions; or

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- (xi) the chairman or chief executive officer of our Company vacating his office; or
- (xii) an order or petition for the winding up or liquidation of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or substantive part of the assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or
- (xiii) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription of the Shares) or any aspect of the Share Offer with the GEM Listing Rules, the Bye-laws, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Act, the SFO or any other applicable laws and regulations; or
- (xiv) a valid demand by any creditor for repayment or payment of any indebtedness of our Company or any member of our Group or in respect of which our Company or any member of our Group is liable prior to its stated maturity; or
- (xv) any change or development involving a prospective change, or a materialisation of, any of the risk factors set out in the section headed “Risk Factors” in this prospectus; or
- (xvi) any loss or damage sustained by any member of our Group (howsoever caused but excluding such loss or damage which are subject of and fully covered by any insurance or claim against any person); or
- (xvii) any adverse change or development involving a prospective change in the condition (financial or otherwise) or in the earnings, business affairs, business prospects or trading position of any member of our Group, or customer confidence, including but not limited to any action, suit, proceeding, litigation or claim of any third party being threatened or instigated against any member of our Group, or any investigation of any member of our Group or an order or suspension of business by any government authority; or
- (xix) other than with the approval of the Joint Lead Managers and the Public Offer Underwriters (such approval not to be unreasonably withheld), the issue or requirement to issue by our Company of a supplementary prospectus (or any other documents used in connection with the contemplated subscription for and/or purchaser of the Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the GEM Listing Rules,

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which in each case in the sole and reasonable opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters):

- (1) is/are or shall or could be expected to have a material adverse effect on the assets, liabilities, Shareholders' equity, profits, losses, general affairs, management, business, financial, trading or other condition or prospects of our Company or our Group or any members of our Group or on any present or prospective Shareholder in his, her or its capacity as such; or
- (2) has or will have or could be expected to have an adverse effect on the success, marketability or pricing of the Share Offer or the level of applications under the Public Offer or the level of interest under the Share Offer; or
- (3) makes it impracticable, inadvisable or inexpedient for the Share Offer to proceed or to market the Share Offer or shall otherwise result in an interruption to or delay thereof; or
- (4) has or would have the effect of making any part of the Public Offer Underwriting Agreement (including underwriting) or the Share Offer incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof.

The Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company and our Controlling Shareholders will enter into the Placing Underwriting Agreement with, among others, the Joint Bookrunners, the Joint Lead Managers 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, the Placing Underwriters would, subject to certain conditions, agree to subscribe or procure subscribers to subscribe for the Placing Shares being offered pursuant to the Placing.

Following the completion of the Share Offer, the Underwriters and their respective affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Save for their interests and obligations under the Underwriting Agreements, the sponsorship and documentation fee payable to the Sole Sponsor in connection with the Listing, and the fee payable to the Sole Sponsor for acting as our compliance adviser, none of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or their respective directors or employees, is interested, beneficially or otherwise, in any shares in any member of our Group or has any right (whether enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.

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No director or employee of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers or the Underwriters has a directorship in our Company or any member of our Group. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors should note that if the Placing Underwriting Agreement is not entered into or is terminated, 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 in accordance with its terms. It is expected that pursuant to the Placing Underwriting Agreement, our Company and the Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement.

Commission and expenses

The Underwriters will receive an underwriting commission of an amount equal to 2.5% of the aggregate Share Offer of all Offer Shares (including the Shares to be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option), out of which the Underwriters will pay all sub-underwriting commission if any.

The Sole Sponsor will receive a sponsorship and documentation fee in relation to the Listing and the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters will be reimbursed for their expenses properly incurred in connection with the Share Offer.

The above underwriting commission, sponsorship and documentation fee and expenses, together with the Stock Exchange listing application fee, Stock Exchange trading fee, SFC transaction levy, legal and other professional fees, and printing and other expenses relating to the Share Offer and Listing, are estimated to amount in aggregate to approximately HK\$26.5 million in total (assuming the Offer Size Adjustment Option is not exercised and based on the Share Offer Price of HK\$1.0 per Offer Share) and are to be borne by our Company.

Indemnity

Our Company has agreed to indemnify the Underwriters for certain losses which it may suffer, including losses arising from its performance of or failure to perform, its obligations under the Underwriting Agreements and any breach by our Company pursuant to the terms of the Underwriting Agreements.

Underwriters' interest in our Company

Except for its obligations under the Underwriting Agreements and save as disclosed in this prospectus, none of the Underwriters has any shareholding interests in any member of our Group nor has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares or securities convertible into Shares.

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Following the completion of the Share Offer, the Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Undertakings

By our Company

Our Company has undertaken to the Stock Exchange that it will not issue any further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to issue any such Shares or securities within six (6) months from the Listing Date (whether or not such issue of shares or securities will be completed within six (6) months from the Listing Date), except for those permitted in accordance with Rule 17.29 subsections (1) to (5) of GEM Listing Rules.

By our Controlling Shareholders

Each of the Controlling Shareholders has, jointly and severally, undertaken to and covenanted with each of our Company, the Stock Exchange, the Sole Sponsor, the Joint Lead Managers and the Underwriters that, without the prior written consent of the Sole Sponsor and/or the Joint Lead Managers (for themselves and on behalf of the Underwriters) and unless in compliance with the requirements of the GEM Listing Rules, it/he shall not, and shall procure none of its/his associates or companies controlled by it/him or any nominee or trustee holding in trust for it/him to:

- (i) at any time during 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 (the “**First Six-month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares or securities of our Company in respect of which it/he is shown by this prospectus to be the beneficial owner (whether direct or indirect) (the “**Relevant Shares**”); and
- (ii) at any time during the period of six months commencing on the date on which the First Six-month Period expires (the “**Second Six-month Period**”), 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 Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, any of the Controlling Shareholders would cease to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company;

and in the event that it/he enters into any transaction specified in sub-paragraph (i) above during the Second Six-month Period (whether or not such transaction will be completed in the aforesaid period), it/he will take all reasonable steps to ensure that any such transaction, agreement, or as the case may be, announcement will not create a disorderly or false market in the securities of our Company.

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Each of the Controlling Shareholders has undertaken to and covenanted with our Company, the Sole Sponsor, the Joint Lead Managers, the Underwriters and the Stock Exchange that:

- (i) in the event that it/he pledges or charges any of its/his direct or indirect interest in the Shares or other securities of our Company 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 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 on which the Second Six-month Period expires, it/he must inform our Company, the Sole Sponsor, the Joint Lead Managers and the Underwriters immediately thereafter, disclosing the details specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and
- (ii) having pledged or charged any of its/his interests in the Shares or other securities of our Company under sub-paragraph (i) above, it/he must inform our Company, the Sole Sponsor, the Joint Lead Managers and the Underwriters immediately in the event that it/he becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of the Shares or other securities of our Company affected.

Our Company will also inform the Stock Exchange as soon as our Company has been informed of the above matters (if any) by any of the Controlling Shareholders and disclose such matters by way of announcement in accordance with Rule 17.43 of the GEM Listing Rules as soon as possible after being so informed by any of the Controlling Shareholders.

Undertakings to the Underwriter

Undertakings by our Company

Pursuant to the Underwriting Agreements, our Company has undertaken to and covenanted with the Stock Exchange, the Sole Sponsor, the Joint Lead Managers and the Underwriters that our Company will not, and each of the Controlling Shareholders and executive Directors has undertaken to the Stock Exchange, the Sole Sponsor, the Joint Lead Managers and the Underwriters that it/he will procure our Company not to, without the prior written consent of the Sole Sponsor and/or the Joint Lead Managers, (for themselves and on behalf of the Underwriters) and unless in compliance with the requirements of the GEM Listing Rules (including but not limited to Rule 17.29 of the GEM Listing Rules), except for the issue of Shares under the Share Offer, the Capitalisation Issue or the exercise of the Offer Size Adjustment Option:

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- (i) at any time within the First Six-month Period offer, allot, issue, agree to allot or issue, sell, lend, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any options, rights or warrants to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, or repurchase any of the share capital or other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein), or enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of share capital or such other securities, in cash or otherwise, or publicly disclose that our Company will or may enter into any of the foregoing transactions (whether or not such transaction will be completed in the aforesaid period); and

- (ii) at any time during the Second Six-month Period, issue or grant (conditionally or unconditionally) any options or right to subscribe for or otherwise convert into or exchange for Shares or securities of our Company or of any of its subsidiaries so as to result in any of the Controlling Shareholders ceasing to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company,

and in the event our Company enters into any transaction specified in sub-paragraph (i) above during the Second Six-month Period (whether or not such transaction will be completed in the aforesaid period), it shall take all reasonable steps to ensure that any such transaction, agreement, or as the case may be, announcement will not create a disorderly or false market in the securities of our Company.

With regard to the undertaking made pursuant to Rule 13.16A of GEM Listing Rules, please refer to the paragraph headed “Undertakings” under the section headed “Substantial Shareholders” of this prospectus.