
UNDERWRITING

HONG KONG UNDERWRITER

DBS Asia Capital Limited

INTERNATIONAL UNDERWRITERS

DBS Asia Capital Limited
Pacific Foundation Securities Limited

HONG KONG UNDERWRITING ARRANGEMENTS

Hong Kong Public Offering

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 15,000,000 Hong Kong Public Offer Shares (subject to adjustment) for subscription by way of the Hong Kong Public Offering at the Offer Price on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued, and to certain other conditions described in the Hong Kong Underwriting Agreement (including the Sole Bookrunner, on behalf of the Underwriters, and us agreeing to the Offer Price), the Hong Kong Underwriter has agreed to subscribe, or procure subscribers to subscribe, for the Hong Kong Public Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus and the Application Forms. The Hong Kong Underwriting Agreement is conditional upon and subject to the International Placing Agreement having been signed and becoming unconditional.

Grounds for termination

The obligations of the Hong Kong Underwriter to subscribe or procure subscriptions for the Hong Kong Public Offer Shares under the Hong Kong Underwriting Agreement are subject to termination if, at any time prior to 8:00 a.m. on the Listing Date:

- (a) either (i) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Hong Kong Underwriting Agreement or the International Placing Agreement by the Company or the Controlling Shareholders; or (ii) any of the representations, warranties and undertakings given by the Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Placing Agreement, as applicable, is (or would when repeated be) untrue, incorrect or misleading in any respect; or

UNDERWRITING

- (b) any statement contained in this prospectus, the Application Forms or the formal notice or any announcement or document issued by the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become or been discovered to be untrue, incorrect or misleading in any material respect, or any forecasts, expressions of opinion, intention or expectation expressed in this prospectus, the Application Forms or the formal notice are not, in all material respects, fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or
- (c) any of our reporting accountant, our property valuer, or any of our counsels has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (d) our Company withdraws any of this prospectus, the Application Forms, or the Global Offering; or
- (e) any litigation or claim being threatened or instigated against any member of our Group or any Director, any executive Director being charged 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 governmental, political or regulatory body of any action against any executive Director in his or her capacity as such or an announcement by any governmental, political or regulatory body that it intends to take any such action; or
- (f) any contravention by any member of our Group of the Companies Ordinance, the SFO or any of the Listing Rules; or
- (g) any event, act or omission which gives or is likely to give rise to any liability of any of our Company or our Controlling Shareholders pursuant to the indemnities given by them under the Hong Kong Underwriting Agreement or the International Placing Agreement, as applicable which in the opinion of the Sole Bookrunner, will or may make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement or the International Placing Agreement or the Global Offering to be performed or implemented as envisaged; or
- (h) any breach of any of the obligations of our Company or our Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Placing Agreement, as applicable, which in the opinion of the Sole Bookrunner, will or may make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement or the International Placing Agreement or the Global Offering to be performed or implemented as envisaged; or

UNDERWRITING

- (i) the issue or requirement to issue by our Company of a supplementary prospectus, Application Form, preliminary or final offering circular pursuant to the Companies Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the sole opinion of the Sole Bookrunner, materially adverse to the marketing for or implementation of the Global Offering and such termination right to expire upon the Sole Bookrunner consent to issuance of the relevant supplementary prospectus, Application Form, preliminary or final offering circular; or
- (j) any change or development involving a prospective change in the business, assets, liabilities, conditions, business affairs, prospects, profits, losses or the financial or trading position or performance or management of our Company and its subsidiaries taken as a whole; or
- (k) any matter that has arisen or has been discovered which would, had it arisen immediately before the date of this prospectus, not having been disclosed in this prospectus, constitute a material omission therefrom; or
- (l) there will have developed, occurred, happened or come into effect any change or development involving a prospective change or development, or any event or series of events, matters or circumstances likely to result in or representing a change or development, or prospective change or development, concerning or relating to:
 - (i) any local, national, regional or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets and interbank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, British Virgin Islands or the Cayman Islands (each a “**Relevant Jurisdiction**”); or
 - (ii) any new law or regulation or any change in any existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting a Relevant Jurisdiction; or
 - (iii) (A) any event or series of events in the nature of force majeure (including, without limitation, acts of government, economic sanctions, strikes or lock-outs (whether or not covered by insurance), riots, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, outbreak of infectious disease, accident or interruption or delay in transportation), or (B) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other declaration of a national or international state of emergency or calamity or crisis, in the case of either (A) or (B), in or affecting a Relevant Jurisdiction; or

UNDERWRITING

- (iv) (A) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Shanghai Stock Exchange or the Shenzhen Stock Exchanges or (B) a general moratorium on commercial banking activities in a Relevant Jurisdiction or any other relevant jurisdiction, declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services, in the case of either (A) or (B), in or affecting a Relevant Jurisdiction; or
- (v) any taxation or any exchange control (or the implementation of any exchange control, currency exchange rates or foreign investment regulations) in a Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (vi) 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 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,

and which, with respect to any of clauses (i) through (vi) above, individually or in the aggregate in the absolute opinion of the Sole Bookrunner:

- (A) is, will be or may be adverse to the general affairs, management, business or financial or trading position or prospects of our Company or our Group as a whole or to any present or prospective Shareholders of our Company in its capacity as such; or
- (B) has, will have or may have an adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or make it impracticable, inadvisable or inexpedient for any material part of the Hong Kong Underwriting Agreement, the International Placing Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or
- (C) makes or may make it impracticable, inadvisable or inexpedient to proceed with or to market the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the Application Forms or the formal notice,

then the Sole Bookrunner, in its sole and absolute discretion, may terminate the Hong Kong Underwriting Agreement with immediate effect.

UNDERWRITING

UNDERTAKINGS GIVEN TO THE STOCK EXCHANGE PURSUANT TO THE LISTING RULES

Undertaking by the Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the commencement of dealing), except in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertaking by the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders of the Company immediately before the completion of the Global Offering, has undertaken to the Stock Exchange that except pursuant to the Global Offering, it or he will not, and will procure that any other registered holder (if any) of our Shares in which it or he has a beneficial interest will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with the requirements of the Listing Rules:

- (a) in the period commencing on the date by reference to which disclosure of its or his 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 (“**First Six-month Period**”), dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of any of our Shares in respect of which it or he is shown in this prospectus to be the beneficial owner; and
- (b) in the six month period commencing from the expiry of the First Six-month Period (“**Second Six-month Period**”) dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of any of our Shares and to such extent that immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, it or he would then cease to be a controlling shareholder of the Company.

UNDERTAKINGS PURSUANT TO THE HONG KONG UNDERWRITING AGREEMENT

Undertaking by the Company

We have undertaken to each of the Sole Global Coordinator, Sole Bookrunner, Sole Lead Manager, Sole Sponsor and the Hong Kong Underwriter pursuant to the Hong Kong Underwriting Agreement that, except pursuant to the Global Offering or grant of options or issue of our Shares upon exercise of such options pursuant to the Share Option Scheme, we will

UNDERWRITING

not without the prior written consent of the Sole Bookrunner and unless in compliance with the requirements of the Listing Rules, at any time during the First Six-Month Period, offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, 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 option, right or warrant to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any of our share capital, debt capital or other securities or any interest therein, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise.

Undertaking by the Controlling Shareholders

Each of the Controlling Shareholders, pursuant to the Hong Kong Underwriting Agreement, has agreed and undertaken to each of the Sole Bookrunner, our Company and the Hong Kong Underwriter that, except pursuant to (A) the Global Offering, (B) the Over-allotment Option or (C) if applicable, the Stock Borrowing Agreement, it or he will not, without the prior written consent of the Sole Bookrunner,

- (a) at any time during the First Six-Month Period:
 - (i) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, make any short sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of), either directly or indirectly, conditionally or unconditionally, cause our Company to repurchase, any of the share or debt capital or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein whether now owned or hereinafter acquired, owned directly by the Controlling Shareholders (including holding as a custodian) or with respect to which the Controlling Shareholders have beneficial ownership (collectively the “**Lock-up Shares**”) (the foregoing restriction is expressly agreed to preclude the Controlling Shareholders from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Lock-up Shares even if such Shares would be disposed of by someone other than the Controlling Shareholders, respectively;

UNDERWRITING

Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Lock-up Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Shares); or

- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any such capital or securities or any interest therein; or
 - (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
 - (iv) agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraph (i) or (ii) or (iii) above, whether any such transaction described in paragraph (i) or (ii) or (iii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise;
- (b) at any time during the Second Six-Month Period, it or he will not enter into any of the foregoing transactions in paragraphs (a)(i) or (a)(ii) or (a)(iii) above or agree or contract to or publicly announce any intention to enter into any such transactions if, immediately following such transfer or disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances or any other transactions, each of the Controlling Shareholders will cease to be a controlling shareholder (as the term is defined in the Listing Rules) of our Company;
- (c) until the expiry of the Second Six-Month Period, in the event that it or he enters into any such transactions or agrees or contracts to, or publicly announces an intention to enter into any such transactions, it or he will take all reasonable steps to ensure that it or he will not create a disorderly or false market in the securities of our Company; and
- (d) at any time during the First Six-Month Period or the Second Six-Month Period (where applicable), (i) each of the Controlling Shareholders will, if it or he pledges or charges any Shares or other securities of our Company in respect of which it or he is the beneficial owner, immediately inform our Company, the Sole Bookrunner and, if required, the Stock Exchange of any such pledges or charges and the number of Shares or other securities of our Company so pledged or charged, and (ii) each of the Controlling Shareholders will, if it or he receives any indication, either verbal or written, from any such pledgee or chargee of Shares or other securities of our Company that such Shares or other securities of our Company will be disposed of, immediately inform us, the Sole Bookrunner and, if required, the Stock Exchange of any such indication.

UNDERWRITING

INTERNATIONAL PLACING

In connection with the International Placing, the Company expects to enter into the International Placing Agreement with, among others, the International Underwriters and other parties named therein. Under the International Placing Agreement, the International Underwriters will, subject to certain conditions, severally agree to purchase the International Offer Shares being offered pursuant to the International Placing or procure purchasers for such International Offer Shares.

Our Company will grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Bookrunner on behalf of the International Underwriters at any time from the day on which trading of our Shares commences on the Stock Exchange until 30 days after the last day for lodging of applications under the Hong Kong Public Offering, to require our Company to sell up to an aggregate of 22,500,000 Shares at the Offer Price to cover (solely) over-allocations in the International Placing.

UNDERWRITING COMMISSION

The Hong Kong Underwriter will receive an aggregate underwriting commission of 3.5% of the aggregate Offer Price payable for the Hong Kong Public Offer Shares, out of which they will pay any sub-underwriting commission. For unsubscribed Hong Kong Public Offer Shares reallocated to the International Placing, we will pay an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the Sole Global Coordinator and the relevant International Underwriters (but not the Hong Kong Underwriter).

TOTAL EXPENSES

Assuming the Over-Allotment Option is not exercised at all and based on an Offer Price of HK\$0.62 per Share, being the mid-point of our offer price range of HK\$0.55 to HK\$0.68 per Share, the aggregate commissions and fees, together with Stock Exchange listing fees, SFC transaction levy, Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering, which are estimated to amount in aggregate to approximately HK\$35.9 million, are payable by the Company.

HONG KONG UNDERWRITER'S INTERESTS IN OUR COMPANY

Save as disclosed in this prospectus and other than pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Underwriter has no shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriter and its affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

STAMP TAXES

Buyers of Offer Shares sold by the Underwriters may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the Offer Price.

UNDERWRITING

INDEMNITY

Our Company and the Controlling Shareholders have agreed to severally indemnify the Hong Kong Underwriter against certain losses which it may suffer, including losses arising from its performance of its obligations under the Hong Kong Underwriting Agreement and any breach by us or the Controlling Shareholders of the Hong Kong Underwriting Agreement as the case may be.

SOLE SPONSOR'S INDEPENDENCE

The independence criteria applicable to Sole Sponsor set out in Rule 3A.07 of the Listing Rules is satisfied by DBS Asia Capital Limited.

OVER-ALLOTMENT AND STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard, and if possible, prevent any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, DBS, as the Stabilising Manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect any other transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the commencement of trading in the Shares on the Stock Exchange. Such market purchases of Offer Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the stabilising manager or any person acting for them to conduct any such stabilising activity, which if commenced, will be done at the absolute discretion of the Stabilising Manager and may be discontinued at any time. Any such stabilising activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering.

Stabilising action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules (Chapter 571 of the Laws of Hong Kong) includes (i) over-allocation for the purpose of preventing or minimising any reduction in the market price, (ii) selling or agreeing to sell Offer Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price, (iii) subscribing, or agreeing to subscribe, for Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, Offer Shares for the sole purpose of preventing or minimising any reduction in the market price, (v) selling Offer Shares to liquidate a long position held as a result of those purchases and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v). The number of Shares that may be over-allocated will not exceed the number of Shares that may be sold under the Over-allotment Option, namely 22,500,000 Shares, which is 15% of the Offer Shares initially available under the Global Offering.

UNDERWRITING

Stabilising actions by the Stabilising Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in Hong Kong on stabilisation.

As a result of effecting transactions to stabilise or maintain the market price of our Shares, the Stabilising Manager, or any person acting for it, may maintain a long position in our Shares. The size of the long position, and the period for which the stabilising manager, or any person acting for them, will maintain the long position is at the discretion of the Stabilising Manager and is uncertain. Investors should be warned that, in the event that the stabilising manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of our Shares.

Stabilising action by the Stabilising Manager, or any person acting for it, is not permitted to support the price of the Shares for longer than the stabilising period, which begins on the Listing Date and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilising period is expected to end on or before 4 November 2012. As a result, demand for the Shares, and their market price, may fall after the end of the stabilising period.

Any stabilising action taken by the Stabilising Manager, or any person acting for them, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilising period. Stabilising bids for or market purchases of the Shares by the Stabilising Manager, or any person acting for them, may be made at or below the Offer Price and can therefore be made at or below the price paid for the Offer Shares by applicants for, or investors in, the Offer Shares.

In connection with the Global Offering, the Stabilising Manager may over-allocate up to and not more than an aggregate of 22,500,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.