
UNDERWRITING

UNDERWRITERS

International Underwriters

Haitong International Securities Company Limited
UOB Kay Hian (Hong Kong) Limited
China Galaxy International Securities (Hong Kong) Co., Limited
Luk Fook Securities (HK) Limited
RaffAello Securities (HK) Limited
SBI E2-Capital Financial Services Limited

Hong Kong Underwriters

Haitong International Securities Company Limited
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UNDERWRITING ARRANGEMENTS, COMMISSIONS AND EXPENSES

Underwriting Agreements

(a) Hong Kong Underwriting Agreement

Under the Hong Kong Underwriting Agreement, the Company has agreed to offer the Hong Kong Offer Shares (subject to adjustment) for subscription on and subject to the terms and conditions of this Prospectus and the Application Forms.

Pursuant to the Hong Kong Underwriting Agreement, and conditional upon, inter alia, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of options to be granted under the Share Option Schemes) on the Main Board of the Stock Exchange subject to such customary conditions that may be imposed by the Stock Exchange and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscribers to subscribe for the Hong Kong Offer Shares which are not taken up under the Hong Kong Public Offering on the terms and conditions of the Hong Kong Underwriting Agreement, this Prospectus and the Application Forms.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

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Grounds for termination

The Sole Global Coordinator (on behalf of itself and the other Hong Kong Underwriters) may in its absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect by giving notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (the “Termination Time”) if, at any time before the Termination Time:

- (A) there develops, occurs, exists or comes 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:
- (1) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States or United Kingdom or the European Union (or any member thereof) or Japan (each a “Relevant Jurisdiction”); or
 - (2) any change or development involving a prospective change or development, or any event or series of events resulting in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank 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 dollars or an appreciation of the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or
 - (3) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God) in or affecting any Relevant Jurisdiction; or
 - (4) 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
 - (5) (i) 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 London Stock Exchange, the Shanghai Stock Exchange or the Tokyo Stock Exchange or (ii) a general moratorium on commercial banking activities in New York, London, Hong Kong, Japan, the PRC or any 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 or affecting any Relevant Jurisdiction; or

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- (6) any (i) material change involving a prospective material change in exchange controls, currency exchange rates or foreign investment regulations, or (ii) any material change involving a prospective change in taxation in any Relevant Jurisdiction adversely affecting an investment in the Shares; or
- (7) other than with the approval of the Sole Global Coordinator, the issue or requirement to issue by the Company of a supplementary prospectus, Application Form, preliminary offering circular or offering circular pursuant to the Companies Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Sole Global Coordinator, materially adversely affects the marketing for or implementation of the Global Offering; or
- (8) the materialization of any of the risks set out in the section headed “Risk Factors” in this Prospectus; or
- (9) any material litigation or claim or any action by any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign being threatened or instigated against any member of the Group or any Controlling Shareholder; or
- (10) any of the chairman or chief executive officer of the Company vacating his office, 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
- (11) any valid demand by creditors for repayment of indebtedness or a petition is presented for the winding-up or liquidation of any member of the Group or any member of the 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 the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (12) a prohibition on the Company for whatever reason from allotting or selling the Shares (including the shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering,

and which, in any such case and in the sole and absolute opinion of the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters): (i) is or will be materially adverse to, or materially and prejudicially affect, the assets,

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liabilities, business, general affairs, management, financial or trading position, or prospects of the Company or the Group as a whole or to any present or prospective shareholder of the Company in its capacity as such; or (ii) has or will have a material 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, for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or (iii) makes or will make it impracticable to proceed with 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 the Prospectus, the Application Forms, the formal notice, the preliminary offering circular or the offering circular; or (iv) would have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(B) there has come to the notice of the Sole Global Coordinator or any of the Hong Kong Underwriters after the date of the Hong Kong Underwriting Agreement:

- (1) that any statement contained in the Prospectus, the Application Forms, the formal notice and any announcements in the agreed form issued by the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become untrue, incomplete, incorrect or misleading or any forecasts, expressions of opinion, intention or expectation expressed in the 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
- (2) non-compliance of the Prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation; or
- (3) any matter has arisen or has been discovered which would, had it arisen immediately before the date of the Prospectus, not having been disclosed in the Prospectus, constitutes a material omission therefrom in the context of the Global Offering; or
- (4) 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 Underwriting Agreement by the Company or (ii) any of the representations, warranties and undertakings given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect, incomplete or misleading; or

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- (5) any of the reporting accountants of the Company, or any of the counsel or advisor of the Company has withdrawn its respective consent to the issue of the 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
- (6) any event, act or omission which gives or is likely to give rise to any liability of the Company pursuant to the indemnities given by the Company under the Hong Kong Underwriting Agreement which liability has a material adverse effect on the business or financial or trading position of the Company and its subsidiaries, as a whole; or
- (7) any potential litigation or disputes which would materially adversely affect the operation, financial condition or reputation of the Company; or
- (8) any material breach of any of the obligations of the Company under the Hong Kong Underwriting Agreement; or
- (9) any change involving a prospective adverse change or development in the assets, business, properties, results of operations, in the financial, trading position or prospects of the Company and its subsidiaries, as a whole.

Similar events are expected to be contained in the International Underwriting Agreement that may allow the International Underwriters to terminate their respective obligations thereunder.

(b) International Underwriting Agreement

In connection with the International Placing, it is expected that the Company and the Controlling Shareholders will, on or about 16 November 2012, enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally agree to subscribe for the International Placing Shares being offered pursuant to the International Placing or procure subscribers to subscribe for such International Placing Shares.

It is expected that under the International Underwriting Agreement, we will grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) at any time from the last date of lodging applications under the Hong Kong Public Offering until 16 December 2012, being the 30th day from the last day for lodging applications under the Hong Kong Public Offering, to require us to sell up to an aggregate of 7,500,000 additional Shares, representing 15% of the initial Offer Shares, at the Offer Price, among other things, to cover over-allocations in the International Placing, if any.

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Undertakings to the Stock Exchange pursuant to the Listing Rules

By us

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken irrevocably to the Stock Exchange that, save pursuant to the Global Offering or Shares to be issued upon the exercise of the Over-allotment Option and any other relevant exceptions set out under Rule 10.08 of the Listing Rules, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) will be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date).

By our Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, the Controlling Shareholders hereby irrevocably and unconditionally undertake to the Stock Exchange that he/she/it shall not and shall procure that the relevant registered holders shall not:

- (a) in the period commencing on the date by reference to which disclosure of the shareholding of he/she/it is made in this Prospectus and ending on the date which is 6 months from the Listing Date, dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances (save pursuant to a pledge or charge as security in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of, any of those securities of the Company in respect of which he/she/it is shown by this Prospectus to be the beneficial owners; and
- (b) in the period of six months commencing on the date on which the period referring to in paragraph (a) above expires, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances (save pursuant to a pledge or charge as security in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of the Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder of the Company.

In accordance with Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders also irrevocably and unconditionally undertakes to the Stock Exchange that within the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/she/it shall:

- (a) when he/she/it pledges or charges any securities of the Company beneficially owned by he/she/it in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong), immediately inform the Company in writing of such pledge or charge together with the number of securities so pledged or charged; and

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- (b) when he/she/it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities of the Company shall be disposed of, immediately inform the Company in writing of such indications.

Undertakings pursuant to the Hong Kong Underwriting Agreement

By us

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option) we will not, and will procure that our subsidiaries will not, without the prior written consent of the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “First Six-month Period”):

- (a) offer, accept subscription for, pledge, lend, assign, mortgage, charge, allot, issue, sell, 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, lend or otherwise transfer or dispose of, either directly or indirectly, or repurchase, any of its share capital or any securities convertible into or exercisable or exchangeable for or that represent the right to receive, or interests in, such share capital or any derivatives with the shares of our Company as underlying securities; or
- (b) 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; or
- (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or
- (d) offer to or agree to do any of the foregoing or announce any intention to do so,

whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise or publicly disclose that the Company will or may enter into any transaction described above. We further agree that, in the event of an issue or disposal of any Shares or any interest therein after the date falling six months from the First Six-month Period (the “Second Six-month Period”), we will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any Shares or other securities of the Company.

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By our Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders jointly and severally agreed and undertook with each of the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Global Offering, the Capitalization Issue, the Over-allotment Option or if applicable, the Stock Borrowing Agreement, none of the Controlling Shareholders will and, will procure that none of its associates will, without the prior written consent of the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters), at any time during the First Six-month Period:

- (a) 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, any of the share or debt capital or other securities of the 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 or indirectly by any of the Controlling Shareholders (including holding as a custodian) or with respect to which any of the Controlling Shareholders has a beneficial interest;
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such capital or securities or any interest therein;
- (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or
- (d) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraphs (a) or (b) or (c) above, whether any such transaction described in paragraphs (a) or (b) or (c) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

In addition, during the Second Six-month Period, each of the Controlling Shareholders will not enter into any of the foregoing transactions in paragraphs (a) to (d) above or agree to contract to or publicly announce any intention to enter into any such transactions if, immediately following such transaction, it will cease to be a controlling shareholder of the Company.

Until the expiry of the Second Six-month Period, in the event that any of the Controlling Shareholders enters into any of the foregoing transactions in paragraphs (a) to (d) above, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of the Company.

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Commission and expenses

Under the terms and conditions of the Hong Kong Underwriting Agreement, the Hong Kong Underwriters will receive an underwriting commission equal to 3.0% of the aggregate Offer Price in respect of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commission.

For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, we will pay an underwriting commission at the rate applicable to the International Placing to the Joint Bookrunners (for themselves and on behalf of the International Underwriters) but not the Hong Kong Underwriters in accordance with the International Underwriting Agreement.

Based on the Offer Price of HK\$1.75 (being the mid-point of the indicative Offer Price range of HK\$1.50 per Offer Share to HK\$2.00 per Offer Share), and assuming the Over-allotment Option is not exercised, the underwriting commission, sponsorship and documentation fee, Stock Exchange listing fees, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees together with printing and other expenses relating to the Global Offering are estimated to amount to about HK\$27.8 million in total and are payable by us.

Indemnity

Each of the Company and our Controlling Shareholders has agreed jointly and severally to indemnify each of the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company or our Controlling Shareholders of the Hong Kong Underwriting Agreement. Similar indemnities are expected to be given by us, our executive Directors and our Controlling Shareholders to the International Underwriters under the International Underwriting Agreement.

Underwriters' interest in the Company

Save for the obligations and the interests under the Underwriting Agreements as disclosed above and the proposed appointment of the Sole Sponsor as compliance advisor of the Company, none of the Underwriters is interested legally or beneficially in any shares in any member of the Group or has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.

Sole Sponsor's independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors as required under Rule 3A.07 of the Listing Rules.