
UNDERWRITING

SOLE GLOBAL COORDINATOR

Cinda International Securities Limited

UNDERWRITERS

Hong Kong Underwriters

Cinda International Securities Limited
OSK Securities Hong Kong Limited
VC Brokerage Limited

International Underwriters

Cinda International Securities Limited
OSK Securities Hong Kong Limited
VC Brokerage Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Underwriting Agreements

(a) Hong Kong Underwriting Agreement

Under the Hong Kong Underwriting Agreement, the Company has agreed to offer the Hong Kong Public 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 Hong Kong Stock Exchange granting or agreeing to grant (subject to allotment) listing of, and permission to deal in, the Shares issued and to be issued immediately after completion of the Global Offering as mentioned in this prospectus (including any Shares which may be issued under the Over-allotment Option and any Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme) subject to such customary conditions that may be imposed by the Hong Kong Stock Exchange and certain other conditions, the Hong Kong Underwriters have severally agreed to subscribe or procure subscribers to subscribe for their respective applicable proportions of the Hong Kong Public Offer Shares which are not taken up under the Hong Kong Public Offer.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional.

UNDERWRITING

Grounds for termination

The Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters) has the absolute discretion to terminate the Hong Kong Underwriting Agreement with immediate effect by written notice to the Company at any time at or before 8:00 a.m. on the Listing Date if:

- (A) (1) there is any change or prospective change (whether or not permanent) in the business or in the financial or trading position or prospects of the Company or any other member of the Group; or
- (2) any event or series of events resulting or representing or likely to result in any change or development (whether or not permanent) in local, national, regional or international financial, political, industrial, economic, currency, military, conflict-related, legal, fiscal, exchange control, regulatory conditions or any monetary or trading settlement system, equity or other financial market or other conditions, circumstances or matters shall have occurred, happened or come into effect; or
- (3) any relevant new law of any court or governmental authority or change (whether or not forming part of a series of changes) in existing laws or any change in the interpretation or application thereof by any court or governmental authority in Hong Kong, the Cayman Islands, the PRC, the United States, the European Union, Singapore or in other jurisdiction which the Group operates its business shall have been introduced or effected (each a “**Relevant Jurisdiction**”); or
- (4) a change or development occurs involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in Hong Kong, Japan, the PRC, the United States, the European Union (or any member thereof), Singapore or in any other Relevant Jurisdiction; or
- (5) any event, act or omission which gives rise to or is likely to give rise to any liability of any of the Warrantors pursuant to the indemnity provided under the Hong Kong Underwriting Agreement; or
- (6) the imposition of economic or other sanctions, in whatever form, directly or indirectly, by Japan, the United States, the European Union (or any member thereof), Singapore or any other country or organisation in any Relevant Jurisdiction which is material to the revenues or operation of the Group as a whole; or
- (7) any event, or series of events, beyond the control of the Hong Kong Underwriters (including without limitation, any acts of God, acts of government, acts or threats of war, riots, public disorder, civil commotion, fire, flooding, explosion, outbreak of diseases or epidemic (including but not limited to severe acute respiratory syndrome and H5N1, avian flu, influenza A (H1Na) (swine flu) and such related or mutated forms), terrorism, strikes or lockouts) or economic sanction and any declaration of a national or international emergency or war shall have occurred, happened or come into effect in any Relevant Jurisdiction; or

UNDERWRITING

- (8) any material, 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 any Relevant Jurisdiction; or
- (9) the imposition or declaration of (i) any suspension or material limitation on dealings in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, New York Stock Exchange, Inc., London Stock Exchange plc (ii) any general moratorium on banking activities or material disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting Hong Kong, PRC, New York, London, Singapore; or
- (10) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (11) any litigation of claim of any third party being instigated against any member of the Group; or
- (12) any loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (13) 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
- (14) approval by the Listing Committee of the listing of, and permission to deal in, the Offer Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering 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,

which in the sole and absolute opinion of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (a) is or will or is likely to individually or in aggregate have a Material Adverse Effect on the business, financial, trading or other condition or prospects of the Company taken alone or the Group taken as a whole and/or, in the case of paragraph (A)(4) above, to any present or prospective Shareholder in its capacity as such; or
- (b) has or will or is likely to have a Material Adverse Effect on the success of the Hong Kong Public Offer, the International Offer or the level of Offer Shares being applied for or accepted or the distribution of the Offer Shares; or

UNDERWRITING

- (c) is or will or is likely to make it impracticable, inadvisable, inexpedient or not commercially viable (i) for any material part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement, the Hong Kong Public Offer, the International Offer and/or the Global Offering to be performed or implemented as envisaged or (ii) to proceed with the Hong Kong Public Offer, the International Offer and/or the Global Offering on the terms and in the manner contemplated in the Prospectus in respect of the International Offer; or
- (B) any of the Hong Kong Underwriters shall become aware of the fact that, or have cause to believe that:
 - (1) any of the warranties or undertakings given by the Warrantors under the Hong Kong Underwriting Agreement is untrue, inaccurate, misleading or breached in any material respect when given or as repeated as determined by the Sole Global Coordinator in its sole and absolute discretion;
 - (2) any statement contained in, among others, the web proof information pack, this prospectus, the Application Forms, the formal notice and any announcements issued by the Company in respect of the Hong Kong Public Offer, the International Offer and/or the Global Offering was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if the Offer Documents in respect of the Hong Kong Public Offer, the International Offer and/or the Global Offering were to be issued at that time, constitute a material omission therefrom as determined by the Sole Global Coordinator in its sole and absolute discretion; or
 - (3) there has been a breach in any material respect on the part of any of the Warrantors of any of the provisions of this Agreement or the International Underwriting Agreement as determined by the Sole Global Coordinator in its sole and absolute discretion.

For the purpose of the above, 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 any change of the value of Hong Kong currency under such system shall be taken as an event resulting in a change in currency conditions.

“Material Adverse Effect” refers to a material adverse change, or any development reasonably likely to involve a prospective material adverse change, in the condition, financial, operational or otherwise or in the earnings, business affairs or business prospects, net assets or liabilities of the Company or any members of the Group, whether or not arising in the ordinary course of business.

“Warrantor” refers to the Company, each of the Controlling Shareholders and each of the executive Directors.

(b) International Underwriting Agreement

In connection with the International Offer, it is expected that the Company will, on or about the Price Determination Date, enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, agree to subscribe for the International Offering Shares being offered pursuant to the International Offer or procure

UNDERWRITING

subscribers to subscribe for such International Offer Shares. Under the International Underwriting Agreement, the Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement up to (and including) Thursday, 7 February 2013, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offer, to require the Company to allot and issue up to an aggregate of 22,500,000 additional Shares, representing in aggregate not more than 15% of the maximum number of Offer Shares initially available under the Global Offering.

Undertakings in favour of the Stock Exchange pursuant to the Listing Rules

(a) By the Company

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

(b) By the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to us, the Stock Exchange and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) and the Hong Kong Underwriters that he/it shall not and shall procure that the relevant registered holder shall not, without the prior written consent of the Stock Exchange, except pursuant to the Global Offering or the Capitalisation Issue or the Over-allotment Option or the Stock Borrowing Agreement:

- (i) at any time during the period commencing on the date of 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 the Shares in respect of which he/it is shown in this prospectus to be the beneficial owner; or
- (ii) at any time during the period of six months commencing on the date on which the period referred to in paragraph (a) above 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 Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be the Controlling Shareholder (as defined in the Listing Rules).

UNDERWRITING

Each of the Controlling Shareholders has also undertaken to us, the Stock Exchange, the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) and the other Hong Kong Underwriters that it will, within 12 months from the date of this prospectus, immediately inform us and the Stock Exchange, the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters of:

- (i) any pledges or charges of any of the Shares or securities of the Company beneficially owned by him/it in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, and the number of such Shares or securities of the Company so pledged or charged; and
- (ii) any indication received by him/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares will be disposed of.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(a) *By the Company*

Pursuant to the Hong Kong Underwriting Agreement, the Company has irrevocably and unconditionally undertaken to the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters that it will, among other things, that:

- (a) except pursuant to the Global Offering, the Capitalisation Issue, the exercise of the subscription rights attaching to the Over-allotment Option or the options that may be granted under the Share Option Scheme, not without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters), and subject always to the provisions of the 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 the Company or any of its affiliates), 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 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;
- (b) not 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 (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 repurchase any Shares or except in compliance with the Listing Rules and the Hong Kong Code on Share Repurchase grant any options, warrants or other rights to subscribe for any Shares or agree to do any of the foregoing, except pursuant to the Global Offering, the Capitalisation Issue or the exercise of the subscription rights attaching to the Over-allotment Option or to the options that may be granted under the Share Option Scheme;

UNDERWRITING

- (c) not at any time within the Second Six Month Period do any of the acts set out in paragraphs (a) and (b) above such that any of the Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder of the Company (within the meaning defined in the Listing Rules);
- (d) during the Second Six-Month Period, in the event that the Company does any of the acts set out in paragraph (a) or (b), take all steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or any interest therein.

Similar undertakings are expected to be given by the Company to the International Underwriters under the International Underwriting Agreement.

(b) By the Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders represents, warrants and undertakes to Sole Global Coordinator, the Hong Kong Underwriters and the Company that:

- (a) he or it will comply with all the applicable restrictions and requirements under the Listing Rules on the disposal by him or it or by any registered holder on his or its behalf, of any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or other securities of the Company in respect of which he or it is shown in this prospectus to be the beneficial owner (directly or indirectly);
- (b) neither him or it nor, to the best of his or its knowledge, any of their respective associates (as defined in the Listing Rules) or companies controlled by him or it has any present intention of disposing of any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or other securities of the Company in respect of which he or it is shown in this prospectus to be the beneficial owner (directly or indirectly) (or any beneficial interest therein) during the First Six Month Period, save in respect of Sky Halo in connection with any stock lending arrangement entered or to be entered into between Sky Halo and the Sole Global Coordinator; and
- (c) he or it will not, without the prior written consent of the Sole Sponsor (on behalf of the Hong Kong Underwriters), directly or indirectly, and will procure that none of his or its associates (as defined in the Listing Rules) or companies controlled by him or it or any nominee or trustee holding in trust for him or 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 which he or 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 First Six Month Period, save in connection with any stock lending arrangement entered or to be entered into between Sky Halo and the Sole Global Coordinator and subject always to compliance with the provisions of the Listing Rules, in the event of a disposal of any Shares or such securities or any interest

UNDERWRITING

therein at any time during the Second Six Month Period, (1) in respect of the Controlling Shareholders, such disposal shall not result in any of the Controlling Shareholders ceasing to be the controlling shareholders (as defined in the Listing Rules) of the Company at any time during the Second Six Month Period; and (2) he or 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 any interest therein.

Similar undertakings are expected to be given by the Controlling Shareholders to the International Underwriters under the International Underwriting Agreement.

Without prejudice to the above, each of the Controlling Shareholders has undertaken to the Sole Sponsor, the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters), the other Hong Kong Underwriters and the Company that within the First Six Month Period and the Second Six Month Period he or it shall:

- (a) if and when he or it pledges or charges, directly or indirectly, any Shares or other securities of the Company beneficially owned by him or it, immediately inform the Company 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 or it receives indications, either verbal or written, from any pledgee or chargee that any Shares or other securities in the Company pledged or charged by him or it will be disposed of, immediately inform the Company and the Sole Global Coordinator in writing of such indications.

The Company shall notify the Stock Exchange as soon as practicable upon being informed of such event and shall make a public disclosure by way of press announcement in accordance with the Listing Rules.

Underwriting Commission and other expenses

The Hong Kong Underwriters will receive a commission of 2.5% of the aggregate Offer Price of all the Hong Kong Public Offer Shares less any unsubscribed Hong Kong Public Offer Shares reallocated to the International Offer and ignoring for this purpose any Hong Kong Public Offer Shares reallocated from the International Offer due to over-subscription, out of which the Hong Kong Underwriters will pay any sub-underwriting commission. The underwriting commission for such reallocated Offer Shares in each case will be payable to the International Underwriters in accordance with the International Underwriting Agreement. In addition, the Company may, in its sole discretion, pay the Sole Global Coordinator (on behalf of the International Underwriters) an additional aggregate incentive fee of up to 0.5% on the Offer Price of the total Offer Shares and any additional Shares pursuant to the Over-allotment Option.

Assuming the Over-allotment Option is not exercised at all and based on the Offer Price of HK\$0.7 (being the mid-point of the indicative Offer Price range), 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\$24.7 million in total and are payable by the Company.

(c) Underwriters' Interests in the Company

Save as disclosed above and other than pursuant to the Underwriting Agreement, none of the Underwriters has any 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.