
UNDERWRITING

HONG KONG UNDERWRITERS

Joint Lead Managers

Merrill Lynch Far East Limited
Deutsche Bank AG, Hong Kong Branch

Co-Managers

CMB International Capital Limited
GF Securities (Hong Kong) Brokerage Limited

HONG KONG PUBLIC OFFERING

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is initially offering 31,340,000 Hong Kong Offer Shares for subscription under the Hong Kong Public Offering on the terms and subject to the conditions set out in this prospectus and the related Application Forms.

Subject to (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the existing issued Shares and the Shares to be issued pursuant to the Global Offering (including the additional Shares which may be sold pursuant to the exercise of the Over-allotment Option) and of the Shares issuable on the exercise of any options which may be granted under the Share Option Scheme and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement (including, among others, the Joint Global Coordinators (on behalf of the Underwriters) and the Company agreeing on the Offer Price), the Hong Kong Underwriters have severally but not jointly agreed to subscribe or procure subscribers for their respective applicable proportions (set out in the Hong Kong Underwriting Agreement) of the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering, on the terms and subject to the conditions set out in this prospectus, the related Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Placing Agreement having been signed, becoming unconditional and not having been terminated.

Grounds for Termination

The Joint Global Coordinators (on behalf of themselves and the other Hong Kong Underwriters) may in their absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect by written notice to the Company at any time at or prior to 8:00 a.m. on the Listing Date if:

- (A) there shall develop, occur, exist or come into effect:
- (1) any change or prospective change (whether or not permanent) in the business or in the earnings, operations, financial or trading position or prospects of the Group or any change in capital stock or long-term debt of the Company or any other member of the Group, which (in any such case) is not set forth or contemplated in this prospectus; or
 - (2) any change or development involving a prospective change or development, or any event or series of events resulting or representing or likely to result in any change or development involving a prospective change or deterioration (whether or not permanent) in local, national, regional or international financial, political, military, industrial, economic, legal framework, regulatory, fiscal, currency, credit or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting any of Hong Kong, the PRC, the Cayman Islands, the BVI, the United States, any member of the European Union, Singapore, Japan, Australia, Canada, France, Germany, Italy, Korea, Malaysia, the Netherlands, State of Kuwait, State of Qatar, Switzerland, Taiwan, UAE, Dubai and the UK (collectively, the “Relevant Jurisdictions”); or

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- (3) any deterioration of any pre-existing local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions in or affecting any of the Relevant Jurisdictions; or
- (4) any new law or any change (whether or not forming part of a series of changes) or development involving a prospective change in existing laws or any change or development involving a prospective change in the interpretation or application thereof by any court or governmental authority in or affecting any of the Relevant Jurisdictions; or
- (5) a change or development or event involving a prospective change in taxation or exchange control (or the implementation of any exchange control) or foreign investment regulations in or affecting any of the Relevant Jurisdictions adversely affecting an investment in shares; or
- (6) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting any of the Relevant Jurisdictions; or
- (7) any event, act or omission which gives rise to or is likely to give rise to any liability of any of the Controlling Shareholders and the Company pursuant to the indemnity contained in the Hong Kong Underwriting Agreement; or
- (8) the imposition or declaration of (i) any suspension or restriction on dealings in shares or securities generally on the New York Stock Exchange, the NASDAQ Stock Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the Stock Exchange or (ii) any moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or
- (9) the imposition of economic or other sanctions, in whatever form, directly or indirectly, in or affecting any of the Relevant Jurisdictions; or
- (10) any event, or series of events, in the nature of force majeure (including without limitation, any acts of God, acts of government, declaration of a national or international emergency or war, acts or threat of war, calamity, crisis, economic sanction, riot, public disorder, civil commotion, fire, flooding, explosion, earthquake, volcanic eruption, epidemic (including but not limited to severe acute respiratory syndrome or avian flu), pandemic, outbreak of disease, terrorism, strike or lockout) in or affecting any of the Relevant Jurisdictions; or
- (11) any change or development or event involving a prospective change, or a materialization of, any of the risks set out in “Risk Factors” of this prospectus; or
- (12) any change in the system under which the value of the Hong Kong dollar or is linked to that of the U.S. dollar or the value of the RMB is determined with reference to a basket of world currencies or a material devaluation of Hong Kong dollars or the RMB against any foreign currency; or
- (13) any 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

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- (14) save as disclosed in this prospectus, the Application Forms and the preliminary and final offering memoranda in connection with the International Placing (collectively, the “Offering Memoranda”), a contravention by any member of the Group of the Listing Rules or applicable laws; or
- (15) a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Shares (including the Over-allotment Shares) pursuant to the terms of the Global Offering; or
- (16) non-compliance of any of the Offering Memoranda or any aspect of the Global Offering with the Listing Rules or any other applicable law; or
- (17) the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the contemplated subscription and sale of the Shares) pursuant to the Companies Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or
- (18) an order is made 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 entering 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 in respect of any member of the Group; or
- (19) any litigation or claim of any third party being threatened or instigated against any member of the Group; or
- (20) a Director being charged with an indictable offence or prohibited by operation of law or is otherwise disqualified from taking part in the management of a company; or
- (21) the chairman or chief executive officer of the Company vacating his office; or
- (22) the commencement by any governmental, regulatory, political or judicial body or organization of any action against a Director or an announcement by any governmental, regulatory or judicial body or organization that it intends to take any such action,

which in the sole and absolute opinion of the Joint Global Coordinators:

- (a) is or will or may, individually or in the aggregate, have a material adverse effect on the business, financial, trading or other condition or prospects of the Group taken as a whole and/or to any present or prospective Shareholder in its capacity as such; or
- (b) has or will or may have a material adverse effect on the success of the Hong Kong Public Offering, the International Placing and/or the Global Offering or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
- (c) is or will or may make it impracticable, inadvisable or inexpedient (i) for any material part of the Hong Kong Underwriting Agreement, the International

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Placing Agreement, the Hong Kong Public Offering, the International Placing and/or the Global Offering to be performed or implemented in accordance with its terms or (ii) to proceed with or to market the Hong Kong Public Offering, the International Placing and/or the Global Offering on the terms and in the manner contemplated in the Offering Memoranda; or

- (B) any of the Hong Kong Underwriters shall become aware of the fact that, or have reasonable cause to believe that:
- (1) any of the Warranties given by the Controlling Shareholders and the Company pursuant to the Hong Kong Underwriting Agreement is untrue, inaccurate, misleading or breached in any respect when given or as repeated as determined by the Joint Global Coordinators in their sole and absolute discretion, or has been declared or determined by any court or governmental authorities to be illegal, invalid or unenforceable in any material respect; or
 - (2) any statement contained in the Offering Memoranda or the web-proof information pack required to be uploaded to the website of the Stock Exchange (the “WPIP”) was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if the Offering Memoranda or the WPIP were to be issued at that time, constitute a material omission therefrom, or that any forecasts, expressions of opinion, intention or expectation expressed in the Offering Memoranda and/or any announcements issued by the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) are not fair and honest and based on reasonable assumptions, when taken as a whole, which, are material in the context of the Global Offering; or
 - (3) there has been a breach on the part of any of the Controlling Shareholders and the Company of any of the provisions of the Hong Kong Underwriting Agreement or the International Placing Agreement as determined by the Joint Global Coordinators in their sole and absolute discretion.

Undertakings

Pursuant to Rule 10.08 of the Listing Rules, except pursuant to the Global Offering (including the Over-allotment Option and any options which may be granted under the Share Option Scheme) or any issue of Shares or securities in compliance with Rule 10.08(1) to (4) of the Listing Rules, no further shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may 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).

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to the Joint Global Coordinators and the other Hong Kong Underwriters that the Company will not, and each of the Controlling Shareholders has undertaken to the Joint Global Coordinators and the other Hong Kong Underwriters to procure that the Company will not, during the period commencing on the Latest Practicable Date up to and including the date falling six months after the Listing Date (the “Lock-up Period”), except pursuant to the Global Offering (including the Over-allotment Option) and the exercise of options which may be granted under the Share Option Scheme, without the prior written

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consent of the Joint Global Coordinators (on its behalf and on behalf of the Hong Kong Underwriters), and subject always to the provisions of the Listing Rules:

- (a) offer, allot, issue or sell, or agree to allot, issue or sell, hedge, 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 of), either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares; or
- (b) 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 such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise; or
- (c) offer or agree to do any of the foregoing transactions and announce any intention to effect any such transaction,

whether or not such issue of Shares or securities will be completed within the Lock-up Period.

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to our Company and the Stock Exchange that it shall not and shall procure that the relevant registered Shareholder(s) shall not:

- (a) during the period commencing from the date of this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities of our Company in respect of which it is shown by this prospectus to be the beneficial owner; and
- (b) within the period of six months commencing on the date on which the period referred to in the immediate preceding 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 or securities referred to in the immediately preceding paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder.

Note 2 to Rule 10.07 of the Listing Rules provides that such rule does not prevent a Controlling Shareholder from using the Shares beneficially owned by it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Each of the Controlling Shareholders has further undertaken to the Company and the Stock Exchange that it will, within a period of 12 months from the Listing Date, immediately inform us and the Stock Exchange of:

- (a) any pledges or charges of any Shares or securities of our Company beneficially owned by it in favor of any authorized institution as permitted under the Listing Rules, and the number of such Shares or securities of our Company so pledged or charged; and

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- (b) any indication received by it, either verbal or written, from any pledgee or chargee of any Shares or other securities of our Company pledged or charged that any of such Shares or other share capital will be sold transferred or disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by any of the Controlling Shareholders (or its respective shareholders) and disclose such matters by way of an announcement which is published on the website of the Stock Exchange as soon as possible after being so informed by any of the Controlling Shareholders (or its respective shareholders).

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders has undertaken to each of the Hong Kong Underwriters and the Company and pursuant to a separate lock-up agreement, Lead In has undertaken to the Joint Global Coordinators (on behalf of the Underwriters) and the Company, that, except pursuant to the Stock Borrowing Agreement (in the case of Brilliance Investment), it will not, without the prior written consent of the Joint Global Coordinators on behalf of the Hong Kong Underwriters, and will procure that none of its associates or companies controlled by it or any nominee or trustee holding in trust for it shall, directly or indirectly, (a) offer, pledge, sell, mortgage, assign, charge, 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 or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the share capital or other securities of the Company or any interest therein, beneficially owned by it or through such associates, companies, nominees or trustee as of the Listing Date (including, without limitation, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital or other securities of the Company or any interest therein) immediately following the completion of the Global Offering, (b) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of subscription or ownership of any such share capital or securities or any interest therein, (c) enter into any transaction with the same economic effect as any transaction described in (a) and (b) above or (d) offer to or agree to contract to, or publicly announce any intention to enter into, any of the foregoing transactions described in (a) through (c) above whether any of the foregoing transactions described in (a), (b) or (c) above is to be settled by delivery of share capital or such other securities, in cash or otherwise, at any time during the Lock-Up Period; each Controlling Shareholder has further undertaken that it will not, and will procure that such associate, companies, nominee or trustee will not, without the prior written consent of the Joint Global Coordinators, dispose of or otherwise create any options, rights, interests or encumbrances in respect of any Shares, or any interest therein at any time during the Second Six Month Period, such that immediately following such disposal or upon exercise or enforcement of such options, rights, interests or encumbrances shall result in the Controlling Shareholders in aggregate, directly or indirectly, ceasing to be a controlling shareholder (as defined in the Listing Rules) of the Company at any time during the Second Six Month Period; and each Controlling Shareholder shall take all steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of the Company or any interest therein.

Each of the Company and the Controlling Shareholders has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

Commission

The Sole Sponsor and the Underwriters will receive an aggregate underwriting commission and sponsor fee of 3.5% of the aggregate Offer Price of all Offer Shares. The underwriting commission payable to the Hong Kong Underwriters will be calculated based on the Hong Kong Offer Shares less any unsubscribed Hong Kong Offer Shares reallocated to the International Placing and ignoring for this

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purpose any Hong Kong Offer Shares reallocated from the International Placing, out of which the Hong Kong Underwriters will pay any sub-underwriting commission. The underwriting commission for such reallocated Shares in each case will be payable to the International Underwriters in accordance with the International Placing Agreement.

INTERNATIONAL PLACING

International Placing Agreement

In connection with the International Placing, it is expected that the Company will enter into the International Placing Agreement with, among others, the International Underwriters. Under the International Placing Agreement, it is expected that the International Underwriters would, subject to certain conditions, severally but not jointly, agree to subscribe for or purchase, or to procure subscribers to subscribe for or purchase, their respective applicable proportions (set out in the International Placing Agreement) of the International Placing Shares being offered pursuant to the International Placing.

Under the International Placing Agreement, the Company intends to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time from the date of the International Placing Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require the Company to issue up to 47,010,000 additional Shares, representing 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be issued and sold at the Offer Price per Share (plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% of the Offer Price) and will be for the purpose of, among other things, covering over-allotments, if any, in the International Placing.

TOTAL COMMISSIONS AND EXPENSES

Assuming an Offer Price of approximately HK\$2.50 per Share (being the midpoint of the indicative Offer Price range of HK\$2.20 to HK\$2.80 per Offer Share), the aggregate commissions and fees, together with the Stock Exchange listing fee, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering, are estimated to amount in aggregate to be approximately HK\$50.4 million (assuming that the Over-allotment Option is not exercised) in total.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Placing, together referred to as “Syndicate Members”, may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) the Syndicate Members (except for Merrill Lynch, as the stabilizing manager, its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

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- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described under the paragraph “Over-allocation and Stabilization” under the section “Structure of the Global Offering”. These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

SOLE SPONSOR’S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

HONG KONG UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for their respective obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in our Company or any of our subsidiaries or any right or options (whether legally enforceable or not) to subscribe to or to nominate persons to subscribe to securities in our Company or any of our subsidiaries.