
UNDERWRITING

UNDERWRITERS

Hong Kong Underwriters

BNP Paribas Securities (Asia) Limited
CMB International Capital Limited
Convoy Investment Services Limited
Kingston Securities Limited

International Underwriters

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CMB International Capital Limited
Convoy Investment Services Limited
Kingston Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 61,848,000 Hong Kong Offer Shares (subject to adjustment and reallocation) for subscription by way of 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 listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions 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 conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated.

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Grounds for Termination

If any of the following events occurs prior to 8:00 a.m. on the Listing Date:

- (a) there has come to the notice of the Sole Global Coordinator:
 - (i) that any statement contained in this prospectus or the Application Forms and any amendments in the agreed form has become, untrue, incorrect or misleading in any material respect or that any forecasts, expressions of opinion, intention or expectation expressed in this prospectus and/or the relevant application forms are not, in the sole and absolute opinion of Sole Global Coordinator, in all material respects, fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute an omission therefrom in a material respect; or
 - (iii) any material breach of any of the obligations imposed upon any party (other than the Sole Global Coordinator or any Hong Kong Underwriters) to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than on any of the Underwriters); or
 - (iv) any event, act or omission which gives or is likely to give rise to any material liability of any of our Company, the Selling Shareholders, our Controlling Shareholders, Mr. Liu Hanjiu, Silver Harvest, Mr. Chen Gonghao, First Harvest, Mr. Huang Weiping and Gold Wide (the “Warrantors”) pursuant to the Warrantors’ indemnity in the Hong Kong Underwriting Agreement; or
 - (v) any material adverse change or development involving a prospective material adverse change in the conditions, assets, liabilities, business affairs, prospects, profits, losses or the financial or trading position or performance of the Company or the Group as a whole; or
 - (vi) any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties; or
 - (vii) approval by the Listing Committee of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (viii) the Company withdraws any of this prospectus or the Application Forms (and any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or the Global Offering; or
 - (ix) any person (other than the Sole Global Coordinator and any of the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in this prospectus or the Application Forms, or to the issue of any of this prospectus or the Application Forms; or

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- (b) there shall develop, occur, exist or come into effect:
- (i) any event, or series of events, beyond the reasonable control of the Underwriters (including, without limitation, acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases or epidemics (including, without limitation, Severe Acute Respiratory Syndrome, avian influenza (H5N1), swine flu (H1N1), influenza (H7N9) or such related or mutated forms); or
 - (ii) any change or development involving a prospective change, or any event or series of events likely to result in any change or development involving a prospective change, in local, regional, national, international, financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions (including without limitation any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, or a material fluctuation in the exchange rate of the Hong Kong dollar against any foreign currency, or any interruption in monetary or trading or securities settlement or clearance services or procedures in or affecting Hong Kong); or
 - (iii) any new law or change 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 other competent authority in or affecting any of Hong Kong, the PRC, the United States, the United Kingdom, the British Virgin Islands or the Cayman Islands or any other jurisdictions relevant to any member of the Group (the “Specific Jurisdictions”); or
 - (iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary of Hong Kong and/or the Hong Kong Monetary Authority or otherwise), New York (imposed at the United States federal or New York state level or otherwise), the United Kingdom or the PRC or a material disruption in commercial banking or securities settlement or clearance services in any of the Specific Jurisdictions; or
 - (v) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the United States on any of the Specific Jurisdictions; or
 - (vi) a change or development occurs involving a prospective change in taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment laws in any of the Specific Jurisdictions; or

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- (vii) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (viii) any litigation or claim of any third party being threatened or instigated against any member of the Group; or
- (ix) a 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
- (x) the chairman or chief executive officer or chief financial officer of the Company vacating his office; or
- (xi) the commencement by any governmental, regulatory or political body or organisation of any public action against a Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organisation that it intends to take any such action; or
- (xii) a contravention by any member of the Group of the Companies Ordinance or any of the Listing Rules or the applicable laws; or
- (xiii) a prohibition on the Company or any of the Selling Shareholders for whatever reason from allotting or selling the Offer Shares pursuant to the terms of the Global Offering; or
- (xiv) non-compliance of this prospectus, the Offering Circular (or any other documents used in connection with the subscription and purchase of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law; or
- (xv) the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the subscription or sale of the Offer Shares) pursuant to the Companies Ordinance or the Listing Rules; or
- (xvi) 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
- (xvii) 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

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(xviii) a petition or an order 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 to take 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,

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

- (a) is or will or could be expected to have an adverse effect on the shareholders' equity, general affairs, management, business, financial, trading or other condition or prospects of the Company or the Group as a whole; or
- (b) has or will have or could be expected to have an adverse effect on the success, marketability or pricing of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or
- (c) makes it inadvisable, inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or
- (d) 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,

then the Sole Global Coordinator, at its sole and absolute discretion, may, for itself and on behalf of the other Hong Kong Underwriters, upon giving notice in writing to the Company and the Selling Shareholders on or prior to 8:00 a.m. on the Listing Date (with a copy of such notice to each of the other Hong Kong Underwriters), terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings

Pursuant to Rule 10.08 of the Listing Rules, no further Shares or securities convertible into equity securities (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), except in certain prescribed circumstances or pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme.

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We have undertaken, pursuant to the Hong Kong Underwriting Agreement, that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), the Capitalization Issue as set forth in the section headed “Statutory and General Information”, the Options which may be granted under the Share Option Scheme, or with 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,

- (a) we will not, and will procure that our subsidiaries will not, (i) 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 our 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 our Shares as underlying securities; (ii) 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 (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above or to offer to or agree to do any of the forgoing or announce any intention to do so from the date hereof up to the expiry of the six months immediately following the Listing Date (the “First Six Month Period”); and
- (b) we will not enter into any of the transactions described in paragraph (a) above or agree or contract to or publicly announce any intention to enter into any such transactions such that the Controlling Shareholder would cease to be our controlling shareholder (as defined in the Hong Kong Listing Rules) during the period of six months immediately following the expiry of the first six months period after the Listing Date (the “Second Six Month Period”); and
- (c) we will ensure that if any of the transactions described in paragraph (a) are carried out during the Second Six Month Period, we will take all reasonable steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities in our Company;

In addition, each of Mr. Yu and Epoch Keen has jointly and severally undertaken to each of our Company, the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that:

- (a) during the First Six Month Period, he or it shall not, and shall procure that the relevant he or registered holder(s) and his or its associates or companies controlled by him or it and any nominee or trustee holding in trust for it shall not, without the prior written consent of the Sole Global Coordinator and unless as a result of any exercise of the Over-allotment Option or otherwise in compliance with the requirements of the Listing Rules, (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 or otherwise transfer or dispose of, either directly or indirectly, any

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of the Shares or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or such securities (together, the “Relevant 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 the Relevant Securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such other securities, in cash or otherwise; (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraph (a) or (b) above; or (d) announce any intention to enter into or effect any of the transactions referred to in paragraph (a), (b) or (c) above;

- (b) he or it shall not, and shall procure that the relevant registered holder(s) and his or its associates or companies controlled by it and any nominee or trustee holding in trust for him or it shall not, during the Second Six Month Period, without the prior written consent of the Sole Global Coordinator and unless in compliance with the Listing Rules, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Relevant Securities held by him or it or any of its associates or companies controlled by it or any nominee or trustee holding in trust for him or it if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it would cease to be our controlling shareholder (as defined in the Listing Rules) or would together with the other Warranting Shareholders cease to be our controlling shareholder (as defined in the Listing Rules);
 - i. in the event of a disposal of any Relevant Securities or securities of our Company or any interest therein within the Second Six Months Period, he or it shall take all reasonable steps to ensure that such a disposal shall not create a disorderly or false market for any Shares or other securities of our Company; and
 - ii. he or it shall, and shall procure that his or its associates and companies controlled by and nominees or trustees holding in trust for him or it shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it or by the registered holder controlled by it of any Shares.

Each of Mr. Yu and Epoch Keen has further undertaken to each of our Company, the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that, from the date hereof up to the expiry of the first twelve months from the Listing Date, he or it will:

- (a) when he or it pledges or charges any securities or interests in the Relevant Securities, immediately inform our Company, the Sole Sponsor and the Sole Global Coordinator in writing of such pledges or charges together with the number of securities and nature of interest so pledged or charged; and
- (b) when he or it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company and the Sole Global Coordinator and the Sole Sponsor in writing of such indications, and we will inform the Stock Exchange as soon as it has been informed of the matters above (if any) by Mr. Yu or Epoch Keen and disclose such matters by way of a press announcement.

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In accordance with Rule 10.07(1)(a) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange that except pursuant to the Global Offering or the Over-allotment Option, (i) it will not, at any time 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, interest or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner; and (ii) it will not, at any time during the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of our Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would then cease to be the controlling shareholder (as defined under the Listing Rules) of our Company.

Note (2) of Rule 10.07 of the Listing Rules provides that the rule does not prevent a controlling shareholder (as defined under the Listing Rules) from using the shares 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 our Controlling Shareholders has further undertaken to the Stock Exchange that it will, within a period of 12 months from the Listing Date, immediately inform us 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
- (b) any indication received by he/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 each of our Controlling Shareholders or their shareholders and disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible after being so informed by such a Controlling Shareholder or its shareholders.

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Indemnity

Each of the Company, the Controlling Shareholders, Mr. Liu, Silver Harvest, Mr. Chen, First Harvest, Mr. Huang and Gold Wide (collectively, the “Indemnifying Parties”) has agreed to indemnify, jointly and severally, the Hong Kong Underwriters for certain losses which the Hong Kong Underwriters may suffer, including (among other things) losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement, and for any breach by any of the Indemnifying Parties of the Hong Kong Underwriting Agreement.

In addition, each of the Selling Shareholders has agreed to indemnify, severally but not jointly, the Hong Kong Underwriters for certain losses which the Hong Kong Underwriters may suffer, including (among other things) losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement, and for any breach by any of the Selling Shareholders of the Hong Kong Underwriting Agreement.

International Placing

International Underwriting Agreement

In connection with the International Placing, we and the Selling Shareholders, among others, expect to enter into the International Underwriting Agreement with the International Underwriters and the other parties thereto. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares or procure purchasers for the International Placing Shares. The International Underwriting Agreement is expected to provide that it may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors will be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. It is expected that pursuant to the International Underwriting Agreement, we will give undertakings similar to those given pursuant to the Hong Kong Underwriting Agreement as described in “– Underwriting Arrangements and Expenses – Hong Kong Public Offering – Undertakings”.

Under the International Underwriting Agreement, we expect to grant the Over-allotment Option to the Sole Global Coordinator exercisable at any time and from time to time from the Listing Date, up to (and including) the date which is the 30th day after the last date for the lodging of Application Forms under the Hong Kong Public Offering, to sell up to 92,760,000 Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be sold at the Offer Price.

It is expected that each of our Controlling Shareholders will undertake to the International Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of the Shares held by them in our Company for a period similar to such undertakings given by it pursuant to the Hong Kong Underwriting Agreement, which is described in “– Underwriting Arrangements and Expenses – Hong Kong Public Offering – Undertakings”.

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Underwriting Commission and Expenses

The Hong Kong Underwriters will receive a gross commission of 3.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering. We will bear our commission payable to the Underwriters in relation to the Offer Shares other than the Sale Shares. Each Selling Shareholder will bear its commission payable to the International Underwriters in relation to its Sale Shares. For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, we and the Selling Shareholders will pay an underwriting commission in proportion at the rate applicable to the International Placing and such commission will be paid to the International Underwriters and not the Hong Kong Underwriters. In addition, certain other expenses in connection with the Global Offering and Listing will be shared between us and the Selling Shareholders. For further details on the arrangement on listing expenses, see the section headed “Financial Information – Listing Expenses”.

Hong Kong Underwriters’ Interests in our Company

Save as disclosed in this prospectus and other than pursuant to the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding in any member of our Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

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

INDEPENDENCE OF THE SOLE SPONSOR

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