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## UNDERWRITING

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### GLOBAL COORDINATOR AND BOOKRUNNER

ICEA Capital Limited

### HONG KONG PUBLIC OFFER UNDERWRITERS

#### Lead Manager

ICEA Securities Limited

#### Co-lead Manager

Mega Capital (Asia) Company Limited

#### Co-Manager

Shenyin Wanguo Capital (H.K.) Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Hong Kong Public Offer Underwriting Agreement

Pursuant to the Hong Kong Public Offer Underwriting Agreement, our Company is initially offering for subscription of 6,000,000 new Shares at the Offer Price under the Hong Kong Public Offer, subject to the terms and conditions set forth in this prospectus and the related Application Forms. The Hong Kong Public Offer Underwriters have agreed, severally, but not jointly, subject to the terms and conditions in the Hong Kong Public Offer Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Hong Kong Public Offer Shares.

The Hong Kong Public Offer Underwriting Agreement is subject to various conditions, which include, but without limitation, (i) the Listing Committee granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus; and (ii) the agreement of the Offer Price on the Price Determination Date.

#### Grounds for termination

The obligations of the Hong Kong Public Offer Underwriters to subscribe for, or procure subscribers for, the Hong Kong Public Offer Shares are subject to termination. The Hong Kong Public Offer Underwriters shall be entitled to terminate their obligations under the Hong Kong Public Offer Underwriting Agreement upon the occurrence of any of the following events by notice in writing to our Company given by the Global Coordinator (acting on behalf of all the Hong Kong Public Offer Underwriters) at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (the “**Termination Time**”) if prior to the Termination Time,

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- (a) there comes to the notice of the Global Coordinator or any of the Hong Kong Public Offer Underwriters:
- (i) any matter or event showing any of the representations, warranties or undertakings contained in the Hong Kong Public Offer Underwriting Agreement to be untrue, inaccurate or misleading in any respect when given or repeated or there has been a breach of any of the representations, warranties or undertakings contained in the Hong Kong Public Offer Underwriting Agreement or any other provisions of the Hong Kong Public Offer Underwriting Agreement by any party thereto other than the Hong Kong Public Offer Underwriters which, in any such cases, is considered, in the sole opinion of the Global Coordinator, to be material in the context of the Hong Kong Public Offer; or
  - (ii) any statement contained in this prospectus and the Application Forms mentioned in relation to Hong Kong Public Offer (including any supplement or amendment thereto) has become or been discovered to be untrue, incorrect or misleading in any respect; or
  - (iii) any event, series of events, matter or circumstance occurs or arises on or after the date of the Hong Kong Public Offer Underwriting Agreement and before the Termination Time, being event, matter or circumstance which, if it had occurred before the date of the Hong Kong Public Offer Underwriting Agreement, would have rendered any of the representations, warranties or undertakings contained in the Hong Kong Public Offer Underwriting Agreement untrue, incorrect or misleading in any respect, and which is considered, in the sole opinion of the Global Coordinator, to be material in the context of the Hong Kong Public Offer; or
  - (iv) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the sole opinion of the Global Coordinator, a material omission in the context of the Hong Kong Public Offer; or
  - (v) any event, act or omission which gives or is likely to give rise to any liability of our Company, any of our executive Directors and our Controlling Shareholders arising out of or in connection with the breach of any of the representations, warranties or undertakings contained in the Hong Kong Public Offer Underwriting Agreement; or
  - (vi) any breach by any party to the Hong Kong Public Offer Underwriting Agreement other than the Sponsor and the Hong Kong Public Offer Underwriters of any provision of the Hong Kong Public Offer Underwriting Agreement which, in the sole opinion of the Global Coordinator, is material; or

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- (b) there shall have developed, occurred, existed, or come into effect any event or series of events, matters or circumstances whether occurring or continuing before, on and/or after the date of the Hong Kong Public Offer Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:
- (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, Bermuda, the PRC or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to the business of our Group; or
  - (ii) any change in, or any event or series of events or development resulting or likely to result in any change in Hong Kong, Bermuda, the PRC or any of the jurisdictions relevant to the business of our Group, the local, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects; or
  - (iii) any change in the conditions of the U.S., Hong Kong, the PRC or international equity securities or other financial markets; or
  - (iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (v) any change or development involving a prospective change in all forms of taxation or exchange control (or the implementation of any exchange control) in Hong Kong, Bermuda, the PRC or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other jurisdiction relevant to the business of our Group; or
  - (vi) any change or prospective change in the business or in the financial or trading position or prospects of any member of our Group; or
  - (vii) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by the U.S. or by the European Union (or any member thereof) on Hong Kong or the PRC; or
  - (viii) a general moratorium on commercial banking activities in the PRC or Hong Kong declared by the relevant authorities; or
  - (ix) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism (whether or not responsibility has been claimed), strike or lock-out, or

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- (x) any litigation or claim of material importance of any third party being instigated against any member of our Group,

which, in the sole opinion of the Global Coordinator:

- (a) is or will be, or is very likely to be adverse, in any material respect, to the business, financial or other condition or prospects of our Group; or
- (b) has or will have or is very likely to have an adverse effect on the success of the Global Offering or the level of the Offer Shares being applied for or accepted, the distribution of the Offer Shares or the demand or the market price of our Shares following the Listing; or
- (c) for any other reason makes it impracticable, inadvisable or inexpedient for the Hong Kong Public Offer Underwriters to proceed with the Hong Kong Public Offer as a whole.

For the above purpose:

- (1) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the U.S. or a devaluation of the Renminbi against any foreign currencies shall be taken as an event resulting in a change in currency conditions; and
- (2) any normal market fluctuations shall not be construed as events or series of events affecting market conditions referred to above.

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

### **Undertakings**

Pursuant to Rule 10.08 of the Listing Rules, except pursuant to the Global Offering, the Share Option Scheme or the Capitalisation Issue, at any time during the period of six months from the Listing Date, our Company will not, without the prior consent of the Stock Exchange and of the Global Coordinator (acting on behalf of all the Hong Kong Public Offer Underwriters) and unless in compliance with the requirements of the Listing Rules, allot or issue or agree to allot or issue any Shares or other securities of our Company (including warrants or other convertible securities) or grant or agree to grant any options, rights, interests or encumbrances over any Shares or other securities of our Company or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequence of ownership of any Shares or offer to or agree to do any of the foregoing or have any intention to do so. Further, pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange, our Company, the Global Coordinator (acting on behalf of all the Hong Kong Public Offer Underwriters) and the Sponsor respectively that it/he shall not and shall procure that the relevant registered holder(s) shall not:

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- (a) in the first six-month period commencing on 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 in respect of which it/he is the beneficial owner; and
- (b) in the period of six months commencing on the date on which the period referred to in (a) above expires, 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 (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights interests or encumbrances, it/he, together with the other Controlling Shareholders would cease to be controlling shareholders (as defined in the Listing Rules).

Each of IP Cathay, Asset & Ashe, Hua VII and VGC I has severally undertaken with our Company and the Global Coordinator that during a period of six months commencing on the Listing Date, he shall not, and shall procure that the relevant holder(s) of the relevant Shares shall not dispose of, nor enter into any agreement to dispose of or otherwise create any option, right, interest or encumbrance in respect of the relevant holder(s) of those relevant Shares.

Each of Cathy Way, SIIS Investment (No. 13), New Wave, China Venture, Mr. Cheng Zhen, Raton Race and Mr. Xu Wu has severally undertaken with our Company and the Global Coordinator that, during a period of three months commencing on the Listing Date, he shall not, and shall procure that the relevant holder(s) of the relevant Shares shall not dispose of, nor enter into any agreement to dispose of or otherwise create any option, right, interest or encumbrance in respect of those relevant Shares.

### **International Placing**

In connection with the International Placing, it is expected that our Company will enter into the International Placing Underwriting Agreement with, inter alia, the International Placing Underwriters, on terms and conditions that are substantially similar to the Hong Kong Public Offer Underwriting Agreement as described above. Under the International Placing Underwriting Agreement, the International Placing Underwriters will severally agree to subscribe or procure subscribers for the International Placing Shares being offered pursuant to the International Placing. The International Placing Underwriting Agreement will contain events similar to those set out in the paragraph headed “Grounds for termination” above that may allow the Global Coordinator (acting on behalf of the International Placing Underwriters) to terminate their respective obligations thereunder.

### **Commission and expenses**

The International Placing Underwriters and the Hong Kong Public Offer Underwriters will receive an underwriting commission of 4% of the aggregate Offer Price payable for the International Placing Shares and the Hong Kong Public Offer Shares, respectively, out of which the Underwriters may pay any sub-underwriting commission in connection with the Global Offering. The Sponsor will also receive a documentation fee. The aggregate fees, together with the underwriting commission, listing fees, legal and other professional fees,

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printing, translation and other fees and expenses relating to the Global Offering, are estimated to be approximately HK\$33.2 million based on the Offer Price of HK\$1.10 per Offer Share (being the mid-point of the indicative Offer Price range between HK\$1.00 and HK\$1.20)), which will be payable by us.

### **SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY**

The Sponsor will receive a documentation fee. The Lead Manager and the other Underwriters will receive an underwriting commission. Particulars of these underwriting commission and expenses are set forth under the paragraph headed "Commission and expenses" above.

We will appoint, before the Listing Date, ICBCIC as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after such Listing Date, or until the agreement is terminated, whichever is earlier. ICBCIC is a fellow subsidiary of ICEA.

Save as disclosed above, none of the Sponsor, the Lead Manager and the other Underwriters is interested legally or beneficially in shares of any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members nor any interest in the Global Offering.

### **MINIMUM PUBLIC FLOAT**

Our Directors and the Global Coordinator will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Global Offering.