
UNDERWRITING

HONG KONG UNDERWRITERS

Joint Lead Managers

Merrill Lynch Far East Limited

CCB International Capital Limited

Co-Managers

Guotai Junan Securities (Hong Kong) Limited

Sun Hung Kai International Limited

Taifook Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Public Offer, our Company is offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on the terms and subject to the 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 to be offered as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for, their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offer on the terms and subject to the conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

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

Grounds for termination

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

- (i) there shall develop, occur, exist or come into effect:
 - (a) any change or prospective change (whether or not permanent) in the business or in the financial or trading position or prospects of our Group;
 - (b) 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 United States, the United Kingdom, Singapore, Japan or any other jurisdictions where any member of our Group is incorporated (collectively, the “Relevant Jurisdictions”);
 - (c) 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;

UNDERWRITING

- (d) any new Law or any 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 governmental authority in or affecting any of the Relevant Jurisdictions;
- (e) 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;
- (f) 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;
- (g) any event, act or omission which gives rise to or is likely to give rise to any liability of any of the warrantors under the Hong Kong Underwriting Agreement pursuant to the indemnity contained therein;
- (h) (i) any suspension or restriction on dealings in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange or the Singapore Stock Exchange or (ii) any moratorium on commercial banking activities or material disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions;
- (i) the imposition of economic or other sanctions, in whatever form, directly or indirectly, in or affecting any of the Relevant Jurisdictions;
- (j) 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, 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;
- (k) 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;
- (l) any change in the system under which the value of the HK dollar or Renminbi is linked to that of the US dollar or a material devaluation of Hong Kong dollars or the Renminbi against any foreign currency;
- (m) any demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity;
- (n) save as disclosed in this prospectus, a contravention by any member of our Group of the Listing Rules or applicable Laws;
- (o) a prohibition on the Company for whatever reason from allotting the Shares pursuant to the terms of the Global Offering;
- (p) non-compliance of any of this prospectus or any aspect of the Global Offering with the Listing Rules or any other applicable Law;
- (q) a petition being presented for the winding-up or liquidation of any member of our Group or any member of our Group making any composition or arrangement with our creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto in respect of any member of our Group;
- (r) any loss or damage sustained by any member of our Group;

UNDERWRITING

- (s) any litigation or claim of any third party being threatened or instigated against any member of our Group;
- (t) a Director being charged with an indictable offence or prohibited by the operation of law or is otherwise disqualified from taking part in the management of a company;
- (u) the chairman or chief executive officer of our Company vacating his or her office;
- (v) the commencement by any governmental, regulatory or judicial body or organisation of any action against a Director or an announcement by any governmental, regulatory or judicial body or organisation that it intends to take any such action,

which in the sole and absolute opinion of the Sole Sponsor:

- (1) 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 any member of our Group and/or our Group taken as a whole and/or to any present or prospective shareholder in its capacity as such;
 - (2) has or will or may have a material adverse effect on the success of the Hong Kong Public Offer, 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
 - (3) is or will or may make it impracticable or inadvisable, inexpedient (i) for any material part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement, the Hong Kong Public Offer, 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 Offer, the International Placing and/or the Global Offering on the terms and in the manner contemplated in this prospectus;
- (ii) any of the Hong Kong Underwriters shall become aware of the fact that, or have reasonable cause to believe that:
- (a) any of the warranties given by the warrantors under the Hong Kong Underwriting Agreement is untrue, inaccurate, misleading or breached in any respect when given or as repeated as determined by the Sole Sponsor in its 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;
 - (b) any statement contained in this prospectus was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if this prospectus were to be issued at that time, constitute a material omission therefrom as determined by the Sole Sponsor in its sole and absolute discretion, or that any forecasts, expressions of opinion, intention or expectation expressed in this prospectus and/or any announcements issued by our Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) are not fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (c) there has been breach on the part of any of the warrantors under the Hong Kong Underwriting Agreement of any of the provisions of the Hong Kong Underwriting Agreement or the International Underwriting Agreement as determined by the Sole Sponsor in its sole and absolute discretion.

UNDERWRITING

Undertakings from our Company and the Covenantors

Our Company has undertaken to the Sole Global Coordinator and the other Hong Kong Underwriters that the Company will, and each of the Covenantors has undertaken to procure that the Company will:

- (i) not, during the Lock-up Period, except pursuant to the Global Offering (including the Over-allotment Option) and the exercise of any options granted under the Pre-IPO Share Option Scheme and options which may be granted under the Share Option Scheme, without the prior written consent of the Sole Global Coordinator (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, 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 our Company), 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) announce any intention to effect any such transaction,
- (ii) not at any time within the period of six months immediately following the expiry of the Lock-up Period (“**Second Six Months Period**”), do any of the acts set out in paragraph (i) above such that our Controlling Shareholders in aggregate, directly or indirectly, would cease to be a controlling shareholder (within the meaning defined in the Listing Rules) of our Company; and
- (iii) in the event that our Company does any of the acts set out in paragraphs (i) and (ii) above after the expiry of the respective periods, 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 our Company or any interest therein.

Each of the Covenantors has undertaken to each of the Hong Kong Underwriters and our Company that it will not, and will procure that none of its associates or companies controlled by it or any nominee or trustee holding in trust for it:

- (i) 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 as of the Latest Practicable 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 our Company or any interest therein);
- (ii) 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;
- (iii) enter into any transaction with the same economic effect as any transaction described in (i) and (ii) above; or
- (iv) agree to contract to, or publicly announce any intention to enter into, any foregoing transaction described in (i) through (iii) above whether any of the foregoing transactions described in subsection (i), (ii) or (iii) 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, and in the event of a disposal of any Shares or any interest therein at any time during the Second Six Months Period, such disposal shall not result in the Controlling Shareholders in aggregate, directly or indirectly, ceasing to be a controlling shareholder (as

UNDERWRITING

defined in the Listing Rules) of our Company at any time during the Second Six Months Period; and 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 other securities of our Company or any interest therein.

Each of our Controlling Shareholders has undertaken to each of our Company and the Stock Exchange that, during the period commencing on the date by reference to which disclosure of such Controlling Shareholder's direct or indirect shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, such Controlling Shareholder shall:

- (i) when such Controlling Shareholder or such Controlling Shareholder's nominee or trustee holding in trust for such Controlling Shareholder pledges or charges any of the Shares or other securities of our Company beneficially owned by such Controlling Shareholder in favour of any authorised institution pursuant to Note (2) to Rule 10.07 of the Listing Rules, immediately inform our Company of such pledge or charge (as the case may be) together with the number of Shares or securities so pledged or charged; and
- (ii) when such Controlling Shareholder receives any indication, either verbal or written, from the pledgee or chargee of any of the Shares or securities such Controlling Shareholder pledged or charged shall be disposed of, immediately inform our Company of such indication.

Each of the Covenantors has undertaken to each of the Hong Kong Underwriters and our Company that, within the Lock-up Period and the Second Six Months Period it shall:

- (i) if and when it pledges or charges, directly or indirectly, any Shares or other securities of our Company beneficially owned by it, immediately inform our Company and the Sole Sponsor in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and
- (ii) if and when it receives indications, either verbal or written, from any pledgee or chargee that any securities in our Company pledged or charged by it will be disposed of, immediately inform our Company and the Sole Sponsor in writing of such indications.

Our Company shall inform the Stock Exchange as soon as our Company has been informed by any of our Controlling Shareholders of the above matters (if any) and disclose such matters by way of an announcement which is published in the newspapers in Hong Kong as soon as possible.

The International Placing

In connection with the International Placing, it is expected that our Company and the International Underwriters will enter into the International Underwriting Agreement. Under the International Underwriting Agreement, the International Underwriters will severally agree to purchase, or procure purchasers for, all Shares being sold in the International Placing.

Our 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, within 30 days from the last day for lodging applications under the Hong Kong Public Offer, to require our Company to issue and allot up to an aggregate of 75,000,000 additional Shares, representing in aggregate 15% of the Offer Shares initially available under the Global Offering, at the same price per Share under the International Placing, to, among other things, cover over-allocations, if any, in the International Placing.

Commission and expenses

The Hong Kong Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offer, out of which they will pay any sub-underwriting commission. For unsubscribed or unpurchased Hong Kong Offer Shares reallocated to the International Placing, our Company will pay an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the Sole Global Coordinator and the relevant International Underwriters (but not the Hong Kong Underwriters). For International Placing Shares reallocated to

UNDERWRITING

the Hong Kong Public Offer, our Company will pay an underwriting commission, at the rate applicable to the International Placing, to the International Underwriters. In addition, our Company may, at our sole discretion, pay the Sole Global Coordinator an additional incentive fee of up to 1% of the aggregate Offer Price for all the Shares sold in the Global Offering.

The aggregate underwriting commissions and fees, together with listing fees, SFC transaction levy, the Stock Exchange trading fee, legal and other professional fees, and printing and other expenses relating to the Global Offering which are payable by us, are estimated to amount to approximately HK\$133.8 million, assuming an Offer Price of HK\$3.75 per Share, being the mid-point of the proposed Offer Price range of HK\$3.15 to HK\$4.35 per Share, and the Over-allotment Option is not exercised.

Hong Kong Underwriters' Interests in our Company

None of the Hong Kong Underwriters is legally or beneficially interested in any shares of any member 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 member of our Group nor any interest in the Global Offering.

Restrictions on Offer of the Offer Shares

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms, and on the terms and subject to the conditions set out herein and therein. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.

The offering of the International Placing Shares under the International Placing will be made pursuant to an offering memorandum. The distribution of the offering memorandum and the offer of the International Placing Shares may be restricted by law in certain jurisdictions. Persons who come into possession of the offering memorandum or any of the International Placing Shares are required to inform themselves about and to observe any such restrictions. The offering memorandum contains a description of certain restrictions on the offering of the International Placing Shares under the International Placing.