

## UNDERWRITING

### HONG KONG UNDERWRITERS

#### *Joint Lead Managers*

Deutsche Bank AG, Hong Kong Branch

Merrill Lynch Far East Limited

BOCOM International Securities Limited

#### *Co-lead Managers*

Daiwa Securities SMBC Hong Kong Limited

CCB International Securities Limited

United Simsen Securities Limited

### INTERNATIONAL UNDERWRITERS

Deutsche Bank AG, Hong Kong Branch

Merrill Lynch International

BOCOM International Securities Limited

#### *Co-lead Managers*

Daiwa Securities SMBC Hong Kong Limited

CCB International Securities Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### **Hong Kong Public Offer**

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Public Offer, the Company is offering the Hong Kong Public Offer Shares for subscription by the public in Hong Kong 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 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 Public 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 obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Public Offer Shares under the Hong Kong Underwriting Agreement are subject to

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termination, if, at any time prior to 8:00 a.m. on the day that trading in Shares first commences on the Stock Exchange:

- (a) there develops, occurs, exists or comes into force:
  - (i) any change or development involving a prospective change or development, or any event or series of events resulting in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, 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 a devaluation of the Renminbi against any foreign currencies) in or affecting Hong Kong, the PRC, the United States, any members of the European Union, Japan or Singapore; or
  - (ii) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States, any members of the European Union, Japan or Singapore; or
  - (iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism (whether or not responsibility has been claimed) in or affecting Hong Kong, the PRC, the United States, any members of the European Union, Japan or Singapore; or
  - (iv) 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 calamity or crisis in or affecting Hong Kong, the PRC, the United States, any members of the European Union, Japan or Singapore; or
  - (v) (A) any suspension or limitation on trading 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 or the Tokyo Stock Exchange, or (B) a general moratorium on commercial banking activities in New York, London, Hong Kong, Japan or the PRC declared by the relevant authorities, or material disruption in commercial banking activities or affecting Hong Kong, the PRC, the United States, any members of the European Union or Japan; or
  - (vi) any (A) material change or prospective material change in exchange controls, currency exchange rates or foreign investment regulations, or (B) any change or prospective change in taxation, in Hong Kong, the PRC, the United States, any members of the European Union or Japan adversely affecting an investment in the Shares; or
  - (vii) any litigation or claim being threatened or instigated against our Company or any of our subsidiaries; or

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- (viii) 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
- (ix) the chairman or chief executive officer of the Company vacating his office; or
- (x) the commencement by any regulatory or political body or organization of any action against a Director or an announcement by any regulatory or political body or organization that it intends to take any such action; or
- (xi) a contravention by any Group Company of the Listing Rules or applicable laws; or
- (xii) a prohibition on the Company for whatever reason from allotting or selling the Offer Shares (including the additional Shares that may be sold by the Selling Shareholder upon the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or
- (xiii) non-compliance of the Prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation; or
- (xiv) 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 Offer Shares) pursuant to the Companies Ordinance or the Listing Rules; or
- (xv) an order or petition for the winding up of any Group Company or any composition or arrangement made by any Group Company with its creditors or a scheme of arrangement entered into by any Group Company or any resolution for the winding-up of any Group Company or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any Group Company or anything analogous thereto occurring in respect of any Group Company,

and which, in any such case and in the sole opinion of the Joint Lead Managers (for themselves and on behalf of the other Hong Kong Underwriters);

- (A) is or will be materially adverse to, materially and prejudicially affect, the business or financial or trading position or prospect of the Company and its subsidiaries as a whole; or
  - (B) has or will have a material adverse effect on the success of the Global Offering and/or make it impracticable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or
  - (C) makes or will make it impracticable or inadvisable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by the Prospectus; or
- (b) there has come to the notice of the Joint Lead Managers or any of the Hong Kong Underwriters after the date of the Hong Kong Underwriting Agreement:
- (i) that any statement contained in the Prospectus, the Application Forms, the formal notice and any announcements in the agreed form issued by the Company in

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- connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become untrue, incorrect or misleading in any material respects or that any, expressions of opinion, intention or expectation expressed in the Hong Kong Public Offer Documents, the Formal Notice and/or any announcements issued by the 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
- (ii) that any matter has arisen or has been discovered which would, had it arisen immediately before the date of the Prospectus, not having been disclosed in the Prospectus, constitutes a material omission therefrom; or
  - (iii) any or the International Underwriting Agreement breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement (other than on the part of any of the Hong Kong Underwriters or the International Underwriters or the Joint Lead Managers); or
  - (iv) any event, act or omission which gives or is likely to give rise to any liability of the Company, or any other indemnifying party pursuant to the indemnities given by the Company, Mr. Wong Wun Ming and the Selling Shareholder under the Hong Kong Underwriting Agreement which liability has a material adverse effect on the business or financial or trading position of the Company and its subsidiaries, as a whole; or
  - (v) any potential litigation or disputes which would affect the operation, financial condition or reputation of the Company; or
  - (vi) any adverse change or prospective adverse change in the business, results of operations, in the financial or trading position or prospects of the Company and its subsidiaries as a whole; or
  - (vii) any of the warranties given by the Company, Mr. Wong Wun Ming and/or the Selling Shareholder under the Hong Kong Underwriting Agreement is (or would when repeated be) untrue or misleading; or
  - (viii) approval by the Listing Committee of the Hong Kong Stock Exchange 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 date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
  - (ix) the Company withdraws the prospectus (and any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or the Global Offering; or
  - (x) any person (other than any of the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Offer Documents or to the issue of any of the Offer Documents,

then the Joint Lead Managers may, in their sole discretion and upon giving notice to the Company and the Hong Kong Underwriters, terminate the Hong Kong Underwriting Agreement with immediate effect.

### *Undertakings*

We have undertaken to the Joint Bookrunners and the Hong Kong Underwriters that except pursuant to the Global Offering and any share option scheme of any members of our Group, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-Month Period**”), we will not without the prior written consent of the Sole Global Coordinator, in consultation with the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (I) offer, accept subscription for, pledge, charge, mortgage, issue, sell, lend, 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, conditionally or unconditionally, any Shares or other securities of the Company or any interests therein (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such Shares or other securities or any interest therein); or
- (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 any such capital or securities or any interest therein; or
- (III) enter into any transaction with the same economic effect as any transaction described in paragraphs (I) or (II) above; or
- (IV) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in paragraphs (I), (II) or (III) above, whether any such transaction described in paragraphs (I) or (II) or (III) above is to be settled by delivery of Shares or other securities, in cash or otherwise; and

enter into any of the foregoing transactions in paragraphs (I), (II) and (III) above, or agree or contract to or publicly announce any intention to enter into any such transaction, whereby any of the Controlling Shareholders would cease to be a controlling shareholder (as defined in the Listing Rules) of the Company during the six-month period immediately following the First Six-Month Period (the “**Second Six-Month Period**”).

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Mr. Wong Wun Ming agrees and undertakes, and Mr. Wong Wun Ming shall procure the Controlling Shareholders to agree and undertake to each of the Company, the Joint Lead Managers and the Hong Kong Underwriters that, save as pursuant to the Global Offering, without the prior written consent of the Sole Global Coordinator, in consultation with the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

- (i) during the First Six-Month Period, he or it will not and will procure that the relevant registered holder(s) and its associates and companies controlled by it and any nominee or trustee holding in trust for it will not:
  - (A) offer, accept subscription for, 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, conditionally or unconditionally, any share or debt capital or other securities of the Company or any interest therein (including, but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein); 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 any such capital or securities or any interest therein; or
  - (C) enter into any transaction with the same economic effect as any transaction described in (A) or (B) above; or
  - (D) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in (A) or (B) or (C) above,

whether any such transaction described in (A) or (B) or (C) above is to be settled by delivery of such capital or securities, in cash or otherwise;

- (ii) during the Second Six-Month Period, he or it will not enter into any of the foregoing transactions in (i)(A) or (B) or (C) above or agree or contract to or publicly announce any intention to enter into any such transactions if, immediately following such transfer or disposal, he or it will cease to be a chief executive officer of the Company; and
- (iii) until the expiry of the Second Six-Month Period, in the event that he or it enters into any such transactions or agrees or contracts to, or publicly announces an intention to enter into any such transactions, he or it will take reasonable steps to ensure that he or it will not create a disorderly or false market in the securities of the Company.

The Selling Shareholder and Mr. Wong Wun Ming shall procure that the Selling Shareholder, agrees and undertakes to each of the Company, the Joint Lead Managers and the Hong Kong Underwriters that, save as pursuant to the Global Offering or any exercise of the Over-allotment Option, during the First Six-Month Period, without the prior written consent of the Sole Global Coordinator, in consultation with the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, it will not:

- (i) 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

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purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any share or debt capital or other securities of the Company or any interest therein (including, but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any such capital or securities or any interest therein; or

- (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 any such 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
- (iv) offer or agree or contract to, or publicly announce any intention to enter into, any transaction described in (i) or (ii) or (iii) above,

whether any such transaction described in (i) or (ii) or (iii) above is to be settled by delivery of such capital or securities, in cash or otherwise.

### **Lock-up**

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders and the Selling Shareholder has undertaken to us and to the Hong Kong Stock Exchange that he or it will not, and shall procure that any other registered holder (if any) will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with applicable requirements of the Listing Rules:

- (i) in the First Six-month Period, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which he or it is shown by this prospectus to be the beneficial owner (as defined in Rule 10.07(2) of the Listing Rules); or
- (ii) during the Second Six-month Period, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares to such an extent that immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it would cease to be a controlling shareholder (as defined in the Listing Rules) of us.

Further, pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders and the Selling Shareholder has undertaken to us and to the Stock Exchange that, during the First Six-month Period and the Second Six-month Period, he or it will:

- (i) if he or it pledges or charges any of our securities beneficially owned by him or it 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, immediately inform us of such pledge or charge together with the number of securities so pledged or charged; and

- (ii) if he or it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities will be disposed of, immediately inform us of such indications.

### **International Placing**

In connection with the International Placing, it is expected that we and the Selling Shareholder will enter into the International Underwriting Agreement with the Joint Bookrunners for themselves and on behalf of the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares being offered pursuant to the International Placing or procure purchasers for such International Placing Shares.

It is expected that the Selling Shareholder will grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator, in consultation with the Joint Bookrunners on behalf of the International Underwriters within 30 days from the last day for the lodging of applications under the Hong Kong Public Offer, to require the Selling Shareholder to sell up to 135,000,000 Sale Shares, which represents approximately 15% of the initial Offer Shares, at the Offer Price, among other things, to cover over-allocations in the International Placing, if any.

### **Commission and expenses**

Under the terms and conditions of the Underwriting Agreements, the Underwriters will receive an underwriting commission of 3% of the aggregate Offer Price payable for the Offer Shares, out of which they will pay any sub-underwriting commissions. Furthermore, the Company may also pay any or all of the Joint Bookrunners a discretionary incentive fee of up to 0.5% in the aggregate of the proceeds derived from the Offer Shares offered by the Company. In the event that the Over-allotment Option is exercised, any commission payable in respect of the sale of Shares by the Selling Shareholder pursuant to the exercise of the Over-allotment option is to be borne by the Selling Shareholder.

Assuming the Over-allotment Option is not exercised at all and based on an Offer Price of HK\$2.45, being the mid-point of our offer price range of HK\$2.00 to HK\$2.89 per Share, the Underwriters' fees and commissions and incentive fees (if any) in connection with the Global Offering, together with the Stock Exchange listing fees, the Stock Exchange transaction levy, legal and other professional fees, printing, and other expenses relating to the Global Offering, are estimated to amount to approximately HK\$129 million in aggregate.

We have agreed to indemnify the Underwriters for certain losses which they may suffer, including certain losses incurred arising from their performance of their obligations under the Underwriting Agreements and certain breaches by us of the Underwriting Agreements.



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### **Underwriters' Interests in our Company**

Save as disclosed above, none of the Underwriters is interested legally or beneficially in any shares of any of our members 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 and has no other interest in the Global Offering.