
UNDERWRITING

Hong Kong Underwriters

The Hongkong and Shanghai Banking Corporation Limited
CCB International Capital Limited

Co-Manager

First Shanghai Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are initially offering 30,000,000 Hong Kong Public Offering Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms at the Offer Price. Subject to the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement (including the Sole Global Coordinator (on behalf of the Underwriters), us and the Selling Shareholders agreeing to the Offer Price), the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Public Offering Shares which are being offered but are not taken up under the Hong Kong Public Offering on and subject to the terms and 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 being signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The Sole Global Coordinator, for itself and on behalf of the other Hong Kong Underwriters, may, in its absolute discretion and upon giving notice to the Company, terminate the Hong Kong Underwriting Agreement by giving notice to us at any time prior to 8:00 a.m. on the Listing Date, if at or prior to such time:

- (a) there develops, occurs, exists or comes into force any of the following circumstances:
 - (i) any change or development involving a prospective change in or any event or series of events resulting or likely to result in or representing any change or development in local, national, regional or international financial, political, military, industrial, legal, economic, currency market, fiscal or regulatory or market matters or 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,

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- China, the Cayman Islands, the British Virgin Islands, the United States, the United Kingdom, Canada, the European Union (or any member thereof), Japan, Singapore or any other relevant jurisdiction (each a “**Relevant Jurisdiction**”); or
- (ii) any new law or regulation or any change or development involving a prospective change in any existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or
 - (iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, riot, public disorder, civil commotion, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, outbreak of infectious disease (including without limitation Severe Acute Respiratory Syndrome (SARS) and Influenza A (H5N1)), in or affecting any of the Relevant Jurisdictions; 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 any of the Relevant Jurisdictions; 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, the Shenzhen Stock Exchange or, the Tokyo Stock Exchange, or (B) a general moratorium on commercial banking activities in any of the Relevant Jurisdictions declared by the relevant authorities, or a disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or
 - (vi) any material adverse change or development or event involving a prospective material adverse change in taxation or exchange controls (or the implementation of any exchange control), currency exchange rates or foreign investment regulations in any of the Relevant Jurisdictions; or
 - (vii) any imposition of economic sanctions, in whatever form, directly or indirectly, by any of the Relevant Jurisdictions; or
 - (viii) any change or development or event involving a prospective change in the Company’s assets, liabilities, profit, losses, performance, condition, business, financial, earnings, trading position or prospects;
 - (ix) the commencement by any judicial or regulatory body or organisation of any public action against any director of the Company or an announcement by any judicial or regulatory body or organisation that it intends to take any such action; or
 - (x) other than with the approval of the Sole Global Coordinator, the issue or requirement for the Company to issue a supplementary prospectus or offering document pursuant to the Companies Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Sole Global Coordinator, materially adverse to the marketing for or implementation of the Global Offering; or
 - (xi) a petition is presented for the winding up or liquidation of the Company or any of its Subsidiaries, or the Company or any of its subsidiaries makes any compromise or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of the Company or any of its subsidiaries or a provisional

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liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or of any of its subsidiaries or anything analogous thereto occurs in respect of the Company or any of its subsidiaries; or

- (xii) a valid demand by any creditor for repayment or payment of any indebtedness of the Company or any of its subsidiaries or in respect of which the Company or any of its subsidiaries is liable prior to its stated maturity, or any loss or damage sustained by the Company or any of its subsidiaries (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xiii) any material litigation or claim being threatened or instigated against the Company or any of its subsidiaries or the Controlling Shareholders,

which circumstance, in any such case and in the sole opinion of the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters),

- (a) is or may or will be or is likely to be materially adverse to, or materially and adversely affect, the business or financial or trading position or prospects of the Company and its subsidiaries taken as a whole; or
 - (b) has or may have or will have or is likely to have a material adverse effect on the success of the Global Offering and/or make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering and/or the Global Offering to be performed or implemented as envisaged; or
 - (c) makes or may make or will or is likely to make it inadvisable or inexpedient 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) it has come to the notice of the Sole Global Coordinator or any of the Hong Kong Underwriters after the date of the Hong Kong Underwriting Agreement that:
- (i) any statement contained in any of the Information Pack, the Offer Documents, the Formal Notice (as defined in the Hong Kong Underwriting Agreement) or any announcements in agreed form issued by the Company in connection with the Global Offering (including any supplement or amendment thereto) was or has become untrue, incorrect or misleading in any material respect; or
 - (ii) any matter has arisen or has been discovered which would or might, had it arisen immediately before the date of Hong Kong Public Offering Documents or the International Offer Documents (as defined in the Hong Kong Underwriting Agreement), not having been disclosed in this prospectus, constitute a material omission therefrom; or
 - (iii) any of the representations and warranties given by any of the Company and the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement is (or would when repeated be) untrue, inaccurate or misleading or breached in any material respect; or
 - (iv) any matter, event, act or omission has arisen or occurred which gives or is likely to give rise to any liability of any of the Company and the Controlling Shareholders pursuant to the indemnities given by the Company and the Controlling Shareholders or any of them under the Hong Kong Underwriting Agreement which, in the opinion of the Sole Global Coordinator, will or may make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement or the International Underwriting Agreement or the Global Offering to be performed or implemented as envisaged; or

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- (v) any breach has occurred of any of the obligations or undertakings of the Company and the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement which, in the opinion of the Sole Global Coordinator, will or may make it impracticable or inadvisable for any part of the Hong Kong Underwriting Agreement or the International Underwriting Agreement or the Global Offering to be performed or implemented as envisaged; or
- (vi) any material adverse change or prospective material adverse change has occurred in the condition, business, assets and liabilities, properties, results of operations, financial or trading position or prospects of the Company and/or its subsidiaries; or
- (vii) the Company has withdrawn this prospectus or any of the Application Forms for the Global Offering.

Undertakings by us

Pursuant to the Hong Kong Underwriting Agreement, our Company has agreed to give certain undertakings to the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that, except pursuant to the Global Offering and the exercise of the Over-allotment Option and save pursuant to the Pre-IPO Share Option Scheme and any share option scheme of any member of our Group, we will not without the prior consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time within six months after the Listing Date (the “First Six-month Period”): (A) offer, accept subscription for, pledge, issue, sell, lend, mortgage, assign, charge, contract to issue or sell, sell 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 such share capital or other securities of our 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 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) agree or contract to, or publicly announce any intention to enter into, any transaction described in (A) or (B) above; whether any such transaction described in (A) or (B) or (C) above is to be settled by delivery of Shares or other securities, in cash or otherwise.

Undertakings by our Controlling Shareholders and Lingrui

Each of our Controlling Shareholders and Lingrui has agreed to give certain undertakings that, except pursuant to any stock lending arrangements agreed between Furui and HSBC in connection with the Global Offering and save for the options granted or to be granted by Strong Ally Limited under the Pre-IPO Share Option Scheme and the call options granted by Furui as disclosed in this prospectus, it will not and it will procure that none of its affiliates or companies controlled by it or any nominee or trustee holding in trust for it will, without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

- (1) during the First Six-month Period, (i) offer, pledge, charge, 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 capital or other securities of our Company or any interest therein (including, but not

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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) 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 is to be settled by delivery of such capital or securities, in cash or otherwise;

- (2) during the period of six months commencing on the date on which the First Six-month Period expires (the “Second Six-month Period”), it will not enter into any of the foregoing transactions in (1)(i), (ii) or (iii) above or agree or contract to or publicly announce any intention to enter into any such transactions if, immediately following such transfer or disposal, our Controlling Shareholders will cease to be controlling shareholders (as defined by the Listing Rules) of our Company; and
- (3) until the expiry of the Second Six-month Period, in the event that it enters into any such transactions or agrees or contracts to, or publicly announces an intention to, enter into any such transactions, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

Subject to the foregoing undertakings, our Controlling Shareholders have further agreed to give certain undertakings that, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling twelve months from the Listing Date, they shall (i) immediately inform our Company and the Sole Global Coordinator in writing of any pledge or charge of any of the securities or interests in the securities of our Company beneficially owned by them, together with the number of securities so pledged or charged; and (ii) if and when they receive any 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 disposed of, immediately inform our Company and the Sole Global Coordinator in writing of such indications. Our Company has agreed to undertake that upon receiving such information in writing from our Controlling Shareholders, it shall, as soon as practicable, notify the Stock Exchange and make a public disclosure in relation to such information by way of a press announcement.

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has agreed to give certain undertakings to us and to the Stock Exchange that he/she/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: (a) during 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/she/it is shown by this prospectus to be the beneficial owner (as defined in Rule 10.07(2) of the Listing Rules); or (b) 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 such Shares to such an extent that immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder (as defined in the Listing Rules) of us.

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Further, pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has agreed to give certain undertakings to us and to the Stock Exchange that, during the First Six-month Period and the Second Six-month Period, he/she/it will:

- (a) if he/she/it pledges or charges any of our securities beneficially owned by him/her/it in favour of an authorised 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
- (b) if he/she/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.

Undertakings by Raffles, Turrenco, Templeton, CCBI and Tetrad

Apart from our Controlling Shareholders, various investors in our Company (namely, Raffles, Templeton, CCBI and Tetrad) agreed to give certain undertakings to each of the Sole Global Coordinator and our Company that except pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this prospectus or unless in compliance with the requirements of the Listing Rules, each such investor shall not and shall procure that none of its subsidiaries and/or nominees holding the Relevant Shares (as defined below) shall, without the prior written consent of the Sole Global Coordinator, at any time during the period commencing on the date on which trading in the Shares commences and ending on a date which is six months after the date on which trading in the Shares commences on the Stock Exchange, (i) sell, offer to sell, pledge, charge, dispose, 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, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly any of the Shares which are shown in this prospectus to be held by it at the time of Listing and any shares or other securities of the Company which are derived from such Shares (namely, pursuant to any rights issue, capitalisation issue, any other form of capital reorganisation or otherwise) (together the “Relevant Shares”); (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 the Relevant Shares; (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or (iv) agree or contract to, or publicly announce any intention to enter into, any transaction described in (i), (ii) or (iii) above.

International Offering

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with the Selling Shareholders, the Sole Global Coordinator and the International Underwriters on the Price Determination Date. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally and not jointly, agree to procure subscribers for or purchasers for, or failing that to subscribe for or purchase themselves, their respective applicable proportions of the International Offering Shares being offered pursuant to the International Offering which are not taken up under the International Offering.

Under the International Underwriting Agreement, the Company will grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator on behalf of the

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International Underwriters during the 30-day period after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 45,000,000 Shares, representing in aggregate 15% of the Offer Shares initially available under the Global Offering.

Commission and expenses

Under the terms and conditions of the Underwriting Agreements, the Underwriters will receive an underwriting commission of 3.8% of the aggregate Offer Price payable for the Offer Shares, out of which they will pay any sub-underwriting commissions. Furthermore, the Company may, subject to its absolute discretion, also pay the Sole Global Coordinator a discretionary incentive fee of up to 0.5% in the aggregate of the proceeds derived from the subscription and sale of the Offer Shares under the Global Offering, including any Offer Shares issued pursuant to the exercise of the Over-allotment Option.

Assuming the Over-allotment Option is not exercised at all and based on an Offer Price of HK\$3.365, being the mid-point of our offer price range of HK\$2.95 to HK\$3.78 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\$77.5 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.

Hong Kong Underwriters' Interests in our Company

Save as disclosed below and elsewhere in this prospectus and save for their obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters is interested directly or indirectly in any Shares or securities in our Company or any other member of our Group or has any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any Shares or securities in our Company or any other member of our Group.