
UNDERWRITING

Underwriters

Hong Kong Underwriters

Joint Lead Managers

Credit Suisse (Hong Kong) Limited

Morgan Stanley Asia Limited

Co-Managers

DBS Asia Capital Limited

Shenyin Wanguo Capital (H.K.) Limited

Underwriting

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis on the terms and conditions set out in this prospectus, the related Application Forms and the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed among the Company, the Selling Shareholder and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering will not proceed.

The Global Offering comprises the Hong Kong Public Offering of initially 42,028,000 Hong Kong Offer Shares and the International Offering of initially 378,252,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering” in this prospectus as well as to the Over-allotment Option in the case of the International Offering.

Restrictions on the Offer Shares

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, 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 authorized or to any person to whom it is unlawful to make such an offer or invitation.

Underwriting Arrangements and Expenses

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is initially offering 42,028,000 Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on and subject to the terms and conditions set out in this prospectus and the related Application Forms.

Subject to (i) the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the existing issued Shares and the Shares to be issued pursuant to the Global Offering

UNDERWRITING

(including the additional Shares which may be made available pursuant to the exercise of the Over-allotment Option) and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement (including, among others, the Joint Global Coordinators (on behalf of the Underwriters) and our Company agreeing on the Offer Price), the Hong Kong Underwriters have severally agreed to subscribe or procure subscribers for their respective applicable proportions (set out in the Hong Kong Underwriting Agreement) 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 the conditions set out in this prospectus, the related 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, becoming unconditional and not having been terminated.

Grounds for termination of the Hong Kong Underwriting Agreement

The respective obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares will be subject to termination with immediate effect by notice in writing from the Joint Global Coordinators, for themselves and on behalf of the Underwriters, if any of the following events occur prior to 8:00 a.m. on the Listing Date:

- (a) that any statement contained in this prospectus, Application Forms, and/or in the formal notice, any announcements or advertisements issued by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect, incomplete or misleading in any material respect; or
- (b) that any estimate, forecast, expression of opinion, intention or expectation contained in this prospectus, Application Forms, and/or the formal notice, any announcements or advertisements issued by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest in any material respect and based on reasonable assumptions, when taken as a whole; or
- (c) 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 a material omission from this prospectus, Application Forms, and/or in the formal notice, any announcements or advertisements issued by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
- (d) any breach of any of the obligations or undertakings of the Company, the Controlling Shareholders or Ms. Gao Yan imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or
- (e) any event, act or omission which gives or is likely to give rise to any material liability of any member of the Group, the Controlling Shareholders or Ms. Gao Yan pursuant to the indemnity provisions as set out in the Hong Kong Underwriting Agreement; or
- (f) any material adverse change or development involving a prospective material adverse change in the assets, liabilities, business operations, management, prospects, profits, losses or financial or trading condition position or performance of any member of the Group; or
- (g) any breach of, or any event rendering untrue or incorrect or misleading in any respect, any of the warranties or undertaking as set out in the Hong Kong Underwriting Agreement when given or repeated; or

UNDERWRITING

- (h) the Company withdraws the prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (i) approval by the Listing Committee of the Hong Kong Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be 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 approval of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (j) there shall have developed, occurred, happened or come into effect any event or series of events, matters or circumstances concerning or relating to:
 - (i) any event, or series of events, in the nature of force majeure (including, without limitation, acts of government, declaration of a national or international emergency or war, calamity, epidemics, pandemics, outbreaks or escalations of diseases, strikes, lock-outs, labor disputes, fire, explosion, flooding, earthquake, civil commotion, riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism); 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, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit, market conditions, equity securities or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, investment markets and credit markets), in or affecting Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC, the United States, the United Kingdom, the European Union (taken as a whole), Japan or any other jurisdiction relevant to any member of the Group (collectively, the “Relevant Jurisdictions”); or
 - (iii) any moratorium, suspension or restriction in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the NASDAQ National Market, the Shanghai Stock Exchange or the Tokyo Stock Exchange or minimum or maximum prices for trading having been fixed, or maximum ranges for prices having been required, by any of the said exchanges or by such system or by order of any relevant authority; or
 - (iv) any general moratorium on commercial banking activities in the Relevant Jurisdictions, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services in any of those places or jurisdictions; or
 - (v) any new law or regulation or any change or development involving a prospective change in existing laws or regulations 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 the Relevant Jurisdictions; or
 - (vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the Relevant Jurisdictions; or
 - (vii) a change or development involving a prospective change or amendment in tax or exchange control, currency exchange rates or foreign investment regulations (including without limitation a devaluation of the Hong Kong dollar against any foreign currencies, a change in

UNDERWRITING

the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or the Renminbi is linked to any foreign currency or currencies), or the implementation of any exchange control in the Relevant Jurisdictions; or

- (viii) any adverse change or prospective adverse change in the earnings, business, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of any member of the Group (including any litigation or legal action or claim or legal proceeding of any third party being threatened or instigated against any member of the Group); or
- (ix) any 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 of the Company vacating his office; or
- (xi) the commencement by any governmental, law enforcement agency, regulatory or political body or organization of any action against a Director or a formal announcement by any governmental, law enforcement agency, regulatory or political body or organization that it intends to take any such action; or
- (xii) a contravention by any member of the Group of the Listing Rules, the SFO or applicable laws; or
- (xiii) a prohibition on the Company for whatever reason from offering, allotting or selling the Shares (including the Over-allotment Option Shares) pursuant to the terms of the Global Offering; or
- (xiv) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Shares) or any aspect of the Global Offering with the Listing Rules, the SFO, or any other applicable laws or regulations by the Company; or
- (xv) the issue or requirement to issue by the Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated subscription and sale of the Shares) pursuant to the Hong Kong Companies Ordinance or the Listing Rules or any requirement or request of the Hong Kong Stock Exchange and/or the SFC; or
- (xvi) an order or petition for the winding up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or
- (xvii) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this Prospectus,

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (1) is or may be or is likely to be materially adverse to or materially or prejudicially affect, the business, financial or other condition or prospects of the Company or the Group or any present or prospective shareholder of the Company in his/her/its capacity as such; or
- (2) has or might have or is likely to have a material adverse effect on the success of the Hong Kong Public Offering or the Global Offering or the level of Offer Shares being applied

UNDERWRITING

for or accepted, subscribed for or purchased or the distribution of Offer Shares or dealings in the Shares in the secondary market; or

- (3) makes it inadvisable, inexpedient or impracticable to proceed with the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, or
- (4) has or will have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms and which has or may or will have a material adverse effect on the success of the Global Offering or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof,

then the Joint Global Coordinators, in their sole and absolute discretion, may, for themselves and on behalf of the Hong Kong Underwriters, upon giving notice in writing to the Company and the Hong Kong Underwriters, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings

Undertakings to the Hong Kong Underwriters and the Joint Global Coordinators

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to the Joint Global Coordinators and the Hong Kong Underwriters, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), that unless in compliance with the requirements of the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months from the Listing Date (the “First Six Month Period”), we shall not:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company or any shares or other securities of such other member of the Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other member of the Group, as applicable); 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 Shares or any other securities of the Company or any shares or other securities of such other member of the Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other member of the Group, as applicable); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of Shares or such other securities of the Company or shares or other securities of such other member of the Group,

UNDERWRITING

as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period), and in the event we doing any of the acts as described above by virtue of the aforesaid exceptions, we will ensure that any such act will not create a disorderly or false market for any Shares or other securities of the Company;

Pursuant to the Hong Kong Underwriting Agreement, each of our Controlling Shareholders and Ms. Gao Yan has undertaken to each of the Joint Global Coordinators and the Hong Kong Underwriters, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), that unless in compliance with the requirements of the Listing Rules:

- (a) during the First Six Month Period, it shall not and shall procure that its associates shall not:
- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company or any shares or other securities of such other member of the Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other member of the Group, as applicable); 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 Shares or any other securities of the Company or any shares or other securities of such other member of the Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares of such other member of the Group, as applicable); or
 - (iii) enter into any transaction with the same economic effect as any transaction specified in (a)(i) or (ii) above offer to or agree to or announce any intention to effect any transaction specified in (a)(i), (ii) or (iii) above; or

in each case, whether any of the transactions specified in (a)(i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of the Company or shares or other securities of such other member of the Group, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);

- (b) 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 paragraphs (a)(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, any Controlling Shareholders will cease to be a controlling shareholder (as the term is defined in the Hong Kong Listing Rules) of the Company; and
- (c) until the expiry of the Second Six Month Period, in the event that it enters into any such transactions specified in (a)(i), (ii) or (iii) or agrees or contracts to, or publicly announces an intention to enter

UNDERWRITING

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 the Company.

Undertakings pursuant to the Listing Rules

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Hong Kong Stock Exchange that, except pursuant to the Global Offering or any issue of Shares or securities in compliance with Rule 10.08(1) to (4) of the Listing Rules, our Company will not, at any time during the First Six Month Period, allot or issue or agree to allot or issue any Shares or other securities of our Company (including warrants or other securities of our Company) or grant or agree to grant any options or rights 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 (whether or not such issue of Shares or securities will be completed within the First Six Month Period).

Pursuant to Rule 10.07(1) of the Listing Rules, the Controlling Shareholders have undertaken to our Company and the Hong Kong Stock Exchange that they shall not and shall procure that the relevant registered shareholders(s) shall not, without prior consent of the Hong Kong Stock Exchange:

- (i) during the period commencing from the date of this prospectus up to the expiry of the First Six Month Period, 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 they are shown by this prospectus to be the beneficial owners; and
- (ii) during the Second Six Month Period, 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 held by the Controlling Shareholders to such extent that immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, any of them would cease to be a Controlling Shareholder of our Company.

The Controlling Shareholders have further undertaken to us and the Hong Kong Stock Exchange that they will, at any time after the date of this prospectus and until the end of the Second Six Month Period:

- (i) upon any pledge or charge in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interests in the Shares or securities of our Company beneficially owned by them for a bona fide commercial loan, immediately inform our Company in writing of such pledge or charge together with the number of Shares or securities so pledged or charged; and
- (ii) upon any indication received by them, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of our Company will be disposed of, immediately inform our Company in writing of such indications.

Upon receiving the above information in writing from the Controlling Shareholders, we will also, as soon as practicable, notify the Hong Kong Stock Exchange and make a public disclosure of such information by way of an announcement.

Our Company and the Controlling Shareholders are expected to agree to jointly and severally indemnify the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company and the Controlling Shareholders of the Hong Kong Underwriting Agreement.

UNDERWRITING

Commission

The Hong Kong Underwriters will receive a commission of 3% of the aggregate Offer Price of all the Hong Kong Offer Shares less any unsubscribed Hong Kong Offer Shares reallocated to the International Offering and ignoring for this purpose any Hong Kong Offer Shares reallocated from the International Offering due to over-subscription. The underwriting commission for such reallocated shares will continue to be payable under the International Underwriting Agreement, out of which the Hong Kong Public Offer Underwriters will pay any sub-underwriting commission. In addition, we may, in our sole discretion, pay the Joint Global Coordinators an additional incentive fee of up to 0.75% in the aggregate of the sale proceeds of the Offer Shares under the Global Offering.

International Offering

In connection with the International Offering, it is expected that our Company, the Controlling Shareholders and the Selling Shareholder will enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, it is expected that the International Underwriters would, subject to certain conditions, severally and not jointly, agree to purchase the International Offer Shares being offered pursuant to the International Offering or procure purchasers for such International Offering Shares.

Under the International Underwriting Agreement, Foreshore intends to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters for up to 30 days from the last day for the lodging of applications under the Hong Kong Public Offering, to sell up to an aggregate of 63,042,000 additional Shares, representing 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be sold at the Offer Price per Share (plus brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005% of the Offer Price) and will be for the purpose of, among other things, covering over-allocations, if any, in the International Offering.

Total Commissions and Expenses

Assuming an Offer Price of HK\$2.75 per Share (being the midpoint of the indicative offer price range of HK\$2.38 to HK\$3.12 per Offer Share), the aggregate commissions and fees, together with the Hong Kong Stock Exchange listing fee, SFC transaction levy and Hong Kong Stock Exchange trading fee, legal and other professional fees, printing and other expense relating to the Global Offering, are estimated to amount in aggregate to be approximately HK\$86.0 million (assuming that the Over-allotment Option is not exercised) in total.

Underwriters' Interests

Except as disclosed in this prospectus and except for its obligations under the Hong Kong Underwriting Agreement, none of the Underwriters has any shareholding interests in our Company or in any of our subsidiaries or has any right, legally enforceable or not, to subscribe for or to nominate persons to subscribe for our securities or securities of any of our subsidiaries.

Following the completion of the Global Offering, the Underwriters and their affiliates may hold a certain portion of our Shares in connection with the performance of their obligations under the Underwriting Agreements.

Joint Sponsors' independence

Credit Suisse (Hong Kong) Limited and Morgan Stanley Asia Limited each satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.