
UNDERWRITING

UNDERWRITERS

Public Offer Underwriters

Joint Lead Managers

Citigroup Global Markets Asia Limited
BOCI Asia Limited

International Underwriters

Joint Lead Managers

Citigroup Global Markets Limited
BOCI Asia Limited

Co-Lead Managers

DBS Asia Capital Limited
Taifook Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is offering initially 33,334,000 Public Offer Shares (subject to adjustment) for subscription by way of Public Offer at the Offer Price 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 in issue and to be issued as mentioned herein and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions of the Public Offer Shares now being offered and which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

The Public Offer Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional.

Grounds for Termination

The obligations of the Public Offer Underwriters to subscribe or procure subscriptions for the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination if, at any time prior to 8:00 a.m. on the Listing Date:

- (a) there develops, occurs, exists or comes into force:
 - (i) 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, or any jurisdiction in which our Company operates or has or is deemed by any applicable Law to have a presence (by whatever name called) (each a “Relevant Jurisdiction”); or
 - (ii) 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

UNDERWRITING

- (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, or any monetary or trading settlement system or matters and/or disaster (including, without limitation 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) affecting any Relevant Jurisdiction; or
- (iii) any change or development in the conditions of Hong Kong or international equity securities or other financial markets; or
 - (iv) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, epidemic, outbreak of an infectious disease, civil commotion, acts of war, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is declared), acts of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency or war, riot, public disorder, economic sanctions or acts of God) in or affecting any Relevant Jurisdiction; or
 - (v) 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 any Relevant Jurisdiction; or
 - (vi) (A) any suspension or limitation on trading in shares or securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the London Stock Exchange, the Tokyo Stock Exchange or (B) a general moratorium on commercial banking activities in New York, London, Cayman Islands, Hong Kong, Japan or the PRC declared by the relevant authorities, or a material disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any Relevant Jurisdiction; or
 - (vii) any material adverse change or development involving a prospective material adverse change in taxation or exchange controls, currency exchange rates or foreign investment regulations in any Relevant Jurisdiction materially adversely affecting an investment in the Shares; or
 - (viii) any change or development involving a prospective change on the condition, financial or otherwise, or in the earnings, business affairs, business prospects or trading position of our Group; or
 - (ix) any executive 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 commencement by any regulatory body of any public action against any executive Director in his or her capacity as such or an announcement by any regulatory body that it intends to take any such action;
 - (xi) a material contravention by any member of the Group of a material provision of the Companies Ordinance or companies law of Cayman Islands or the Listing Rules; or
 - (xii) other than with the approval of the Sole Global Coordinator, the issue or requirement to issue by our Company of a supplementary prospectus, Application Form, preliminary or final offering circular pursuant to the Companies Ordinance or the Listing Rules in circumstances where the matter to be disclosed would, in the sole opinion of the Sole Global Coordinator, materially and adversely affect the marketing for or implementation of the Global Offering; or
 - (xiii) any material adverse change or development involving a reasonably likely material adverse change of any of the risks set out in the section headed “Risk Factors” in this prospectus; or

UNDERWRITING

(xiv) a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group;

and which, in any such case and in the sole opinion of the Sole Global Coordinator (for themselves and on behalf of the other Public Offer Underwriters),

- (A) is or will be or is reasonably likely to be materially adverse to, or materially and prejudicially affect, the general affairs or the business or financial or trading condition or prospects of our Company and its subsidiaries taken as a whole; or
 - (B) has or will have or is reasonably likely to have a material adverse effect on the success of the Global Offering and/or make it impracticable, inexpedient or inadvisable for any part of the Public Offer Underwriting Agreement, the Public Offer or the Global Offering to be performed or implemented as envisaged; or
 - (C) makes or will or is likely to make it impracticable, inexpedient or inadvisable to proceed with or to market the Public Offer and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus; or
- (b) there has come to the notice of the Sole Global Coordinator or any of the Public Offer Underwriters:
- (i) that any statement contained in this prospectus, the Application Forms, the formal notice or any announcements in the agreed form issued by our Company in connection with the Public Offer (including any supplement or amendment thereto) was or has become untrue, incorrect or misleading in any material respect, or any forecasts, estimates, expression of opinion, intention or expectation expressed in such documents are not in all material aspects, fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (ii) any matter has arisen or has been discovered which would or might, 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 of the respective warranties given by our Company or the Controlling Shareholders in the Public Offer Underwriting Agreement is (or might when repeated be) being untrue or misleading or inaccurate in any material respect; or
 - (iv) any event, act or omission which gives or may give rise to any material liability of our Company or the Controlling Shareholders pursuant to the respective indemnities given by our Company or the Controlling Shareholders under the Public Offer Underwriting Agreement; or
 - (v) any material breach of any of the respective obligations of our Company or the Controlling Shareholders under the Public Offer Underwriting Agreement; or
 - (vi) any material adverse change or prospective material adverse change in the assets, liabilities, conditions, profits, losses, business, properties, results of operations, in the financial or trading position or prospects or performance of our Company and its subsidiaries taken as a whole; or
 - (vii) any material litigation or claim being threatened or instigated against our Company or any of its subsidiaries; or

UNDERWRITING

- (viii) any of our reporting accountants, our environmental consultant, our industry consultant, our property valuer or any of our counsels has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, summaries of valuations and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (ix) approval for the listing of and permission to deal in the Shares on the Hong Kong Stock Exchange is refused or not granted, other than subject to customary conditions, on or before the date immediately before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (x) our Company withdraws any of this prospectus, the Application Forms, the preliminary offering circular or the final offering circular or the Global Offering;

then the Sole Global Coordinator may, in its sole and absolute discretion, on behalf of the Public Offer Underwriters, terminate the Public Offer Underwriting Agreement with immediate effect.

Undertakings

Pursuant to Rule 10.08 of the Listing Rules, no further Shares or securities convertible into equity securities (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except in certain prescribed circumstances which includes the issue of Shares pursuant to the Pre-IPO Share Option Scheme.

Pursuant to the Public Offer Underwriting Agreement, we have undertaken to the Sole Global Coordinator, the Sole Sponsor and the Public Offer Underwriters that, except pursuant to the Global Offering we will not, without the prior written consent of the Sole Global Coordinator (on behalf of the Public Offer Underwriters), at any time from the date of the Public Offer Underwriting Agreement up to and including the date falling six months after the Listing Date:

- (i) offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, 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, or repurchase any of our share capital or other securities of our Company or any interest 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 share 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 such share 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 to or agree to enter into, any such transaction described in paragraphs (i), (ii) or (iii) above; whether any such transaction described in clauses (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities, in cash or otherwise.

Similar undertakings are expected to be given by us to the International Underwriters under the International Underwriting Agreement.

UNDERWRITING

Our Controlling Shareholders have undertaken with the Sole Global Coordinator and the Public Offer Underwriters that, except pursuant to (A) the Global Offering, (B) the Over-allotment Option or (C) if applicable, stock borrowing arrangements that may be entered into with the Stabilizing Manager (or its agent), our Controlling Shareholders will not, without the prior written consent of the Sole Global Coordinator (on behalf of the Public Offer Underwriters), at any time:

- (1) 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 purchase or subscribe for the Shares, lend, make any short sale or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of) the Shares, either directly or indirectly, conditionally or unconditionally, or cause us to repurchase any of our share capital or our other securities or any interest 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 capital or securities or any interest therein whether now owned or hereinafter acquired, owned directly by our Controlling Shareholders (including holding as a custodian) or with respect to which our Controlling Shareholders have beneficial ownership) (collectively the “Lock-up Shares”) (the foregoing restriction is expressly agreed to preclude our Controlling Shareholders from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Lock-up Shares even if such Shares would be disposed of by someone other than our Controlling Shareholders, respectively. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Lock-up Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Shares); or
- (2) 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
- (3) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
- (4) 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 Shares or such other securities, in cash or otherwise.

The lock-up period will commence on the date of the Public Offer Underwriting Agreement up to and including the date falling 18 months after the Listing Date.

In accordance with Rule 10.07(1)(a) of the Listing Rules, our Controlling Shareholders have undertaken to the Stock Exchange that except pursuant to the Global Offering or the Over-allotment Option, (i) it will not, at any time during the period commencing from the Listing Date, and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner; and (ii) it will not, at any time during the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of our Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would then cease to be the controlling shareholder (as defined under the Listing Rules) of our Company.

UNDERWRITING

Note (2) of Rule 10.07 of the Listing Rules provides that the rule does not prevent a controlling shareholder (as defined under the Listing Rules) from using the shares owned by it as security (including a charge or a pledge) 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.

Each of our Controlling Shareholders has further undertaken to the Stock Exchange that it will, within a period of 12 months from the Listing Date, immediately inform us and the Stock Exchange of:

- (a) any pledges or charges of any Shares or securities of our Company beneficially owned by it in favor of any authorized institution as permitted under the Listing Rules, and the number of such Shares or securities of our Company so pledged or charged; and
- (b) any indication received by he/it, either verbal or written, from any pledgee or chargee of any Shares or other securities of our Company pledged or charged that any of such Shares or other share capital will be sold, transferred or disposed of.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by our Controlling Shareholders or their shareholders and disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible after being so informed by our Controlling Shareholders or their shareholders.

International Offering

International Underwriting Agreement

In connection with the International Offering, our Company expects to enter into the International Underwriting Agreement with our Controlling Shareholders, the International Underwriters and the Sole Global Coordinator. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares. The International Underwriting Agreement is expected to provide that it may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors will be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. It is expected that pursuant to the International Underwriting Agreement, our Company will give undertakings similar to as those given pursuant to the Public Offer Underwriting Agreement as described in “—Underwriting Arrangements and Expenses—Public Offer—Undertakings”.

Under the International Underwriting Agreement, our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Stabilizing Manager (or its agent), for the accounts of the Sole Global Coordinator, on behalf of the International Underwriters at any time from the Listing Date, up to (and including) the date which is the 30th day after the last date for the lodging of Application Forms under the Public Offer, to require our Company to issue up to an aggregate of 50,000,000 Shares, representing in aggregate approximately 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be issued at the Offer Price.

It is expected that our Controlling Shareholders will undertake to the International Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of the Shares held by them in our Company for a period similar to such undertakings given by it pursuant to the Public Offer Underwriting Agreement, which is described in “—Underwriting Arrangements and Expenses—Public Offer—Undertakings”.

UNDERWRITING

UNDERWRITING COMMISSION AND EXPENSES

The Public Offer Underwriters will receive a gross commission of 3.0% of the aggregate Offer Price payable for the Public Offer Shares initially offered under the Public Offer. For unsubscribed Public Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the International Underwriters and not the Public Offer Underwriters. The commissions payable to the Underwriters will be borne by our Company in relation to the new Shares to be issued in the Global Offering. Our Company may also in our sole discretion pay either or both of the Joint Bookrunners an additional incentive fee of up to 0.5% in the aggregate of the sale proceeds of the offer of Shares offered by us under the Global Offering.

PUBLIC OFFER UNDERWRITERS' INTERESTS IN OUR COMPANY

Save as disclosed in this prospectus and other than pursuant to the Public Offer Underwriting Agreement, none of the Public Offer Underwriters has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Following the completion of the Global Offering, the Public Offer Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Public Offer Underwriting Agreement.

SOLE SPONSOR'S INDEPENDENCE

An affiliate to the Sole Sponsor has provided certain credit facilities to certain subsidiaries of our Company in the aggregate amount of approximately RMB101.1 million, of which approximately RMB98.6 million has been utilized as of the Latest Practicable Date (the "Citi Loans"). None of the intended proceeds of Global Offering will be used by our Company to repay the Citi Loans. Save as disclosed in this prospectus and as far as the Sole Sponsor is aware, the Sole Sponsor or its affiliates do not have any other current business relationships with or provide any credit facilities or guarantees to our Group (other than as acting as Sole Sponsor to our Company) or the substantial shareholders of our Company which would reasonably be considered to affect the independence of the Sole Sponsor in performing its duties as set out in the Listing Rule 3A.07.