

## UNDERWRITING

### HONG KONG UNDERWRITERS

#### *Joint Lead Managers*

Morgan Stanley Asia Limited  
Oriental Patron Securities Limited

#### *Co-Lead Managers*

CITIC Securities Corporate Finance (HK) LTD  
China Merchants Securities (HK) Co., Limited  
OSK Securities Hong Kong Limited  
First Shanghai Securities Limited  
Guotai Junan Securities (Hong Kong) Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### **Hong Kong Public Offering**

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Public Offering, our 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 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 Offering 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 termination by the Sole Global Coordinator (on behalf of the Hong Kong Underwriters), 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 effect:
  - (i) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, labour declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak or escalation of disease, including but not linked to SARS and H5N1 and related forms, economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting Hong Kong, the PRC, Cayman Islands, the United States, the United Kingdom, the European Union, Japan, Canada or any other jurisdiction relevant to any member of the Group (each a “Relevant Jurisdiction”); 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 or market conditions or exchange control or any monetary or trading settlement system (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) or a change in the system under which the role of the Hong Kong currency is lined to that of the currency of the US or the Renminbi is linked to any foreign currency in or affecting any Relevant Jurisdictions; or

## UNDERWRITING

- (iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Tokyo Stock Exchange; or
- (iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), London, the PRC, the European Union, Japan or any Relevant Jurisdiction by the relevant competent authority, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of the Relevant 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 any Relevant Jurisdictions; or
- (vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, the United States or the European Union (or any member thereof) on any Relevant Jurisdictions; or
- (vii) a change or development involving a prospective change in taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any Relevant Jurisdictions; or
- (viii) a contravention or impending contravention by any member of the Group of the Listing Rules or applicable laws; or
- (ix) any change, prospective change or development involving materialisation of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (x) an order or petition for the winding up 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
- (xi) a valid demand by any creditor for repayment of the Company’s indebtedness or those of any of its subsidiaries or any of its subsidiaries become liable to pay an indebtedness prior to its stated maturity,

which, individually or in the aggregate, in the sole opinion of the Sole Global Coordinator (1) has or will or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or (4) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Sole Global Coordinator:
  - (i) that any statement contained in this prospectus, the Application Forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on

## UNDERWRITING

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 or misleading in any material respect, or that any forecast, expression of opinion, intention or expectation contained in this prospectus, the Application Forms and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is misleading and not based on reasonable assumptions; or

- (ii) 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, the Application Forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
- (iii) any breach of any of the obligations 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
- (iv) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties under the Hong Kong Underwriting Agreement; or
- (v) any material adverse change or development involving a prospective material adverse change in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of any member of the Group as a whole; or
- (vi) any breach of, or any matter or event rendering untrue, incorrect or misleading, in any respect, any of the representations, warranties and undertakings of the Company and the Controlling Shareholders under the Hong Kong Underwriting Agreement; or
- (vii) 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 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
- (viii) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (ix) any material litigation or claim of any third party being threatened or instigated against any member of the Group; or
- (x) 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
- (xi) the chairman or chief executive officer of the Company vacating his or her office; or
- (xii) an Authority or a political body or organisation in any relevant jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or
- (xiii) a prohibition on the Company for whatever reason from issuing, allotting or selling the Shares (including the 50,250,000 additional Shares under the Over-Allotment Option pursuant to the terms of the Global Offering); or
- (xiv) non-compliance of the Hong Kong Prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation; or

## UNDERWRITING

- (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 offer and sale of the Shares) pursuant to the 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 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) that, as a result of market conditions or otherwise, a material portion of the orders in the book-building process at the time the International Underwriting Agreement is entered into, have been withdrawn or cancelled, and the Sole Global Coordinator, in its sole discretion, concludes that it is therefore inadvisable or inexpedient or impractical to proceed with the Global Offering.

### *Undertakings by our Company*

Pursuant to Rule 10.08 of the Listing Rules, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by us 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.

We have undertaken to the Sole Global Coordinator, the Hong Kong Underwriters and the Sole Sponsor that except for the offer and sale of the Offer Shares, pursuant to the Global Offering (including pursuant to the Over-allotment Option) and the grant or exercise of any options and issuance of any Shares under the Share Option Scheme, during the period commencing on 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 Sponsor and the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (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 interest therein (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
- (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 interest therein (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
- (III) enter into any transaction with the same economic effect as any transaction specified in paragraphs (I) or (II) above; or
- (IV) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (I), (II) or (III) above,

## UNDERWRITING

in each case, whether any of the transactions specified in paragraphs (I), (II) or (III) above is to be settled by delivery of Shares or such other securities of the Company, 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). In the event that, during the period of six months commencing on the date on which the First Six-month Period expires (the “Second Six-Month Period”), our Company enters into any of the transactions specified in paragraphs (I), (II) or (III) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

### **Undertakings by our Controlling Shareholders**

Pursuant to Rule 10.07 of the Listing Rules, each of Mr. Wang, Truepath Limited, Red Velvet Holdings Limited, Mr. Wu, True Harmony Limited, Best Harvest Far East Limited, Magic Flute Holdings Limited, Widescope Holdings Limited and Elegant Eagle Investments Limited, who are our Controlling Shareholders, and Credit Suisse Trust Limited (as trustee of each of the Truepath Trust, the Widescope Trust and the True Harmony Trust), who is the respective associate of our Controlling Shareholders, has undertaken to the Stock Exchange that (save and except pursuant to the Global Offering (including pursuant to the Stock Borrowing Agreement) or the Over-allotment Option) without the prior written consent of the Stock Exchange or unless otherwise in compliance with applicable requirements of the Listing Rules:

- (i) he/she will not, at any time during the First Six-Month Period, 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 in respect of which he/she is shown by this prospectus to be the beneficial owner; and
- (ii) he/she will not, at any time during the Second Six-Month Period, 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, he/she would cease to be a controlling shareholder of our Company.

Note (2) of Rule 10.07 of the Listing Rules provides that Rule 10.07 does not prevent a controlling shareholder from using the Shares owned by him/her as security (including a charge or a pledge) 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.

Each of Mr. Wang, Truepath Limited, Red Velvet Holdings Limited, Mr. Wu, True Harmony Limited, Best Harvest Far East Limited, Magic Flute Holdings Limited, Widescope Holdings Limited and Elegant Eagle Investments Limited, who are our Controlling Shareholders, and Credit Suisse Trust Limited (as trustee of each of the Truepath Trust, the Widescope Trust and the True Harmony Trust), who is the respective associate of our Controlling Shareholders, has also undertaken to the Company, the Sole Global Coordinator and the Hong Kong Underwriters that (except pursuant to the Global Offering (including pursuant to the Over-Allotment Option if applicable) and any stock lending arrangements agreed between Truepath Limited and the Sole Global Coordinator in connection with the Global Offering) without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and the Sole Sponsor and unless in compliance with the requirements of the Stock Exchange:

- (i) it will not, at any time during the First Six-Month Period, (A) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to 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

## UNDERWRITING

the Company or any interest therein (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, 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 interest therein (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 (C) enter into any transaction with the same economic effect as any transaction specified in (A) or (B) above, or (D) offer to or agree to or announce any intention to effect any transaction specified in (A), (B) or (C) above, whether in each case, 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 in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);

- (ii) it will not, during the Second Six-Month Period, enter into any of the transactions specified in (i)(A), (B) or (C) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a “controlling shareholder” (as the term is defined in the Listing Rules) of the Company; and
- (iii) until the expiry of the Second Six-Month period, in the event that it enters into any of the transactions specified in (i)(A), (B) or (C) above or offer to or agrees to or announce any intention to effect any such transaction, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

Each of Mr. Wang, Truepath Limited, Red Velvet Holdings Limited, Mr. Wu, True Harmony Limited, Best Harvest Far East Limited, Magic Flute Holdings Limited, Widescope Holdings Limited and Elegant Eagle Investments Limited, who are our Controlling Shareholders, and Credit Suisse Trust Limited (as trustee of each of the Truepath Trust, the Widescope Trust and the True Harmony Trust), who is the respective associate of our Controlling Shareholders, has further undertaken to the Company, the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that it will, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date:

- (i) upon any pledge or charge in favour of an authorised 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 the Company beneficially owned by it for a bona fide commercial loan, immediately inform the Company and the Sole Global Coordinator 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 it, 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 the Company will be disposed of, immediately inform the Company and the Sole Global Coordinator in writing of such indications.

### **International Offering**

In connection with the International Offering, it is expected that we and our Controlling shareholders will enter into the International Underwriting Agreement with the Sole Global Coordinator for itself 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 Offering Shares being offered pursuant to the International Offering or procure purchasers for such International Offering Shares.

It is expected our Company will grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator for itself and 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 our Company

## UNDERWRITING

to issue and allot up to an aggregate of 50,250,000 additional Shares, together representing approximately 15% of the initial Offer Shares, at the Offer Price, among other things, to cover over-allocations in the International Offering, if any.

### **Commission and expenses**

The Hong Kong Underwriters will, and the International Underwriters are expected to, receive an underwriting commission of 3.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares and the International Offer Shares, respectively, in accordance with the terms of the Underwriting Agreements; provided however, the Joint Bookrunners shall be entitled to a minimum underwriting commission of US\$5 million in respect of the Hong Kong Offer Shares and the International Offer Shares. For unsubscribed Hong Kong 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 Hong Kong Underwriters.

Assuming the Over-allotment Option is not exercised, the aggregate commissions and expenses (exclusive of any discretionary incentive fees), including the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Global Offering, are currently estimated to be approximately HK\$64.8 million in aggregate (based on an Offer Price of HK\$1.43 per Share, being the mid-point of the stated price range of the Offer Price between HK\$1.23 and HK\$1.63 per Share) and are payable by us.

### **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.