
UNDERWRITING

UNDERWRITERS

Hong Kong Underwriters

Citigroup Global Markets Asia Limited
Sun Hung Kai International Limited
Haitong International Securities Company Limited

International Underwriters

Citigroup Global Markets Limited
CLSA Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is initially offering 58,000,000 Hong Kong Offer Shares (subject to adjustment) for subscription by way of Hong Kong Public Offering 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 Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions 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 conditions of this Prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

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

- (a) there develops, occurs, happens or comes into effect any change or development involving a prospective change or development, or any event or series of events, matters or circumstances likely to result in or representing a change or development, or prospective change or development concerning or relating to:
 - (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, the PRC, the United States, Canada, any member of the European Union, Japan, the Cayman Islands or any other jurisdiction relevant to the Company and its subsidiaries (each a “Relevant Jurisdiction”); or

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- (ii) any local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, 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 or a devaluation of the Hong Kong dollars) in or 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 or lock-outs (whether or not covered by insurance), 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, accident or interruption or delay in transportation, 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 declaration of a national or international state of emergency or calamity or crisis in or affecting 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 Stock Market, the London Stock Exchange, the Tokyo Stock Exchange or (B) a general moratorium on commercial banking activities in New York, London, Hong Kong 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 the case of either (A) or (B), in or affecting any Relevant Jurisdiction; or
- (vii) any taxation or exchange controls (or the implementation of any exchange control, currency exchange rates or foreign investment regulations) in any Relevant Jurisdiction adversely affecting an investment in the Shares;
- (viii) any change or development involving a change on the condition, financial or otherwise, or in the earnings, business affairs, business prospectus 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 the commencement by any governmental, political or regulatory body of any action against any executive Director in his or her capacity as such or an announcement by any governmental, political or regulatory body that it intends to take any such action;
- (x) any contravention by any member of our Group of the Companies Ordinance, or companies law of Cayman Islands or the Listing Rules; or

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- (xi) 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 is, in the sole opinion of the Sole Global Coordinator, materially adverse to the marketing for or implementation of the Global Offering; or
 - (xii) the occurrence of any events described in any of the risks set out in the section headed “Risk Factors” in this prospectus; or
 - (xiii) any demand by creditors for repayment of indebtedness or 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; or
 - (xiv) any material litigation or claim being threatened or instigated against the Company or any member of the Group or any Director; or
 - (xv) any event, act or omission which gives or may give rise to any liability of the Company, the Controlling Shareholders, or the Selling Shareholder pursuant to the indemnities given by them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or
 - (xvi) any breach of any of the obligations or undertakings of the Company, the Controlling Shareholders, or the Selling Shareholder under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
 - (xvii) 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;
- and which, in any such case and in the sole opinion of the Sole Global Coordinator (for themselves and on behalf of the other Hong Kong Underwriters),
- (A) is or may or will be materially adverse to, or materially and prejudicially affect, the general affairs or management or the business or financial or trading or prospects of our Company and its subsidiaries taken as a whole; or
 - (B) has or may have or will have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or make it impracticable, inexpedient or inadvisable for any part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement, the Hong Kong Public Offering or the International Offering to be performed or implemented as envisaged; or
 - (C) makes or will or may make it impracticable, inexpedient or inadvisable to proceed with or to market the Hong Kong Public Offering and/or the International Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the Application Forms, the formal notice or the offering circular in relation to the Global Offering; or

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- (D) would have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents 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 or any of the Hong Kong Underwriters:
 - (i) that any statement contained in this prospectus, the Application Forms, the formal notice and any announcements in the agreed form issued by our Company in connection with the Hong Kong Public Offering (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) either (i) there has been a breach of any of the representations, Warranties, undertakings or provisions given by the Company, or any of the Controlling Shareholders, or the Selling Shareholder in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or (ii) any of the representations, Warranties, undertakings or provisions given by the Company, or any of the Controlling Shareholders, or the Selling Shareholder in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or might when repeated be) being untrue or misleading or inaccurate in any respect; or
 - (iii) any of our reporting accountants, our property valuer, our independent technical consultant, our independent industry consultant, our independent industry association, or any of our counsels in relation to the Global Offering, 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
 - (iv) approval in principle from the Hong Kong Stock Exchange for the listing of, and permission to deal in the Shares, including any additional Shares sold pursuant to the exercise of the Over-allotment Option, the Shares in issue on the Hong Kong Stock Exchange and any Shares which may be issued upon exercise of options granted and to be granted pursuant to the share option schemes adopted by the Company, is refused or not granted, other than subject to customary conditions imposed by the Hong Kong Stock Exchange in relation to requirements to be satisfied by 8:00 a.m. on the First Dealing Date, on or before the listing approval date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions imposed by the Hong Kong Stock Exchange in relation to requirements to be satisfied by 8:00 a.m. on the First Dealing Date) or withheld; or
 - (v) our Company withdraws any of this prospectus, the Applications Forms, the preliminary offering circular or the final offering circular or the Global Offering;

then the Sole Global Coordinator may, on behalf of the Hong Kong Underwriters, in their sole discretion and upon giving notice to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

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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 Share Option Scheme.

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that, except as pursuant to the Global Offering or any share option schemes of any members of our Group, we will not, without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) (subject to the requirements set out in the Listing Rules) and unless permitted by the Stock Exchange, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date:

- (i) offer, pledge, charge, mortgage, allot, issue, sell, 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 its share capital or other securities or any interests therein (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for or that represent the right to receive such share capital or other securities or any interests therein whether now owned or hereinafter acquired (the “Held Interests”));
- (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 Held Interests; 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 or contract to, or publicly announce any intention to enter into, any transaction described in limb (i) (ii) or (iii) above; whether any such transaction described in (i), (ii) or (iii) above is to be settled by delivery of such Held Interests, in cash or otherwise.

Each of our Controlling Shareholders has undertaken with each of the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that, except pursuant to (A) the Global Offering, (B) the Over-allotment Option, (C) any share option schemes of any members of our Group, (D) if applicable, stock borrowing arrangements that may be entered into with the Stabilizing Manager (or its agent), or (E) any transfer of Shares from the Controlling Shareholders to MS China 3 pursuant to the exchange of the exchangeable note held by MS China 3 in the manner referred to in the “History and Corporate Development — The Exchangeable Note” section in this prospectus, our Controlling Shareholder will not, without the prior written consent of the Sole Global Coordinator (on behalf of the Hong Kong Underwriters) and unless permitted by the Stock Exchange, at any time:

- (i) offer, pledge, charge, mortgage, allot, issue, sell, 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

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of its share capital or other securities or any interests therein (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for or that represent the right to receive such share capital or other securities or any interests therein whether now owned or hereinafter acquired, owned directly by any Controlling Shareholders (including holding as a custodian) or with respect to which such Controlling Shareholder has beneficial ownership (the “Controlling Shareholder Lock-up Shares”). The foregoing restriction is expressly agreed to preclude any Controlling Shareholder 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 such Controlling Shareholder Lock-up Shares even if such Shares would be disposed of by someone other than a Controlling Shareholder. 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 such Controlling Shareholder Lock-up Shares or with respect of any security that includes, relates to, or derives any significant part of its value from such 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 such Controlling Shareholder Lock-up Shares; 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 or contract to, or publicly announce any intention to enter into, any transaction described in limb (i), (ii) or (iii) above; whether any such transaction described in (i), (ii) or (iii) above is to be settled by delivery of such Controlling Shareholder Lock-up Shares, in cash or otherwise.

Notwithstanding the foregoing, and subject to compliance with Rule 10.07(1) of the Listing Rules, a Controlling Shareholder may transfer (i) the Controlling Shareholder Lock-up Shares with the prior written consent of the Sole Global Coordinator; and (ii) the share capital of the Company to any wholly-owned subsidiary of such corporation, provided that in such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such capital stock subject to the provisions of the Hong Kong Underwriting Agreement and there shall be no further transfer of such capital stock except in accordance with the agreement, and provided further that any such transfer shall not involve a disposition for value.

The lock-up period will commence on the date of the Hong Kong Underwriting Agreement up to and including the date falling thirty-six months from the Listing Date.

Similar undertakings are expected to be given by us and our Controlling Shareholder and the Selling Shareholder to the International Underwriters under the International Underwriting Agreement.

In accordance with Rule 10.07(1)(a) of the Listing Rules, our Controlling Shareholder has 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,

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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 the Company. 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.

Our Controlling Shareholder 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 the 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 the 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 the 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 Shareholder 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 Shareholder or its shareholders.

MS. China 3 has agreed and undertaken with the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that it will not, without the prior written consent of the Sole Global Coordinator, at any time during the First Six-month Period:

- (i) offer, pledge, charge, sell, lend, mortgage, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend, 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), either directly or indirectly, conditionally or unconditionally, any of the share or debt capital or other securities of the Company or any interest therein (including, but not limited to any securities 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 or indirectly by MS China 3 (including holding as a custodian by any of them) or with respect to which MS China 3 has beneficial ownership (collectively the “Investor Lock-up Shares”) (the foregoing restriction is expressly agreed to preclude MS China 3 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 Investor Lock-up Shares even if such Shares would be disposed of by someone other than MS China 3. 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 Investor 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

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- (ii) enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such capital or securities or any interest therein; or
- (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or
- (iv) offer, 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.

Notwithstanding the foregoing, MS China 3 may transfer the Lock-up Shares with the prior written consent of the Sole Global Coordinator. In addition, notwithstanding the foregoing, MS China 3 may transfer without the written consent of the Sole Global Coordinator the share capital of the Company to any wholly-owned subsidiary of MS China 3, provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such capital stock subject to the provisions of the deed of lock-up and there shall be no further transfer of such capital stock except in accordance with the deed of lock-up, and provided further that any such transfer shall not involve a disposition for value.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with the Selling Shareholder, 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 Hong Kong Underwriting Agreement. Potential investors are 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, the Company will give undertakings similar to those given pursuant to the Hong Kong Underwriting Agreement as described in “— Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings.”

Under the International Underwriting Agreement, the Selling Shareholder expects 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 Hong Kong Public Offering, to require the Selling Shareholder to sell up to an aggregate of 87,000,000 Sale Shares, representing in aggregate approximately 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be sold at the Offer Price.

It is expected that each of our Controlling Shareholders and MS China 3 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 the

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Company for a period similar to such undertakings given by it pursuant to the Hong Kong Underwriting Agreement, which is described in “— Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings.”

Underwriting Commission and Expenses

The Hong Kong Underwriters will receive a gross commission of 3.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering. 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. The commissions payable to the Underwriters, the SFC transaction levies, Stock Exchange trading fees, and the seller's stamp duties in respect of the Offer Shares will be borne by the Company and the Selling Shareholder in relation to the New Shares to be issued in relation to the Global Offering and the Sale Shares to be offered in the Global Offering respectively. The Company and the Selling Shareholder may also in the Company's sole discretion pay the Sole Global Coordinator an additional incentive fee of up to 1.0% of the Offer Price multiplied by the total number of Offer Shares. We will bear legal and other professional fees and other expenses relating to the Global Offering, which in aggregate are estimated to be approximately HK\$64 million.

Hong Kong Underwriters' Interests in the Company

Save as disclosed in this Prospectus and other than pursuant to the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding in any member of our Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

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