
UNDERWRITING

SOLE BOOKRUNNER AND SOLE LEAD MANAGER

China Everbright Securities (HK) Limited

UNDERWRITERS FOR THE GLOBAL OFFERING

Hong Kong Underwriters

China Everbright Securities (HK) Limited
Daewoo Securities (Hong Kong) Limited
First Shanghai Securities Limited
VC Brokerage Limited

International Placing Underwriters

China Everbright Securities (HK) Limited
Daewoo Securities (Hong Kong) Limited
First Shanghai Securities Limited
VC Brokerage Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Public Offer, our Company is offering the Hong Kong 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, our Shares in issue and our Shares to be issued 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 Offer Shares which are being offered but are not taken up under the Hong Kong Public Offer on the terms and subject to the conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement. The Hong Kong Offer Shares are fully underwritten pursuant to the Hong Kong Underwriting Agreement.

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Grounds for termination

The respective obligations of the Hong Kong Underwriters to subscribe for, or procure subscribers for, the Hong Kong Offer Shares are subject to termination. The Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) shall be entitled to terminate their obligations under the Hong Kong Underwriting Agreement upon the occurrence of any of the following events by notice in writing to our Company given by the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (the “Termination Time”) if prior to the Termination Time,

- (a) there comes to the notice of the Sole Global Coordinator or any of the Hong Kong Underwriters:
 - i. that any statement contained in this prospectus and the Application Forms (the “Hong Kong Public Offer Documents”), the formal notice in the agreed form required to be published in connection with the Hong Kong Public Offer in certain newspapers under Chapter 12 of the Listing Rules (the “Formal Notice”) and any announcements issued by our Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respects, or that any forecasts, expressions of opinion, intention or expectation expressed in the Hong Kong Public Offer Documents, the Formal Notice and/or any announcements issued by the Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) are not fair and honest and based on reasonable assumptions, when taken as a whole; 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 and having not been disclosed in this prospectus, constitute a material omission herefrom; or
 - iii. any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement (other than on any of the Hong Kong 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 pursuant to clause 9 of the Hong Kong Underwriting Agreement; or
 - v. any material adverse change or development involving a prospective change (whether permanent or not) in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any member of our Group; or

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- vi. any breach of, or any event rendering untrue or incorrect in any of the warranties set out in the Hong Kong Underwriting Agreement in any material respects; or
 - vii. approval by the Listing Committee of the listing of, and permission to deal in, our Shares to be issued (including any additional Shares that may be issued 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
 - viii. our Company withdraws this prospectus (and any other documents used in connection with the contemplated subscription of our Shares) or the Global Offering;
- (b) there shall develop, occur, exist or come into effect:
- i. commotion, riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, accident or interruption or delay in transportation or acts of terrorism or any state of emergency or calamity or crisis in or affecting Hong Kong, the PRC, or any other jurisdiction related to any member of our Group); or
 - ii. any change or development involving a prospective change or development, or any event or series of events or results, likely to result in or represents any change or prospective change, or development involving a prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions or any monetary or trading settlement system or matters and/or disaster (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States, imposition or declaration of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, or a material devaluation of Hong Kong dollars or the Renminbi against any foreign currencies, or any moratorium on banking activities or disruption in commercial banking activities or foreign exchange or securities settlement or clearance services or procedures in or affecting Hong Kong, the PRC, or any other jurisdiction relevant to any member of the Group) in or affecting Hong Kong, the PRC, or any other relevant jurisdiction which may materially affect the operation of our Group; or
 - iii. 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), the PRC or any other jurisdiction relevant

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which may materially affect the operation of the Group, or there is a material disruption in commercial banking or securities settlement or clearance services in those places; or

- iv. any new law or regulation or 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 Hong Kong, the PRC, or any other relevant jurisdiction which may materially affect the operation of our Group; or
- v. the imposition of economic or other sanctions, in whatever form, directly or indirectly, by, or for Hong Kong, the PRC or any other relevant jurisdiction which may materially affect the operation of our Group; or
- vi. a change or development occurs involving a prospective change in Taxation or exchange control, currency exchange rates or foreign investment regulations (or the implementation of any exchange control) in Hong Kong, the PRC, or any other relevant jurisdiction which may materially affect the operation of our Group and adversely affecting an investment in our Shares; or
- vii. any litigation or claim of any third party being threatened or instigated against any member of our Group; or
- viii. 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
- ix. the commencement by any regulatory body or organisation of any action against a Director or an announcement by any regulatory body or organisation that it intends to take any such action; or
- x. a contravention by any member of our Group of the Companies Ordinance, the SFO, or any of the Listing Rules; or
- xi. a prohibition on our Company for whatever reason from allotting our Shares (including the Over-allotment Option Shares) pursuant to the terms of the Global Offering; or
- xii. non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription for the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation; or

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- xiii. other than with the approval of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters), the issue or requirement to issue by our Company of a supplementary prospectus (or any other documents used in connection with the contemplated subscription for our Shares) pursuant to the Companies Ordinance or the Listing Rules; or
- xiv. a petition is presented or an order is made 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 material member of our Group; or
- xv. any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting Hong Kong, the PRC, or any other relevant jurisdiction which may materially affect the operation of our Group; or
- xvi. any loss or damage sustained by any member of our Group;

which, in any such case and in the sole opinion of the Sole Global Coordinator:

- (a) is or is likely or will individually or in aggregate have a material adverse effect on the business, financial condition or trading position or prospects of our Group as a whole; or
- (b) is or is likely or has or will have a material adverse effect on the success of the Hong Kong Public Offer or the Global Offering or the level of applications under the Hong Kong Public Offer or the level of interest under the International Placing; or
- (c) is or will or is likely to make it inadvisable or inexpedient or impracticable for Hong Kong Public Offer and/or the Global Offering to proceed or to market the Hong Kong Public Offer and/or the Global Offering; or
- (d) would or is or will or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement or the Global Offering (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.

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International Placing

In connection with the International Placing, it is expected that our Company together with the Controlling Shareholders, Sure Port, Ansen, Silver Coin, Mr. Ting Yian Ann and Mr. Chong Yat Chin (collectively the “Covenantors”) will enter into the International Underwriting Agreement with the International Underwriters. It is expected that upon the entering into the International Underwriting Agreement, the International Placing will be fully underwritten.

Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters are expected to severally agree to subscribe or procure purchasers for, or failing which, to purchase, the International Placing Shares initially being offered pursuant to the International Placing. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall 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 and the Covenantors will make similar undertakings as those given pursuant to the Hong Kong Underwriting Agreement as described in the section headed “Undertakings” below.

Commissions and expenses

The Underwriters will receive a commission of 2.6% of the aggregate Offer Price of the Offer Shares. In consideration of the Sponsor’s services in sponsoring the Global Offering, the Sponsor will also receive a financial advisory fee. Such fee and commission, together with the Stock Exchange listing fee, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Global Offering which are currently estimated to be approximately HK\$28.1 million in aggregate (based on an Offer Price of HK\$1.20 per Share, being the mid-point of the range of the Offer Price between HK\$1.00 and HK\$1.40 per Share and the assumption that the Over-allotment Option is not exercised), are to be borne by us.

Undertakings

Each of the Controlling Shareholders has given an undertaking to each of the Company, the Sole Global Coordinator and the Hong Kong Underwriters that except as disclosed in this prospectus:

- (a) at any time during the period from the date of this prospectus and ending on the date which is six months from the Listing Date (the “First Six-month Period”), he/it shall not, and shall procure that the relevant registered holder(s) and his/its associates and companies controlled by him/it and any nominee or trustee holding in trust for himself/itself shall not, without the prior written consent of the Sole Global Coordinator and unless as a result of any exercise of the Over-allotment Option or otherwise in compliance with the requirements of the Listing Rules, (a) 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

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warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of our Shares or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or such securities; 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 such Shares, whether any of the foregoing transactions is to be settled by delivery of Shares or such other securities, in cash or otherwise; (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (a) or (b) above; or (d) announce any intention to enter into or effect any of the transactions referred to in paragraphs (a), (b) or (c) above;

- (b) he/it shall not, and shall procure that the relevant registered holder(s) and his/its associates or companies controlled by him/it and any nominee or trustee holding in trust for himself/itself shall not, without the prior written consent of the Sole Global Coordinator at any time during the period of six months commencing on the date on which the First Six-month Period expires (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 Shares held by him/it or any of his/its associates or companies controlled by him/it or any nominee or trustee holding in trust for himself/itself if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be controlling shareholder (as defined in the Listing Rules) of the Company or the aggregate interest of all members of the Controlling Shareholders would be less than 30 per cent. of our Company’s issued share capital; and
- (c) in the event of a disposal of any Shares or securities of our Company or any interest therein during the Second Six-month Period he/it shall take all reasonable steps to ensure that such a disposal shall not create a disorderly or false market for the Shares or other securities of our Company;

except for using securities of our Company beneficially owned by the Controlling Shareholders as security (including a charge or pledge) in favour of any authorised institution (as defined in the Banking Ordinance of the laws of Hong Kong) for a bona fide commercial loan or such other circumstances as permitted under the Listing Rules.

Each of the Controlling Shareholders has given an undertaking to the Company, the Sole Global Coordinator and the Hong Kong Underwriters that he/it will, at any time within the period commencing on the date of this prospectus and ending on the date which is 12 months after the Listing Date:

- (a) if and when he or it pledges or charges, directly or indirectly, any Shares or other securities of our Company beneficially owned by him or it (or any beneficial interest therein), immediately inform our Company and the Sole Global Coordinator in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and

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- (b) if and when he or it receives indications, either verbal or written, from any pledgee or chargee that any Shares or other securities in our Company (or any beneficial interest therein) pledged or charged by him or it will be disposed of, immediately inform our Company and the Sole Global Coordinator in writing of such indications.

Our Company will notify the Stock Exchange as soon as we have been informed of such event and shall make a public disclosure by way of announcement in accordance with the Listing Rules.

Our Company undertakes to the Sole Global Coordinator and the Hong Kong Underwriters and our Company, each of the Controlling Shareholders, Ansen, Silver Coin, the Executive Director undertakes to Sole Global Coordinator and the Hong Kong Underwriters to procure that, without the prior written consent of the Sole Global Coordinator and subject always to the requirements of the Stock Exchange, save pursuant to the Global Offering, the Capitalisation Issue, the exercise of the subscription rights attaching to the Over-allotment Option, the grant of any option under the Share Option Scheme, neither our Company nor any of its subsidiaries from time to time shall:

- (a) offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of its subsidiaries), either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to effect any such transaction during the First Six-Month Period;
- (b) except for using securities of our Company beneficially owned by the Controlling Shareholders as security (including a charge or pledge) in favor of any authorised institution (as defined in the Banking Ordinance of the laws of Hong Kong) for a bona fide commercial loan or such other circumstances as permitted under the Listing Rules, not at any time during the First Six-month Period, issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein of our Controlling Shareholders (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of our Company) or repurchase any Shares or securities of our Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of our Company or agree to do any of the foregoing except pursuant to the Global Offering, the Capitalisation Issue or the exercise of the subscription rights attaching to the Over-allotment Option, the grant of options under the share option scheme of our Company adopted from time to time;

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- (c) not at any time within the Second Six-month Period do any of the acts set out in paragraphs (a) and (b) above such that the Controlling Shareholders together, directly and indirectly, would cease to be a controlling shareholder of the Company (within the meaning defined in the Listing Rules); and
- (d) not at any time during the First Six-month Period purchase any of the outstanding share capital of our Company.

SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sole Lead Manager and the other Underwriters will receive an underwriting commission of 2.6% of the aggregate Offer Price payable for the Offer Shares. Particulars of these commissions and expenses are set forth in the section headed "Commissions and expenses" above.

Save as disclosed above, none of the Sole Global Coordinator and the Underwriters is interested legally or beneficially in shares of any of our Group's 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 its members nor any interest in the Global Offering.

MINIMUM PUBLIC FLOAT

Our Directors and the Sole Global Coordinator will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Global Offering.