
UNDERWRITING

HONG KONG UNDERWRITERS

Joint Lead Managers

CCB International Capital Limited

Guotai Junan Securities (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Morgan Stanley Asia Limited is the Sole Sponsor. Neither Morgan Stanley Asia Limited nor any of its Affiliates is an underwriter for this Global Offering and therefore does not and shall not have any obligation to underwrite any of the Hong Kong Offer Shares or the International Offer Shares under any circumstances.

(1) Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement entered into among us, the Controlling Shareholders, the Sole Global Coordinator and the Hong Kong Underwriters (among others), we are offering 20,000,000 Hong Kong Offer Shares (subject to adjustment) for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price.

Subject to (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering and the Capitalization Issue, and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement being satisfied (or, as the case may be, waived), the Hong Kong Underwriters have severally agreed to apply or procure applications, on the terms and conditions of this prospectus and the related Application Forms, for the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering.

The Hong Kong Underwriting Agreement is conditional on and subject to the International Underwriting Agreement having been signed and becoming unconditional.

Grounds for termination

The Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, upon joint determination and by giving notice to our Company, jointly terminate the Hong Kong Underwriting Agreement with immediate effect and the obligations of the Hong Kong Underwriters to subscribe or procure subscriptions for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement will terminate, if at any time prior to 8:00 a.m. on the Listing Date:

- (1) there has been a breach of any of the warranties under the Hong Kong Underwriting Agreement (“**Warranties**”) or there has been a breach by any of the Company, the Controlling Shareholders or the executive Directors of the Company (“the **Warrantors**”) of any of the provisions of the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

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- (2) any documents required to be delivered prior to 8:00 a.m. on the Listing Date under the Hong Kong Underwriting Agreement have not been delivered to the Sole Sponsor and the Sole Global Coordinator, or
- (3) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, result in a misstatement in, or constitute an omission from, any of the prospectus, the Web Proof Information Pack, the Application Forms, the formal notice and/or in any announcements issued by our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
- (4) any statement contained in any of this prospectus, the Web Proof Information Pack, the Application Forms, the formal notice and/or in any announcements issued by our 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 respect, or any estimate, forecast, expression of opinion, intention or expectation contained in any of the prospectus, the Application Forms and/or any announcements, issued by our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair, honest and based on reasonable assumptions; or
- (5) there shall have occurred any event, act or omission which gives or is likely to give rise to any liability of any of the Warrantors pursuant to the indemnities referred to in the Underwriting Agreements; or
- (6) there shall have been any 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
- (7) there shall have been any material adverse change or development involving a prospective material adverse change in the assets, liabilities, conditions, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, condition or position, financial or otherwise, or performance, of any member of our Group; or
- (8) our Company withdraws the prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (9) there shall have been any non-compliance of the prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws or regulations; or
- (10) other than with the approval of the Sole Sponsor and the Sole Global Coordinator, there shall have occurred or arisen the issuance or requirement of our Company to issue a supplementary prospectus, Application Forms, preliminary or final offering circular pursuant to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or the

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Listing Rules in circumstances where the matter to be disclosed is, in the opinion of the Sole Sponsor and/or the Sole Global Coordinator adverse to the marketing for or the implementation of the Global Offering; or

- (11) there is an order or petition for the winding up or liquidation of any member of our Group with substantive business operations or any composition or arrangement made by any such member of our Group with its creditors or a scheme of arrangement entered into by any such member of our Group or any resolution for the winding up of any such member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any such member of our Group or anything analogous thereto occurring in respect of any such member of our Group; or
- (12) there is a valid demand by any creditor for repayment of our Company's indebtedness or those of any of its subsidiaries or our Company or any of its subsidiaries becomes liable to pay an indebtedness prior to its stated maturity; or
- (13) any action of any third party being threatened or instigated against any member of the Group which has or may have a material impact on our Group as a whole; or
- (14) any Director shall have been charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (15) any authority or political body or organisation shall have commenced any action, or announced an intention to take any action, against any Director or any member of our Group which has or may have a material impact on our Group as a whole; or
- (16) any prohibition on our Company or the Selling Shareholder for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including any of the Sale Shares to be sold upon the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering shall have arisen; or
- (17) the chairman or chief executive officer of our Company shall have vacated his office; or
- (18) there shall have occurred any contravention by any member of our Group of the Companies Ordinance, the Listing Rules or any applicable laws or regulations; or
- (19) there shall have developed, occurred, happened or come into effect any event or series of events, matters or circumstances concerning or relating to:
 - (i) any 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, political, economic, military, industrial, fiscal, regulatory, currency or market conditions or equity securities or stock or other financial market conditions or any monetary or trading settlement system (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States

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or re-valuation of the RMB against any foreign currencies) in Hong Kong, Cayman Islands, the British Virgin Islands, the United States, the PRC, the European Union, the United Kingdom or Japan or any other jurisdiction considered by the Sole Sponsor and the Sole Global Coordinator to be relevant (each a “**Relevant Jurisdiction**”); or

- (ii) any new law or any change or development involving a prospective change in existing laws or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in any Relevant Jurisdiction; or
- (iii) any event or series of events, in the nature of force majeure affecting any Relevant Jurisdiction including, without limiting the generality thereof, any acts of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism (whether or not responsibility has been claimed), or declaration of a national or international emergency or war, riot, public disorder, civil commotion, volcanic eruptions, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease or epidemics (including, without limitation, Severe Acute Respiratory Syndrome (SARS), H5N1, H1N1 or swine or avian influenza and such related/mutated forms) or accident or interruption or delay in transportation, calamity, crisis, strike or lock-out (whether or not covered by insurance); or
- (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the NASDAQ Global Market, the London Stock Exchange or the Tokyo Stock Exchange or any suspension of trading of any of the securities of our Company on any exchange or over-the-counter market or any major disruption of any securities settlement or clearing services in any Relevant Jurisdiction or on commercial banking activities in any Relevant Jurisdiction, due to exceptional financial circumstances or otherwise; or
- (v) a change or development involving a prospective change in taxation, exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment regulations (including without limitation a material devaluation of the Hong Kong dollar, the Euro, the Japanese yen, the Renminbi, the United States dollar or the British pound sterling against any foreign currencies and any disruptions in monetary, trading or securities settlement or clearance services, procedures or matters) in any Relevant Jurisdiction;

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which, individually or in the aggregate, in the opinion of the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (i) is, will, or is likely to result in a material adverse change; or
- (ii) has, will have or is likely to have a material adverse impact on the success of the Hong Kong Public Offering or the Global Offering or the level of Offer Shares applied for, accepted, subscribed for or purchased, or on the distribution of the Offer Shares or dealings in the Shares in the secondary market; or
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Hong Kong Public Offering and/or the International Offering on the terms and in the manner contemplated in the offer documents; or
- (iv) has, will or is likely to 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.

Pursuant to the terms of the Hong Kong Underwriting Agreement, such agreement will be automatically terminated, the obligations of the Hong Kong Underwriters to subscribe or procure subscriptions for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement will terminate, and the Listing will not proceed, if all or any of the Pledges (excluding the personal guarantees provided by Mr. Liu and the pledges over the entire issued share capital of Wangji Limited pursuant to the Pre-IPO Notes or the Pre-IPO Warrants (where applicable)) have not been effectively discharged or released in accordance with the provision of the Hong Kong Underwriting Agreement prior to 8:00 a.m. on the Listing Date.

(2) International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into an International Underwriting Agreement with, among others, the Controlling Shareholders, the Sole Global Coordinator and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters to be named therein, subject to certain conditions, will agree severally to purchase, or procure purchasers for, the International Offer Shares being offered pursuant to the International Offering.

It is expected that the Selling Shareholder shall grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator (on behalf of the International Underwriters) from the Listing Date up to 30 days after the last day for lodging Application Forms under the Hong Kong Public Offering, to require the Selling Shareholder to sell up to an aggregate of 30,000,000 existing Shares, representing in aggregate 15.0% of the Offer Shares initially available under the Global Offering at the Offer Price, among other things, to cover over-allocations, if any, in the International Offering.

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(3) Undertakings in Respect of the Global Offering

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that 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 effectuate 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 circumstances as prescribed under Rule 10.08 of the Listing Rules.

Under the Hong Kong Underwriting Agreement, we have undertaken to each of the Sole Global Coordinator, the Sole Sponsor and the Hong Kong Underwriters that we will not, except pursuant to the Global Offering, the exercise of the Over-allotment Option, the options granted or which may be granted pursuant the Share Option Scheme and the Pre-IPO Warrants, without the prior written consent of the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

- (a) at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the date on which dealings in the Shares first commence on the Stock Exchange (the “**First Six-Month Period**”):
 - (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, hedge, 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 contract 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 our Company or any member of our Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of our Company or any member of our Group, or deposit Shares with a depository in connection with the issue of depository receipts); 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 any Shares or any other securities of our Company or any member of our Group, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of our Company or any member of our Group); or
 - (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

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- (iv) offer to or agree to, or announce any intention to enter into, any transaction described in paragraphs (i), (ii) or (iii) above,

whether any such transaction described in paragraphs (i) or (ii) or (iii) above is to be settled by delivery of Shares or other securities or such other securities of such member of our Group, as applicable, or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of our Company or shares or such other securities of such subsidiary, as applicable, will be completed within the First Six-Month Period); and

- (b) enter into any of the foregoing transactions in paragraphs (a)(i), (ii) and (iii) above, or offer to or agree to or announce any intention to enter into any such transaction, such that any Controlling Shareholder would cease to be a controlling shareholder of our Company during the six-month period immediately following the First Six-Month Period (the “**Second Six-Month Period**”).

Undertakings by our Controlling Shareholders

In accordance with Rule 10.07(1)(a) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange that except pursuant to the Global Offering, Capitalization Issue, Over-allotment Option, Pre-IPO Warrants and Stock Borrowing Agreement:

- (i) he/it will not, at any time commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus 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, interests or encumbrances in respect of, any of our Shares in respect of which he/it is shown by this prospectus to be the beneficial owner; and
- (ii) he/it will not, at any time during the period of six months from the date on which the period referred to in (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests 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/it 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 beneficially owned by him/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.

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Each of our Controlling Shareholders has further undertaken to the Stock Exchange that he/it will, within the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date:

- (i) when he/it pledges or charges any Shares or other securities or interests in any securities of our Company beneficially owned by him/it in favor of any authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us of such pledge or charge together with the number of such Shares or securities of our Company so pledged or charged; and
- (ii) when he/it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in any securities of our Company will be disposed of, immediately inform us of such indications.

Our Company has agreed and undertaken to the Stock Exchange that upon receiving such information in writing from any of our Controlling Shareholders we shall, as soon as practicable, notify the Stock Exchange and make appropriate disclosures in relation to such information by way of an announcement.

Under the Hong Kong Underwriting Agreement, the Controlling Shareholders have agreed and undertaken that, save for any stock lending arrangements agreed between the Selling Shareholder and the Stabilizing Manager pursuant to the Stock Borrowing Agreement, without the prior written consent of the Sole Sponsor and the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

- (i) during the First Six-Month Period:
 - (a) it will not 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 any encumbrance over, or agree to transfer or dispose of or create any encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of our Company) held by it as of the date of the Hong Kong Underwriting Agreement; 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 any such capital or securities or any interest therein; or
 - (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or

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- (d) offer to or agree to, or announce any intention to enter into, any transaction described in (a) or (b) or (c) above,

whether any such transaction described in (a) or (b) or (c) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within the First Six-Month Period); and

- (ii) during the Second Six-Month Period, it will not enter into any of the foregoing transactions in paragraphs (i)(a) or (b) or (c) above or offer to or agree to or announce any intention to enter into any such transactions 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, any Controlling Shareholder will cease to be a controlling shareholder of our Company; and
- (iii) until the expiry of the Second Six-Month Period, in the event that it enters into any such transactions or offers to or agrees to, or announces an intention to enter into any such transactions, it will take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the securities of our Company.

Each of our Controlling Shareholders has further undertaken to each of us, the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters that, within the period commencing from the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months from the Listing Date:

- (i) if and when he/it pledges or charges any securities or interests in the securities of our Company beneficially owned by him/it, he/it will immediately inform our Company, the Sole Sponsor, and the Sole Global Coordinator in writing of such pledge or charge together with the number of securities so pledged or charged; and
- (ii) if and when he/it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be disposed of, he/it will immediately inform our Company, the Sole Sponsor, and the Sole Global Coordinator in writing of such indications.

Our Company agrees and undertakes to each of us, the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters that upon receiving such information in writing from any of our Controlling Shareholders, we shall, as soon as practicable, notify the Stock Exchange and make appropriate disclosures in relation to such information by way of an announcement.

Undertakings by the two Pre-IPO Investors

On the basis that the aforementioned lock-up undertakings have been given by Mr. Liu, Wangji and Mr. Dong (and his investment vehicles), each of the Pre-IPO Investors has agreed and undertaken to us, the Sole Sponsor, the Sole Global Coordinator and the Underwriters that it will not deal in, directly or indirectly, any Shares transferred to it pursuant to the relevant Pre-IPO Warrant Agreement, at any time during the period of six months from the Listing Date.

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(4) Underwriting Commission and Listing Expenses

The Sole Sponsor will receive a sponsorship fee. The Hong Kong Underwriters will receive an underwriting commission of 3.5% of the aggregate Offer Price payable for 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.

Assuming the Over-allotment Option is not exercised, the aggregate commissions and expenses (including the sponsorship fee, but excluding 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\$95 million in aggregate (based on an Offer Price of HK\$3.63 per Share, being the mid-point of the stated price range of the Offer Price between HK\$3.19 and HK\$4.07 per Share, and the assumption that the Over-allotment Option is not exercised) and are payable by us.

We may also in our sole discretion pay the Sole Global Coordinator an additional incentive fee of 1% of the aggregate Offer Price of the Offer Shares from the Global Offering, including proceeds from the exercise of the Over-allotment Option, which shall be determined before the Price Determination Date.

It is expected that the commissions and expenses arising from or in connection with the transfer of the Sale Shares by the Selling Shareholder upon the exercise of the Over-allotment Option will be borne by the Selling Shareholder only, and not by our Company.

(5) Underwriters' Interests in our Company

Save for its obligations under the relevant underwriting agreement(s) or as otherwise disclosed in the prospectus, none of the Underwriters owns any shares or securities in our Company or any other member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares or securities in our Company or any member of our Group.

Following the 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.

One of the Pre-IPO Investors, namely Hong Jun, is a wholly owned subsidiary of CCB International Asset Management Limited and an Affiliate of the Sole Global Coordinator.