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## UNDERWRITING

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### UNDERWRITERS

#### Placing Underwriters

OSK Securities Hong Kong Limited  
12th Floor  
World-wide House  
19 Des Voeux Road Central  
Hong Kong

ABCI Securities Company Limited  
Unit 1302B, 13th Floor, Fairmont House  
8 Cotton Tree Drive, Central  
Hong Kong

Quam Securities Company Limited  
Room 3208 Gloucester Tower  
The Landmark  
11 Pedder Street, Central  
Hong Kong

Cinda International Securities Limited  
45/F., COSCO Tower  
183 Queen's Road Central  
Hong Kong

#### Public Offer Underwriters

OSK Securities Hong Kong Limited  
12th Floor  
World-wide House  
19 Des Voeux Road Central  
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ABCI Securities Company Limited  
Unit 1302B, 13th Floor, Fairmont House  
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### **PUBLIC OFFER UNDERWRITING ARRANGEMENTS AND EXPENSES**

#### **Public Offer Underwriting Agreement**

Pursuant to the Public Offer Underwriting Agreement, our Company is offering the Public Offer Shares for subscription under the Public Offer on the terms and subject to the conditions set out in this prospectus and the related Application Forms.

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 as mentioned in this prospectus, and (ii) certain other conditions set out in the Public Offer Underwriting Agreement (including, among others, OSK Securities (for itself and on behalf of all the Public Offer Underwriters) and our Company agreeing on the Offer Price), the Public Offer Underwriters have severally agreed to subscribe for or procure subscribers for, on the terms and conditions of this prospectus and the Application Forms, the Public Offer Shares which are being offered but are not taken up under the Public Offer.

#### **Grounds for termination**

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

- (a) there shall have, in the absolute opinion of OSK Securities, developed, occurred, existed or come into effect any event, series of events, matters or circumstances concerning or relating to any of the following:
  - (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the Cayman Islands, the PRC, any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to our Group; or
  - (ii) any change in, or any event or series of events or development resulting or likely to result in any change in the local, national, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects of Hong Kong, the Cayman Islands, the PRC, or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other jurisdiction relevant to our Group; or
  - (iii) any change in the conditions of Hong Kong, the PRC or international equity securities or other financial markets; or

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- (iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (v) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the Cayman Islands, the PRC, or any of the jurisdictions in which our Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or other jurisdiction relevant to our Group; or
- (vi) any change or prospective change in the business or in the financial or trading position or prospects of or results of operations of our Company and/or any member of our Group; or
- (vii) the imposition of economic sanctions or withdrawal of trading privileges, in whatever form, by the US or by the European Union (or any member thereof) on Hong Kong or the PRC; or
- (viii) the imposition or declaration of (i) any suspension or limitation on trading in shares or securities generally on the Stock Exchange, New York Stock Exchange Inc., London Stock Exchange plc, Tokyo Stock Exchange or any other major international securities exchange or (ii) a general moratorium on commercial banking activities or foreign exchange trading or securities settlement or clearing services in the PRC, Hong Kong, New York, London, Japan or any relevant jurisdiction being declared by the relevant authorities; or
- (ix) any outbreak or escalation of hostilities in or affecting any of Hong Kong, the Cayman Islands, the PRC or any of the jurisdictions in which our Group operates, the declaration by any of such jurisdictions of a national emergency or war, or other calamity or crisis in or affecting any of Hong Kong, the Cayman Islands, the PRC or any of the jurisdictions in which our Group operates or event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (x) any loss or damage sustained by our Group (howsoever caused and whether or not the subject of any insurance or claim against any person) which has or could be expected to have a material adverse effect on our Group; or
- (xi) 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 a majority 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

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- (xii) any other change whether or not ejusdem generis with any of the foregoing; or
  - (xiii) any event which makes it inadvisable or inexpedient to proceed with the Share Offer;
- and which, in each case, in the sole opinion of OSK Securities:
- (aa) is or will or is likely to be materially adverse to the business, financial, trading or other conditions or prospects of the Group taken as a whole; or
  - (bb) has or is likely to have a material adverse effect on the success of the Public Offer and/or the Placing or the level of the Placing Shares or Public Offer Shares being applied for or accepted or the distribution of the Offer Shares; or
  - (cc) makes it inadvisable or inexpedient to proceed with the Placing and/or the Public Offer
- (b) there comes to the notice of OSK Securities or any of the Public Offer Underwriters:
- (i) any matter or event showing any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement to be untrue, inaccurate or inaccurate in any respect considered by the OSK Securities (for itself and on behalf of the Public Offer Underwriters) in its absolute opinion to be material in the context of the Share Offer; or
  - (ii) any of our Controlling Shareholders, our Executive Directors, and/or our Company commits any material breach of, or omits to observe in any material respect, any of the obligations or undertakings expressed to be assumed by them or it under the Public Offer Underwriting Agreement; or
  - (iii) any statement contained in the prospectus or the Application Forms is discovered to be or becomes in the absolute opinion of OSK Securities (for itself and on behalf of the Public Offer Underwriters), untrue, incorrect or misleading in any respect; or
  - (iv) any matter has arisen or been discovered which would in the absolute opinion of OSK Securities (for itself and on behalf of the Public Offer Underwriters), had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom; or
  - (v) any event, act or omission which gives or is likely to give rise to a liability of any of our Executive Directors and our Controlling Shareholders pursuant to the indemnities given under the Public Offer Underwriting Agreement; or
  - (vi) any information, matter or event which, in the absolute opinion of OSK Securities (for itself and on behalf of the Public Offer Underwriters) may lead to an adverse change in the business or in the financial or trading position of any member of our Group;

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and which, in each case, in the sole opinion of OSK Securities (for itself and on behalf of the Public Offer Underwriters):

- (aa) is or will or is likely to be materially adverse to the business, financial, trading or other conditions or prospects of our Group taken as a whole; or
  - (bb) has or is likely to have a material adverse effect on the success of the Public Offer and/or the Placing or the level of the Placing Shares or Public Offer Shares being applied for or accepted or the distribution of the Offer Shares; or
  - (cc) makes it inadvisable or inexpedient to proceed with the Placing and/or the Public Offer.
- (c) the Placing Underwriting Agreement or the Price Determination Agreement shall not have been executed between the Company, the Joint Lead Managers, the Sole Bookrunner and the relevant Placing Underwriters (as the case may be) on or before 23 September 2011 due to any reason whatsoever.

Similar events will be contained in the Placing Underwriting Agreement that may allow OSK Securities to terminate (for itself and on behalf of the Placing Underwriters) their respective obligations thereunder.

## UNDERTAKINGS

Each of C&H Holdings, Mr. Ko and Mrs. Ko has undertaken to our Company, the Stock Exchange, the Sole Sponsor, the Joint Lead Managers and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) that:

- (1) they/it shall not, and shall procure that their/its associates or companies controlled by them/it or any nominee or trustee holding in trust for them/it shall not, sell, transfer or otherwise dispose of (including without limitation the entering into agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of but save pursuant to a pledge or charge as security 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) any of the Shares or securities of our Company owned by them/it or the relevant company, nominee or trustee (including any interest in any shares in any company controlled by them/it which is directly or indirectly the beneficial owner of any of the Shares or securities of our Company) immediately following completion of the Share Offer and the Capitalisation Issue (the “Relevant Securities”) within the First Lock-up Period;
- (2) they/it shall not, and shall procure that their/its associates or companies controlled by them/it or any nominee or trustee holding in trust for them shall not, within the period of a further six months immediately after the expiry of the First Lock-up Period, sell, transfer or otherwise dispose of (including without limitation, the entering into agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of but save pursuant to a pledge or charge as security in favour of an authorised institution (as

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defined is the Banking Ordinance) for a bona fide commercial loan) any of the Relevant Securities, if immediately following such sale, transfer or disposal, C&H Holdings, Mr. Ko and Mrs. Ko, taken as a whole, would cease to be a controlling shareholder (within the meaning in the Listing Rules) of our Company or hold directly or indirectly a controlling interest (being an interest of over 30% or such other amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) in our Company; and

- (3) in the event of any such sale, transfer or disposal of Shares or any such interest referred to in (1) and (2) above, all reasonable steps shall be taken to ensure that such sale, transfer or disposal shall be effected in such a manner so as not to create a disorderly or false market for the Shares.

Each of C&H Holdings, Mr. Ko and Mrs. Ko has also undertaken to our Company, the Stock Exchange, the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf the Public Offer Underwriters) that, within the period commencing on the date of this prospectus and ending on the date which is twelve months from the Listing Date, they/it will:

- (1) when they/it or the registered owner pledges or charges any securities or interests in the securities of our Company beneficially owned by them/it, whether directly or indirectly, in favour of an authorised institution pursuant to Note (2) to Rule 10.07(2) of the Listing Rules immediately inform our Company, the Stock Exchange, the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in writing of such pledge or charge together with the number of securities so pledged or charged; and
- (2) when they/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 sold, transferred or disposed of, immediately inform our Company, the Stock Exchange, the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in writing of such indications.

Our Company will inform the Sole Sponsor, the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and Stock Exchange as soon as practicable after it has been informed of the matters referred to in (1) or (2) above and shall disclose such matters by way of an announcement in compliance with the Listing Rules to the extent required by the Stock Exchange.

Our Company has also undertaken with the Stock Exchange (pursuant to Rule 10.08 of the Listing Rules), the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) that no further Shares or securities convertible into equity securities of our Company (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 for:

- (1) the issue and allotment of Shares, the listing of which has been approved by the Stock Exchange, pursuant to the Share Option Scheme and the Pre-IPO Share Option Scheme; and

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- (2) any capitalisation issue, capital reduction or consolidation or sub-division of Shares.

### **Placing**

In connection with the Placing, it is expected that our Company will enter into the Placing Underwriting Agreement with the Joint Lead Managers, the Sole Sponsor, OSK Securities and the Placing Underwriters on or before 23 September 2011, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above. Under the Placing Underwriting Agreement, the Placing Shares are expected to be fully underwritten by the Placing Underwriters subject to the terms and conditions of the Placing Underwriting Agreement. The Placing Underwriting Agreement will contain events similar to those set out in the sub-paragraph headed “Grounds for termination” above that may allow the OSK Securities (for itself and on behalf of the Placing Underwriters) to terminate their respective obligations thereunder.

### **COMMISSIONS AND EXPENSES**

The Public Offer Underwriters will receive an underwriting commission of 3.0% of the aggregate Offer Price payable for the Offer Shares, out of which they will pay any sub-underwriting commissions. Additionally, the Sole Sponsor will also receive a financial advisory and documentation fee. On the basis of an Offer Price of HK\$0.63 per Offer Share (being the mid point of our indicative price range of the Share Offer) and the total subscription money, the established commissions and expenses relating to the Share Offer including the underwriting commission, the Stock Exchange listing fee, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees (including the fee of the Sole Sponsor), printing, and other expenses relating to the Share Offer, amount to approximately HK\$13.5 million in aggregate payable by our Company out of the proceeds of the Share Offer, thus making the estimated net proceeds of the Share Offer to be approximately HK\$49.5 million.

### **PUBLIC OFFER UNDERWRITERS’ AND SOLE SPONSOR’S INTEREST IN OUR COMPANY**

Save (i) as disclosed in this prospectus and (ii) for their obligations under the Public Offer Underwriting Agreement, none of the Public Offer Underwriters and the Sole Sponsor have any shareholding in our Company or any member of our Group nor any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for or purchase securities in any member of our Group.