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## UNDERWRITING

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### HONG KONG UNDERWRITERS

#### Joint Lead Managers

BNP Paribas Capital (Asia Pacific) Limited  
DBS Asia Capital Limited

#### Co-Manager

Yuanta Securities (Hong Kong) Company Limited  
Pacific Foundation Securities Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Hong Kong Public Offering

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering 25,000,000 Hong Kong Offer Shares for subscription by the public in Hong Kong on, and subject to, the terms and conditions set out in this prospectus and the Application Forms.

Subject to:

- (a) the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus (including an additional 37,500,000 Offer Shares which may be made available pursuant to the exercise of the Over-allotment Option) and such listing and permission not subsequently being revoked; and
- (b) certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed upon between us and the Sole Global Coordinator (on behalf of the Underwriters)),

the Hong Kong Underwriters have agreed severally, and not jointly, to subscribe for, or procure subscribers for, the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement. If, for any reason, the Offer Price is not agreed between us and the Sole Global Coordinator (on behalf of the Underwriters), the Global Offering will not proceed and will lapse.

The Hong Kong Underwriting Agreement is conditioned upon and subject to the International Underwriting Agreement being signed and becoming unconditional.

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### Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares will be subject to termination by notice in writing from the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) if any of the following events occur at or prior to 8:00 a.m. on the Listing Date:

1. there has come to the notice of the Sole Global Coordinator:
  - (i) that any statement contained in this prospectus, the Application Forms, the formal notice and any amendments in the agreed form issued by us in connection with the Hong Kong Public Offering (the "Hong Kong Public Offering Documents") was or has become, untrue, incorrect or misleading, in the sole and absolute opinion of the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters), in any material respect, or any forecast, expression of opinion, intention or expectation expressed in any Hong Kong Public Offering Document is not, in the sole and absolute opinion of the Sole Global Coordinator, in all material respects, 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, constitute an omission therefrom considered by the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters) in its sole and absolute opinion to be material in the context of the Global Offering; or
  - (iii) any breach of any of the obligations imposed upon any party (other than the Sole Global Coordinator, the Sole Sponsor or any of the Hong Kong Underwriters) to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than on the part of any of the Underwriters); or
  - (iv) any event, act or omission which gives or is likely to give rise to any liability of any of Tien-An Lo, Dun-Ching Hung, Chi-Ming Chou, Sino Century, Goyen Investments Ltd, Sparkling Light Corporation and Masco International Corporation (collectively, the "Warrantors") or of us under the Hong Kong Underwriting Agreement considered by the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters) in its sole and absolute opinion to be material in the context of the Global Offering; or
  - (v) any change or development involving a prospective change or development in the conditions, assets, liabilities, business affairs, prospects, profits, losses or the financial or trading position or performance of the Company or any other member of our Group considered by the Sole Global Coordinator (for itself and on behalf of the other Hong Kong Underwriters) in its sole and absolute opinion to be material in the context of the Global Offering; or
  - (vi) that any warranties under the Hong Kong Underwriting Agreement is/or would be when repeated untrue, incorrect or misleading in any material respect; or

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- (vii) that any person (other than the Sole Global Coordinator, the Sole Sponsor or any of the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Hong Kong Public Offering Documents, the preliminary offering circular, the final offering circular and supplemental offering materials thereto (including any other documents published or issued by or on behalf of us or the International Underwriters for the purposes of or in connection with the Global Offering) (the "Offer Documents") or to the issue of any of the Offer Documents; or
2. there develops, occurs, exists or comes into effect:
- (i) any event, or series of events, in the nature of force majeure beyond the reasonable control of the Underwriters (including, without limitation, acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, earthquake, nuclear leakage, volcanic eruption, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases or epidemics including, without limitation, Severe Acute Respiratory Syndrome, Avian influenza (H5N1), swine flu (H1N1) or such related or mutated forms or interruption or delay in transportation) in or affecting any of Hong Kong, the PRC, the United States, Japan, the United Kingdom, the European Union (or any member thereof), Singapore, the Cayman Islands, the British Virgin Islands or any other jurisdictions relevant to any member of our Group (together, the "Specific Jurisdictions"); or
  - (ii) any change or development involving a prospective change, or any event or series of events likely to result in or represent any change or development or a prospective change or development, in local, regional, national, international, financial, economic, political, military, industrial, fiscal, currency, regulatory or market conditions (including without limitation conditions in any stock or bond markets, money and foreign exchange markets and inter-bank markets, or a material development of the Hong Kong dollar or Renminbi against any foreign currencies); or
  - (iii) any new Law or 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 or affecting any of the Specific Jurisdictions; or
  - (iv) any moratorium or suspension or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or Tokyo Stock Exchange; or any general moratorium on commercial banking activities in Hong Kong, New York, Japan, London, the European Union (or any member thereof) or the PRC declared by the relevant authorities or a material disruption in commercial banking or trading or securities settlement or clearance services or procedures in any of the Specific Jurisdictions; or
  - (v) the imposition of economic sanctions, in whatever form, directly or indirectly, by or for or on any of the Specific Jurisdictions; or

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- (vi) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment Laws in any of the Specific Jurisdictions or any change or development involving a prospective change in taxation in any Specific Jurisdiction adversely affecting an investment in the Shares; or
- (vii) any change or development involving a prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or
- (viii) any litigation or claim being threatened or instigated against any member of our Group or any Warrantors or any material contravention of the Hong Kong Companies Ordinance, any Law or any provision of the Listing Rules by any member of our Group; or
- (ix) 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
- (x) our chairman or chief executive officer or chief financial officer vacating his office; or
- (xi) the commencement by any governmental, regulatory or political body or organization of any public action against a Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organization that it intends to take any such action; or
- (xii) a contravention by any member of our Group of the Hong Kong Companies Ordinance or any shares of the Listing Rules or the applicable laws; or
- (xiii) a government or regulatory prohibition on us for whatever reason from allotting the Offer Shares pursuant to the terms of the Global Offering; or
- (xiv) non-compliance of this prospectus, the preliminary offering circular, final offering circular (or any other documents used in connection with the subscription and purchase of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xv) other than with the approval of the Sole Global Coordinator, the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the subscription or sale of the Offer Shares) pursuant to the Hong Kong Companies Ordinance or the Listing Rules; or
- (xvi) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (xvii) any loss or damage sustained by any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or

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(xviii) a petition or an order 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 to take 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,

which in each case or in aggregate in the sole and absolute opinion of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (a) is or will have or is likely to have a materially adverse effect in, or materially and adversely affect, the assets, business, results of operations, prospects, shareholders' equity, position or condition, financial or otherwise of our Company or any of our subsidiaries taken as a whole; or
- (b) has or will have or is likely to have a material adverse effect on the success of the Global Offering; or
- (c) makes or will make or is likely to make it inadvisable or impracticable, for the Hong Kong Public Offering and/or the Global Offering to proceed or the delivery of the Offer Shares on the terms and in the manner contemplated by the Offer Documents to be made; or
- (d) has or will have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting), the Hong Kong Public Offering and/or the Global Offering incapable of performance or implementation envisaged.

### ***Undertakings given to the Hong Kong Stock Exchange pursuant to the Listing Rules***

#### *By us*

We have undertaken to the Hong Kong Stock Exchange that we shall not issue any further Shares or securities convertible into our equity securities (whether or not of a class already listed) or enter into any agreement to issue any such Shares or securities within six months from the date on which Shares first commence dealing on the Hong Kong Stock Exchange (whether or not such issue of Shares will be completed within six months from the commencement of dealing), except in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

#### *By our Controlling Shareholders*

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to us and to the Hong Kong Stock Exchange that except pursuant to the Global Offering, the Over-allotment Option or the Stock Borrowing Agreement, it shall not:

- (a) in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Period"), 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 securities that it is shown to beneficially own in this prospectus (the "Relevant Shares"); or

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- (b) in the period of a further six months commencing on the date on which the First Period 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 the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it will cease to be a controlling shareholder (as defined in the Listing Rules) of the Company.

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

- (a) when it pledges or charges any securities in our Company beneficially owned by it in favor of an authorized institution pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and
- (b) when it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Hong Kong Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Controlling Shareholders and subject to the then requirements of the Listing Rules 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.

### ***Undertakings to the Hong Kong Underwriters***

#### *Undertakings by us*

We have undertaken to the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters that except pursuant to the Global Offering and the exercise of the Over-allotment Option, 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 (the "First Six Months Period"), we will not, without the prior written consent of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) offer, accept subscription for, pledge, lend, assign, mortgage, charge, 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, or repurchase, any of our share capital or other securities of any subsidiary or any securities convertible into or exercisable or exchangeable for or that represent the right to receive, or interests in, such share capital or any derivatives with our Shares or the shares of any subsidiary as underlying securities; 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 share capital or securities or any interest therein; or

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- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above;

whether any of the foregoing transactions described above is to be settled by delivery of share capital or such other securities, in cash or otherwise or publicly disclose that we will or may enter into any transaction described above. We have further agreed that, in the event of an issue or disposal of any Shares or any interest therein during the period of six months immediately following the expiry of the First Six Months Period (the "Second Six Months Period"), we will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of us will, create a disorderly or false market for any of our Shares or other securities.

*By our Controlling Shareholders*

Each of the our Controlling Shareholders has respectively undertaken to us, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters that:

- (i) during the First Six Months 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 him/it shall not, without the prior written consent of the Sole Global Coordinator and unless 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 warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of the Shares or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or such securities (together, the "Relevant 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 the Relevant Securities, whether any of the foregoing transactions is to be settled by delivery of the 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;
- (ii) during the Second Six Months Period, he/it shall not, and shall procure that the relevant registered holder(s) and their respective associates or companies controlled by him/it and any nominee or trustee holding in trust for him/it shall not, without the prior written consent of the Sole Global Coordinator and unless in compliance with the Listing Rules, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Relevant Securities 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 him/it if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be our controlling shareholder (as defined in the Listing Rules) or would together with other Controlling Shareholders cease to be a group of controlling shareholders (as defined in the Listing Rules);
- (iii) in the event of a disposal of any Relevant Securities or our securities or any interest therein within Second Six Months Period, he/it shall take all reasonable steps to ensure that such a disposal shall not create a disorderly or false market for any Shares or our other securities; and

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- (iv) he/it shall, and shall procure that his/its associates and companies controlled by and nominees or trustees holding in trust for him/it shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by him/it or by the registered holder controlled by him/it of any Shares.

Each of the Controlling Shareholders further undertakes to each of us, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters that, from the date of the Hong Kong Underwriting Agreement up to the expiry of the first twelve months from the Listing Date, he or it will:

- (i) when he/it pledges or charges any securities or interests in the Relevant Securities, immediately inform us, the Sole Global Coordinator, the Sole Sponsor and the Joint Bookrunners in writing of such pledges or charges together with the number of securities and nature of interest 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 securities or interests in our securities will be sold, transferred or disposed of, immediately inform us, the Sole Global Coordinator, the Sole Sponsor and the Joint Bookrunners in writing of such indications.

### ***Underwriters' interests in our Group***

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement or as otherwise disclosed in this prospectus, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

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

### ***The Sole Sponsor's Independence***

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

## **International Offering**

### ***International Offering***

In connection with the International Offering, we expect to enter into the International Underwriting Agreement on the Price Determination Date with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally and not jointly, agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering. Please see the section headed "Structure of the Global Offering – The International Offering" in this prospectus for further details.



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Under the International Underwriting Agreement, we intend to grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part at one or more times, at the sole and absolute discretion of the Sole Global Coordinator on behalf of the International Underwriters from the date of the International Underwriting Agreement until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering to require us to issue and allot up to an aggregate of 37,500,000 additional Offer Shares, representing 15% of the Offer Shares initially available under the Global Offering and at the Offer Price, to cover, among other things, any over-allocations in the International Offering, if any.

### **Total Commission and Expenses**

We will pay the Sole Global Coordinator (for itself and on behalf of the Underwriters) an underwriting commission of 2.5% on the aggregate Offer Price of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering (excluding any International Offer Shares reallocated to the Hong Kong Public Offering and any Hong Kong Offer Shares reallocated to the International Offering), out of which the Underwriters will pay all sub-underwriting commission, if any. 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 Sole Global Coordinator and the relevant International Underwriters, but not the Hong Kong Underwriters. In addition, we may, at our discretion, pay to the Sole Global Coordinator for its account and/or any or all of the Underwriters an incentive fee at the rate of not less than 0.8% of the aggregate Offer Price in respect of all the Offer Shares offered under the Global Offering.

Assuming the Over-allotment Option is not exercised and based on an Offer Price of HK\$1.91 per Share (being the mid-point of the stated range of the Offer Price between HK\$1.60 and HK\$2.22 per Share), the aggregate commissions and estimated expenses, together with the Hong Kong Stock Exchange listing fee, SFC transaction levy, Hong Kong Stock Exchange trading fee, legal and other professional fees, printing and other fees and expenses relating to the Global Offering, are estimated to amount in aggregate to approximately HK\$61.7 million in total and are payable by us.

### **Indemnity**

We undertake to indemnify and keep indemnified on demand (on an after-tax basis) and hold harmless each of the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters (for itself and on trust for its directors, officers, employees, agents, assignees and affiliates) from and against certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

### **Restrictions on the Offer Shares**

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. We will ensure or procure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules is made within seven days of the expiration of the stabilizing period.