
UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Quam Securities Company Limited
Cinda International Securities Limited
I-Access Investors Limited
OSK Securities Hong Kong Limited
South China Securities Limited

PLACING UNDERWRITERS

Quam Securities Company Limited
Cinda International Securities Limited
I-Access Investors Limited
OSK Securities Hong Kong Limited
South China Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Underwriting Agreement

Pursuant to the Underwriting Agreement, our Company is initially offering for subscription of 5,000,000 Shares at the Offer Price under the Public Offer, subject to the terms and conditions set forth in this prospectus and the related Application Forms, and 45,000,000 Shares at the Offer Price under the Placing, subject to the terms and conditions as described in this prospectus. The Public Offer Underwriters have agreed severally (and not jointly or jointly and severally), subject to the terms and conditions in the Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares. The Placing Underwriters have agreed severally (and not jointly or jointly and severally), subject to the terms and conditions in the Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Placing Shares.

The Underwriting Agreement is subject to various conditions, which include, but without limitation, (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus; and (ii) the agreement of the final Offer Price being entered into on the Price Determination Date.

Grounds for termination

The obligations of the Underwriters to subscribe for, or procure subscribers to subscribe for, the Offer Shares are subject to termination. The Underwriters are entitled to terminate their obligations under the Underwriting Agreement upon the occurrence of any of the following events by notice in writing to our Company given by any of the Joint Lead Managers (for themselves and on behalf of the 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 Sponsor, any of the Joint Lead Managers or any of the Underwriters:
 - (i) any matter or event showing any of the representations, warranties or undertakings contained in the Underwriting Agreement to be untrue, inaccurate or misleading in any material respect when given or repeated or there has been a breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement or any other provisions of the Underwriting Agreement by any party thereto other than the Sponsor, the Joint Lead Managers and the Underwriters which, in any such cases, is considered, in the sole and absolute opinion of the Joint Lead Managers, to be material in the context of the Share Offer;

UNDERWRITING

- (ii) any statement contained in this prospectus has become or been discovered to be untrue, incorrect or misleading in any material respect;
 - (iii) any event, series of events, matter or circumstances occurs or arises on or after the date of the Underwriting Agreement and before the Termination Time, being events, matters or circumstances which, if it had occurred before the date of the Underwriting Agreement, would have rendered any of the representations, warranties or undertakings contained in the Underwriting Agreement untrue, incorrect or misleading in any material respect, and which is considered, in the sole and absolute opinion of any of the Joint Lead Managers, to be material in the context of the Share Offer;
 - (iv) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the sole and absolute opinion of any of the Joint Lead Managers, a material omission in the context of the Share Offer;
 - (v) any event, act or omission which gives or is likely to give rise to any liability of our Company and any of the warrantors under the Underwriting Agreement arising out of or in connection with the breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement; or
 - (vi) any breach by any party to the Underwriting Agreement other than the Sponsor, the Joint Lead Managers and the Underwriters of any provision of the Underwriting Agreement which, in the sole and absolute opinion of any of the Joint Lead Managers, is material; or
- (b) there shall have developed, occurred, existed, or come into effect any event or series of events, matters or circumstances whether occurring or continuing before, on and/or after the date of the Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs 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 the BVI, the Cayman Islands, Hong Kong, the PRC, the US 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 any other jurisdiction relevant to the business of our Group which is material to the conditions, business affairs, profits, losses or the financial or trading position of any member of our Group or otherwise material in the context of the Share Offer;
 - (ii) any change in, or any event or series of events or development resulting or likely to result in any change in local, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects;
 - (iii) any change in the conditions of Hong Kong, the PRC, the US or international equity securities or other financial markets;
 - (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances or otherwise;

UNDERWRITING

- (v) any change or development involving a prospective change in all forms of taxation or exchange control (or the implementation of any exchange control) in BVI, the Cayman Islands, Hong Kong, 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 the business of our Group;
- (vi) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by the US, the EU (or any member thereof) or any of the jurisdictions in which our Group conducts business on Hong Kong which is material to the conditions, business affairs, profits, losses or the financial or trading position of any member of our Group or otherwise material in the context of the Share Offer;
- (vii) a general moratorium on commercial banking activities in the PRC or Hong Kong declared by the relevant authorities; or
- (viii) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism, strike or lock-out,

which, in the sole and absolute opinion of any of the Joint Lead Managers:

- (i) is or will be, or is very likely to be, adverse, in any material respect, to the business, financial or other conditions or prospects of our Group;
- (ii) has or will have, or is very likely to have, a material adverse effect on the success of the Share Offer or the level of the Offer Shares being applied for or accepted, the distribution of the Offer Shares or the demand for or the market price of our Shares following the Listing; or
- (iii) for any other reason makes it impracticable, inadvisable or inexpedient for the Underwriters to proceed with the Share Offer as a whole.

For the above purpose:

- (i) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US or a devaluation of Renminbi against any foreign currencies shall be taken as an event resulting in a change in currency conditions; and
- (ii) any normal fluctuations in the Hong Kong, the PRC, the US or international equity securities or other financial markets shall not be construed as events or series of events affecting market conditions referred to above.

Commission and expenses

The Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price payable for the Offer Shares in accordance with the terms of the Underwriting Agreement, out of which the Underwriters may pay any sub-underwriting commission in connection with the Share Offer. The Sponsor will also receive a documentation fee. The aggregate fees, together with the underwriting commission, listing fees, legal and other professional fees, printing, translation and other fees and expenses relating to the Share Offer, are estimated to be approximately HK\$23.2 million (based on the Offer Price of HK\$1.30 per Offer Share, being the mid-point of the indicative range of the Offer Price between HK\$1.10 and HK\$1.50), which will be payable by us.

UNDERWRITING

Undertakings

Pursuant to the Underwriting Agreement, each of the Controlling Shareholders has undertaken to and covenanted with our Company, the Sponsor, the Joint Lead Managers and the Underwriters that:

- (i) he/she/it shall not, and shall procure that his/her/its associates or companies controlled by him/her/it or any nominee or trustee holding in trust for him/her/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) for a bona fide commercial loan) any of the Shares or securities of our Company owned by him/her/it or the relevant company, nominee or trustee (including any interest in any shares in any company controlled by him/her/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 period commencing on the Latest Practicable Date and ending six months from the Listing Date (the “**First Six-Month Period**”);
- (ii) he/she/it shall not, and shall procure that his/her/its associates or companies controlled by him/her/it or any nominee or trustee holding in trust for him/her/it shall not, within the period of a further six months immediately after the expiry of the First Six-Month 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 defined in the Banking Ordinance) for a bona fide commercial loan) any of the Relevant Securities, if immediately following such sale, transfer or disposal, the Controlling Shareholders, 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 Takeovers Code as being the level for triggering a mandatory general offer) in our Company; and
- (iii) in the event of any such sale, transfer or disposal of Shares or any such interest referred to in (i) and (ii) 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 the Controlling Shareholders has also undertaken to our Company, the Stock Exchange, the Sponsor and the Joint Lead Managers (for themselves and on behalf of the 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, he/she/it will:

- (i) when he/she/it or the registered owner pledges or charges any securities or interests in the securities of our Company beneficially owned by him/her/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 Sponsor and the Joint Lead Managers in writing of such pledge or charge together with the number of securities so pledged or charged; and

UNDERWRITING

- (ii) when he/she/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 Sponsor and the Joint Lead Managers in writing of such indications.

Our Company will inform the Stock Exchange as soon as practicable after we have been informed of the matters referred to in (i) or (ii) above by any Controlling Shareholder and disclose such matters by way of an announcement in compliance with the Listing Rules.

Our Company has undertaken to and covenanted with the Sponsor, the Joint Lead Managers and the Underwriters and each of the Controlling Shareholders has undertaken to the Sponsor, the Joint Lead Managers and the 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:

- (i) the issue of Shares, the listing of which has been approved by the Stock Exchange, pursuant to the Share Option Scheme; and
- (ii) any capitalisation issue, capital reduction or consolidation or sub-division of Shares.

SPONSOR'S, JOINT LEAD MANAGERS' AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sponsor will receive a documentation fee. The Joint Lead Managers and the other Underwriters will receive an underwriting commission. Particulars of these underwriting commission and expenses are set forth under the paragraph headed "Commission and expenses" above in this section.

We have appointed Quam Capital as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full year commencing after the Listing Date.

Save as disclosed above, none of the Sponsor, the Joint Lead Managers and the Underwriters is interested legally or beneficially in shares of any members of our Group 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 our members nor any interest in the Share Offer.