
UNDERWRITING

LEAD MANAGER

Daiwa Capital Markets Hong Kong Limited

CO-LEAD MANAGERS

First Shanghai Securities Limited
Haitong International Securities Company Limited

CO-MANAGERS

ABCI Securities Company Limited
China Everbright Securities (HK) Limited
Huatai Financial Holdings (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, 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.

The Hong Kong Underwriting Agreement is conditional upon and subject to, amongst others, the International Placing Agreement becoming unconditional and not having been terminated.

Subject to the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus being granted by the Listing Committee of the Stock Exchange and other conditions set out in the Hong Kong Underwriting Agreement (including agreement on the Offer Price between our Company, the Selling Shareholder and the Sole Global Coordinator, on behalf of the Hong Kong Underwriters), the Hong Kong Underwriters have severally agreed to subscribe or procure subscribers, for the Hong Kong Offer Shares.

Grounds for termination

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to the termination by the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) by notice in writing given to our Company if any of the following events shall occur prior to 8:00 a.m. (Hong Kong time) on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
 - (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

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competent authority in the Cayman Islands or the PRC or Hong Kong or South Africa or the US or any other jurisdiction(s) relevant to or any other similar event which in the sole and absolute opinion of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) has or is likely to have material adverse effect on the business or financial conditions or prospects of our Group or which may be expected to adversely affect the business or financial condition or prospects of our Group in a material way; or

- (ii) 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 or international financial, political, military, industrial, economic, currency exchange rates, exchange control, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including but not limited to conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union, Japan or any other relevant jurisdiction; or
- (iii) any suspension or limitation on trading in shares or securities generally on the New York Stock Exchange, the Stock Exchange, Tokyo Stock Exchange, the London Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange or any minimum or maximum prices for trading having been fixed, or maximum ranges for prices having been required, by any of the said exchanges or by such system or by order of any regulatory or governmental authority, or a disruption has occurred in securities settlement, payment or clearance services or procedures in or affecting the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union, Japan or any other relevant jurisdiction; or
- (iv) a change or development occurs involving a change in taxation or exchange control (or the implementation of any exchange control) or foreign investment regulations or currency exchange rates in the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union, Japan or any other relevant jurisdiction; or
- (v) any change or development involving a prospective change in the condition, financial or otherwise, or in the earnings, business affairs, business prospects, trading position or operation of our Company or any member of our Group, or customer confidence or sales of our Group's products, including any action, suit, proceeding, litigation or claim of any third party being threatened or instigated against our Company or any member of our Group, or a request of product withdrawal from the market by a government department or authority; or
- (vi) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or

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- (vii) any moratorium on or disruption in banking activities or foreign exchange trading or settlement or clearance services in or affecting the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union, Japan or any other relevant jurisdiction; or
- (viii) any outbreak or escalation of hostilities (whether or not war is or has been declared) or act for terrorism or other state of emergency or calamity or wide-spread epidemic or political or social crisis involving directly or indirectly the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union, Japan or any escalation thereof, or the declaration by the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union or Japan of a national emergency or war; or
- (ix) any event of force majeure, including without limitation any act of God, war, riot, public disorder, civil commotion, fire, flood, earthquake, explosion, outbreak of disease or epidemic, terrorism (whether or not responsibility has been claimed), labour dispute, strike or lock-out involving directly or indirectly the Cayman Islands, Hong Kong, the PRC, South Africa, the US, the United Kingdom, the European Union or Japan; or
- (x) the imposition of any economic sanctions, in whatever form, directly or indirectly, by Japan, the US, the United Kingdom, the European Union (or any member thereof) on Hong Kong, the PRC, South Africa or any other relevant jurisdictions; or
- (xi) a Director being charged or indicted or detained with an indictable offence or prohibited by operation of law or otherwise disqualified from directorship,

which, in the sole and absolute opinion of the Sole Global Coordinator (for themselves and on behalf of the Hong Kong Underwriters):

- (A) is or may be or is likely to be materially adverse to or materially or prejudicially affect, the business, financial or other condition or prospects of our Company or our Group or, in the case of sub-paragraph (iv), to any present or prospective shareholder of our Company in his/her/its capacity as such; or
- (B) has or might have or is likely to have a material adverse effect on the success of the Hong Kong Public Offer, the International Placing or the Global Offering or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
- (C) makes or will or may make it inadvisable, inexpedient, impracticable or not commercially viable to proceed with or to market the Hong Kong Public Offer, the International Placing or the Global Offering, or for a

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material part of the Hong Kong Underwriting Agreement, the International Placing Agreement, the Hong Kong Public Offering, the International Placing or the Global Offering to be performed or implemented or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus; or

- (b) there comes to the notice of the Sole Global Coordinator any matter or event showing any of the warranties given by our Company, the Controlling Shareholders and the executive Directors in the Hong Kong Underwriting Agreement to be untrue, inaccurate or misleading in any respect which is or, in the sole and absolute opinion of the Sole Global Coordinator, likely to be, material in the context of the Global Offering when given or repeated; or
- (c) there comes to the notice of the Sole Global Coordinator any breach on the part of our Company, the Controlling Shareholders or the executive Directors of any of the provisions of the Hong Kong Underwriting Agreement or the International Placing Agreement; or
- (d) any matter has arisen or has been discovered which would, had it arisen immediately before the date of this prospectus and not having been disclosed in this prospectus, constitute a material omission therefrom; or
- (e) any statement contained in this prospectus, the Application Forms, the formal notice and any announcements in the agreed form issued by our Company in connection with the Global Offering (including any supplement or amendment thereto) was, has or may become untrue incorrect or misleading; or
- (f) there shall have occurred any event, act or omission which gives or is likely to give rise to any liability of a material nature of our Group pursuant to the indemnities referred to in the Hong Kong Underwriting Agreement; or
- (g) a prohibition is imposed on our Company or the Selling Shareholder for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (h) a valid demand by any creditor for repayment or payment of any indebtedness of our Company or any member of our Group or in respect of which our Company or any member of our Group is liable prior to its stated maturity which demand has or could reasonably be expected to have a material adverse effect on our Group taken as a whole; or
- (i) a petition is presented for the winding-up or liquidation of our Company or any member of our Group or our Company 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 our Company or any

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member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any member of our Group or anything analogous thereto occurs in respect of our Company or any member of our Group, which in the sole and absolute opinion of the Sole Global Coordinator, may or is likely to be material in the context of the Global Offering provided that the Sole Global Coordinator shall, to the extent practicable, seek to consult with our Company on the effect of any such development.

Undertakings pursuant to the Hong Kong Underwriting Agreement

By our Company

Our Company undertakes to the Sole Global Coordinator and each of the Hong Kong Underwriters that except pursuant to the Global Offering (including the exercise of the Over-allotment Option and the entering into of the Stock Borrowing Agreement), the Capitalisation Issue and unless in compliance with the requirements of the Listing Rules:

- (a) at any time from the date of the Hong Kong Underwriting Agreement until the expiry of six months from the Listing Date (the “**First Six-Month Period**”), it will not (i) offer, accept subscription for, pledge, charge, allot, issue, lend, sell, mortgage, assign, 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, conditionally or unconditionally, or repurchase any of the Shares or other securities of our Company or any interest therein (including, but not limited to, any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any of the Shares or securities or any interest therein); 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 securities or any interest therein, whether any of the foregoing transactions is to be settled by delivery of such Shares or such other securities, in cash or otherwise;
- (b) in the event of an issue or disposal of any Shares or any interest therein after the date falling six months after the Listing Date, our Company will take all reasonable steps to ensure that such an issue or disposal will not create a disorderly or false market for the Shares; and
- (c) during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), our Company will not issue or grant (conditionally or unconditionally) any options or right to subscribe for or otherwise convert into or exchange for shares or securities in our Company or any of its major subsidiaries so as to result in our Controlling Shareholders (together with any of their associates), either individually or taken together with the others of them, cease to be a controlling shareholder (within the meaning of the Listing Rules) of our Company or cease to hold, directly or indirectly, a controlling interest of 30%

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or more or such lower amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer in any of the companies controlled by him or it or any of their associates which owns any Shares, or our Company ceasing to hold a controlling interest of 30% or more, directly or indirectly, in any of such major subsidiaries (as defined in Chapter 13 of the Listing Rules).

By our Controlling Shareholders

Each of our Controlling Shareholders jointly and severally undertakes to each of the Sole Global Coordinator, the Hong Kong Underwriters and our Company that:

- (a) he/it will not, and will procure that none of his/its associates or companies controlled by him/it or any nominee or trustee holding in trust for him/it will, except pursuant to the Global Offering (including the entering into of the Stock Borrowing Agreement and the agreement for sale of the Sale Shares and the Over-allotment Option), where applicable, and unless in compliance with the requirements of the Listing Rules, at any time during the First Six-Month Period, 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, conditionally or unconditionally, any of the Shares, debt capital or other securities of our Company or any interest therein held by him/it (including, but not limited to any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, any such Shares or other securities of our Company or any interest therein) as of the Listing Date or 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 or securities or any interest therein as of the Listing Date whether any of the foregoing transactions is to be settled by delivery of Shares or such other securities, in cash or otherwise, or offer to or agree to do any of the foregoing or announce any intention to do so;

- (b) he/it will not, and will procure that none of his/its associates or companies controlled by him/it or any nominee or trustee holding in trust for him/it will, unless in compliance with the requirements of the Listing Rules, during the Second Six-Month Period, 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, conditionally or unconditionally, any of the Shares, debt capital or other securities of our Company or any interest therein held by him/it (including but not limited to any securities that are convertible into or exercisable or exchangeable for or that represent the right to receive, any such Shares or such other securities of our Company or any interest therein) as of the Listing Date or 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

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or any interest therein as of the Listing Date, whether any of the foregoing transactions is to be settled by delivery of such Shares or such other securities, in cash or otherwise, or offer to or agree to do any of the foregoing or announce any intention to do so if, immediately following such transaction, it will result in our Controlling Shareholders and/or any companies controlled by it/him, its/his nominee or trustee ceasing to be a controlling shareholder (as defined in the Listing Rules) of our Company, and in the event of a disposal by him/it of any of the Shares or securities or any interest therein during the Second Six-Month Period he/it will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for the Shares or other securities of our Company; and

- (c) he/it shall, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date (i) upon any pledge or charge in favor of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interests in the Shares or securities of our Company beneficially owned by him/it or his/its associates for a bona fide commercial loan, immediately inform our Company and the Sole Global Coordinator in writing of such pledge or charge together with the number of Shares or securities so pledged or charged and make the relevant disclosure in such manner as required by the Listing Rules; (ii) prior to any pledge or charge in favor of any third party other than an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interests in the Shares or securities of our Company beneficially owned by him/it or his/its associates, he or it shall obtain prior written consent from our Company and the Sole Global Coordinator and make the relevant disclosure in such manner as required by the Listing Rules; and (iii) upon any indication received by him/it, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares will be disposed of, immediately inform the Stock Exchange, our Company and the Sole Global Coordinator in writing of such indications.

Each of our Controlling Shareholders jointly and severally undertakes with our Company, the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters that he or it will procure that each of his or its respective associates complies with all restrictions and requirements under the Listing Rules (or any replacement or amendment thereto made from time to time) on the disposal by him or it or by the registered holder of any securities in respect of which he or it is, or is shown in this prospectus to be, the beneficial owner.

The International Placing

International Placing Agreement

In connection with the International Placing, it is expected that our Company and the International Underwriters will enter into the International Placing Agreement, under which our Company will offer the International Placing Shares for placing with certain professional, institutional and private investors and the International Underwriters will agree to severally subscribe for the International Placing Shares.

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We expect to grant to the Sole Global Coordinator, for itself and on behalf of the International Underwriters, the Over-allotment Option exercisable by the Sole Global Coordinator at any time and from time to time from the date of the International Placing Agreement until the 30th day after the last day for the lodging of application under the Hong Kong Public Offer, to require us to allot and issue up to an aggregate of 57,720,000 additional Shares, representing 15% of the Offer Shares initially available for subscription, at the same price per Offer Share under the International Placing, solely to cover over-allocations, if any, in the International Placing.

Commission and expenses

The Hong Kong Underwriters will receive a commission of 2.5% of the aggregate Offer Price of all the Hong Kong Offer Shares. It is expected that the International Underwriters will receive an underwriting commission of 2.5% of the aggregate of the Offer Price of all the International Placing Shares, out of which they will pay any sub-underwriting commissions. Our Company and the Selling Shareholder may also in their sole discretion pay the Sole Global Coordinator (for its account only) an additional incentive fee of up to 0.88% of the Offer Price of all the Offer Shares. The underwriting commission, financial advisory and documentation fees, listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses relating to the Global Offering borne by our Company, assuming an Offer Price of HK\$1.74 (being the mid-point of Offer Price range between HK\$1.42 per Offer Share and HK\$2.05 per Offer Share), are estimated to amount to approximately HK\$43.6 million in total (assuming that the Over-allotment Option is not being exercised).

Underwriters' interests in our Company

Daiwa Capital Markets Hong Kong Limited confirms that it satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Daiwa Capital Markets Hong Kong Limited has been appointed as the compliance adviser of our Company with effect from the Listing Date until the despatch of our Company's financial results for the first full financial year of our Company after the Listing Date.

Save (i) as disclosed in this prospectus, and (ii) for their interests and obligations under the Underwriting Agreements, none of the Hong Kong Underwriters is interested beneficially or non-beneficially in any shares in any member of our Group or has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.