

UNDERWRITING

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Lead Manager

China Everbright Securities (HK) Limited

Co-lead Managers

BCOM Securities Company Limited

China Merchants Securities (HK) Co., Limited

Taiwan Securities (Hong Kong) Company Limited

Co Managers

Barits Securities (Hong Kong) Limited

First Shanghai Securities Limited

Guotai Junan Securities (Hong Kong) Limited

SBI E2-Capital Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Underwriting agreement

Pursuant to the Underwriting Agreement, the Company is offering the Placing Shares under the Placing at the Placing Price with professional, institutional and private investors on and subject to the terms and conditions of this prospectus.

Subject to (i) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares; and (ii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the Underwriting Agreement, the Underwriters have severally agreed to subscribe or purchase or procure subscribers or purchasers to subscribe for or purchase the Placing Shares.

Grounds for termination

The respective obligations of the Underwriters to subscribe or purchase or procure subscribers or purchasers for the Placing Shares are subject to termination and 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 the Company given by the Lead Manager (on behalf of the Underwriters) at any time prior to 8:00 a.m. on the Listing Date if:

- (a) there shall develop, occur or come into effect:
 - (i) any material change or development involving a prospective material change in, or any event or series of events resulting or likely to result in any change or development in local, national or international financial,

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- political, military, industrial, legal, fiscal, economic, regulatory or market matters or conditions in the PRC, Hong Kong, the U.S. and any other jurisdiction relevant to the Group (including without limitation, a devaluation of the Renminbi against any foreign currencies);
- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;
 - (iii) a material change or development occurs involving a prospective material change in taxation or exchange control (or the implementation of any exchange control) or foreign investment regulations in the PRC, Hong Kong, the U.S. or any other jurisdictions relevant to the Group;
 - (iv) any general moratorium on commercial banking activities in Hong Kong shall have been declared by the Hong Kong authorities, or in the PRC by the relevant PRC authorities;
 - (v) any imposition of economic sanctions, in whatever form, by the U.S. or the European Union on Hong Kong, the PRC or any other jurisdictions relevant to the Group;
 - (vi) the outbreak or escalation of hostilities involving the PRC or Hong Kong or the U.S. or the European Union or any other jurisdictions relevant to the Group;
 - (vii) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike, lock out, accidents or interruption or delay in transportation;
 - (viii) 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 PRC or any other jurisdictions relevant to the Group;
 - (ix) any litigation or claim of material importance of any third party being threatened or instigated against any member of the Group;
 - (x) a material change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States; or
 - (xi) a material change in the exchange rate between the United States dollar, the Hong Kong dollar and the Renminbi,

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which, in each case, in the sole and absolute opinion of the Lead Manager (for itself and on behalf of the Underwriters):

- (i) is or will or is likely to be adverse to the business, financial or other condition or prospects of the Company or its operation or, to any present or prospective Shareholder in his capacity as such; or
 - (ii) has or will or is likely to have an adverse effect on the success of the Placing or the level of Placing Shares being applied for or accepted or the distribution of Placing Shares; or
 - (iii) makes it inadvisable or impractical to proceed with the Placing or the delivery of the Placing Shares on the terms and in the manner contemplated by this prospectus;
- (b) matters have arisen or have been discovered which in the sole and absolute opinion of the Lead Manager (on behalf of the Underwriters) would, if this prospectus were to be issued at that time, constitute a material omission therefrom which is considered by the Lead Manager to be material;
- (c) matters have arisen or have been discovered rendering or there comes to the notice of the Lead Manager or any of the Underwriters any matter or event showing any of the warranties given to the Underwriters in the Underwriting Agreement when given or repeated to be materially untrue, inaccurate or misleading or as having been breached in any material respect or having been declared or determined by any PRC court or governmental authorities to be illegal, invalid or unenforceable in any respect considered by the Lead Manager to be material;
- (d) any statement contained in this prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect considered by the Lead Manager to be material;
- (e) there comes to the notice of the Lead Manager any breach on the part of the Company, the executive Directors and/or the covenantors (as defined in the Underwriting Agreement) of any of the provisions of the Underwriting Agreement in any respect considered by the Lead Manager to be material; or
- (f) any material adverse change or prospective material adverse change in the business or in the financial or trading position of any member of the Group.

Commissions and expenses

The Underwriters will receive an underwriting commission of 4% of the Placing Price of all the Placing Shares (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions. The Sponsor will, in addition, receive a financial advisory fee in relation to the Placing and for acting as sponsor to the Placing. The underwriting

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commission, documentation fee, GEM listing fees, transaction levy, legal and other professional fees and printing and other expenses relating to the Placing which are estimated to be approximately HK\$23.8 million in aggregate (based on a Placing Price of HK\$1.40 per Share, being the mid-point of the Placing Price range of HK\$1.12 to HK\$1.68 and assuming the Over-allotment Option is not exercised), are payable by the Company.

Undertakings

The Initial Management Shareholders have given the Company and the Stock Exchange non-disposal undertakings, details of which are described under the section headed "Substantial, Initial Management and Significant Shareholders" in this prospectus.

Each of the Initial Management Shareholders, the executive Directors and the Company has undertaken with the Lead Manager and the Underwriters to procure that the Group will not, except pursuant to the Placing or the exercise of the Over-allotment Option, or the exercise of any option which have been or may be granted under the Pre-IPO Share Option Plan or the Share Option Scheme at any time after the date of the Underwriting Agreement up to and including the date falling six months after the Listing Date, allot, issue, sell or agree to allot, issue or sell any Shares or other securities of the Company or any of its subsidiaries or grant or agree to grant any option, warrant or other rights carrying the right to subscribe for, or otherwise convert into or exchange for the securities of the Company or any of its subsidiaries, unless such allotment, issue, sale or agreement is permitted by the GEM Listing Rules or the Stock Exchange.

Underwriters' interest in the Company

Save as disclosed in this prospectus, none of the Underwriters or any of their respective holding companies, or any of their respective subsidiaries is interested beneficially or legally in any Shares or has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any Shares.

Sponsor's interest in the Company

The Sponsor and their respective associates will receive from the Company:

- (i) a documentation fee as sponsor of the Placing;
- (ii) by way of underwriting commission to be paid to the Lead Manager or any of their fellow subsidiaries, holding company or affiliates for acting as one of the Underwriters to the Placing;
- (iii) by a compliance adviser's agreement to be entered into between China Everbright Capital (as a compliance adviser) and the Company pursuant to which China Everbright Capital is appointed as the compliance adviser of the Company for the period commencing from (and including) the Listing Date and ending on (and including) the earlier of the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial

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results for the second full financial year and the Company shall pay an agreed fee to China Everbright Capital for the provision of such services; and

- (iv) certain associates of the Sponsor, whose ordinary businesses involving trading of and/or dealing in securities, may involve in the trading of and/or dealing in the securities of the Company.

The Sponsor confirms that, saved as disclosed in this prospectus, none of the circumstances as described in rule 6A.07 of the GEM Listing Rules exists as at the date of this prospectus.