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## PLACING

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### PLACING ARRANGEMENTS

#### The Placing Agreement

In connection with the Placing, we had entered into the Placing Agreement dated 30 December 2011, amongst other parties, with the Sole Bookrunner. Pursuant to the Placing Agreement, the Company is offering the Placing Shares for subscription at the Placing Price by way of Placing, on and subject to the terms and conditions set forth in the Placing Agreement and this prospectus.

Subject to, among other conditions, the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Placing and the Capitalization Issue (including any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option, and the Shares, up to 10% of the Shares in issue as at the Listing Date, to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), the Placing Agreement having become unconditional and not having been terminated in accordance with its terms, and to certain other conditions set out in the Placing Agreement being satisfied or waived on or before the 30th day after the date of this prospectus (or such later date as the Sole Bookrunner may agree), the Sole Bookrunner has agreed to procure subscribers or purchasers for the Placing Shares as set out in the Placing Agreement on a best effort basis. The Placing Agreement may be terminated at any time prior to 8:00 a.m. on the Listing Date for the reasons set forth in “Grounds For Termination” below. Potential investors shall be reminded that in the event that the Placing Agreement is not entered into by the parties thereto or if the Sole Bookrunner exercises its right to terminate the Placing Agreement as referred to below, the Placing will not proceed.

In connection with the Placing, we have granted to the Sole Bookrunner the Offer Size Adjustment Option, exercisable by the Sole Bookrunner, to require us to issue up to an aggregate of 10,500,000 additional new Shares, representing 15% of the Shares initially made available for subscription under the Placing, to cover excess demand in the Placing, if any.

Further information on the “Offer Size Adjustment Option” is set forth in the section headed “Structure and Conditions of the Placing” in this prospectus.

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### GROUNDS FOR TERMINATION

The obligations of the Sole Bookrunner to procure subscribers for the Placing Shares under the Placing Agreement are subject to termination. The Sole Bookrunner shall have the absolute right by notice in writing to the Company to terminate the Placing Agreement with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the “**Termination Time**”) if any of the following events should occur prior to the Termination Time:

- (a) there has come to the notice of the Sole Bookrunner:—
  - (i) that any statement contained in this prospectus, the formal notice, and/or any notices, announcements, advertisements, communications (including any supplement or amendment thereto) or other documents issued or used by or on behalf of the Company in connection with the Placing (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect; or that any estimate, forecast, expression or opinion, intention or expectation contained in any of such documents (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions with reference to the facts and circumstances then subsisting, when taken as a whole;
  - (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 from this prospectus, the formal notice and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Placing (including any supplement or amendment thereto) considered by the Sole Bookrunner in its sole and absolute discretion to be material in respect of the Placing; or
  - (iii) any material breach of any of the obligations or undertakings imposed upon or undertaken by any party to the Placing Agreement (other than upon any of the Sole Sponsor or the Sole Bookrunner); or
  - (iv) that any of the warranties given by the Company or its Controlling Shareholders or the Placing Agreement is (as when repeated be) untrue, inaccurate or misleading or considered, at the sole and absolute discretion of the Sole Bookrunner to have been breached; or
  - (v) any matter, event, act or omission which gives or is likely to give rise to any liability of the Company or its Controlling Shareholders out of or in connection with any breach, inaccuracy and/or incorrectness of the warranties as set out in the Placing Agreement and/or pursuant to the indemnities given by the Company, its Controlling Shareholders or any of them under the Placing Agreement; or
  - (vi) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Placing) and/or the Placing;

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- (vii) any potential litigation or disputes which would affect the operation, financial condition or reputation of our Group in any material adverse respect; or
  - (viii) that approval by the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued (including any additional new Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option, and Shares, up to 10% of the Shares in issue as at the Listing Date, to be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Scheme) under the Placing is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
  - (ix) that any of the experts as described under the paragraph headed “Other information — Consents and qualifications of experts” in Appendix V to this prospectus has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters, certificates or summaries of valuations and/or opinions (as the case may be) and references to its names included in the form and context in which it respectively appears; or
  - (x) any change or development involving a prospective change in the conditions, business and operation, prospects or the financial or trading position of any member of our Group; or
- (b) there develops, occurs, exists, or comes into force or effect, or continues to exist or be in force or effect: —
- (i) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, labour disputes, strikes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, riots, public disorder, declaration of any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or of any other state of emergency or calamity or crisis, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, epidemic, pandemic, outbreak or escalation of disease (including, without limitation, Severe Acute Respiratory Syndromes (SARS), H5N1, H1N1 or their related or variant types or mutated forms), economic sanctions in or affecting Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC or any other jurisdiction relevant to any member of our Group (the “**Relevant Jurisdictions**”); or
  - (ii) any change or development involving a prospective change or development in, or any event or series of events currently in existence or otherwise, resulting or likely to result in, or representing any prospective change or development in, local, national, regional or international financial, economic, political, military, industrial, fiscal, legal, regulatory, currency, credit or market conditions, equities securities or other financial markets (including without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions; or

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- (iii) any new law or regulation or policy or directive or change or development involving a prospective change in existing laws or regulations or policies or directives or any change or development involving a prospective change in the interpretation or application thereof by any court or governmental or competent authority in or affecting any of the Relevant Jurisdictions; or
- (iv) the imposition of economic sanctions or withdrawal of trading privileges or concessions, in whatever form, directly or indirectly, by, or for any of the Relevant Jurisdictions; or
- (v) a change or development involving a prospective change or modification in taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar or an appreciation or depreciation of the Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies, or a material fluctuation in the exchange rate of Hong Kong dollars against any foreign currency), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or
- (vi) any adverse change or development or event or a prospective adverse change or development or event in our Group's assets, liabilities, profit, losses, performance, condition, business, finance, earnings, trading position, prospects, properties, results of operations, general affairs, shareholders' equity, management, position or condition, financial or otherwise, whether or not arising in the ordinary course of business, as determined by the Sole Bookrunner in its sole and absolute discretion; or
- (vii) any litigation or claim of any third party being threatened or instigated against any member of our Group; or
- (viii) a demand by any tax authority for payment for any tax liability for any member of our Group; or
- (ix) 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
- (x) any loss or damage sustained by any member of our Group as a result of a breach of its respective obligations or non-compliance with applicable laws and regulations (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xi) an order or petition being presented for the winding-up of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or a provisional liquidator, receiver or

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manager appointed over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group; or

- (xii) any general moratorium on commercial banking activities in Hong Kong, the Cayman Islands, New York, London, the PRC or any other jurisdiction relevant to any member of our Group, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, systems, procedures or matters in those places or jurisdictions; or
- (xiii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or
- (xiv) any judicial, regulatory or governmental authority or political body or organization in any of the Relevant Jurisdictions commencing any investigation, action, claim or proceedings, or announcing an intention to investigate or take any such action, against any Director; or
- (xv) any Director being charged with an indictable offence or prohibited by the operation of law or otherwise disqualified from taking part in the management of a company; or
- (xvi) the chairperson or chief executive officer of the Company vacating his or her office; or
- (xvii) any contravention by any member of our Group of the GEM Listing Rules or other applicable laws or regulations in any of the Relevant Jurisdictions; or
- (xviii) any prohibition on the Company for whatever reason from allotting or selling the Placing Shares (including the Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option) pursuant to the Placing and the terms set out in the Placing Agreement and this prospectus; or
- (xix) any non-compliance on the part of our Group or Directors of this prospectus (or any other documents used in connection with the Placing) or any aspect of the Placing with the GEM Listing Rules or any other applicable laws or regulations; or
- (xx) other than with the approval of the Sole Bookrunner, the issue or the requirement to issue by the Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the Placing) pursuant to the Companies Ordinance or the GEM Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

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(xxi) any event which gives rise or would give rise to liability on the part of the Company pursuant to the indemnity provisions in the Placing Agreement; or

(xxii) any change or development involving a prospective change or development, or a materialisation of, any of the risks set forth in the section headed “Risk Factors” in this prospectus,

which, individually or in the aggregate, in the sole and absolute opinion of the Sole Bookrunner,

- (A) has or may have or will have or is likely to have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, shareholders’ equity, profits, losses, trading position, results of operation, prospects, positions or conditions, financial or otherwise, or the performance of our Group as a whole; or
- (B) has or may have or will have or is likely to have a material adverse effect on the success of the Placing and on the level of applications or the level of interest with respect to the Placing; or
- (C) makes, may make or will make or is likely to make it impracticable or inadvisable or inexpedient for the Placing to proceed or to be performed or implemented as envisaged or to market the Placing; or
- (D) makes, may make or will make or is likely to make any part of the Placing Agreement incapable of performance with particular respect to the processing of applications for and payments for subscription of the Placing Shares and delivery of the Placing Shares on the terms and in the manner contemplated under the Placing Agreement and in this prospectus.

## UNDERTAKINGS

Each of our Controlling Shareholders has jointly and severally undertaken to and covenanted with our Company, the Sole Sponsor, the Sole Bookrunner and the Stock Exchange for a period commencing on the date by reference to which disclosures of his, her or its shareholding in the Company is made in the prospectus and ending on the date which is 12 months following the Listing Date that he, she or it will not, and will procure that none of his, her or its associates or the companies controlled by him, her or it will:

- (a) within the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus and ending on the date which is six months from the Listing Date (the “First Six Month Period”), sell, transfer, dispose of or enter into any agreement to dispose of or otherwise create any right (including without limitation the creation of any option, pledge, charge or other encumbrance or rights) in respect of or on any of our Shares or any interests therein beneficially owned by him, her or it or any of their associates or in which he, she, or it or any of their associates is, directly or indirectly beneficially interested immediately after the completion of the Placing (or any other shares or securities of or interest in the Company arising or deriving therefrom as a result of capitalization issue or scrip dividend or otherwise); or sell, transfer, dispose of or enter into any agreement to dispose of or otherwise

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create any right (including the creation of any option, pledge, charge or other encumbrance or rights) on any shares or interest in any company controlled by him, her or it or any of their associates which is the beneficial owner (directly or indirectly) of such Shares or any interests therein as aforesaid (or any other shares or securities of or interest in the Company arising or deriving therefrom as a result of capitalization issue or scrip dividend or otherwise); and

- (b) save with the prior written consent of the Sole Bookrunner, within a further six months commencing on the expiry of the First Six Month Period (the “Second Six Month Period”), he, she and it will not, and will procure that none of his, her or its associates or the companies controlled by him, her or it or any of their associates will, sell, transfer, dispose of or enter into any agreement to dispose of or otherwise create any rights (including the creation of any option, pledge, charge or other encumbrance or rights) in respect of or on any of our Shares or any interests therein referred to in sub-clause (a) above; or sell, transfer, dispose of or enter into any agreement to dispose of or otherwise create any rights (including the creation of any option, pledge, charge or other encumbrance or rights) in respect of or on any shares in any company controlled by him, her or it or any of their associates which is the beneficial owner (directly or indirectly) of such Shares or any interests therein as aforesaid if, immediately following such disposal or creation of rights, any of our Controlling Shareholders (together with his, her or its associates or otherwise), either individually or taken together with the others, would, directly or indirectly, cease to be a controlling shareholder (within the meaning of the GEM Listing Rules) of our Company or cease to hold, directly or indirectly, a controlling interest of over 30% 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, her, it and/or any of their associates which owns such securities of the Company or interests as aforesaid.

We have undertaken to and covenanted with the Sole Sponsor and the Sole Bookrunner that, and each of our Controlling Shareholders and executive Directors jointly and severally undertakes to and covenants with the Sole Sponsor and the Sole Bookrunner that he, she or it will procure the Company that, without the prior written consent of the Sole Bookrunner, save pursuant to the Placing, the Capitalization Issue, the issue of any Shares under the Offer Size Adjustment Option, the grant of any option under the Share Option Scheme, or the issue of Shares upon exercise of any option granted under the Share Option Scheme, and save as permitted under the Listing Rules (including but not limited to rule 17.29 of the Listing Rules), (a) within the First Six Month Period, our Company and our subsidiaries will not issue or agree to issue (conditionally or unconditionally) any shares or securities of, or grant or agree to grant (conditionally or unconditionally) any options, warrants or other rights carrying the rights to subscribe for, or otherwise convert into, or exchange for any securities of, our Company or any of our subsidiaries; and (b) at any time during the Second Six Month Period, the Company and its subsidiaries will not issue or agree to issue (conditionally or unconditionally) any shares or securities of, or grant or agree to grant (conditionally or unconditionally) any options, warrants or other rights carrying the rights to subscribe for, or otherwise convert into, or exchange for any securities of, the Company or any of its subsidiaries so as to result in any of 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 GEM Listing Rules) of the Company; or cease to hold, directly or indirectly, a controlling interest of over 30% or such lower amount as may from



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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, her or it or any of their associates which owns any such Shares; or our Company ceases to hold a controlling interest of over 30%, directly or indirectly, in any of such subsidiaries.

Each of our Company, our Controlling Shareholders and the executive Directors has undertaken to and covenanted with the Sole Sponsor and the Sole Bookrunner that save with the prior written consent of the Sole Bookrunner, no member of our Group will during the First Six Month Period purchase any Shares or any other securities of the Company.

Without prejudice to the above, each of our Controlling Shareholders and executive Directors has undertaken and covenanted with our Company, the Sole Sponsor, the Sole Bookrunner, and the Stock Exchange that: —

- (a) save with the prior written consent of the Sole Bookrunner, during the period commencing on the date by reference to which disclosure of the shareholding of our Controlling Shareholders is made in this prospectus and ending on the date which is 12 months from the Listing Date, he, she or it shall not, and shall procure that none of his, her or its associates shall, pledge or charge or create any other rights or encumbrances in any Shares or any interest therein owned by him, her or it or any of their associates or in which he, she or it or any of their associates is, directly or indirectly, interested immediately following completion of the Placing (or any other Shares or interest in the Shares arising or deriving therefrom) or any share or interest in any company controlled by him, her or it or any of their associates which is the beneficial owner (directly or indirectly) of such Shares or interest therein as aforesaid (or any other Shares or interest in the Shares arising or deriving therefrom); and
- (b) in the event that consent is granted by the Sole Bookrunner, when he, she or it or any of their associates shall pledge, charge or create any encumbrance or other right in any of the Shares or interests referred to in paragraph (a) above, he, she or it shall give prior written notice of not less than three Business Days to the Stock Exchange, our Company, the Sole Sponsor and the Sole Bookrunner giving details of the number of Shares to be pledged or charged, the purpose for which such pledge or charge is made, the identities of the pledgee or chargee in favour of whom the pledge, charge, encumbrance or interest is created and further if he, she or it or any of their associates is aware of or receives indications or notice, either verbal or written, from the pledgee or chargee that the pledgee or chargee will dispose of or transfer any of the Shares or interests referred to in paragraph (a) above, he, she or it will immediately notify the Stock Exchange, our Company, the Sole Sponsor and the Sole Bookrunner in writing of such indications and provide details of such disposal or transfer including the number of Shares affected to the Stock Exchange, our Company, the Sole Sponsor and the Sole Bookrunner as they may require.



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Our Company has undertaken and covenanted with the Sole Sponsor, the Sole Bookrunner and the Stock Exchange that our Company shall forthwith inform the Sole Sponsor, the Sole Bookrunner and the Stock Exchange in writing immediately after it has been informed of the matters referred to in paragraph (b) above and our Company shall, if so required by the Stock Exchange or the GEM Listing Rules, disclose such matters by way of an announcement as soon as possible and shall comply with all requirements of the Stock Exchange.

### FEES AND EXPENSES

The Sole Bookrunner will receive a placing fee of 3.25% of the aggregate Placing Price of all the Placing Shares (including any Shares to be issued pursuant to the Offer Size Adjustment Option), out of which the Sole Bookrunner will pay any sub-placing fees. The Sole Sponsor will, in addition, receive a Sponsor fee in relation to the Listing. The aggregate fees and expenses for the listing of the Company including the placing fees, the Stock Exchange listing fees, the Stock Exchange trading fee and SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Placing, are currently estimated to be approximately HK\$15 million (assuming that the Offer Size Adjustment Option is not exercised), which will be borne by our Company.

### INDEPENDENCE OF THE SOLE SPONSOR

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 6A.07 of the GEM Listing Rules.

### INDEMNITY

We have agreed to indemnify the Sole Bookrunner for certain losses which they may suffer, including, among other things, losses arising from the performance of their obligations under the Placing Agreement and any breach by us of the Placing Agreement.

### BOOKRUNNER'S INTERESTS IN OUR COMPANY

Save for their obligations under the Placing Agreement and as disclosed in this prospectus, the Sole Bookrunner does not have any shareholding interest in any member of our Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.

Mizuho is expected to be appointed as the compliance adviser of our Company with effect from the Listing Date until the despatch of our audited consolidated financial results for the second full financial year after the Listing Date, and we will pay to it an agreed fee for its provision of services with respect to the scope required under the GEM Listing Rules.