
UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Sole Bookrunner

Lego Securities Limited

Joint Lead Managers

Lego Securities Limited

Great Roc Capital Securities Limited

Co-Managers

Bonus Eventus Securities Limited

Canfield Securities Company Limited

First Fidelity Capital (International) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering for subscription of 30,000,000 Public Offer Shares at the Offer Price under the Public Offer, on and subject to the terms and conditions set forth in this prospectus and the Application Forms. The Public Offer Underwriters have agreed on and subject to the terms and conditions in the Public Offer Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares.

Subject to, among other conditions, the Stock Exchange granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus, the Public Offer Underwriters have severally, but not jointly nor jointly and severally, agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement. In addition, the Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed, becoming, and continuing to be, unconditional and not having been terminated.

Grounds for termination

The Sole Sponsor and/or the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters) shall be entitled by notice in writing to our Company to terminate the Public Offer Underwriting Agreement with immediate effect, if at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date if:

- (a) there has come to the notice of the Sole Sponsor and/or the Sole Bookrunner:

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- (i) there has been a material breach of any of the representations, warranties, undertakings or provisions of either the Public Offer Underwriting Agreement or the Placing Underwriting Agreement by any of our Company, our executive Directors and our Controlling Shareholders, or
- (ii) any statement contained in the post hearing information pack, this prospectus, the Application Forms or the formal notice of our Company or any announcements issued by our Company in connection with the Share Offer (including any supplement or amendment thereto) (the “**Relevant Documents**”) which, considered by the Sole Sponsor and/or the Sole Bookrunner in its/their sole and absolute discretion was, when it was issued, or has become, or been discovered to be untrue, incorrect or misleading in any material respect, or any forecasts, expressions of opinion, intention or expectation expressed in this prospectus, the Application Forms or the formal notice of our Company are not, in all material respects, fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or
- (iii) any event, act or omission which gives or is likely to give rise to any liability of any of our Company, our executive Directors and our Controlling Shareholders pursuant to the indemnities given by them under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement, as applicable; or
- (iv) any breach of any of the obligations of any of our Company, our executive Directors and our Controlling Shareholders under the Public Offer Underwriting Agreement or the Placing Underwriting Agreement, as applicable; or
- (v) any of the reporting accountants of our Company, or any of the legal counsels or consultants of our Company has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters, and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (vi) approval in principle from the Stock Exchange granting the listing of, and permission to deal in, the Offer Shares, our Shares in issue and any Shares which may be issued upon the Capitalisation Issue and upon the exercise of any options which may be granted under the Share Option Scheme, is refused or not granted, on or before the listing approval date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- (vii) our Company withdraws any of this prospectus, the Application Forms or the listing application in respect of the Share Offer; or
- (viii) save as disclosed in this prospectus, any material potential litigation, legal proceeding, claim or disputes being threatened or instigated against any member of our Group or any Director, or any Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from

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taking part in the management of a company or the commencement by any governmental, political or regulatory body of any action against any executive Director in his or her capacity as such or an announcement by any governmental, political or regulatory body that it intends to take any such action; or

- (ix) either (a) there has been a breach of any of the representations, warranties and undertakings or any other provisions set out in the Public Offer Underwriting Agreement by any party thereto (other than the Sole Sponsor, the Sole Bookrunner and the Public Offer Underwriters); or (b) any matter or event showing or rendering any of the representations, warranties and undertakings or any other provisions set out in the Public Offer Underwriting Agreement, in the sole and absolute opinion of the Sole Sponsor and/or the Sole Bookrunner, to be untrue, incorrect, inaccurate or misleading in any material respect when given or repeated; or
- (x) any event, series of events, matter or circumstance occurs or arises on or after the date of the Public Offer Underwriting Agreement and prior to 8:00 a.m. (Hong Kong time) on the Listing Date, being an event, a series of events, matter or circumstances which, if it had occurred before the date of the Public Offer Underwriting Agreement, in the sole and absolute opinion of the Sole Sponsor and/or the Sole Bookrunner, untrue, incorrect, inaccurate or misleading in any material respect; or
- (xi) there will have developed, occurred, happened or come into effect any change or development involving a prospective change or development, or any event or series of events, matters or circumstances likely to result in or representing a change or development, or prospective change or development, concerning or relating to:
 - (a) any event, or series of events, in the nature of force majeure, including, without limitation, acts of government or orders of any courts, labour disputes, riots, strikes, calamity, crisis, public disorder, lock-outs (whether or not covered by insurance), fire, explosion, flooding, earthquake, civil commotion, acts of war, acts of God, acts of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, economic sanctions, outbreaks of infectious diseases or epidemics (including but not limited to swine influenza (H1N1 flu), severe acute respiratory syndrome and avian influenza A (H5N1) and other related or mutated forms), accidents, interruption or delay in transportation, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions (as defined below); or

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- (b) any change or development involving a prospective change, or any event or series of events, matters or circumstances resulting or likely to result in or represent any change or development involving a prospective change, in the local, national, regional, international financial, economic, political, military, industrial, fiscal, regulatory, currency, equity securities, credit, market, exchange control, stock market, financial market or general fund raising environment in Hong Kong or elsewhere or any monetary or trading settlement system or matters and/or disaster (including without limitation any change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar, or a material fluctuation in the exchange rate of the Hong Kong dollar or the United States dollar against any foreign currency, or any interruption in securities settlement or clearance service or procedures) in or affecting any of the Relevant Jurisdictions (as defined below); or
- (c) any new law or regulation or any change or development involving a prospective change in existing laws or regulations 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 Hong Kong, Macau, the PRC, the Cayman Islands or the BVI or any other jurisdictions relevant to any member of our Group or the Share Offer (the “**Relevant Jurisdictions**”); or
- (d) the imposition of economic sanctions or changes in existing economic sanctions, or withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions; or
- (e) any change or development involving a prospective change in any taxation or exchange control (or the implementation of any exchange control, currency exchange rates or foreign investment laws or regulations) in or affecting any of the Relevant Jurisdictions; or
- (f) any change or development involving a prospective change, or a materialization of, any of the risks in the section headed “Risk factors” in this prospectus; or
- (g) any litigation or claim of material importance being instigated or threatened against any member of our Group or any executive Director; or
- (h) an executive Director being charged with an indictable offense or prohibited by operation of law or regulation or otherwise disqualified from taking part in the management of a company; or
- (i) the commencement by any governmental, judicial, regulatory or political body or organization of any investigation or other action against an executive Director or any member of our Group or an announcement by any governmental, judicial, regulatory or political body or organization that it intends to take any such action; or

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- (j) any contravention by any member of our Group or any executive Director or any Controlling Shareholder of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Companies Law, the relevant corporate laws and securities laws of Macau and the PRC, the Listing Rules, the SFO or any applicable laws and regulations; or
- (k) any prohibition on our Company for whatever reason from offering, allotting or issuing any of the Offer Shares; or
- (l) non-compliance by any member of our Group or any executive Director or any Controlling Shareholder of this prospectus (and/or any other documents used in connection with the subscription of the Offer Shares) or any aspect of the Public Offer and/or the Share Offer with the Listing Rules or any other applicable laws and regulations; or
- (m) other than with the written approval of the Sole Sponsor and/or the Sole Bookrunner, the issue or requirement to issue by our Company of a supplement or amendment to any of the Relevant Documents (and/or any other documents used in connection with the issue of the Offer Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules or any other applicable laws and regulations; or
- (n) 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
- (o) any material 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
- (p) any change or prospective change in the earnings, results of operations, business, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of our Company or any member of our Group; or
- (q) a petition or an order is presented for the winding-up or liquidation of any member of our Group or any member of Controlling Shareholders or any composition or arrangement made by any member of our Group or any of the Controlling Shareholders with its creditors or enters into a scheme of arrangement, or any resolution being or having been passed for the winding-up of any member of our Group or any of the Controlling Shareholders or a provisional liquidator, receiver or manager is appointed over all or part of the material assets or undertaking of any member of our Group or any of the Controlling Shareholders or any analogous matter thereto occurs in respect of any member of our Group or any of the Controlling Shareholders; or

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- (r) a disruption in or any general moratorium on commercial banking activities or foreign exchange trading or securities settlement or payment or clearance services or procedures in or affecting any of the Relevant Jurisdictions; or
- (s) the imposition of any moratorium, suspension or restriction on trading in shares or securities generally on or by the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange, or minimum or maximum prices for trading having been fixed, or minimum 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,
- (t) any matter that has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, would have constituted, in the sole and absolute discretion opinion of the Sole Sponsor and/or the Sole Bookrunner, a material omission from the Relevant Documents in the context of the Share Offer; or

and which, with respect to any of sub-paragraphs (a) through (o) above, in the sole and absolute opinion of the Sole Sponsor and/or the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters):

- (A) is, will be or may have any material adverse effect or any development involving a prospective material adverse effect, in or affecting the business, general affairs, management, prospects, assets and liabilities, financial position (including, but not limited to, revenue and net profits), shareholders' equity or results of operations of our Group Companies, taken as a whole or be materially adverse to any present or prospective shareholder of our Company in its capacity as such; or
- (B) has, will have or may have a material adverse effect on the success of the Share Offer or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or make it impracticable, inadvisable or inexpedient for any material part of the Public Offer Underwriting Agreement, the Placing Underwriting Agreement, the Public Offer or the Share Offer to be performed or implemented as envisaged; or
- (C) makes or may make it impracticable, inadvisable or inexpedient to proceed with or to market the Public Offer and/or the Share Offer or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the Application Forms, the formal notice of our Company; or
- (D) would have the effect of making any part of the Public Offer Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Share Offer or pursuant to the underwriting thereof,

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then the Sole Sponsor and/or the Sole Bookrunner, in its sole and absolute discretion, may, for itself and on behalf of the Public Offer Underwriters, upon giving notice to our Company, our executive Directors and our Controlling Shareholders made pursuant to the Public Offer Underwriting Agreement on or prior to 8:00 a.m. on the Listing Date (with a copy of such notice to the other Public Offer Underwriters), terminate the Public Offer Underwriting Agreement with immediate effect.

Indemnity

Our Company, our Controlling Shareholders and our executive Directors, have agreed to indemnify the Public Offer Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Public Offer Underwriting Agreement and any breach by us of the Public Offer Underwriting Agreement.

UNDERTAKINGS GIVEN TO THE STOCK EXCHANGE PURSUANT TO THE GEM LISTING RULES

Undertaking by our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that (except pursuant to the Capitalisation Issue, the Share Offer and options to be granted under the Share Option Scheme) no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the commencement of dealing), except in certain circumstances prescribed by Rule 17.29 of the GEM Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to our Company that except pursuant to the Capitalisation Issue, Share Offer and options to be granted under the Share Option Scheme, it will not and will procure that the relevant registered holder(s) will not: (a) in the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is 12 months after the Listing Date, 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 Shares in respect of which it is shown by this prospectus to be the beneficial owner; and (b) in the period of 12 months commencing on the date on which the period referred to in the paragraph (a) above 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 our Shares referred to in the paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder of our Company. Pursuant to Rule 13.19 of the GEM Listing Rules, each of our Controlling Shareholder has undertaken to the Stock Exchange and to our Company that, within the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is 24 months from the date on which dealings in our Shares commence on the Stock Exchange, it will: (i) when it pledges or charges any Shares beneficially owned by it in

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favour of an authorised institution pursuant to Rule 13.18 of the GEM Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and (ii) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform our Company of such indications.

UNDERTAKINGS PURSUANT TO THE PUBLIC OFFER UNDERWRITING AGREEMENT

Undertaking by our Company

Except pursuant to the Capitalisation Issue, the Share Offer and options to be granted under the Share Option Scheme, during the period commencing on the date of this prospectus and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company has undertaken to each of the Sole Bookrunner, the Joint Lead Managers, the Public Offer Underwriters and the Sole Sponsor not to, and to procure each other member of our Group not to, without the prior written consent of the Sole Bookrunner (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor and unless in compliance with the requirements of the GEM Listing Rules:

- (i) offer, allot, issue or sell, or agree to allot, issue or sell, hedge, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of our affiliates), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares); or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities; or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer or agree to do any of the foregoing transactions and publicly disclose any intention to effect such transaction, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

In the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the six-month period commencing from the expiry of the First Six-Month Period (the “**Second Six-Month Period**”), it will take all reasonable steps to ensure that such action will not create a disorderly or false market in any of the Shares or other securities of our Company.

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Undertaking by our Controlling Shareholders

Each of our Controlling Shareholders has also undertaken to each of our Company, the Sole Bookrunner, the Joint Lead Managers, the Public Offer Underwriters and the Sole Sponsor that, (i) save as pursuant to the Capitalisation Issue, Share Offer and options to be granted under the Share Option Scheme; or (ii) permitted under the GEM Listing Rules, without the prior written consent of the Sole Bookrunner (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor:

- (i) he/it will not, at any time in the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in the prospectus and ending on the date which is 12 months after the Listing date (the “**First 12-Month Period**”), sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable), 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 Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or enter into any transaction with the same economic effect as any transaction specified above, or offer to or agree to or announce any intention to effect any transaction specified above, in each case, whether any of the transactions specified above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);
- (ii) he/it will not, in the period of 12 months commencing on the date on which the First 12-Month Period expires, (the “**Second 12-Month Period**”), enter into any of the transactions specified in (i) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a “controlling shareholder” (as defined in the GEM Listing Rules) of our Company; and
- (iii) without prejudice to the undertakings as referred to in paragraphs (i) and (ii) above, during the period commencing on the date by reference to which disclosure of its direct or indirect shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it shall:
 - (a) when he/it pledges or charges or otherwise create any rights of encumbrances over any Shares or other securities of our Company beneficially owned by him/it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the

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Laws of Hong Kong)) pursuant to Rule 13.18(1) of the GEM Listing Rules, immediately inform our Company, the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers of such pledge or charge or creation of the rights of encumbrances together with the number of the securities so pledged or charged and all other information as may be reasonably requested by our Company, the Sole Sponsor, the Sole Bookrunner and/or the Joint Lead Managers; and

- (b) subsequent to the pledge or charge or creation of rights or encumbrances over our Shares (or interest therein) or other shares or interests as mentioned in subparagraph (a) above, when he/it receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged or encumbered securities as referred to in sub-paragraph (a) above will be disposed of, immediately inform our Company of such indications, and inform the Sole Sponsor, the Sole Bookrunner and the Joint Lead Managers as soon as practicable thereafter (taking into account the requirements of applicable laws, rules and regulations) of such indications.

Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company and Controlling Shareholders will enter into the Placing Underwriting Agreement with, among others, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the 270,000,000 Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, our Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed “Undertakings pursuant to the Public Offer Underwriting Agreement” in this section above.

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Commission and expenses

The Public Offer Underwriters will, and the Placing Underwriters are expected to, receive an underwriting commission of 6.0% of the aggregate Offer Price payable for all the Offer Shares in accordance with the terms of the Public Offer Underwriting Agreement and the Placing Underwriting Agreement, out of which they may pay any sub-underwriting commission in connection with the Share Offer. Based on the Offer Price of HK\$0.22 per Offer Share (being the mid-point of the indicative range of the Offer Price), the aggregate commission and fees payable to the Underwriters, together with Stock Exchange listing fees, SFC transaction levy, Stock Exchange trading fees, legal and other professional fees and printing and other expenses relating to the Share Offer, are estimated to amount to approximately HK\$29.0 million in total.

SOLE SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

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

We have appointed Lego Corporate Finance Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date.

Save as disclosed above, none of the Sole Sponsor 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 members of our Group or has any interest in the Share Offer.

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

MINIMUM PUBLIC FLOAT

Our Directors will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 11.23 of the GEM Listing Rules after completion of the Share Offer.