
UNDERWRITING

UNDERWRITERS

Daiwa Securities SMBC
Guotai Junan Securities (Hong Kong) Limited
Mega Capital (Asia) Company Limited
UOB Kay Hian (Hong Kong) Limited
CAF Securities Company Limited
CIMB-GK Securities (HK) Limited
CMB International Capital Corporation Limited
Sun Hung Kai International Limited

UNDERWRITING ARRANGEMENT AND EXPENSES

The Underwriting Agreement

In connection with the Placing, it is expected that the Company will enter into the Underwriting Agreement, amongst other parties, with the Underwriters. Under the Underwriting Agreement, subject to the conditions set out therein, the Underwriters would severally agree to procure subscribers for, or failing which, to themselves subscribe as principal for, the Placing Shares being offered pursuant to the Placing. The Underwriting Agreement may be terminated for the reasons set out in “Grounds For Termination” below. Potential investors shall be reminded that in the event that the Underwriting Agreement is not entered into or the Placing Price is not agreed or if the Underwriters exercise their termination rights as referred to below, the Placing will not proceed.

The Company intends to grant to Daiwa Securities SMBC (for itself and on behalf of the Underwriters) the Over-allotment Option, exercisable by Daiwa Securities SMBC (for itself and on behalf of the Underwriters), to require the Company to issue up to an aggregate of 34,200,000 additional Shares, representing 15% of the Shares initially offered under the Placing, to cover over-allocations in the Placing, if any.

The Over-allotment Option will expire on the date which is 30 days after the Listing Date. Please refer to the paragraph headed “Over-allotment Option” in the section headed “Structure and Conditions of the Placing” of this prospectus for further details.

GROUND FOR TERMINATION

The obligations of the Underwriters under the Underwriting Agreement is subject to termination by notice in writing from Daiwa Securities SMBC (for itself and on behalf of the Underwriters) to the Company if, at any time prior to 8:00 a.m. (Hong Kong time) on the day on which dealings in the Shares commence on the GEM (which is expected to be on Tuesday, 16 October 2007):

- (a) there shall develop, occur or come into force:
 - (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in the PRC or Hong Kong or Macau or any other jurisdiction(s) relevant to the Company and its subsidiaries; or

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- (ii) any adverse change (whether or not permanent) in Hong Kong, the PRC, Asia, national, regional, international, financial, military, industrial or economic, conditions or prospects, stock market, fiscal or, political conditions regulatory or market conditions and matters and/or disasters; or
- (iii) without prejudice to sub-paragraph (i) of paragraph above, the imposition of any moratorium, suspension or restriction on trading in securities generally on the GEM due to exceptional financial circumstances or otherwise; or
- (iv) any event, or series of events, beyond the control of the Underwriters (including, without limitation, acts of government, strikes, lockout, fire, explosion, flooding, civil commotion, acts of war or acts of God or accident); or
- (v) any change or development occurs involving a prospective change in taxation or in exchange control in Hong Kong, the British Virgin Islands, the Cayman Islands, the PRC or Macau or any other jurisdiction to which any member of the Group is subject or the implementation of any exchange controls which in the sole and absolute opinion of Daiwa Securities SMBC (for itself and on behalf of the Underwriters) would or might adversely affect any member of the Group or its present or prospective shareholders in their capacity as such in a material way; or
- (vi) any litigation or claim of material importance to the business, financial or operations of the Group being threatened or instituted against any member of the Group; or
- (vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the United States of America or by the European Union (or any member thereof) on Taiwan, the PRC, Hong Kong or Macau;

and any such event, in the sole and absolute opinion of Daiwa Securities SMBC (for itself and on behalf of the Underwriters):-

- (i) has or is likely to have material adverse effect on the business or financial conditions or prospects of the Group or which may be expected to adversely affect the business or financial condition or prospects of the Group; or
 - (ii) has or may have a material adverse effect on the Placing, or makes it inadvisable or inexpedient to proceed with the Placing;
- (b) there comes to the notice of Daiwa Securities SMBC (for itself and on behalf of the Underwriters) any matter or event showing any of the representations and warranties contained in the Underwriting Agreement to be untrue or inaccurate or, if repeated immediately after the occurrence thereof, would be untrue or inaccurate or, if repeated immediately after the occurrences thereof, would be untrue or inaccurate in any respect considered by Daiwa Securities SMBC (for itself and on behalf of the Underwriters) in its sole and absolute opinion to be material or showing any of the obligations or undertakings expressed to be assumed by or imposed on the Company or the covenantors under the Underwriting Agreement not to have been complied with in any respect considered by Daiwa Securities SMBC (for itself and on behalf of the Underwriters) in its sole and absolute opinion to be material in the overall context of the Placing; or
- (c) there comes to the notice of Daiwa Securities SMBC (for itself and on behalf of the Underwriters) any breach on the part of the Company or any of the covenantors of any provisions of the Underwriting Agreement in any respect which is considered by Daiwa Securities SMBC (for itself and on behalf of the Underwriters) to be material in the overall context of the Placing; or

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- (d) any statement contained in this prospectus, the submissions, documents or information provided to Daiwa Securities SMBC (for itself and on behalf of the Underwriters), the Stock Exchange, the legal adviser to Daiwa Securities SMBC and the Underwriters and any other parties involved in the Placing which in the sole and absolute opinion of Daiwa Securities SMBC (for itself and on behalf of the Underwriters) has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect; or
- (e) matters have arisen or have been discovered which would, if this prospectus was to be issued at that time, constitute, in the sole and absolute opinion of Daiwa Securities SMBC (for itself and on behalf of the Underwriters), a material omission of such information; or
- (f) there is any adverse change in the business or in the financial or trading position or prospects of the Group which in the sole and absolute opinion of Daiwa Securities SMBC (for itself and on behalf of the Underwriters) is material in the overall context of the Placing; or
- (g) there comes to the notice of Daiwa Securities SMBC or any of the Underwriters any information, matter or event which in the sole and absolute opinion of Daiwa Securities SMBC (for itself and on behalf of the Underwriters):
 - (i) is inconsistent in any respect with any information contained in the Director's Declaration, Undertaking and Acknowledgement (Form 6A) given by each of the Directors pursuant to the Placing; or
 - (ii) would cast any serious doubt on the integrity or reputation of any Director or the reputation of the Group.

UNDERTAKINGS

Each of Ever Prosper and the executive Directors is expected to undertake to Daiwa Securities SMBC and the Underwriters that:

- (a) he/she/it will, and will procure that his/her/its associates will, comply with all applicable restrictions and requirements under the GEM Listing Rules on the disposal by him/her/it, or by any registered holder on his/her/its behalf, of any Shares or other securities of the Company in respect of which he/she/it is, or is shown in this prospectus to be, the beneficial owner (directly or indirectly);
- (b) during the period commencing from the date of the Underwriting Agreement up to and excluding the first anniversary of the Listing Date, neither he/she/it nor any of his/her/its associates or companies controlled by him/her/it has any present intention of disposing of any of Shares or other securities of the Company in respect of which he/she/it is, or is shown in this prospectus to be, the beneficial owner (directly or indirectly);
- (c) without the prior written consent of Daiwa Securities SMBC (for himself/herself/itself and on behalf of the Underwriters) and subject always to the provisions of the GEM Listing Rules, he/she/it will not, directly or indirectly, and will procure that none of his/her/its associates or companies controlled by him/her/it or any nominee or trustee holding in trust for him/her/it shall, offer for sale, sell, transfer, contract to sell or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any charges, pledges or encumbrances or other third party rights over), or announce any intention to dispose of, any of the share capital or any other securities of the Company (including any interest in a company which, directly or indirectly, holds any such share capital or other securities of the Company) which are of

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the same class as, or convertible or exchangeable for, or which carry a right to subscribe, purchase or acquire, or represent the right to receive, any such Shares or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such Shares, in respect of which he/she/it is the beneficial owner (directly or indirectly) and/or which are registered in its name, from the date of this prospectus up to and including the date falling twelve months from the Listing Date.

Each of the Initial Management Shareholders has undertaken with the Company, the Sponsor, the Underwriters and the Stock Exchange that, *inter alia*, during the date of this prospectus and ending on the date which is 12 months following the Listing Date:

- (a) he, she or it will not, save as provided in Rule 13.18 of the GEM Listing Rules, (i) dispose of (nor enter into any agreement to dispose of) nor permit the registered holder thereof to dispose of (or enter into any agreement to dispose of) any of his, her or its respective direct or indirect interests in the Relevant Securities; or (ii) otherwise create (nor enter into any agreement to sell, transfer or dispose of) nor permit the registered holder to create (or to enter into any agreement to create) any options, rights, interests or encumbrances in respect of any such interest;
- (b) he, she or it will place in escrow, with an escrow agent acceptable to the Stock Exchange, the Relevant Securities owned (or deemed interested) by him, her or it on terms acceptable to the Stock Exchange;
- (c) in the event that he, she or it pledges or charges any direct or indirect interest in the Relevant Securities under the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to the GEM Listing Rules, he, she or it must inform the Company immediately thereafter, disclosing the details as specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and
- (d) having pledged or charged any of his, her or its interests in the Relevant Securities under sub-paragraph (c) above, he, she or it must inform the Company immediately in the event that he, she or it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of the Relevant Securities affected.

The Company will inform the Stock Exchange as soon as it has been informed of any of the above matters by any of the Initial Management Shareholders and will, where required by the GEM Listing Rules, disclose such matters by way of announcement as soon as reasonably practicable after being so informed by any of the executive Directors or the Initial Management Shareholders.

The Company is expected to undertake with the Underwriters that it will not, and each of Ever Prosper and the Executive Directors is expected to undertake to each of the Underwriters to procure that the Company will not, without the prior written consent of Daiwa Securities SMBC (for itself and on behalf of the Underwriters) (such consent not to be unreasonably withheld) and subject always to the provisions of the GEM Listing Rules, within six months after the Listing Date, offer, allot or issue or agree to allot or issue, purchase, grant or agree to grant any option, right or warrant over, or otherwise dispose of, either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exercisable or exchangeable for such Shares or other equity securities of the Company (whether or not of a class already listed) or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequence of subscription for such Shares or of ownership of such securities, in cash or otherwise or announce any intention to do so

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except in all cases, for the issue of Shares or securities pursuant to an agreement entered into before the commencement of dealing, the material terms of which have been disclosed in this prospectus in connection with the Placing, or pursuant to the Placing and the Over-allotment Option.

COMMISSION AND EXPENSES

The Underwriters are expected to receive a commission of 3.0% of the aggregate Placing Price of all the Placing Shares. Daiwa Securities SMBC will, in addition, receive an advisory and documentation fee as the Sponsor to the Placing. The aggregate fees and commission, together with 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\$25.0 million in aggregate, assuming the Over-allotment Option is not exercised, which will be borne by the Company.

UNDERWRITERS' INTERESTS IN THE COMPANY

Save as disclosed in this prospectus and as contemplated pursuant to the Underwriting Agreement, none of the Underwriters has any shareholding in any member of the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company.