
UNDERWRITING

UNDERWRITERS

Hong Kong Underwriters

Joint Lead Managers

Merrill Lynch Far East Limited
UBS AG, Hong Kong Branch
CITIC Securities Corporate Finance (HK) Limited

Co-Managers

DBS Asia Capital Limited
Guotai Junan Securities (Hong Kong) Limited
Mizuho Securities Asia Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offer

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on 19 October 2010. As described in the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and subject to the conditions of this Prospectus and the Application Forms at the Offer Price.

Subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares, as set out in the Hong Kong Underwriting Agreement which are being offered but are not taken up under the Hong Kong Public Offer on the terms and subject to the conditions of this Prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms. One of the conditions is that the Offer Price must be agreed among the Company, the Selling Shareholder and the Joint Global Coordinators (on behalf of the Underwriters). For applicants applying under the Hong Kong Public Offer, this Prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offer. The International Offer will be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed among the Company, the Selling Shareholder and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering will not proceed.

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Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination with immediate effect by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) by giving notice orally or in writing, if, at any time prior to 8:00 a.m. on the Listing Date:

- 1) there shall develop, occur, exist or come into effect:
 - (a) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of infectious disease, economic sanctions, strikes, lock outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union, Japan or any other jurisdiction relevant to any member of the Group or the Global Offering (collectively the “Relevant Jurisdictions”); or
 - (b) 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, or deterioration of any pre-existing, local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, investment markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions ; or
 - (c) 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 Hong Kong Stock Exchange, the Shanghai Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Market, the London Stock Exchange or the Tokyo Stock Exchange; or
 - (d) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Authority), New York (imposed at Federal or New York State level or other competent Authority), London, the PRC, the European Union, Japan or any other jurisdiction relevant to any member of the Group, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in those places or jurisdictions; or
 - (e) 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 any of the Relevant Jurisdictions; or

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- (f) the imposition of economic sanctions or withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, the United States or the European Union (or any member thereof) on the PRC or any other jurisdiction relevant to any member of the Group; or
- (g) a change or development involving a prospective change in taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or
- (h) any material litigation, legal proceedings, legal action or claim of any third party being instigated against any member of the Group; or
- (i) a Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (j) the chairman or chief executive officer of the Company vacating his or her office; or
- (k) an authority or a political body or organization in any relevant jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or
- (l) a contravention by any member of the Group of the Listing Rules or applicable laws; or
- (m) a prohibition on the Company for whatever reason from allotting or selling the Shares (including the Option Shares) pursuant to the terms of the Global Offering; or
- (n) non compliance of this Prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation; or
- (o) the issue or requirement to issue by the Company of any supplement or amendment to the Hong Kong Prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance or the Listing Rules or any requirement or request of the Hong Kong Stock Exchange and/or the SFC; or
- (p) an order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

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- (q) a valid demand by any creditor for repayment or payment of any of the indebtedness of the Company or any other member of the Group or in respect of which the Company or any other member of the Group is liable prior to its stated maturity reasonably expected to have a material adverse effect,

which, individually or in the aggregate, in the sole opinion of the Joint Global Coordinators:

- (1) has or will or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or
 - (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offer or the level of interest under the International Offer; or
 - (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or
 - (4) has or will or may have the effect of making any part of Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- 2) there has come to the notice of the Joint Global Coordinators:
- (a) that any statement contained in any of this Prospectus or the Application Forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any respect, or that any forecast, expression of opinion, intention or expectation contained in any of this Prospectus or the Application Forms and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or
 - (b) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Hong Kong Prospectus, constitute an omission from any of the Hong Kong Public Offer Documents and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto); or
 - (c) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

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- (d) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties pursuant to indemnification provisions under the Hong Kong Underwriting Agreement; or
- (e) any adverse change or development involving a prospective adverse change in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of any member of the Group; or
- (f) any breach of, or any event rendering untrue, incorrect or misleading in any respect, any of the representation and warranties given by the Company and the Controlling Shareholders in the Hong Kong Underwriting Agreement; or
- (g) approval by the Listing Committee of the Hong Kong Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (h) the Company withdraws this Prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering.

Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

(a) Undertaking by the Company

Pursuant to Rule 10.08 of the Listing Rules, except pursuant to the Global Offering or any issue of Shares or securities in compliance with Rule 10.08(1) to (4) of the Listing Rules, the Company will not, at any time during the period of six months from the date on which dealings in the Shares commence on the Stock Exchange (the "First Six-month Period"), allot or issue or agree to allot or issue any Shares or other securities of the Company (including warrants or other securities of the Company) or grant or agree to grant any options or rights over any Shares or other securities of the Company or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequence of ownership of any Shares or offer to or agree to do any of the foregoing or announce the intention to do so.

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(b) Undertaking by the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Company and the Stock Exchange that he/she shall not and shall procure that the relevant registered shareholder(s) shall not, without prior consent of the Stock Exchange:

- (i) during the period commencing from the date of this Prospectus up to the expiry of the First Six-month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/she/it is shown by this Prospectus to be the beneficial owner (the “**Locked-up Shares**”); and
- (ii) within the six months immediately following the expiry of the First Six Month Period (“**Second Six-month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Locked-up Shares to such extent that immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a Controlling Shareholder (as defined in the Listing Rules) of the Company.

Note (2) of Rule 10.07 of the Listing Rules provides that the rule does not prevent a Controlling Shareholder from using the shares owned by he/she as securities (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Each of the Controlling Shareholders has further undertaken to the Stock Exchange that he/she will, at any time after the date of this Prospectus and until the end of the Second Six-month Period, immediately inform the Company and the Stock Exchange of:

- (i) any pledges or charges of any Shares or other securities of the Company beneficially owned by he/she/it in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong), together with the number of Shares or other securities of the Company so pledged or charged and the purpose for which such pledge or charge is to be created; and
- (ii) any indication received by he/she/it, either verbal or written, from the pledgee or chargee of any Shares or other securities of the Company pledged or charged that such Shares or other securities of the Company so pledged or charged will be disposed of.

Upon receiving the above information in writing from the Controlling Shareholders, the Company will also, as soon as practicable, notify the Stock Exchange and make a public disclosure of such information by way of an announcement pursuant to the Listing Rules.

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Undertakings pursuant to the Hong Kong Underwriting Agreement

(a) *Undertaking by the Company*

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that, except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option) and any issue of Shares upon exercise of any options granted under the Pre-IPO Share Option Scheme or any options which may be granted under the Share Option Scheme, the Company will not, and will procure that each other member of the Group not to, without the prior written consent of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors and unless in compliance with the requirements of the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and until the end of the First Six-month Period:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of, or agree to transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company or any interest in any of the foregoing (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 any shares of such other member of the Group, as applicable or any interest in any of the foregoing); 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 other securities of the Company or any interest in any of the foregoing (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 any shares of such other member of the Group, as applicable or any interest in any of the foregoing); or
- (iii) enter into any transaction with the same economic effect of the foregoing transactions; or
- (iv) offer to or agree to or announce any intention to effect any of the foregoing transactions; or
- (v) at any time within the Second Six-month Period, do any of the acts set out in sub-paragraphs (i) to (iv) above such that the Controlling Shareholders in aggregate, directly or indirectly, would cease to be a “controlling shareholder” (within the meaning defined in the Listing Rules) of the Company,

in each case, whether any of the foregoing transactions is to be settled by delivery of Shares or such other securities of the Company or shares or other securities of such other member of the Group, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

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In the event that the Company or any member of the Group does any of the acts set out in paragraphs (i) to (iv) above during Second Six-month Period, as the case may be, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

Each of the Controlling Shareholders undertakes to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors to procure the Company to comply with the foregoing undertakings.

(b) Undertaking by the Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders has undertaken to each of the Company, the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that he/she will not (save as pursuant to the Global Offering, (in respect of Zhang International) the lending of Shares to and the returning of Shares by UBS AG, Hong Kong Branch pursuant to the Stock Borrowing Agreement and any exercise of subscription rights attaching to options granted under the Pre-IPO Share Option Scheme), without the prior written consent of the Joint Global Coordinators and the Joint Sponsors and unless in compliance with the requirements of the Listing Rules:

- (i) during the First Six-month Period,
 - (1) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, hedge, 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 the Company or any interest therein in respect of which it is (directly or indirectly), or is shown in the Prospectus to be, the beneficial owner (in either case, immediately following the completion of the Global Offering) (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) (the “Locked-up Shares”), or
 - (2) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of any Lock-up Shares, or
 - (3) enter into any transaction with the same economic effect as any transaction specified in (1) or (2) above, or
 - (4) offer to or agree to or announce any intention to effect any transaction specified in (1), (2) or (3) above, in each case, whether any of the transactions specified in (1), (2) or (3) above is to be settled by delivery of Shares or such other securities of the Company or shares or other securities of such other member of the Group, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the First Six-Month Period); and

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- (ii) during the Second Six-month Period, enter into any of the transactions specified in (1), (2) or (3) of sub-paragraph (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, they will, in aggregate, cease to be a “controlling shareholder” (as the term is defined in the Listing Rules) of the Company.

Each of the Controlling Shareholders has also undertaken with each of the Company, the Joint Global Coordinators and the Joint Sponsors that, until the expiry of the Second Six-month period, in the event that he/she enters into any of the transactions specified in (1), (2) or (3) of sub-paragraph (i) above or offer to or agrees to or announce any intention to effect any such transaction, he/she will take all reasonable steps to ensure that he/she will not create a disorderly or false market in the securities of the Company.

(c) Undertaking by Carlyle, Fosun Group and SPCI

Each of Carlyle, Fosun Group and SPCI has undertaken to each of the Joint Global Coordinators and Joint Sponsors that it shall not, without the prior written consent of the Joint Global Coordinators and the Joint Sponsors, at any time during First Six-Month Period:

- (i) 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 any mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind (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 or such other securities, as applicable), 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 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 such other securities), or
- (iii) enter into any transaction with the same economic effect as any transaction specified above, or
- (iv) 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 shares or other securities of any subsidiaries of our Company, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

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International Offer

In connection with the International Offer, it is expected that the Company and the Controlling Shareholders will enter into the International Underwriting Agreement with the Joint Global Coordinators and the International Underwriters. Under the International Underwriting Agreement, it is expected that the International Underwriters would, subject to certain conditions set out therein, severally and not jointly agree to purchase the International Offer Shares being offered pursuant to the International Offer or procure purchasers for such International Offer Shares.

Under the International Underwriting Agreement, the Company intends to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters for up to 30 days from the last day for the lodging of applications under the Hong Kong Public Offer, to require the Company to issue up to an aggregate of 96,600,000 additional Shares, representing 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be offered at the Offer Price per Share (plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% of the Offer Price) and will be for the purpose of, among other things, covering over-allocations, if any, in the International Offer.

Underwriting Commission and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offer. For unsubscribed or unpurchased Hong Kong Offer Shares reallocated to the International Offer, the Company will pay an underwriting commission at the rate applicable to the International Offer and such commission will be paid to the Joint Global Coordinators (on behalf of the International Underwriters). The commission payable to the Underwriters will be borne by our Company and the Selling Shareholder in relation to the new Shares to be issued in relation to the Global Offering and the Sale Share to be offered in the Global Offering, respectively. For International Offer Shares reallocated to the Hong Kong Public Offer, the Company will pay an underwriting commission, at the rate applicable to the International Offer, to the International Underwriters. In addition, the Company may, at sole discretion, pay to any one or all of the Joint Global Coordinators an additional incentive fee of up to 1.0% of the aggregate Offer Price for all the Shares offered in the Global Offering including any Offer Shares issued pursuant to the exercise of the Over-allotment Option, and such fee to be allocated among the Joint Global Coordinators in such proportions shall be determined by us.

The aggregate underwriting commissions and fees, together with listing fees, SFC transaction levy, the Stock Exchange trading fee, legal and other professional fees, and printing and other expenses relating to the Global Offering are payable by the Company, are estimated to amount to approximately HK\$103 million, assuming the Offer Price of HK\$4.18 per Share, being the mid-point of the proposed Offer Price range of HK\$3.55 to HK\$4.80, and the Over-allotment Option is not exercised.

Indemnity

The Company and the Controlling Shareholders have agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company or the Controlling Shareholders of the Hong Kong Underwriting Agreement.

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JOINT SPONSORS' INDEPENDENCE

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

UNDERWRITERS' INTEREST IN THE COMPANY

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the Underwriters has any shareholding interests in the Company or any of its subsidiaries or any right or options (whether legally enforceable or not) to subscribe to or to nominate persons to subscribe to securities in the Company or any of its subsidiaries.