

UNDERWRITING

HONG KONG PUBLIC OFFER UNDERWRITERS:

CLSA Limited
Piper Jaffray Asia Securities Limited
China Merchants Securities (HK) Co., Ltd.
Sun Hung Kai International Limited
Taifook Securities Company Limited

UNDERWRITING ARRANGEMENTS, COMMISSIONS AND EXPENSES

Hong Kong Public Offer Underwriting Agreement

Under the Hong Kong Public Offer Underwriting Agreement, the Company is offering the Hong Kong Public Offer Shares for subscription by the public on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to the Listing Committee of the Hong Kong Stock Exchange granting 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 Public Offer Underwriting Agreement, the Hong Kong Public Offer Underwriters have agreed severally to subscribe, or procure subscribers for, their respective applicable proportions of the Hong Kong Public Offer Shares 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 Public Offer Underwriting Agreement.

The Hong Kong Public Offer Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional.

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Grounds for termination

The Joint Lead Managers (for themselves and on behalf of the Hong Kong Public Offer Underwriters) shall be entitled by notice in writing to the Company to terminate Hong Kong Public Offer Underwriting Agreement jointly with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (1) there shall have developed, occurred, existed 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 disease, economic sanctions (in whatever form, directly or indirectly), strikes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, volcanic eruptions, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism); 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 local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting Hong Kong, the PRC, the United States, the European Union (or any member thereof) or Japan; 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 Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange, the Shenzhen 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 (or any member thereof), 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 any of those places or jurisdictions; or

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- (e) any new law or any change or development involving a prospective change in existing laws 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, the PRC, the United States, the European Union (or any member thereof), Japan or any other jurisdiction relevant to any member of the Group; or
- (f) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, Hong Kong, the United States, the European Union (or any member thereof), the PRC, Japan or on any entity which is material to the revenues or operations of the Group (whether or not such entity is a member of the Group) or with respect to any jurisdiction in which such entity operates a substantive part of its business or in which a substantive part of the assets of such entity are held; or
- (g) a change or development involving a prospective change in taxation, exchange control, currency exchange rates or foreign investment regulations (including without limitation a material devaluation of the Hong Kong dollar, the Euro, the Japanese yen, the Renminbi, the United States dollar or the British pound sterling against any foreign currencies and any disruptions in monetary, trading or securities settlement or clearance services, procedures or matters), or the implementation of any exchange control (except for the PRC), in Hong Kong, the PRC, the United States, the European Union (or any member thereof), Japan or any other jurisdiction relevant to any member of the Group; or
- (h) any action of any third party being threatened or instigated against any Group Company; or
- (i) an Executive 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 of the Company vacating his office; or
- (k) a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including the Shares to be issued upon the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering;

which, individually or in the aggregate, in the sole opinion of the Joint Lead Managers (for themselves and on behalf of the Hong Kong Public Offer Underwriters) (1) has or will or is likely to have a material adverse change, or any development involving a prospective material adverse change, in or affecting 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 Company and the

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other members of the Group, taken as a whole; or (2) has or will or is likely to 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 Placing; or (3) makes or will or is likely to 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 is likely to have the effect of making any part of the Hong Kong Public Offer 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 Lead Managers:
- (a) that any statement contained in any of this prospectus, the Application Forms and/or any announcements 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 material respect, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of this prospectus, the Application Forms and/or any announcements 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, 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 this prospectus, result in a misstatement in, or constitute an omission from, any of this prospectus, the Application Forms and/or any announcements 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 material breach of any of the obligations imposed upon any party to the Hong Kong Public Offer Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Public Offer Underwriters or the International Underwriters); or
 - (d) any event, act or omission which gives or is likely to give rise to any material liability of any of the indemnifying parties pursuant to the Hong Kong Public Offer Underwriting Agreement; or
 - (e) any adverse change or development involving a prospective material adverse change in the assets, liabilities, conditions, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, condition or position, financial or otherwise, or performance, of any Group Company; or

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- (f) any breach of, or any event rendering untrue or incorrect in any respect, any of the Warranties; or
- (g) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (h) a material contravention by any Group Company of the Listing Rules or applicable Laws; or
- (i) material non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Law; or
- (j) an order or petition for the winding up of any Group Company with substantive business operations or any composition or arrangement made by any such Group Company with its creditors or a scheme of arrangement entered into by any such Group Company or any resolution for the winding-up of any such Group Company or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any such Group Company or anything analogous thereto occurring in respect of any such Group Company.

Undertakings

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, no further Shares or securities convertible into equity securities (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except in certain prescribed circumstances which includes the issue of Shares pursuant to the Share Option Scheme.

For the purpose of Rule 10.08 of the Listing Rules, the Company will not issue further Shares or securities convertible into equity securities (whether or not of a class already listed) or enter into any agreement in respect of any such issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed

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within six months from the commencement of dealing), except for the issue of Shares, the listing of which has been approved by the Hong Kong Stock Exchange, pursuant to a share option scheme or similar arrangement under Chapter 17 of the Listing Rules, or issue of Shares pursuant to the Conversion or any capital reduction or consolidation or sub-division of Shares.

(b) Undertaking by the Controlling Shareholders

For undertakings given by the Controlling Shareholders to the Hong Kong Stock Exchange and the Company, please refer to the section headed “Substantial Shareholders – Non-disposal Undertakings” in this prospectus.

Undertaking by New Horizon and Admiralfly

Each of New Horizon and Admiralfly has jointly and severally undertaken to the Company, the Sole Sponsor, the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and each of them that:

1. without the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the Underwriters), it will not, and shall procure that none of its associates or companies controlled by it or any nominee or trustee holding in trust for it will, at any time from 9 October 2010 and ending on the date which is six months following the Listing Date (“Six-Month Period”):
 - (a) 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, option, restriction, right of first refusal, right of pre-emption, claim, interest, right or preference, or any other encumbrance, security interest or right of any kind, granted to any third party over, or agree to transfer or dispose of or create any of the foregoing over, 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 other securities of the Company, or securities in any company or entity which directly or indirectly holds the Shares); or
 - (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of 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 other securities of the Company); or
 - (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

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- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether the transaction is to be settled by delivery of Shares or such other securities of the Company or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of the Company will be completed within the Six-Month Period);

Provided, however, the foregoing restrictions set out in (a) to (d) above shall not apply to any transfer of Shares to any direct or indirect wholly owned subsidiaries of New Horizon (“Affiliate”) subject to the following:

- (i) prior to such transfer, such Affiliate shall give a written undertaking (in favour of the Company, the Sole Sponsor and the Joint Global Coordinators) agreeing to be bound by the undertakings and obligations as set out in this sub-section headed “Undertaking by New Horizon and Admiralfly,” as if such Affiliate were itself subject to such undertakings and obligations; and
- (ii) if at any time prior to expiration of the Six-Month Period, such Affiliate ceases or will cease to be a direct or indirect wholly-owned subsidiary of New Horizon, such Affiliate shall (and New Horizon shall procure that such Affiliate shall) transfer the Shares it holds to Admiralfly or another wholly-owned subsidiary of New Horizon, which shall give a written undertaking in the form and substance as required in sub-paragraph (i) above.

AND

- 2. in the event that it enters into any of the transactions specified in (a), (b) or (c) of paragraph 1 above or offers to or agrees to or announces any intention to effect any such transaction during the period commencing from the expiration of the Six-Month Period and ending on the expiration of another six months after the Six-Month Period, it will take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other securities of the Company.

Without limiting the foregoing, until the expiry of the Six-Month Period, New Horizon has further undertaken with the Company, the Sole Sponsor and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Public Offer Underwriters) that it shall remain the sole legal and beneficial owner of the entire issued share capital of Admiralfly.

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Undertakings pursuant to the Hong Kong Public Offer Underwriting Agreement

1. Each of the Controlling Shareholders has jointly and severally undertaken with the Company, the Sole Sponsor and the Joint Lead Managers (on behalf of the Hong Kong Public Offer Underwriters) that:
 - (a) he/ it will not, and shall procure that none of his/ its associates or companies controlled by him/ it or any nominee or trustee holding in trust for him/ it will (save as pursuant to the Global Offering, including pursuant to the Stock Borrowing Agreement), at any time during the 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 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 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 other securities of the Company, or securities in any company or entity which directly or indirectly holds the 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 ownership of 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 other securities of the Company), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether the transaction is to be settled by delivery of Shares or such other securities of the Company or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of the Company will be completed within the First Six-Month Period);
 - (b) he/ it will not, and shall procure that none of his/ its associates or companies controlled by him/ it or any nominee or trustee holding in trust for him/ it will, at any time during the Second Six-Month Period, enter into any of the transactions specified in (i), (ii) or (iii) of paragraph (a) 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 the term is defined in the Listing Rules) of the Company;

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- (c) until the expiry of the Second Six-Month Period, in the event that he/ it enters into any of the transactions specified in (i), (ii) or (iii) of paragraph (a) above or offers to or agrees to or announces any intention to effect any such transaction, he/ it will take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other securities of the Company; and
 - (d) until the expiry of the Second Six-Month Period, Mr. Chan will remain the sole legal and beneficial owner of the entire issued share capital of Pacific Success.
- 2. Without prejudice to the aforesaid, each of the Controlling Shareholders has jointly and severally undertaken to the Company, the Sole Sponsor, the Joint Lead Managers and the Hong Kong Public Offer Underwriters that, at any time during the Second Six-month Period, he/it will:
 - (a) when he/it intends to create in favour of any third party any pledge or charge over any Shares or securities or interests in any Shares or securities of the Company, immediately inform the Company, the Sole Sponsor and the Joint Lead Managers in writing such pledge or charge together with the number of securities of the Company so pledged or charged prior to entering into such arrangement; or
 - (b) when he/it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of the Company will be disposed of, immediately inform the Company, the Sole Sponsor and the Joint Lead Managers in writing of such indications.

The Company undertakes to the Sole Sponsor and the Joint Lead Managers, the Hong Kong Public Offer Underwriters that, upon receiving such information in writing from either of the Controlling Shareholders, it shall, as soon as practicable, notify the Hong Kong Stock Exchange and make an announcement in accordance with the Listing Rules.

- 3. The Company has undertaken to the Sole Sponsor, the Joint Lead Managers, the Hong Kong Public Offer Underwriters that, and each of the Controlling Shareholders and the Executive Directors have undertaken with the Sole Sponsor, the Joint Lead Managers and the Hong Kong Public Offer Underwriters to procure that, without the prior written consent of the Joint Lead Managers (on behalf of the Hong Kong Public Offer Underwriters), and subject always to the requirements under the Listing Rules, save for the offer, allotment and issue of the Offer Shares pursuant to the Global Offering, including pursuant to the Conversion, the exercise of the Over-allotment Option, the grant of any options under the Share Option Scheme, or the allotment and issue of any Shares which may fall to be issued pursuant to the exercise of any option which may be granted under the Share Option Scheme, or by way of scrip dividend or similar arrangements in accordance with the

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Articles of Association, neither the Company nor any of its subsidiaries from time to time shall, within the First Six-Month Period:

- (a) 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, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company or any shares or any other securities of any subsidiary of the Company, as applicable, 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 subscribe for or purchase, any Shares or any other securities of the Company or any shares or any other securities of such subsidiary of the Company, as applicable), or deposit Shares with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other securities of the Company or any shares or any other securities of any subsidiary of the Company, as applicable, 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 subscribe for or purchase, any Shares or any other securities of the Company or any shares or any other securities of such subsidiary of the Company, as applicable); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether the transaction is to be settled by delivery of Shares or such other securities of the Company or shares or such other securities of any subsidiary of the Company, as applicable, or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of the Company or shares or such other securities of such subsidiary of the Company, as applicable, will be completed within the First Six-Month Period). In the event that, at any time during Second Six-Month Period, the Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other securities of the Company.

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The International Placing

In connection with the International Placing, it is expected that the Company and the International Underwriters will enter into the International Underwriting Agreement. Under the International Underwriting Agreement, the International Underwriters will severally agree to subscribe and/or procure subscribers to acquire all the Shares to be subscribed in the International Placing.

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part from time to time by CLSA in its discretion (after consultation with Piper Jaffray Asia Securities) and on behalf of the International Underwriters within 30 days from the last date for lodging applications under the Hong Kong Public Offer, to require the Company to issue up to an aggregate of 35,501,000 additional Shares, representing in aggregate approximately 15% of the Offer Shares initially available under the Global Offering, at the same price per Share under the International Placing for the purpose of covering over-allocations, if any, in the International Placing.

Commission and expenses

The Hong Kong Public Offer Underwriters will receive an underwriting commission of 3.0% of the aggregate Offer Price payable for the Hong Kong Public Offer Shares initially offered under the Hong Kong Public Offer, out of which they will pay any sub-underwriting commission. In addition, the Company may pay to the Joint Global Coordinators an additional incentive fee of 0.50% of the Offer Price multiplied by the total number of the Hong Kong Public Offer Shares, the payment and allocation between the Joint Global Coordinators of which will be decided at the Company's discretion. For unsubscribed Hong Kong Public Offer Shares reallocated to the International Placing, the Company will pay an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the Joint Global Coordinators and the relevant International Underwriters (but not the Hong Kong Public Offer Underwriters). The Sole Sponsor will receive a sponsor's fee in relation to the Listing. For any International Placing Shares reallocated to the Hong Kong Public Offer due to an over-subscription of the Hong Kong Public Offer (while the International Placing is not undersubscribed), the Company will pay an underwriting commission, at the rate applicable to the International Placing, to the International Underwriters under the International Placing.

The aggregate underwriting commissions and fees, together with listing fees, the SFC transaction levy and the Hong Kong Stock Exchange trading fee payable by the Company, legal and other professional fees, and printing and other expenses relating to the Global Offering are estimated to amount to about HK\$73.6 million (assuming the mid-point Offer Price of HK\$4.20 and the Over-allotment Option is not exercised).

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Hong Kong Public Offer Underwriters' interests in the Company

Save for the obligations and the interests under the Hong Kong Public Offer Underwriting Agreement and, if the Stock Borrowing Agreement is entered into, CLSA's interests thereunder and save as disclosed in this prospectus, as at the Latest Practicable Date, none of the Hong Kong Public Offer Underwriters is interested legally or beneficially in any shares in any member of the Group or has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.