

UNDERWRITING

Public Offer Underwriters

Sole Lead Manager

Macquarie Securities Limited

Co-Lead Managers

CAF Securities Company Limited

BNP Paribas Peregrine Capital Limited (to be renamed BNP Paribas Capital (Asia Pacific) Limited)

Co-Managers

First Shanghai Securities Limited

Guotai Junan Securities (Hong Kong) Limited

Polaris Capital (Asia) Limited

International Underwriters

Macquarie Securities Limited

CAF Securities Company Limited

BNP Paribas Peregrine Capital Limited (to be renamed BNP Paribas Capital (Asia Pacific) Limited)

Guotai Junan Securities (Hong Kong) Limited

Polaris Capital (Asia) Limited

Underwriting Arrangements and Expenses

Public Offer Underwriting Agreement

The Company is offering to the members of the public in Hong Kong under the Public Offer the Public Offer Shares for subscription on, and subject to, the terms and conditions of this prospectus and the Application Forms.

Subject to the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the H Shares to be issued and sold pursuant to the Global Offering as mentioned in this prospectus (including any additional H Shares which may be issued or sold pursuant to the exercise of the Over-allotment Option) and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed severally to subscribe or procure subscribers for the Public Offer Shares which are being offered but 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.

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Grounds for Termination

The obligation of the Hong Kong Underwriters to subscribe for or purchase or procure subscribers or purchasers for the Public Offer Shares is subject to termination if, at any time prior to 8:00 a.m. on the Listing Date:

- (A) there shall develop, occur, exist or come into effect:
- (1) any event, or series of events, beyond the control of the International Underwriters (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, outbreak of diseases or epidemics (including but not limited to severe acute respiratory syndrome and avian flu) and such related/mutated forms or interruption or delay in transportation); or
 - (2) any material 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, international, financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions or any monetary or trading settlement systems or matters and/or disaster (including any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the American Stock Exchange or the Nasdaq National Market, or a material devaluation of the Hong Kong dollars or the Renminbi against any foreign currencies, or any disruption in securities settlement or clearance services or procedures in Hong Kong, the PRC, the United States or Japan) anywhere in the world; or
 - (3) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary of Hong Kong or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), the PRC or Japan, or there is a material disruption in commercial banking or securities settlement or clearance services in those places; or
 - (4) any new law or regulation or 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 Hong Kong, the PRC, the United States or Japan or any other jurisdictions relevant to any member of the Group; or
 - (5) the imposition of new economic sanctions or any change in existing economic sanctions, in whatever form, directly or indirectly, by, or for the United States or by the European Union (or any member thereof) on the PRC; or

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- (6) a material change or development occurs involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the PRC or any other jurisdictions relevant to any member of the Group; or
- (7) any litigation or claim of importance of any third party being threatened or instigated against any member of the Group; or
- (8) any significant change or development involving a prospective materialisation of any of the risks set out in the section headed “Risk Factors” in the Prospectus; or
- (9) a valid demand by any creditor for repayment or payment of any material indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (10) any material loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (11) any action taken by any judicial body against a Director in his or her capacity as such or an announcement by any judicial body that it intends to take any such action; or
- (12) a prohibition on the Company or the Parent Company for whatever reason from allotting or selling the Offer Shares or the Over-allotment Option Shares (as the case may be) pursuant to the terms of the Global Offering; or
- (13) other than with the approval of the Global Coordinator, the issue or requirement to issue by the Company of a supplementary offering document pursuant to the Companies Ordinance or the Listing Rules in circumstances where the matter to be disclosed is, in the sole and absolute opinion of the Global Coordinator, materially adverse to the marketing for or implementation of the Global Offering; or
- (14) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group,

which, in the sole and absolute opinion of the Global Coordinator (1) is or will or could be expected to have an adverse effect on the business, financial or other condition or prospects of the Company or the Group or any member of the Group; or (2) has or will have or could be expected to have an adverse effect on the success of the Global Offering or the level of applications under the Public Offer or the level of interest under

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the International Placing; or (3) makes it inadvisable, inexpedient, impracticable for the Global Offering to proceed or to market the Global Offering; or (4) has or would have the effect of making any part of this Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

(B) there has come to the notice of the Global Coordinator:

- (1) that any statement contained in any of the placing documents was, when the same was issued, or has become, untrue, incorrect or misleading in any material respect; or
- (2) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute an omission therefrom; or
- (3) any material breach of any of the obligations imposed upon any party to the Public Offer Underwriting Agreement or the International Underwriting Agreement (other than on any of the Public Offer Underwriters or the International Underwriters or the Global Coordinator); or
- (4) any event, act or omission which gives or is likely to give rise to any material liability of any of the Company, Parent Company and the executive Directors pursuant to the indemnities referred to in the Public Offer Underwriting Agreement; or
- (5) any material adverse change or development involving a prospective change in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any member of the Group; or
- (6) any breach of any of the warranties set out in the Public Offer Underwriting Agreement, approval for listing of, and permission to deal in the H Shares on the Main Board is refused or not granted, other than subject to customary conditions, on or before the listing approval date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (7) the Company withdraws the offering documents or the Global Offering.

Undertakings

The Parent Company has undertaken to the Stock Exchange, the Public Offer Underwriters and the International Underwriters that except pursuant to the Global Offering or the Over-allotment Option, (i) it will not, unless in compliance with the requirements of the Listing Rules, during the period of six months from the date on which dealing in the H Shares first commences on the Stock Exchange (the "First Six-month Period"), dispose of any of the Shares in respect of

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which the Parent Company is shown by this prospectus to be the beneficial owner (the “Parent Shares”); (ii) it will not, unless in compliance with the requirements of the Listing Rules, in the six month period commencing from the expiry of the First Six-month Period (the “Second Six-month Period”) dispose of any of the Shares held by it to such extent that immediately following such disposal, the Parent Company would then cease to be a controlling shareholder (as defined in the Listing Rules) of the Company; and (iii) it will, on any disposal of the Shares held by it during the Second Six-month Period, take all reasonable steps to ensure that any such disposal will not create a disorderly or false market.

The Parent Company has further undertaken to the Company, the Stock Exchange, the Public Offer Underwriters and the International Underwriters that it will, at any time after the date of this prospectus up to and including the date falling 12 months after the date on which dealings in the H Shares on the Stock Exchange commence immediately inform the Company of:

- (a) any pledges or charges of any Shares or other securities of the Company beneficially owned by it and the number of such Shares or other securities so pledged or charged; and
- (b) any indication received by it, either verbal or written, from any pledgee or chargee of any Shares or other securities of the Company pledged or charged that such Shares or other securities of the Company will be disposed of.

The Company will also inform the Stock Exchange as soon as the Company has been informed of the above matters (if any) by the Parent Company and disclose such matters by way of an announcement which is published in the newspapers as soon as possible after being so informed by the Parent Company.

The Company has undertaken to the Stock Exchange, the Public Offer Underwriters and the International Underwriters that, except pursuant to the Global Offering or the Over-allotment Option, in the First Six-month Period, the Company will not (i) allot or issue or agree to allot or issue any Shares or other securities (including warrants or convertible or exchangeable securities; or (ii) grant or agree to grant options or rights to subscribe for or otherwise acquire any Shares or other securities; or (iii) enter into swap or other arrangements that transfer, in whole or in part, any of the economic consequences of ownership of any Shares or (iv) offer or agree to do any of the foregoing or announce any intention to do so, without the prior consent of the relevant PRC authorities (if so required) and the Stock Exchange and unless in compliance with the requirements of the Listing Rules, and in the event of the Company doing any of the foregoing by virtue of the aforesaid exceptions or during the Second Six-Month Period, the Company will take all steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities of the Company.

International Underwriting Agreement

The Company is offering to professional, institutional and private investors under the International Placing the International Placing Shares for subscription on and subject to the terms and conditions of this prospectus and the International Underwriting Agreement.

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Subject to the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the H Shares to be issued and sold pursuant to the Global Offering as mentioned in this prospectus (including any additional H Shares which may be issued or sold pursuant to the exercise of the Over-allotment Option) and to certain other conditions set out in the International Underwriting Agreement, the International Underwriters have agreed severally to subscribe for or purchase or procure placees to subscribe for or purchase the International Placing Shares on the terms and conditions of this prospectus and the International Underwriting Agreement.

Commission

The Public Offer Underwriters will receive from the Company a gross underwriting commission fee of 2.5% of the aggregate Offer Price payable for the Public Offer Shares. For Public Offer Shares reallocated to the International Placing, the Company will pay to the International Underwriters an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the International Underwriters and not the Public Offer Underwriters.

In addition, the Global Coordinator will receive from the Company a management fee of 0.5% of the aggregate Offer Price payable for the Offer Shares.

Underwriters' interest in the Group

Save for their respective obligations under the Underwriting Agreements, none of the Underwriters has any shareholding interests in the Company or any other member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any member of the Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold certain portion of the H Shares as a result of fulfilling their obligation under the Underwriting Agreements.

Total Expenses

The aggregate commissions and fees, together with Stock Exchange listing fees, SFC transaction levy, Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering, which are estimated to amount in aggregate to approximately HK\$113 million (assuming the Over-allotment Option is not exercised and an offer price of HK\$4.74 per H Share, being the mid-point of the stated offer price range of HK\$4.18 to HK\$5.30 per H Share) are payable by the Company in proportion to the number of H Shares sold by the Company in the Global Offering.