

UNDERWRITERS

SBI

Barits Securities (Hong Kong) Limited

Kingsway Financial Services Group Limited

Celestial Capital Limited

First Shanghai Securities Limited

ICEA Capital Limited

Japan Asia Securities Limited

Koffman Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Underwriting Agreement

Pursuant to the Underwriting Agreement dated 24th November, 2003 entered into between, among others, the Company, the Sponsor, the executive Directors and the Underwriters, the Company is offering 240,000,000 new Shares for subscription by way of the Placing with professional, institutional and private investors on and subject to the terms and conditions of this prospectus. The Company has granted the Over-allotment Option to the Lead Manager which is exercisable from time to time during the period of 30 days from the date of this prospectus to require the Company to issue an aggregate of not more than 36,000,000 additional new Shares representing 15% of the Shares initially available under the Placing, on the same terms as those applicable to the Placing solely for the purpose of covering over-allocations in the Placing, if any.

Pursuant to the Underwriting Agreement, the Underwriters have severally agreed to subscribe or procure subscribers for the Placing Shares. Placing Shares shall be allotted and issued to subscribers on the business day before the date on which dealings in the Shares commence on the Stock Exchange. Such allotment and issue shall be conditional on, amongst other things, (i) the GEM Listing Committee granting listing of, and permission to deal in the Shares in issue, the Shares to be issued pursuant to the Capitalisation Issue, the Placing Shares to be issued pursuant to the Placing as mentioned herein and any Shares which may fall to be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme (and in respect of which an application for listing has been made); and (ii) to certain conditions in the Underwriting Agreement being satisfied by no later than 9:00 a.m. (Hong Kong time) on the date on which dealings in the Shares first commence on the Stock Exchange.

Grounds for termination

The obligations of the Underwriters to subscribe or procure subscribers for the Placing Shares are subject to termination and the Sponsor and the Lead Manager (acting for themselves and on behalf of the Underwriters), have the right upon giving notice to the Company, to terminate the Underwriting

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Agreement with immediate effect if any of the following events shall occur at any time prior to 6:00 p.m. (Hong Kong time) on the business day immediately preceding the date on which dealings in Shares first commence on the Stock Exchange:

- (A) if it has come to the notice of the Sponsor and the Lead Manager, acting for themselves and on behalf of the Underwriters:
 - (i) that any statement contained in this prospectus was, when the prospectus was issued, or has become, untrue, incorrect or misleading in any respect; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus or the Underwriting Agreement constitute an omission therefrom the omission of which would make any statement therein misleading; or
 - (iii) any material breach of the undertakings, warranties and representations contained in the Underwriting Agreement, other than those given by the Sponsor or the Lead Manager, has occurred; or
 - (iv) any material breach of any of the obligations imposed upon any party to the Underwriting Agreement, other than on any of the Underwriters or the Sponsor; or
 - (v) any adverse change in the business or in the financial or trading position of any member of the Group which is, in the opinion of the Sponsor and the Lead Manager, material in the context of the Placing; or
 - (vi) any act or thing done by or omission of any member of the Group or the Directors, or any of them, otherwise than in the ordinary course of business whereby any of the undertakings, warranties and representations contained in the Underwriting Agreement (other than those given by the Sponsor or the Lead Manager) would not be true in any material respect if given at that time; or
 - (vii) any event, act or omission which gives or is likely to give rise to any material liability of the Company, the executive Directors, Mr. Mulya and the Substantial Shareholder pursuant to the indemnities contained in the Underwriting Agreement or the deed of indemnity referred to in the section headed “Summary of material contracts” in Appendix V to this prospectus;

- (B) if there develops, occurs, exists or comes into effect:
 - (i) any adverse change or deterioration in the conditions of local, national or international securities markets; or
 - (ii) any event, or series of events, or escalation of events beyond the reasonable control of the Underwriters (including, without limitation, acts of government, strikes, riot, public disorder, terrorist strike, epidemic, lock-outs, fire, explosion, flooding, civil commotion, acts of war, escalation of current wars or conflicts, acts of terrorism, acts of God, accident or interruption or delay in transportation); or

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- (iii) any change in local, national, international, financial, economic, political, military, industrial, fiscal, regulatory or market conditions, or any other change whether or not ejusdem generis with any of the foregoing, and, or, disasters, (including any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange), and, or, the occurrence of any disasters; or
- (iv) any new law or regulation or change, whether or not forming part of a series of changes, in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Indonesia, Hong Kong, Mauritius, the Cayman Islands, the British Virgin Islands or any other jurisdiction relevant to the Group or any member thereof; or
- (v) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for the United Nations, the US or by the European Union, or any member thereof, on Indonesia, Hong Kong, Mauritius, the Cayman Islands, the British Virgin Islands or any other jurisdiction relevant to the Group or any member thereof; or
- (vi) a change or development occurs involving a prospective change in taxation or exchange control, or the implementation of any exchange control, in Indonesia, Hong Kong, Mauritius the Cayman Islands, the British Virgin Islands or any other jurisdiction relevant to the Group or any member thereof; or
- (vii) any litigation or claim of any third party being threatened or instigated against any member of the Group, which will, or is reasonably likely to result in the Group incurring liability that is material to the Group taken as a whole; or
- (viii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the New York Stock Exchange, NASDAQ, the London Stock Exchange or the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (ix) any change or prospective material change in the business or in the financial or trading position of the Group; or
- (x) a general moratorium on commercial banking activities in New York, London, Hong Kong or Indonesia declared by the relevant authorities; or
- (xi) any outbreak, continuation or escalation of any outbreak, of any infectious disease, virus or similar event in New York, London, Hong Kong, the PRC, Singapore or Indonesia or the refusal by any potential investor(s) to meet with any of the underwriters as a result of any of the foregoing; or
- (xii) any other change which is ejusdem generis with any of the foregoing,

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which in each case, in the opinion of the Sponsor and the Lead Manager, for themselves and on behalf of the Underwriters:

- (a) is or will or is likely to be materially adverse to the business, financial or other condition or prospects of the Group (taken as a whole) or, in the case of a change or development involving a prospective change in taxation or exchange control, or the implementation of any exchange control, in Indonesia, Hong Kong, Mauritius, the Cayman Islands, the British Virgin Islands or any other jurisdiction relevant to the Group or any member thereof, is or will or is likely to be materially adverse to any present or prospective shareholder of the Company in his capacity as such; or
- (b) has or will or is likely to have a material adverse effect on the success of the Placing or the level of Placing Shares being applied for; or
- (c) for any reason makes it impracticable, inadvisable or inexpedient to proceed with the Placing.

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The Initial Management Shareholder has undertaken to the Company, the Sponsor and the Lead Manager (for itself and on behalf of the Underwriters) and the Stock Exchange that for a period of 12 months from the Listing Date:

- (i) The Initial Management Shareholder places in escrow, with an escrow agent acceptable to the Stock Exchange, all its Relevant Securities (as such term is defined in Rule 13.15(4) of the GEM Listing Rules) (the “Securities”) on terms acceptable to the Stock Exchange;
- (ii) Initial Management Shareholder shall not, and shall procure that none of his associates, companies controlled by him or his associates or any nominees or trustees holding in trust for him shall, save in circumstances permitted by Rule 13.18 of the GEM Listing Rules or by the Stock Exchange, sell, transfer or otherwise dispose of or create any rights (or enter into any agreement to do any of the foregoing) or permit the registered holder to sell, transfer or dispose of (or to enter into any agreement to dispose of) any of his direct or indirect interest in the Securities or sell, transfer or otherwise dispose of (or enter into any agreement to do any of the foregoing) any interest in any shares in any company controlled by him which is directly, or through another company indirectly, the beneficial owner of any Securities;
- (iii) in the event that the Initial Management Shareholder pledges or charges any interest in the Securities, he must inform the Company, the Sponsor, the Lead Manager and the Stock Exchange immediately thereafter, disclosing the details required by the GEM Listing Rules; and
- (iv) having pledged or charged any of his interest in the Securities under sub-paragraph (iii) above, the Initial Management Shareholder must inform the Company, the Sponsor, the Lead Manager and the Stock Exchange immediately in the event that he becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of the securities affected.

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Each of the Investors has voluntarily undertaken to the Company, the Sponsor and the Lead Manager (for itself and on behalf of the Underwriters) that for a period of 6 months from the Listing Date (unless prior written consent is obtained from the Sponsor and the Lead Manager):

- (i) each of the Investors places in escrow all his/her relevant Securities with an escrow agent acceptable to the Sponsor; and
- (ii) each of the Investors shall not, and shall procure that none of his/her associates, companies controlled by him/her or his/her associates or any nominees or trustees holding in trust for him/her shall, save in circumstances permitted by Rule 13.18 of the GEM Listing Rules or by the Stock Exchange, sell, transfer or otherwise dispose of or create any rights (or enter into any agreement to do any of the foregoing) or permit the registered holder to sell, transfer or dispose of or create any rights (or to enter into any agreement to do any of the foregoing) in respect of any of his/her direct or indirect interest in the Securities or sell, transfer or otherwise dispose of (or enter into any agreement to do any of the foregoing) any interest in any shares in any company controlled by him which is directly or through another company indirectly, the beneficial owner of any Securities.

In addition, pursuant to the Underwriting Agreement, each of the Company and the executive Directors has jointly and severally undertaken to the Sponsor, the Lead Manager and the Underwriters that it shall not, (in the case of the Company) or procure (in the case of the executive Directors) that the Company and the Subsidiaries shall not:

- (A) within the period of six months from the Listing Date (i) allot or issue, or agree to allot or issue, any securities in the Company or any Subsidiaries (including warrants or other convertible securities and whether or not of a class already listed); or (ii) grant, or agree to grant, any options or other rights carrying any right to subscribe for or otherwise acquire any securities of the Company or any of its Subsidiaries; or (iii) offer to or agree to do any of the foregoing or announce any intention to do so other than any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option, or the Capitalisation Issue or the grant or the exercise of the options under the pre-IPO Share Option Scheme or the Share Option Scheme or as otherwise approved by the Stock Exchange;
- (B) within the period commencing six months from the Listing Date and ending twelve months from the Listing Date, do or cause to be done any of the matters referred to in the sub-paragraphs (i), (ii) and (iii) above which result in the Substantial Shareholder, his associates and his nominees or trustees together ceasing to control at least 30% of the voting rights in general meeting of the Company from time to time; and
- (C) without the prior written consent of the Sponsor and the Lead Manager at any time during the period during which the Over-allotment Option may be exercised by the Lead Manager, declare or make any payment of dividend, make any distribution of profits whatsoever, any return of value or any issue of bonus shares to its shareholders or offer or agree to do any of the foregoing or announce any intention to do so.

Commission and expenses

The Underwriters will receive a commission of 3.5% of the aggregate Placing Price of all the Placing Shares, including any number of Shares issued under the Over-allotment Option (being not more than 36,000,000 Shares), out of which each Underwriter will pay its own sub-underwriting commission, if any. In addition, the Sponsor will receive financial advisory and documentation fee for providing advisory services and for acting as the sponsor to the Company. Such fee and commission, together with the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, the investor compensation levy, legal and other professional fees, printing and other expenses relating to the Placing which are currently estimated to be approximately HK\$13.6 million in aggregate, will be payable by the Company.

In the circumstances where the Over-allotment Option is not exercised in respect of such number of over-allocated Shares as notified by the Lead Manager to the Company pursuant to the Underwriting Agreement, the Lead Manager shall return to the Company underwriting commission paid to it by the Company, at the rate of one and three quarters per cent. of the aggregate price of such over-allocated Shares in respect of which the Over-allotment Option is not exercised (i.e. the Over-allotment Shares minus the over-allocated Shares). Such amounts, if any, shall be paid by the Lead Manager to the Company within 15 business days of the last date by which the Lead Manager may exercise the Over-allotment Option under the terms of the Underwriting Agreement.

Underwriters' interests in the Company

Save for its obligations under the Underwriting Agreement, none of the Underwriters has any shareholding interest, in any member of the Group or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, each of the Underwriters and/or its subsidiaries may subscribe for Placing Shares under the Placing or otherwise purchase Shares in the market for its own account.

Sponsor's agreement

Under a sponsor's agreement dated 24th November, 2003 and made between CASH and the Company (the "Sponsor's Agreement"), the Company appoints and CASH agrees to act as sponsor to the Company for its listing on GEM and in accordance with the GEM Listing Rules for a fee from the date of the Sponsor's Agreement to 31st December, 2005 (being the last day of the second full financial year of the Company after its listing on GEM) or until the Sponsor's Agreement is terminated upon the terms and conditions set out therein.

Sponsor's interest in the Company

Save for its obligations under the Sponsor Agreement, and interests in securities that may be subscribed for pursuant to the Placing, neither the Sponsor nor its associates have or may, as a result of the Placing, have any interest in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities).

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No director or employee of the Sponsor who is involved in providing advice to the Company has or may, as a result of the Placing, have any interest in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities but, for the avoidance of doubt, excluding interests in securities that may be subscribed by any such director or employee pursuant to the Placing).

Neither the Sponsor nor its associates has accrued any material benefit as a result of the successful outcome of the Placing, including by way of example, the repayment of material outstanding indebtedness or success fees save and except for the receipt of the financial advisory fee to be received by the Sponsor, and save as otherwise disclosed in this prospectus.

No director or employee of the Sponsor has a directorship in the Company or any other company in the Group.