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## UNDERWRITING

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### UNDERWRITERS

Cazenove Asia Limited  
CIMB-GK Securities (HK) Limited  
First Shanghai Securities Limited  
BCOM Securities Company Limited  
China Everbright Securities (HK) Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### The Placing Underwriting Agreement

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

The Company intends to grant to Cazenove the Over-allotment Option, exercisable by Cazenove, to require the Company to issue up to an aggregate of 21,856,000 additional Shares, representing approximately 15% of the Shares initially offered under the International Placing, solely to cover over-allocations in the International Placing, if any. The Over-allotment Option will expire on the date which is 30 days after the Listing Date. Please refer to the paragraph headed “Over-allotment Option” in the section headed “Structure and Conditions of the International Placing” of this prospectus for further details.

### GROUNDINGS FOR TERMINATION

The obligations of the Placing Underwriters under the Placing Underwriting Agreement will be subject to termination by notice in writing from Cazenove (for itself and on behalf of the Placing Underwriters) to the Company if, at any time prior to 8:00 a.m. (Hong Kong time) on the day on which dealings in the Shares commence on the Stock Exchange (which is expected to be on Friday, 1 December 2006):

1. there shall develop, occur, exist or come into effect:
  - (i) any new law or regulation or any 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 of any relevant jurisdiction; or

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- (ii) any change or development, or any event or series of events likely to result in any change or development (whether permanent or not), in local, national, regional or international financial, political, military, industrial, economic, currency or market conditions or any monetary or trading settlement system (including but not limited to a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a revaluation of the RMB against foreign currencies); or
- (iii) any change or development in the conditions of local, national or international equity securities or other financial markets; or
- (iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
- (v) a change, or development involving a prospective change, in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, China or any other jurisdiction relevant to the Company; or
- (vi) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of the Company; or
- (vii) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out and any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis; or
- (viii) any litigation or claim being threatened or instigated by any third party against the Company, which will or may result in the Company incurring liability that is material to the Company; or which, in the sole and absolute opinion of Cazenove (for itself and on behalf of the Placing Underwriters):
  - (a) is or will be or is likely to be materially adverse to the business, financial or other condition or prospects of the Company; or
  - (b) has or will have or is likely to have a materially adverse effect on the success of the International Placing or the level of Placing Shares being applied for or accepted or the distribution of Placing Shares; or
  - (c) makes it inadvisable or impracticable or inexpedient to proceed with the International Placing or the delivery of the Placing Shares on the terms and in the manner contemplated by this prospectus; or

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2. there comes to the notice of any of the Placing Underwriters:
- (i) any matter or event showing any of the warranties, representations or undertakings given by the Company, the executive Directors, Tianda Holding and Tianda Investment in the Placing Underwriting Agreement to be untrue, incorrect, inaccurate or misleading in any material respect when given or repeated; or
  - (ii) any material breach on the part of any of the Company, the executive Directors, Tianda Holding and Tianda Investment of any of the provisions of the Placing Underwriting Agreement; or
  - (iii) that any statement contained in this prospectus was, when it was issued, or has become, untrue, incorrect or misleading in any material respect; or
  - (iv) that any matter has arisen which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom.

### UNDERTAKINGS

Each of Tianda Holding, Tianda Investment and the executive Directors of the Company is expected to undertake to Cazenove and the Placing Underwriters that:

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

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

Each of the Initial Management Shareholders whose shareholding of the relevant securities represent no more than 1% of the issued share capital of the Company as at the Listing Date (the “Covenantors”), are expected to jointly and severally undertake to, and to covenant with, the Company and Cazenove (for itself and on behalf of the Placing Underwriters) that for a period commencing from the date of this prospectus and ending on the date which is 12 months from the Listing Date:

- (a) the Covenantors will not, and will procure the registered holder not to, dispose of (or to enter into any agreement to dispose of) any of our direct or indirect interest in the Shares;
- (b) in the event that the Covenantors pledge or charge any direct or indirect interest in the Shares under Rule 13.18(1) of the GEM Listing Rules pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules at any time during the above period, the Covenantors will inform the Company immediately thereafter, disclosing the details prescribed by the GEM Listing Rules; and
- (c) having pledged or charged any of the Covenantors’ interest in the Shares under sub-paragraph (b) above, the Covenantors must inform the Company immediately in the event that the Covenantors become aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of the Shares affected.

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

The Company is expected to undertake with the Placing Underwriters that it will not, and each of Tianda Holding, Tianda Investment, Mr. Ye Shi Qu, Mr. Zhang Hu Ming and Mr. Xie Yong Yang is expected to undertake to each of the Placing Underwriters to procure that the Company will not, without the prior written consent of Cazenove (on behalf of the Placing Underwriters) (such consent not to be unreasonably withheld) and subject always to the provisions of the GEM Listing Rules, within one year after the Listing Date, offer, allot or issue or agree to allot or issue, purchase, grant or agree to grant any option, right or warrant over, or otherwise dispose of, either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exercisable or exchangeable for such Shares or other equity securities of the Company (whether or not of a class already

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listed) or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequence of subscription for such Shares or of ownership of such securities, in cash or otherwise or announce any intention to do so except in all cases, for the issue of Shares or securities pursuant to an agreement entered into before the commencement of dealing, the material terms of which have been disclosed in this prospectus in connection with the International Placing, or pursuant to the International Placing and the Over-allotment Option.

### **COMMISSION AND EXPENSES**

The Placing Underwriters are expected to receive a commission of 4.0% of the aggregate Placing Price of all the Placing Shares. Cazenove will, in addition, receive an advisory and documentation fee as the Sponsor to the International Placing. The aggregate fees and commission, together with the Stock Exchange listing fees, the Stock Exchange trading fee and SFC transaction levy, legal and other professional fees, printing and other expenses relating to the International Placing are currently estimated to be approximately HK\$38.0 million in aggregate, assuming a Placing Price of HK\$2.4 (the lower end of the range stated in this prospectus) and the Over-allotment Option is not exercised, which will be borne by the Company. Based on a Placing Price of HK\$3.0 per Share (the higher end of the range stated in this prospectus) and on the assumption that the Over-allotment Option is exercised in full, the total expenses relating to the International Placing are currently estimated to be approximately HK\$44.0 million, which will be borne by the Company.

### **UNDERWRITERS' INTERESTS IN THE COMPANY**

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