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## UNDERWRITING

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### UNDERWRITERS

#### Hong Kong Underwriters

Morgan Stanley Asia Limited

CCB International Capital Limited

China Everbright Securities (HK) Limited

First Shanghai Securities Limited

Prudential Brokerage Limited

#### International Underwriters

Morgan Stanley & Co. International plc

CCB International Capital Limited

BOCI Asia Limited

BOCOM International Holdings Company Limited

Kingsway Financial Services Group Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### (a) Hong Kong Public Offering

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering 28,800,000 Hong Kong Offer Shares (subject to adjustment) for subscription by way of Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the related Application Forms and 259,200,000 International Offer Shares (subject to adjustment and the over-allocation pursuant to the exercise of the Over-allocation Option) for subscription by way of International Offering on and subject to the terms and conditions of this prospectus.

Subject to (i) the Listing Committee granting listing of, and permission to deal in the Shares (subject only to allotment) not later than 13 November 2007 (or such later date as the Global Coordinator (on behalf of the Underwriters) may agree in writing) and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to apply or procure applications, on the terms and conditions of this prospectus and the related Application Forms, for the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering.

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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 will be subject to termination if any of the following events occur prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
  - (i) 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 of the Cayman Islands, Hong Kong, the PRC, the US, the European Economic Area, Japan or any other relevant jurisdiction; or
  - (ii) 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 or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions or any monetary or trading settlement system (including but not limited to conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting the Cayman Islands, Hong Kong, the PRC, the US, the European Union, Japan or any other relevant jurisdiction; or
  - (iii) any suspension or limitation on trading in shares or securities generally on the New York Stock Exchange, the Hong Kong Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange, or minimum or maximum prices for trading having been fixed, or maximum ranges for prices having been required, by any of the said exchanges or by such system or by order of any regulatory or governmental authority, or a disruption has occurred in securities settlement or clearance services or procedures in the Cayman Islands, Hong Kong, the PRC, the US, the European Economic Area, Japan or any other relevant jurisdiction; or
  - (iv) a change or development occurs involving a change in taxation or exchange control (or the implementation of any exchange control) or currency exchange rates in the Cayman Islands, Hong Kong, the PRC, the US, the European Economic Area, Japan or any other relevant jurisdiction; or
  - (v) any change or development involving a prospective change in the conditions, financial or otherwise, or in the earnings (present or future), business affairs, business prospects or trading position of the Company or any member of the Group, including any litigation or claim of any third party being threatened or instigated against our Company or any member of our Group or the non-completion of the Poly Acquisition; or
  - (vi) any change or development involving a prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus; or

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- (vii) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary and/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, the Cayman Islands, the European Economic Area, Japan or any other relevant jurisdiction; or
- (viii) any outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or wide-spread epidemic or political or social crisis involving the United States, the PRC, Hong Kong, the Cayman Islands, the European Union, Japan or any escalation thereof, or the declaration by the US, the PRC, Hong Kong or the Cayman Islands, of a national emergency or war; or
- (ix) any event of force majeure, including without limitation any act of God, war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, terrorism (whether or not responsibility has been claimed), labor dispute, strike or lock-out involving the US, the PRC, Hong Kong, the Cayman Islands, the European Economic Area or Japan,

which, in the sole opinion of the Global Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (A) is or may be or is likely to be materially adverse to the business, financial or other condition or prospects of the Company or the Group or, in the case of sub-paragraph (d) above, to any present or prospective shareholder of the Company in his/her/its capacity as such; or
  - (B) has or might have or is likely to have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
  - (C) makes it inadvisable, inexpedient or impracticable to proceed with the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus; or
- (b) there comes to the notice of the Global Coordinator any matter or event showing any of the warranties given by the Company and the Covenantors in the Hong Kong Underwriting Agreement to be untrue, inaccurate or misleading in any respect which is or, in the sole opinion of the Global Coordinator, is likely to be material in the context of the Global Offering when given or repeated; or
  - (c) there comes to the notice of the Global Coordinator any breach on the part of the Company of any of the provisions of the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
  - (d) any matter has arisen or been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in this prospectus, constitutes a material omission therefrom; or

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- (e) any statement contained in this prospectus, the Application Forms, the formal notice and any announcements in the agreed form issued by the Company in connection with the Hong Kong Public Offering (including any amendment or supplement thereto) was, has or may become untrue, incorrect or misleading in any material respect; or
- (f) there shall have occurred any event, act or omission which gives or is likely to give rise to any liability of a material nature of the Group pursuant to the indemnities referred to in the Hong Kong Underwriting Agreement; or
- (g) a valid demand by any creditor for repayment or payment of any indebtedness of the Company or any member of the Group or in respect of which the Company or any member of the Group is liable prior to its stated maturity which demand has or could reasonably be expected to have a material adverse effect on the Group taken as a whole; or
- (h) a petition is presented for the winding-up or liquidation of the Company or any member of the Group or the Company 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 the Company or any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or any member of the Group or anything analogous thereto occurs in respect of the Company or any member of the Group, which in the sole opinion of the Global Coordinator, may or is likely to be material in the context of the Global Offering provided that the Global Coordinator shall, to the extent practicable, seek to consult with the Company on the effect of any such development,

then the Global Coordinator (on behalf of the Hong Kong Underwriters) may, and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

*Undertakings to the Sponsors and the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to the Sponsors and the Hong Kong Underwriters, among other things, that we will, and each HIL and Mr. Zhu has undertaken to the Sponsors and the Hong Kong Underwriters to procure, among other things, that we will not:

- (i) except pursuant to the Global Offering, the Capitalization Issue, the MS Conversion, the Poly Acquisition and the exercise of the subscription rights attaching to the options granted under the Pre-IPO Share Option Scheme and options that may be granted under the Share Option Scheme, without the prior written consent of the Sponsors, and subject always to the provisions of the Listing Rules, offer, allot or issue, or agree to allot or issue, sell or agree to sell, grant or agree to grant any option, right to subscribe or purchase or warrant over, either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for or that represent the right to receive such Shares or securities or enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to do so during the period commencing from the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “Lock-up Period”); and

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- (ii) at any time during the Lock-up Period, issue or create any mortgage, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of the Company) or repurchase any Shares or securities of the Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of the Company or agree to do any of the foregoing, except pursuant to the Global Offering, the Capitalization Issue, the MS Conversion, the Poly Acquisition and the exercise of the subscription rights attaching to the options that granted under the Pre-IPO Share Option Scheme and the options that may be granted under the Share Option Scheme.

We have also undertaken with the Sponsors and the Hong Kong Underwriters, among other things, that we will not at any time within the six-month period immediately following the expiry of the Lock-up Period (the “Second Six-Month Period”) do any of the acts set out in (i) and (ii) above such that HIL and/or Mr. Zhu together, directly or indirectly, would cease to be the controlling shareholders. Each of HIL and/or Mr. Zhu has also undertaken to the Sponsors and the Hong Kong Underwriters and us, among other things, that:

- (i) it/he will comply with all the applicable restrictions and requirements under the Listing Rules on the disposal by it/him or by any registered holder on its/his behalf, of any Shares or other securities of the Company in respect of which it/he is shown in this prospectus to be the beneficial owner (directly or indirectly);
- (ii) neither it/he nor any of its/his associates or companies controlled by it/him has any present intention of disposing of any Shares or other securities of the Company in respect of which it/he is shown in this prospectus to be the beneficial owner (directly or indirectly) (or have any beneficial interest therein), save in respect of Mr. Zhu in respect of the disposal of the Shortfall Shares in connection with the Poly Acquisition Agreement;
- (iii) without the prior written consent of the Sponsors, it/he shall not, within the Lock-up Period, directly or indirectly, and will procure that none of its/his associates or companies controlled by it/him or any nominee or trustee holding in trust for it/him 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 lending, charges, pledges or encumbrances over) any of the Shares in respect of which it is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares or other securities of the Company or enter into any swap, derivative, lending, pledge or other arrangement that transfers directly or indirectly to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares in respect which it/he is the beneficial owner (directly or indirectly) and/or which are registered in its/his name or such other securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise, or announce any intention do so, subject always to compliance with the provisions of the Listing Rules; and
- (iv) without the prior written consent of the Sponsors, it/he shall not within the Second Six-Month Period, directly or indirectly, and will procure that none of its/his associates (as defined in the Listing Rules) or companies controlled by it/him or any nominee or trustee holding in trust for it/him 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

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purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over) any of the Shares in respect of which it/he is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares or any other securities of the Company or enter into any swap, derivative, lending, pledge or other arrangement that transfers directly or indirectly to another, in whole or in part, any of the economic consequence of the acquisition or ownership of any such Shares that may result in HIL and/or Mr. Zhu together ceasing to be the controlling shareholders of the Company at any time during the Second Six-Month Period and save in respect of the disposal of the Shortfall Shares by Mr. Zhu in connection with the Poly Acquisition Agreement and subject always to compliance with the provisions of the Listing Rules and further that, in the event of a disposal of any Shares or any interest therein at any time during the Second Six-Month Period, it/he will take all reasonable steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of the Company or any interest therein.

### *Undertakings to the Stock Exchange pursuant to the Listing Rules*

Pursuant to Rule 10.07(1) of the Listing Rules, HIL and Mr. Zhu, being controlling shareholders (as defined under the Listing Rules) of the Company, have undertaken to the Stock Exchange and the Company that, without the prior written consent of the Joint Sponsors (for themselves and on behalf of the Underwriters) and save as pursuant to the Global Offering, they will not and will procure the relevant registered holder not to:

- (a) for a period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests, encumbrances in respect of each of them is shown in this prospectus to be the beneficial owner, or
- (b) for the period of six months commencing from the date on which the period referred to in (a) above expires, dispose of, enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be a controlling shareholder.

HIL and Mr. Zhu have further undertaken to the Stock Exchange and the Company that within the period commencing from the date of this prospectus and ending on the date which is twelve months from the Listing Date, they will:

- (a) when they pledge/charge any Shares beneficially owned by them in favour of an authorized institution (as defined in the Banking Ordinance) as security for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge/charge together with the number of Shares so pledged/charged; and
- (b) when they receive indications, whether verbal or written, from the pledgee/chargee that any of the pledged/charged Shares will be disposed of, immediately inform the Company of such indications.

The Company has agreed that it will inform the Stock Exchange as soon as it has been informed of such matters and disclose such matters by way of an announcement which will be published in the newspapers as soon as practicable.

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### **(b) International Offering**

#### *International Underwriting Agreement*

In connection with the International Offering, the Company is expected to enter into the International Underwriting Agreement with the International Underwriters and the Global Coordinator. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to procure purchasers to purchase failing which purchase from us the International Offer Shares being offered pursuant to the International Offering.

Under the International Underwriting Agreement, MS China 3 Limited will grant to the International Underwriters the Over-allocation Option, exercisable by the Global Coordinator on behalf of the International Underwriters within 30 days from the last day for the lodging of applications under the Hong Kong Public Offering. If the Over-allocation Option is exercised, MS China 3 Limited will be required to sell up to 43,200,000 Shares, representing 15% of the maximum number of the Offer Shares initially available under the Global Offering. These additional Shares will be sold at the Offer Price and will be solely for the purpose of covering over-allocations in the International Offering, if any.

#### *Underwriting Commission*

The Underwriters will receive a commission of 3.5% of the aggregate Offer Price of all the Offer Shares (including Shares to be sold pursuant to the Over-allocation Option), out of which they will pay any sub-underwriting commission. In addition, we may, at our sole discretion, pay the Global Coordinator an additional incentive fee of 0.5 % on the Offer Price of the total Offer Shares. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters. The commission payable to the Underwriters, together with the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Global Offering which are currently estimated to be approximately HK\$104 million in aggregate (based on an Offer Price of HK\$3.7 per Share, being the mid-point of the indicative range of the Offer Price of between HK\$4.1 and HK\$3.3 per Share and the assumption that the Over-allocation Option is not exercised) is to be borne by the Company.

### **Underwriters' interests in the Company**

Other than pursuant to the Underwriting Agreements and other than MS China 3 Limited, an affiliate of Morgan Stanley, which will hold approximately 20.71% of our issued share capital pursuant to the MS Conversion (based on an Offer Price of HK\$3.7 per Share, being the mid-point of the indicative range of the Offer Price of between HK\$4.1 and HK\$3.3 per Share and assuming the Over-allocation Option is not exercised), none of the Underwriters has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.