
UNDERWRITING

PUBLIC OFFER UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited
Anglo Chinese Corporate Finance, Limited
OSK Securities Hong Kong Limited
Cheong Lee Securities Limited
First Shanghai Securities Limited
Mega Capital (Asia) Company Limited
Oriental Patron Asia Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer Underwriting Agreement

Under the Public Offer Underwriting Agreement, the Company has agreed to offer the Public Offer Shares for subscription at the Offer Price on and subject to the terms and conditions of this prospectus and the Application Forms relating thereto.

Subject to the Listing Committee granting the listing of, and permission to deal in, the Shares (subject only to allotment and issue) and to certain other conditions set out in the Public Offer Underwriting Agreement being satisfied (or where appropriate, waived in whole or in part), the Public Offer Underwriters have severally agreed to subscribe or procure subscribers, on the terms and conditions of this prospectus and the Application Forms relating thereto, for the Public Offer Shares now being offered and which are not taken up under the Public Offer. If the Public Offer Underwriting Agreement does not become unconditional or is terminated in accordance with the terms therein, the Company will make an announcement as soon as possible.

Grounds for termination

The obligations of the Public Offer Underwriters to subscribe or purchase or procure subscribers or purchasers for the Public Offer Shares are subject to termination under the Public Offer Underwriting Agreement if, at any time prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur or come into force:
 - (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Malaysia, the PRC or Hong Kong or any other jurisdiction(s) relevant to the Company and its subsidiaries which in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) has or would have a material adverse effect on the business or financial conditions or prospects of the Group or which may be expected to adversely affect the business or financial condition or prospects of the Group in a material way; or

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- (ii) any change (whether or not permanent) in Hong Kong, the PRC, Asia, national, regional, international, financial, military, industrial or economic, conditions or prospects, stock market, fiscal or, political conditions regulatory or market conditions and matters and/or disasters; or
- (iii) without prejudice to sub-paragraph (ii) above, the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (iv) any event, or series of events, beyond the control of the Public Offer Underwriters (including, without limitation, acts of government, strikes, lockout, fire, explosion, flooding, civil commotion, acts of war or acts of God or accident) which would adversely affect any member of the Group or its present or prospective shareholders in their capacity as such; or
- (v) any change or development occurs involving a prospective change in taxation or in exchange control in Hong Kong, Malaysia or the PRC to which any member of the Group is subject or the implementation of any exchange controls which in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) would adversely affect any member of the Group or its present or prospective shareholders in their capacity as such in a material way; or
- (vi) any litigation or claim of material importance to the business, financial or operations of the Group being threatened or instituted against any member of the Group; or
- (vii) the imposition of 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, Hong Kong or Malaysia; or
- (viii) any change or development involving a prospective change, or a materialisation of, any of the risks set forth in the section headed “Risk factors” in this prospectus;

and any such event, in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters), has or would have a material adverse effect on the Share Offer, or makes it inadvisable or inexpedient to proceed with the Share Offer; or

- (b) there comes to the notice of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) any matter or event showing any of the representations and warranties contained in the Public Offer Underwriting Agreement to be untrue or inaccurate or, if repeated immediately after the occurrence thereof, would be untrue or inaccurate or, if repeated immediately after the occurrences thereof, would be untrue or inaccurate in any respect considered by the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters)

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in their absolute opinion to be material or showing any of the obligations or undertakings expressed to be assumed by or imposed on the Company or the covenantor under the Public Offer Underwriting Agreement not to have been complied with in any respect considered by the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) in their absolute opinion to be material in the overall context of the Share Offer; or

- (c) there comes to the notice of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) any breach on the part of the Company or the covenantor under the Public Offer Underwriting Agreement of any provisions of the Public Offer Underwriting Agreement in any respect which is considered by the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) to be material in the overall context of the Share Offer; or
- (d) any statement contained in this prospectus, the submissions, documents or information provided to the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters), the Stock Exchange, the legal advisers to the Sponsor, the Sole Bookrunner and the Underwriters and any other parties involved in the Share Offer which in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect; or
- (e) matters have arisen or have been discovered which would, if this prospectus was to be issued at that time, constitute, in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters), a material omission of such information; or
- (f) there is any adverse change in the business or in the financial or trading position or prospects of the Group which in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters) is material in the overall context of the Share Offer; or
- (g) there comes to the notice of the Sponsor and the Sole Bookrunner or any of the Public Offer Underwriters any information, matter or event which in the absolute opinion of the Sponsor and the Sole Bookrunner (for themselves and on behalf of the Public Offer Underwriters):
 - (i) is inconsistent in any respect with any information contained in the Declaration and Undertaking with regard to Directors (Form B) given by any Director pursuant to the Share Offer; or
 - (ii) would cast any serious doubt on the integrity or reputation of any Director or the reputation of the Group.

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The Public Offer Underwriting Agreement contains, amongst other things, the following undertakings:

HWGB undertakes to and covenants with the Company, the Sponsor, the Sole Bookrunner and the Public Offer Underwriters that it shall not, without the prior written consent of each of the Company, the Sponsor, the Sole Bookrunner and the Public Offer Underwriters and unless in compliance with the requirements of the Listing Rules, in the period commencing on the Latest Practicable Date and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in which it is shown in this prospectus that HWGB is the beneficial owner.

The Company undertakes to and covenants with the Sole Bookrunner and the Public Offer Underwriters that without the prior written consent of the Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters), save pursuant to the Share Offer, the grant of any option under the Post-IPO Share Option Scheme, or the issue of Shares upon exercise of any option granted under the Post-PO Share Option Scheme or the issue of Shares upon exercise of the Over-allotment Option, in the period commencing on the Latest Practicable Date and ending on the date which is 6 months from the Listing Date (the “**Six Month Period**”), Company and its major subsidiaries (as defined in chapter 13 of the Listing Rules) will not, issue or agree to issue (conditionally or unconditionally) any shares or securities of, or grant or agree to grant (conditionally or unconditionally) any options, warrants or other rights carrying the rights to subscribe for, or otherwise convert into, or exchange for any securities of, the Company or any of its major subsidiaries (defined as aforesaid).

The Company undertakes to and covenants with the Sponsor, the Sole Bookrunner and the Public Offer Underwriters that save with the prior written consent of the Sponsor and the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriters), no company in the Group will during the Six Month Period purchase any securities of the Company.

THE PLACING

In connection with the Placing, it is expected that the Company will enter into the Placing Underwriting Agreement with amongst other parties, the Placing Underwriters on or about 8th December, 2008 subject to the conditions set out therein. The Placing Underwriters would agree to subscribe for the Placing Shares or procure subscribers for the Placing Shares being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors are reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer (including the Public Offer) will not proceed.

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Under the Placing Underwriting Agreement, the Company is expected to grant to the Placing Underwriters the Over-allotment Option, exercisable by the Sole Bookrunner on behalf of the Placing Underwriters from time to time during the period commencing on the Listing Date and ending on the 30th day from the last date of lodging applications under the Public Offer, to require the Company to allot and issue up to 16,912,000 additional new Shares, representing 15% of the Offer Shares initially available under the Share Offer, on the same terms as those applicable to the Public Offer and Placing, to cover over-allocations, if any, in the Placing.

TOTAL COMMISSION AND EXPENSES

The Public Offer Underwriters will receive a commission of 2.5% of the aggregate issue price of all the Public Offer Shares initially offered under the Public Offer, out of which each Underwriter will pay its own sub-underwriting commission and selling concessions (if any). The Placing Underwriters are expected to receive an underwriting commission of 2.5% of the aggregate issue price of all the Placing Shares initially offered under the Placing. The Sole Bookrunner will receive an incentive fee of 2.5% of the aggregate Offer Price per Share under the Public Offer and is also expected to receive an incentive fee of 2.5% of the aggregate Offer Price per Share under the Placing. In addition, Anglo Chinese will receive a financial advisory fee of HK\$3,500,000 for providing advisory services and for acting as the Sponsor to the Share Offer and an arrangement fee at the rate of 1% of the aggregate Offer Price of all the Public Offer Shares for its services in arranging the Public Offer. Anglo Chinese is also expected to receive an arrangement fee at the rate of 1% of the aggregate Offer Price of all Placing Shares (including all Over-allotment Shares) for its services in arranging the placing.

Such fees and commissions, together with the Stock Exchange listing fees, the SFC transaction levy, the Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Share Offer, which are estimated to amount in aggregate to approximately HK\$41 million (based on an Offer Price of HK\$1.18 per Share), assuming the Over-allotment Option is not exercised, will be payable by the Company.

PUBLIC OFFER UNDERWRITERS' INTERESTS IN THE COMPANY

Save for its obligations under the Public Offer Underwriting Agreement, none of the Public Offer Underwriters or any of their respective holding companies, or any of their respective subsidiaries was beneficially interested, directly or indirectly, in any shareholding in the Company or any of its subsidiaries or has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company or any of its subsidiaries.

Following the completion of the Share Offer, the Public Offer Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Public Offer Underwriting Agreement.

Anglo Chinese has been appointed as the compliance adviser of our Company in accordance with Rule 3A.19 of the Listing Rules.