
TERMS AND CONDITIONS OF THE PUBLIC OFFER

GENERAL

- If you apply for the Public Offer Shares in the Public Offer, you will be agreeing with the Company and the Lead Manager (on behalf of the Public Offer Underwriters) as set out below.
- In this section, references to “you”, “applicants”, “joint applicants” and other like references shall, if the context so permits, include references to both nominees applying for the Public Offer Shares.
- Applicants should read this prospectus carefully, including other terms and conditions of the Public Offer, the paragraph headed “The Public Offer” in the section headed “Structure of the Share Offer”, and in the section headed “How to Apply for the Public Offer Shares” and the terms and conditions set out in the relevant application form (as the case may be) prior to making an application.

OFFER TO PURCHASE THE PUBLIC OFFER SHARES

- You offer to purchase from the Company at the Offer Price the number of the Public Offer Shares indicated in your application form (or any smaller number in respect of which your application is accepted) on the terms and conditions set out in this prospectus and the relevant application form.
- For applicants using application forms, a refund cheque in respect of the surplus application monies (if any) representing the Public Offer Shares applied for but not allocated to you and representing the difference (if any) between the final Offer Price and the maximum Offer Price (including brokerage fee of 1%, the SFC transaction levy of 0.005%, the SFC investor compensation levy of 0.002% and the Stock Exchange trading fee of 0.005% attributable thereto), is expected to be sent to you at your own risk to the address stated on your application form.

Details of the procedure for refunds relating to each of the Public Offer methods are contained below in the paragraphs headed “If your application for the Public Offer Shares is successful (in whole or in part)” and “Refund of your money — additional information” in this section.

- Any application may be rejected in whole or in part.
- Applicants under the Public Offer should note that in no circumstances (save for those provided under section 40 of the Companies Ordinance) can applications be withdrawn once submitted.

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ACCEPTANCE OF YOUR OFFER

- The Public Offer Shares will be allocated after the application lists close. The Company expects to announce the final number of Public Offer Shares, the level of applications under the Public Offer and the basis of allocations of the Public Offer Shares in the South China Morning Post (in English) and the Hong Kong Economic Journal (in Chinese) on Monday, 22nd December, 2003.
- The results of allocations of the Public Offer Shares under the Public Offer, including the Hong Kong Identity Card numbers, passport numbers or Hong Kong business registration numbers (where applicable) of successful applicants and the number of Public Offer Shares successfully applied for, will be made available on Monday, 22nd December, 2003 in the manner described in the paragraph headed “Results of allocations” in the section headed “How to Apply for the Public Offer Shares”.
- The Company may accept your offer to purchase (if your application is received, valid, processed and not rejected) by announcing the basis of allocations and/or making available the results of allocations publicly.
- If the Company accepts your offer to purchase (in whole or in part), there will be a binding contract under which you will be required to purchase the Public Offer Shares in respect of which your offer has been accepted if the conditions of the Share Offer are satisfied or the Share Offer is not otherwise terminated. Further details are contained in the section headed “Structure of the Share Offer”.
- You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

HOW MANY APPLICATIONS YOU CAN MAKE

- You may make more than one application for the Public Offer Shares only if:
 - You are a **nominee**, in which case you may make an application as a nominee by:
 - lodging more than one application in your own name on behalf of different beneficial owners. In the box on the application form marked “For nominees” you must include:
 - an account number;
 - another identification number
- for **each** beneficial owner. If you do not include this information, the application will be treated as being for your benefit.

Otherwise, multiple applications will be rejected.

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- **All** of your applications under the Public Offer will be rejected as multiple applications if you, or you and other joint applicants together:
 - make more than one application on a **WHITE** or **YELLOW** application form;
 - apply on one **WHITE** or **YELLOW** application form (whether individually or jointly with others) for more than 50% of the H Shares initially available under the Public Offer (that is, to apply for more than 17,415,000 H Shares); or
 - receive any Placing Shares under the Placing.

- **All** of your applications will be rejected as multiple applications if more than one application is made for **your benefit**. If an application is made by an unlisted company and:
 - the principal business of that company is dealing in securities; and
 - you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” in relation to a company means you:

- control the composition of the board of directors of that company; or
- control more than half of the voting power of that company; or
- hold more than half of the issued share capital of that company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

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EFFECT OF MAKING ANY APPLICATION

- By making any application, you (and if you are joint applicants, each of you jointly and severally) for yourself or as agent or nominee and on behalf of each person for whom you act as agent or nominee:
 - **instruct** and **authorise** the Company, the Sponsor and the Lead Manager (or their respective agents or nominees) to execute any transfer forms, contract notes or other documents on your behalf and to do on your behalf all other things necessary to effect the registration of any Public Offer Shares allocated to you in your name(s) or the name of HKSCC Nominees Limited, as the case may be, as required by the Articles of Association and otherwise to give effect to the arrangements described in this prospectus and the relevant application form;
 - **undertake** to sign all documents and to do all things necessary to enable you or HKSCC Nominees Limited, as the case may be, to be registered as the holder of the Public Offer Shares allocated to you, and as required by the Articles of Association;
 - **represent** and **warrant** that the H Shares have not been and will not be registered under the US Securities Act and you are outside the United States when completing this application form and are not a US person (as defined in Regulation S under the US Securities Act);
 - **confirm** that you have received a copy of this prospectus and have only relied on the information and representations contained in this prospectus in making your application, and not on any other information or representation concerning the Company and you agree that the Company, the Sponsor, the Lead Manager and the Underwriters and any of their respective directors, officers, employees, partners, agents or advisers will not have any liability for any such other information or representations;
 - **agree** (without prejudice to any other rights which you may have) that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
 - (if the application is made by an agent on your behalf) **warrant** that the application is the only application which will be made for your benefit on a **WHITE** or **YELLOW** application form;
 - (if the application is made for your own benefit) **warrant** that you have validly and irrevocably conferred on your agent all necessary power and authority to make the application;
 - (if you are an agent for another person) **warrant** that reasonable enquiries have been made of that other person that the application is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** application form, and that you are duly authorised to sign the application form as that other person's agent;

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- **undertake** and **confirm** that you (if the application is made for your benefit) or the person(s) for whose benefit you have made the application have not applied for or taken up or indicated an interest in or received or been placed or allocated (including conditionally and/or provisionally) and will not apply for or take up or indicate any interest in any Placing Shares in the Placing, nor otherwise participate in the Placing;
- **warrant** the truth and accuracy of the information contained in your application;
- **agree** to disclose to the Company, the Sponsor, the Lead Manager, the Underwriters, the registrar, the receiving banker and their respective agents any information about you which they require or the person(s) for whose benefit you have made the application;
- **agree** that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- **undertake** and **agree** to accept the H Shares applied for, or any lesser number allocated to you under the application;
- **authorise** the Company to place your name(s) or the name of HKSCC Nominees Limited, as the case may be, on the register of members of the Company as the holder(s) of any Public Offer Shares allocated to you, and the Company and/or its agents to send any share certificate(s) (where applicable) and/or any refund cheque (where applicable) to you or (in case of joint applicants) the first-named applicant in the application form by ordinary post at your own risk to the address stated on your application form (except that if you have applied for 500,000 Public Offer Shares or more and have indicated in your application form, you can collect your share certificate(s) and/or refund cheque (where applicable) in person between 9:00 a.m. and 1:00 p.m. on Monday, 22nd December, 2003 (Hong Kong time) from Computershare Hong Kong Investor Services Limited;
- **understand** that these declarations and representations will be relied upon by the Company, the Sponsor and the Lead Manager in deciding whether or not to allocate any Public Offer Shares in response to your application;
- if the laws of any place outside Hong Kong are applicable to your application, you **agree** and **warrant** that you have complied with all such laws and none of the Company, the Sponsor, the Lead Manager and the Underwriters nor any of their respective officers or advisers will infringe any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any actions arising from your rights and obligations under the terms and conditions contained in this prospectus;
- **agree** with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application to have agreed, for itself and on behalf of each shareholder of the Company) to observe and comply with the PRC Company Law, the Special Regulations and the Articles of Association;

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- **agree** with the Company, each shareholder, Director, Supervisor, manager and officer of the Company, and the Company acting for itself and for each Director, Supervisor, manager and officer of the Company agrees with each shareholder, to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;
- **agree** with the Company and each Shareholder that H Shares in the Company are freely transferable by the holders thereof;
- **authorise** the Company to enter into a contract on behalf of you with each Director, Supervisor and officer of the Company whereby such Directors, Supervisors and officers undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association; and
- **confirm** that you are aware of the restrictions on offering of the Public Offer Shares described in this prospectus.
- If you apply for the Public Offer Shares using a **YELLOW** application form, in addition to the confirmations and agreements referred above you **agree** that
 - any Public Offer Shares allocated to you shall be registered in the name of HKSCC Nominees Limited and deposited directly into CCASS operated by HKSCC for credit to your CCASS investor participant stock account or the stock account of your designated CCASS participant, in accordance with your election on the application form;
 - each of HKSCC and HKSCC Nominees Limited reserves the right:
 - **not to accept** any or part of such allotted Public Offer Shares issued in the name of HKSCC Nominees Limited or **not to accept** such allotted Public Offer Shares for deposit into CCASS;
 - to cause such allotted Public Offer Shares to be **withdrawn** from CCASS and transferred into your name at your own risk and costs; and
 - to cause such **allotted Public Offer Shares to be issued in your name** (or, if you are a joint applicant, to the first-named applicant) and in such a case, to **post the share certificates** for such allotted Public Offer Shares at your own risk to the address on your application form by ordinary post **or to make available the same for your collection**;
 - each of HKSCC and HKSCC Nominees Limited may adjust the number of allotted Public Offer Shares issued in the name of HKSCC Nominees Limited;

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- neither HKSCC nor HKSCC Nominees Limited shall have any liability for the information and representations not so contained in this prospectus and the application form; and
- neither HKSCC nor HKSCC Nominees Limited shall be liable to you in any way.

CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED PUBLIC OFFER SHARES

You should note the following situations in which Public Offer Shares will not be allocated to you or your application is liable to be rejected:

- **If your application is revoked:**

By completing and submitting an application form, you agree that you cannot revoke your application before Saturday, 10th January, 2004. This agreement will take effect as a collateral contract with the Company, and will become binding when you lodge your application form. This collateral contract will be in consideration of the Company agreeing that it will not offer any Public Offer Shares to any person before Saturday, 10th January, 2004 except by means of one of the procedures referred to in this prospectus. For this purpose, acceptance of applications which are not rejected will be constituted by announcement of the basis of allocation and/or making available the results of allocation publicly, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

You may only revoke your application earlier than Saturday, 10th January, 2004 if a person responsible for the prospectus under section 40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for the prospectus.

If your application has been accepted, it cannot be revoked.

- **If the allocation of Public Offer Shares is void:**

Your allocation of Public Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing of the applications lists; or
- within a longer period of up to six weeks if the Listing Committee of the Stock Exchange notifies the Company of that longer period within three weeks of the closing of the application lists.

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- **If you make applications under the Public Offer as well as the Placing:**

By filling in any of the application forms, you agree not to apply for Placing Shares under the Placing. Reasonable steps will be taken to identify and reject applications under the Public Offer from investors who have received Placing Shares in the Placing, and to identify and reject indications of interest in the Placing from investors who have received Public Offer Shares in the Public Offer.

- **If the Company, the Lead Manager or their respective agents exercise their discretion:**

The Company, the Lead Manager or their respective agents have full discretion to reject or accept any application, or to accept only part of any application, without having to give any reasons for any rejection or acceptance.

- **If:**

- your application is a multiple or a suspected multiple application;
- your application form is not completed correctly;
- your payment is not made correctly or you pay by cheque or banker's cashier order and the cheque or banker's cashier order is dishonoured on its first presentation;
- you apply for more than 50% of the Public Offer Shares initially available under the Public Offer;
- you or the person for whose benefit you are applying have applied for and/or received or will receive H Shares under the Placing;
- any of the Underwriting Agreements does not become unconditional or it is terminated in accordance with the terms thereof; or
- you pay by cheque or banker's cashier order and the cheque or banker's cashier order is dishonoured on its first presentation.

IF YOUR APPLICATION FOR THE PUBLIC OFFER SHARES IS SUCCESSFUL (IN WHOLE OR IN PART)

- **If you are applying using a WHITE application form and you elect to receive any share certificate(s) in your name:**

- Refund cheques for these applicants who apply for less than 500,000 H Shares are expected to be despatched on or before Monday, 22nd December, 2003 to the same address as that for share certificate(s).

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- Applicants who apply on **WHITE** application forms for 500,000 H Shares or more under the Public Offer and have indicated in their application forms that they wish to collect share certificates and (where applicable) refund cheques in person from the Company's Hong Kong share registrar may collect share certificates and (where applicable) refund cheques in person from the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Monday, 22nd December, 2003.
- Applicants being individuals who opt for personal collection cannot authorise any other person to make collection on their behalf. Corporate applicants who opt for personal collection must attend by their authorised representatives bearing letters of authorisation from the corporation stamped with the corporation's respective chops. Both individuals and authorised representative (if applicable) must produce, at the time of collection, evidence of identity acceptable to the Hong Kong share registrar.
- Uncollected share certificates and refund cheques will be despatched by ordinary post at the applicants' own risk to the addresses specified in the relevant application forms.
- **If you are applying on a YELLOW application form, and in such case you elect to have allocated Public Offer Shares deposited directly into CCASS:**

If your application is wholly or partly successful, your share certificate(s) will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to your CCASS investor participant stock account or the stock account of your designated CCASS participant as instructed by you (on the application form), at the close of business on Monday, 22nd December, 2003 or, under contingent situations, on any other date as shall be determined by HKSCC or HKSCC Nominees Limited.

- **If you are applying through a designated CCASS participant (other than a CCASS investor participant) on a YELLOW application form:**

For Public Offer Shares credited to the stock account of your designated CCASS participant (other than a CCASS investor participant), you can check the number of Public Offer Shares allocated to you with that CCASS participant.

- **If you are applying as a CCASS investor participant on a YELLOW application form:**

The Company is expected to make available the results of the Public Offer, including the results of CCASS investor participants' applications, in the manner described in the paragraph headed "Results of allocations" in the section headed "How to apply for the Public Offer Shares", on Monday, 22nd December, 2003. You should check the results made available by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 22nd December, 2003 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. On Tuesday, 23rd December, 2003 (being the next day following the credit of the Public Offer Shares to your CCASS investor participant stock

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account) you can check your new account balance via the CCASS Phone System or CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also mail to you (except those who have elected to enquire the details of their statements through the CCASS Internet System) an activity statement showing the number of Public Offer Shares credited to your stock account.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

REFUND OF YOUR MONEY — ADDITIONAL INFORMATION

- You will be entitled to a refund (save that any interest accrued on refund money prior to the date of despatch of refund cheques will be retained for the benefit of the Company) if:
 - your application is not successful, in which case the Company will refund your application money together with brokerage fee of 1%, the SFC transaction levy of 0.005%, the SFC investor compensation levy of 0.002% and the Stock Exchange trading fee of 0.005% to you, without interest;
 - your application is accepted only in part, in which case the Company will refund the appropriate portion of your application money, brokerage fee of 1%, the SFC transaction levy of 0.005%, the SFC investor compensation levy of 0.002% and the Stock Exchange trading fee of 0.005%, without interest;
 - the Offer Price (as finally determined) is less than the initial offer price per H Share initially paid by the applicant on application, in which case the Company will refund the surplus application money together with the appropriate portion of brokerage fee of 1%, the SFC transaction levy of 0.005%, the SFC investor compensation levy of 0.002% and the Stock Exchange trading fee of 0.005%, without interest; and
 - the conditions of Share Offer are not fulfilled in accordance with the paragraph headed "Conditions of the Share Offer" in the section headed "Structure of the Share Offer".
- If you apply on **YELLOW** application form for 500,000 H Shares or more under the Public Offer, you may collect your refund cheque (if any) in person from the Hong Kong share registrar on Monday, 22nd December, 2003. The procedure for collection of refund cheques for **YELLOW** application form applicants is the same as that for **WHITE** application form applicants set out in sub-paragraph (a) of the paragraph headed "If your application for the Public Offer Shares is successful (in whole or in part)" in this section.
- All refunds by cheque will be crossed "Account Payee Only", and made out to you, or if you are a joint applicant, to the first-named applicant on your application form.
- Refund cheques are expected to be despatched on Monday, 22nd December, 2003. The Company intends to make special efforts to avoid delays in refunding money.

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PERSONAL DATA

The main provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “Ordinance”) came into effect in Hong Kong on 20th December, 1996. This Personal Information Collection Statement informs the applicant for and holder of the Public Offer Shares of the policies and practices of the Company and the Hong Kong share registrar in relation to personal data and the Ordinance.

- **Reasons for the collection of your personal data**

From time to time it is necessary for applicants for securities or registered holders of securities to supply their latest correct personal data to the Company and the Hong Kong share registrar when applying for securities or transferring securities into or out of their names or in procuring the services of the Hong Kong share registrar.

Failure to supply the requested data may result in your application for securities being rejected or in delay or inability of the Company or its Hong Kong share registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfer of the Public Offer Shares which you have successfully applied for and/or the despatch of share certificate(s), and/or refund cheque(s) to which you are entitled.

It is important that holders of securities inform the Company and the Hong Kong share registrar immediately of any inaccuracies in the personal data supplied.

- **Purposes**

The personal data of the applicants and the holders of securities may be used, held and/or stored (by whatever means) for the following purposes:

- processing of your application and verification of compliance with the terms and application procedures set out in the application forms and this prospectus and announcing results of allocations of the Public Offer Shares;
- enabling compliance with all applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the name of holders of securities including, where applicable, in the name of HKSCC Nominees Limited;
- maintaining or updating the registrars of holders of securities of the Company;
- conducting or assisting to conduct signature verifications, any other verification or exchange of information;
- establishing benefit entitlements of holders of securities of the Company, such as dividends, rights issues and bonus issues;

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- distributing communications from the Company and its subsidiaries;
- compiling statistical information and shareholder profiles;
- making disclosures as required by laws, rules or regulations;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong share registrar to discharge their obligations to holders of securities and/or regulators and/or other purpose to which the holders of securities may from time to time agree.

- **Transfer of personal data**

Personal data held by the Company and the Hong Kong share registrar relating to the applicants and the holders of securities will be kept confidential but the Company and the Hong Kong share registrar, to the extent necessary for achieving the above purposes or any of them, make such enquiries as they consider necessary to confirm the accuracy of the personal data and in particular, they may disclose, obtain transfer (whether within or outside Hong Kong) the personal data of the applicants and the holders of securities to, from or with any and all of the following persons and entities:

- the Company or their respective appointed agents such as financial advisers and receiving bankers;
- HKSCC and HKSCC Nominees Limited, who will use the personal data for the purposes of operating CCASS (in cases where the applicants have requested for the Public Offer Shares to be deposited into CCASS);
- any agents, contractors or third party service providers who offer administrative, telecommunications, computer, payment or other services to the Company and/or the Hong Kong share registrar in connection with the operation of their businesses;
- the Stock Exchange, the SFC and any other statutory, regulatory or governmental bodies; and
- any other persons or institutions with which the holders of securities have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers.

By signing an application form, you agree to all of the above.

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- **Access and correction of personal data**

The Ordinance provides the applicants and the holders of securities with rights to ascertain whether, the Company and/or the Hong Kong share registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Ordinance, the Company and the Hong Kong share registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to date or correction of data or for information regarding policies and practices and the kinds of data held should be addressed to the Company for the attention of the Company Secretary or (as the case may be) the Hong Kong share registrar for the attention of the Privacy Compliance Officer for the purposes of the Ordinance.

MISCELLANEOUS

- **Commencement of dealings in the H Shares**

- Dealings in the H Shares are expected to commence on Tuesday, 23rd December, 2003.
- H Shares will be traded in board lots of 2,000 H Shares.
- Any H share certificates in respect of Public Offer Shares collected or received by successful applicants will not be valid if the Share Offer is terminated in accordance with the terms of the Underwriting Agreement.

- **H Shares will be eligible for admission into CCASS**

- If the Stock Exchange grants the listing of and permission to deal in the H Shares and the stock admission requirements of HKSCC are complied with, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or on any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.
- All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.
- All necessary arrangements have been made for the H Shares to be admitted into CCASS.