
STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering which forms part of the Global Offering. The Global Offering comprises (assuming the Over-allotment Option is not exercised):

- (i) the Hong Kong Public Offering of an initial 26,852,500 Shares (subject to adjustment as mentioned below) (representing approximately 10 per cent. of the initial total number of Offer Shares) in Hong Kong as described in the paragraph headed “The Hong Kong Public Offering” of this section; and
- (ii) the International Placing of an initial 241,672,500 Shares (subject to adjustment as mentioned below) (representing approximately 90 per cent. of the initial total number of Offer Shares) (a) in the United States with QIBs in reliance on Rule 144A; and (b) outside the United States in accordance with Regulation S.

UBS is the global coordinator and bookrunner of the Global Offering. Of the 241,672,500 Shares comprising the International Placing (assuming the Over-allotment Option is not exercised), 122,597,500 Shares will be offered by the Company and 119,075,000 Shares will be offered by the Selling Shareholders.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Placing may be subject to reallocation and, in the case of the International Placing only, the Over-allotment Option as described below in the paragraph headed “Stabilisation” of this section.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to the Company and the Global Coordinator, on behalf of the Hong Kong Underwriters, agreeing on the Offer Price. We expect to enter into the International Underwriting Agreement relating to the International Placing on or about the Price Determination Date. These underwriting arrangements, and the respective Underwriting Agreements, are summarised in the section headed “Underwriting” of this prospectus.

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Offer Shares in the Hong Kong Public Offering will be, *inter alia*, conditional on:

- (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares being offered pursuant to the Hong Kong Public Offering (including the additional Shares which may be made available pursuant to the exercise of the Over-allotment Option, the Capitalisation Issue, the Conversion and the Shares which may be issued under the Pre-IPO Share Option Scheme and the Share Option Scheme) (subject only to allotment); and
- (ii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (iii) the respective obligations of the Underwriters under each of the respective Underwriting Agreements having become unconditional (or waived by UBS on behalf of the respective Underwriters) and not having been terminated in accordance with the terms of the respective agreements or otherwise,

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in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 21 April 2004.

The consummation of each of the Hong Kong Public Offering is conditional upon, among other things, the International Placing and the Hong Kong Public Offering, respectively becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Hong Kong Public Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Global Offering will be published by our Company in the South China Morning Post in English and the Hong Kong Economic Times in Chinese on the day following such lapse. In such eventuality, all application monies in respect of applications for Shares under the Hong Kong Public Offering, if received, will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares” of this prospectus. In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banks or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) in Hong Kong.

PRICING AND ALLOCATION

The Offer Price is expected to be determined by agreement between the Global Coordinator, on behalf of the Hong Kong Underwriters and the Company on or before the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or about Friday, 26 March 2004, and in any event, will be no later than Tuesday, 30 March 2004.

The Offer Price, level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Placing, and the basis of allocations of the Hong Kong Offer Shares are expected to be announced on or about Tuesday, 30 March 2004 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese). **If, for any reason, the pricing of the Offer Shares is not agreed between the Global Coordinator, on behalf of the Hong Kong Underwriters, and the Company, the Hong Kong Public Offering and the International Placing will not become unconditional and will lapse immediately.**

The Offer Price will not be more than HK\$5.65 per Share and is expected to be no less than HK\$4.55 per Share. If, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, the Global Coordinator (on behalf of the Underwriters, and with the consent of the Company) thinks it appropriate, the indicative offer price range may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, publish in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notices of the reduction of the indicative Offer Price range. **Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.** Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the offer statistics as currently set out in the section headed “Summary” of this prospectus, and any other financial information which may change materially as a result of such reduction. **Applicants under the Hong Kong Public Offering should note that in no circumstances can applications be withdrawn once submitted, even if the indicative Offer Price range is so reduced.**

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The allocation of the Shares between (i) the Hong Kong Public Offering and (ii) the International Placing is subject to adjustment. If the number of Shares validly applied for under the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more of the number of Shares initially available under the Hong Kong Public Offering, then our Shares will be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of Shares available under the Hong Kong Public Offering will be increased to 80,557,500 Shares (in the case of (i)), 107,410,000 Shares (in the case of (ii)) and 134,262,500 Shares (in the case of (iii)) representing approximately 30 per cent., 40 per cent. and 50 per cent. of the Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the number of Shares allocated to the International Placing will correspondingly be reduced.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Global Coordinator. The Global Coordinator may at its discretion reallocate Shares from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. If the Hong Kong Public Offering is not fully subscribed for, the Global Coordinator shall have the authority (but is not obliged) to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing, in such proportion as the Global Coordinator deems appropriate.

THE HONG KONG PUBLIC OFFERING

Number of Shares Initially Offered

Under the Hong Kong Public Offering, the Company is initially offering 26,852,500 Shares at the Offer Price for subscription by the public in Hong Kong, representing approximately 10 per cent. of the total number of Shares initially available under the Global Offering. Subject to the reallocation of Shares between (i) the International Placing and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 3.6 per cent. of the Company's issued share capital immediately after completion of the Global Offering, the Capitalisation Issue and the Conversion, assuming that the Over-allotment Option is not exercised.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "Conditions of the Hong Kong Public Offering" of this section.

Allocation

For allocation purposes only, the 26,852,500 Offer Shares initially being offered for subscription under the Hong Kong Public Offering (after taking account of any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Placing) will be divided equally into two pools for allocation purposes (subject to adjustment for odd lot size). Pool A will initially comprise no less than 13,426,500 Shares and pool B will initially comprise no less than 13,426,000 Shares as a result of adjustment for odd lot size. The Shares in pool A will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate subscription amount of HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation levy and the Stock Exchange trading fee payable) or less. The Shares in pool B will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate subscription amount of more than HK\$5 million up to the total value of the Shares in pool B (excluding brokerage, SFC transaction levy, investor compensation levy and the Stock Exchange trading fee payable). Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Shares in one (but not both) of the pools are under-subscribed, the surplus Shares will be transferred to the other pool to satisfy demand in the other pool and be allocated accordingly. Applicants can only receive an allocation of Shares from either pool A or pool B but not from both pools.

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Multiple or suspected multiple applications and any application for more than 13,426,000 Shares, being the greatest multiple of 500 Shares which does not exceed 50 per cent. of the 26,852,500 Shares initially comprised in the Hong Kong Public Offering are liable to be rejected. In the event that additional Shares are reallocated from the International Placing to the Hong Kong Public Offering as described in the paragraph headed “Pricing and Allocation” of this section, such Shares will be allocated equally between pool A and pool B (subject to adjustment for odd lot size).

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering, in both pool A and pool B, will be based solely on the level of valid applications received under the Hong Kong Public Offering provided that in the event that the number of applications received exceeds such number of applications that could be expected to be processed on or before Friday, 26 March 2004, a pre-balloting on certain applications may be implemented so that not all cheques or banker’s cashier orders will be presented for payment prior to allocation. The basis of allocation in each pool may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants, but will otherwise be made strictly on a pro-rata basis, although the allocation of Hong Kong Offer Shares could, where appropriate, involve balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing, and such applicant’s application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or if he has been or will be placed or allocated Offer Shares under the International Placing.

The listing of the Shares on the Stock Exchange is sponsored by the Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum offer price of HK\$5.65 per Share plus 1 per cent. brokerage, 0.005 per cent. trading fee payable to the Stock Exchange and 0.005 per cent. transaction levy and 0.002 per cent. investor compensation levy payable to the SFC in each case of the Offer Price amounting to a total of HK\$2,853.59 per board lot of 500 Offer Shares is payable in full on application.

If the Offer Price, as finally determined in the manner as set out above, is lower than the maximum offer price of HK\$5.65 per Share, appropriate refund payments will be made. Further details in this regard are set out in the section headed “How to Apply for Hong Kong Offer Shares” of this prospectus.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL PLACING

Number of Shares Offered

Subject to reallocation as described above and the exercise of the Over-allotment Option, the International Placing will initially consist of an aggregate of 241,672,500 Shares.

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Allocation

The International Placing will include selective marketing of the Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The International Underwriters or selling agents nominated by them, will be soliciting from prospective investors indications of interest in acquiring Shares in the International Placing. Prospective professional and institutional investors will be required to specify the number of Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Allocation of Shares pursuant to the International Placing will be effected in accordance with the “book-building” process described above and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our shareholders as a whole.

Maximum offer price of HK\$5.65 per Share plus 1 per cent. brokerage, 0.005 per cent. trading fee payable to the Stock Exchange and 0.005 per cent. transaction levy and 0.002 per cent. investor compensation levy payable to the SFC in each case of the Offer Price amounting to a total of HK\$2,853.59 per board lot of 500 Offer Shares is payable in full on application.

If the Offer Price, as finally determined in the manner as set out above, is lower than the maximum offer price of HK\$5.65 per Share, appropriate refund payments will be made. Further details in this regard are set out in the section headed “How to Apply for Hong Kong Offer Shares” of this prospectus.

The Global Coordinator (on behalf of the Underwriters) may require any investor who has been offered Shares under the International Placing, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Global Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application of the Offer Shares under the Hong Kong Public Offering.

STABILISATION

In connection with the Global Offering, our Company is expected to grant an Over-allotment Option to UBS. Pursuant to the Over-allotment Option, UBS has the right (but not an obligation), exercisable at any time from the day of the International Underwriting Agreement until thirty days from the last day for the lodging of applications under the Hong Kong Public Offering, to require us to allot and issue up to 40,278,000 additional Shares, representing no more than 15.0 per cent. of the Shares initially available under the Global Offering. These additional new Shares will be allotted, issued and sold at the Offer Price per Share (plus brokerage of 1 per cent., SFC transaction levy of 0.005 per cent., investor compensation levy of 0.002 per cent. and Stock Exchange trading fee of 0.005 per cent. of the Offer Price) and will be solely for the purpose of covering over-allocations in the International Placing, if any. If the Over-allotment Option is exercised in full, the additional Shares will represent approximately 5.1 per cent. of our enlarged issued share capital immediately following the completion of the Global Offering, the Capitalisation Issue and the Conversion and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

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In connection with the Global Offering, UBS, as stabilising manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of our Shares at a level higher than that which might otherwise prevail for a limited period commencing from the day on which dealings in our Shares commence on the Stock Exchange. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. However, there is no obligation on UBS or any person acting for it to do this. Such stabilisation, if commenced, will be conducted at the absolute discretion of UBS or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. The number of Shares that may be over-allocated will not be greater than the number of Shares which may be issued and sold upon exercise of the Over-allotment Option, being 40,278,000 Shares, which is no more than 15.0 per cent. of the Shares initially available under the Global Offering.

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to minimise and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price.

The Global Coordinator or any person acting for it may take all or any of the following stabilising actions in Hong Kong during the stabilisation period:

- (i) purchase, or agree to purchase, any of our Shares or offer or attempt to do so for the sole purpose of preventing or minimising any reduction in the market price of our Shares;
- (ii) in connection with any action described in paragraph (i) above:
 - (A) (1) over-allocate our Shares; or
 - (2) sell or agree to sell our Shares so as to establish a short position in them, for the sole purpose of preventing or minimising any reduction in the market price of our Shares;
 - (B) exercise the Over-allotment Option and purchase or subscribe for or agree to purchase or subscribe for our Shares in order to close out any position established under paragraph (A) above;
 - (C) sell or agree to sell any of our Shares acquired by it in the course of the stabilising action referred to in paragraph (i) above in order to liquidate any position that has been established by such action;
 - (D) offer or attempt to do anything as described in paragraph (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Global Coordinator, or any person acting for it, may, in connection with the stabilising action, maintain a long position in the Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Global Coordinator or any person acting for it, which may include a decline in the market price of our Shares.

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Stabilisation cannot be used to support the price of our Shares for longer than the stabilisation period, which begins on the day on which dealings in our Shares commence on the Stock Exchange and ends on the thirtieth day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilisation period is expected to expire on 24 April 2004. After this date, when no further stabilising action may be taken, demand for our Shares, and therefore their market price, could fall.

Any stabilising action taken by the Global Coordinator, or any person acting for it, may not necessarily result in the market price of our Shares staying at or above the Offer Price either during or after the stabilisation period. Stabilisation bids or market purchases effected in the course of the stabilisation action may be made at any price at or below the Offer Price and can therefore be done at a price below the price investors have paid in acquiring our Shares.

STOCK BORROWING

In order to facilitate the settlement of over-allocations in the International Placing, UBS may borrow up to 40,278,000 Shares from Onwel Capital, equivalent to the maximum number of Shares to be offered on a full exercise of the Over-allotment Option, under the Stock Borrowing Agreement.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, 31 March 2004, it is expected that dealings in the Shares on the Stock Exchange will commence on Wednesday, 31 March 2004.