
UNDERWRITING

HONG KONG UNDERWRITERS

Joint Lead Managers

Morgan Stanley Dean Witter Asia Limited
UBS AG

Co-Lead Manager

China International Capital Corporation (Hong Kong) Limited

Co-Managers

Guotai Junan Securities (Hong Kong) Limited
Sun Hung Kai International Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering initially 108,360,000 H Shares for subscription by the public in Hong Kong on the terms and subject to the conditions set out in this prospectus and the Application Forms. Subject to the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the H Shares to be offered as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally, and not jointly, to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the execution and delivery of the International Placing Agreement having been signed and becoming unconditional.

Grounds for termination

The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may in their sole discretion terminate this Agreement by notice in writing given to our Company at any time prior to 8:00 a.m. on the Listing Date, if:

- (i) there has come to the notice of the Joint Global Coordinators:
 - (a) that any statement contained in any of the Application Forms and this prospectus in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect (in the sole discretion of the Joint Global Coordinators), or that any forecasts, expressions of opinion, intention or expectation expressed in the Application Forms and this prospectus, or any announcements issued by the Company in connection with the Hong Kong Public Offering

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(including any supplement or amendment thereto) are not fair and honest in any material respect (in the sole discretion of the Joint Global Coordinators) and based on reasonable assumptions, when taken as a whole; or

- (b) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom; or
 - (c) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Placing Agreement (other than on any of the Hong Kong Underwriters or the International Underwriters) which, in the sole discretion of the Joint Global Coordinators, has a material adverse effect on the Global Offering; or
 - (d) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties under the Hong Kong Underwriting Agreement; or
 - (e) any material adverse change or development involving a prospective material adverse change in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any member of the Group; or
 - (f) any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties in the Hong Kong Underwriting Agreement; or
 - (g) approval by the Listing Committee of the listing of, and permission to deal in, the H Shares to be issued or sold (including any additional H Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the date of approval of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (h) the Company withdraws this prospectus (and any other documents used in connection with the contemplated subscription and sale of the H Shares) or the Global Offering;
- (ii) there shall develop, occur, exist or come into effect:
- (a) any event, or series of events, in the nature of force majeure (including, without limitation, acts of government, declaration of a national or international emergency or war, calamity, crisis, economic sanction, strikes, lock-outs, fire, explosion, flooding, civil commotion, riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in Hong Kong, the United States, the PRC, the European Union, Singapore, the United Kingdom, South Korea or Japan; or
 - (b) any change or development involving a prospective change or development, or any event or series of events likely to result in any change, or development involving a prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions or any monetary or trading settlement system or matters and/or disaster (including, without

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limitation, any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the London Stock Exchange, any of the stock exchanges in the PRC, the Toronto Stock Exchange or the Nasdaq National Market, or a material devaluation of Hong Kong dollars or the Renminbi against any foreign currencies, or any disruption in securities settlement or clearance services or procedures in or affecting Hong Kong, the United States, the PRC, the European Union or any other jurisdiction relevant to any member of the Group) in or affecting Hong Kong, the United States, the PRC, the European Union, Singapore, the United Kingdom, South Korea or Japan; or

- (c) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), London, the PRC, Japan, Singapore, the United Kingdom or South Korea, or there is a material disruption in commercial banking or securities settlement or clearance services in those places; or
- (d) any new law or regulation or change or development involving a prospective change in existing laws and regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States or any other jurisdiction relevant to any member of the Group; or
- (e) 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 or any other jurisdiction relevant to any member of the Group; or
- (f) a change or development occurs involving a prospective change in taxation or exchange control, currency exchange rates or foreign investment regulations (or the implementation of any exchange control) in Hong Kong, the PRC, the United States or any other jurisdiction relevant to any member of the Group adversely affecting an investment in the H Shares; or
- (g) any litigation or claim of any third party being threatened or instigated against any member of the Group; or
- (h) a Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (i) the chairman or chief executive officer of the Company vacating his or her office in circumstances where the operations of the Group may be materially and adversely affected; or
- (j) other than with the approval of the Joint Global Coordinators, the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the contemplated subscription and sale of the H Shares) pursuant to the Companies Ordinance or the Listing Rules; or
- (k) an order is made for the winding up of any member of the Group 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 any

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member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any material member of the Group;

which in the sole opinion of the Joint Global Coordinators (1) is or will or is expected to have a material adverse effect on the business, financial or other condition or prospects of the Group as a whole; or (2) has or will have or is expected to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (3) makes it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or (4) would have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

Undertakings

The Company has given an undertaking to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that no further Shares or securities convertible into its equity securities (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date, except for any capitalisation issue, capital reduction or consolidation or sub-division of Shares.

Each of the Controlling Shareholders has given an undertaking to each of the Company, the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that except as disclosed in this prospectus, it will not, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) at any time during the period from the date of this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-month Period**”), 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 respect of which it is shown in this prospectus to be the beneficial owner;
- (ii) at any time during the period of six months commencing on the date on which the First Six-month Period expires (the “**Second Six-month Period**”), 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 respect of which it is shown in this prospectus to be the beneficial owner if, immediately following such transaction, it would cease to be a Controlling Shareholder; and
- (iii) in the event of a disposal by it of any of our share capital or any interest therein during the Second Six-month Period it will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for the Shares or other securities of the Company.

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Each of the Controlling Shareholders has given an undertaking to the Company, the Joint Global Coordinators, the Joint Sponsors and the Hong Kong Underwriters that it will, at any time within the period commencing on the date of this prospectus and ending on the date which is 12 months after the Listing Date:

- (i) when it pledges or charges any Shares beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform the Company in writing of such pledge or charge together with the number of Shares so pledged or charged; and
- (ii) when it receives any indication, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform the Company in writing of such indication.

Any of the Controlling Shareholders may use the securities of the Company beneficially owned by it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

The International Offering

In connection with the International Offering, we expect to enter into the International Placing Agreement with, among others, the International Underwriters. Under the International Placing Agreement, the International Underwriters would severally agree to subscribe or procure subscription for the International Offer Shares.

We expect to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time from the day on which dealings in the H Shares commence on the Stock Exchange until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require us to allot and issue up to an aggregate of 108,360,000 additional H Shares representing 10.0% of the initial Offer Shares, at the same price per H Share under the International Offering, to cover over-allocations (if any) in the International Offering.

Total Commission and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 2.75% on the Offer Price of the Public Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commission. In addition, we may, at our sole discretion, pay the Joint Global Coordinators an additional incentive fee of up to 1% on the Offer Price of the total Offer Shares. For unsubscribed Public 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 Joint Global Coordinators and the relevant International Underwriters (but not the Hong Kong Underwriters).

The aggregate commissions and estimated expenses, together with listing fees, SFC transaction levy, Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering are estimated to amount to approximately HK\$244.7 million to HK\$318.0 million (assuming the Over-allotment Option is not exercised and Offer Price ranging from HK\$5.00 to HK\$6.80 per H Share) and are payable by the Company.

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HONG KONG UNDERWRITERS' INTERESTS IN US

The International Placing Underwriters and the Hong Kong Public Offer Underwriters will receive an underwriting commission. Particulars of these underwriting commissions and expenses are set out under “Total commission and expenses” above.

We have appointed Guotai Junan Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The term of the appointment will commence on the Listing Date and end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year after the Listing Date (i.e., the date of dispatch of the annual reports of the Company in respect of its results for the financial year ending December 31, 2008).

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering, together referred to as “Syndicate Members”, may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them (except for UBS, its affiliates or any person acting for it as the stabilizing manager) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the Securities and Futures Ordinance (Cap. 571), including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to our H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

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In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of this activity may occur both during and after the end of the stabilizing period described under the paragraph headed “Stabilization” of the section headed “Structure of the Global Offering”. This activity may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares, and the volatility of the H Shares share price, and the extent to which this occurs from day to day cannot be estimated.