

UNDERWRITING

UNDERWRITERS

Hong Kong Underwriters:

BNP Paribas Capital (Asia Pacific) Limited
BOCI Asia Limited
Daiwa Securities SMBC Hong Kong Limited
China Merchants Securities (HK) Co., Ltd.
Polaris Capital (Asia) Limited
Taifook Securities Company Limited
Taiwan Securities (Hong Kong) Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

(a) Hong Kong Public Offer

Hong Kong Underwriting Agreement

The Company initially offers 42,268,000 Hong Kong Offer Shares (subject to adjustment) for subscription by way of Hong Kong Public Offer on and subject to the terms and conditions of this prospectus and the Application Forms. The Company initially offers 211,332,000 International Placing Shares and the Selling Shareholders initially offer 169,066,000 International Placing Shares (subject to adjustment and the Over-allotment Option) for subscription by way of International Placing 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 not later than 31 January 2008 (or such later date as the Global Coordinator (on behalf of the Hong Kong Underwriters) may agree but in any case not later than 1 February 2008) 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 Offer.

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 by notice in writing from BNP Paribas (for itself and on behalf of the Hong Kong Underwriters) if any of the following events occur prior to 8:00 a.m. on the Listing Date:

- (1) there has come to the notice of BNP Paribas:
 - (a) that any statement considered by BNP Paribas in its sole and absolute opinion to be material, contained in any of this prospectus, the Application Forms, the preliminary offering circular and/or the offering circular in relation to the Global Offering ("Offer Documents") was, when the same was issued, or has become, untrue, incorrect or misleading in any respect or that any forecasts, expressions of opinion,

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intention or expectation expressed in any Offer Documents are not, in the sole and absolute opinion of BNP Paribas, in all material respects fair and honest 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 an omission therefrom considered by BNP Paribas to be material to the Global Offering; or
 - (c) any breach of any of the obligations imposed upon any party (other than BNP Paribas or any Hong Kong Underwriters) to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than on any of the Underwriters) to be material in the context of the Global Offering; or
 - (d) any change or development involving a prospective change in the conditions, business affairs, prospects, profits, losses or the financial or trading position or performance of any members of the Group which is considered by BNP Paribas in its sole and absolute opinion to be material in the context of the Global Offering; or
 - (e) any breach of any of the warranties under the Hong Kong Underwriting Agreement considered by BNP Paribas in its sole and absolute opinion to be material in the context of the Global Offering; or
 - (f) approval by the Listing Committee of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (g) the Company withdraws any of the Offer Documents (and any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or the Global Offering; or
 - (h) any person (other than BNP Paribas and any of the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of the Offer Documents or to the issue of any of the Offer Documents.
- (2) there shall develop, occur, exist or come into effect:
- (a) any event, or series of events, beyond the reasonable control of the Underwriters (including, without limitation, acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases or epidemics including Severe Acute Respiratory Syndrome and H5N1 and such related or mutated forms or interruption or delay in transportation); or

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- (b) 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, international, financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions or matters and/or disaster or monetary or trading settlement system (including without limitation any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the American Stock Exchange, the Nasdaq Global Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or, the Chicago Board of Trade, or a material fluctuation in the exchange rate of the Hong Kong dollar against any foreign currency, or any interruption in securities settlement or clearance service or procedures in Hong Kong or anywhere in the world or a moratorium on commercial banking activities); or
- (c) any new law or regulation or 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 in any of Hong Kong, the PRC, the United States, Japan or any other jurisdictions relevant to any member of the Group (the “**Specific Jurisdictions**”); or
- (d) 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 any of the Specific Jurisdictions; or
- (e) a change or development occurs involving a prospective change in taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment laws and regulations in any of the Specific Jurisdictions or affecting an investment in the Shares; or
- (f) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (g) any litigation or claim of material importance of any third party being threatened or instigated against any member of the Group save and except for the matters disclosed in this prospectus; or
- (h) a Director being charged with an indictable offence or prohibited by operation of laws and regulations 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 office in circumstances where the operations of the Group shall be materially and adversely affected; or

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- (j) the commencement by any regulatory body of any public action against a Director in his or her capacity as such or an announcement by any regulatory body that it intends to take any such action; or
- (k) a contravention by any member of the Group of the Companies Ordinance or any of the Listing Rules; or
- (l) a prohibition on the Company for whatever reason from allotting or selling the Offer Shares pursuant to the terms of the Global Offering; or
- (m) non-compliance of this prospectus, the offering circular (or any other documents used in connection with the subscription and purchase of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws and regulations; or
- (n) other than with the approval of the Global Coordinator, the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the subscription or sale of the Offer Shares) pursuant to the Companies Ordinance or the Listing Rules; or
- (o) valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (p) a petition is presented for the winding-up or liquidation 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 member of the Group or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group,

which in each case in the sole and absolute opinion of BNP Paribas (for itself and on behalf of the Hong Kong Underwriters):

- (i) is or shall or could be expected to have an adverse effect on the general affairs, management, business, financial, trading or other condition or prospects of the Company or the Group or any Group Company or on any present or prospective shareholder in his, her or its capacity as such; or
- (ii) has or shall have or could be expected to have an adverse effect on the success, marketability or pricing of the Global Offering or the level of applications under the Hong Kong Public Offer or the level of interest under the International Placing; or

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- (iii) makes it inadvisable, inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or
- (iv) 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,

then the Global Coordinator, at its sole and absolute discretion, may, for itself and on behalf of the Hong Kong Underwriters, upon giving notice in writing to the Company made pursuant to the provisions of the Hong Kong Underwriting Agreement, at or prior to 8:00 a.m. on the Listing Date (with a copy of such notice to each of the other Hong Kong Underwriters), terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings

The Company has undertaken to the Hong Kong Underwriters and each of them that it will not, and each of the Substantial Shareholders and executive Directors has jointly and severally undertaken to the Hong Kong Underwriters and each of them to procure, except pursuant to the Global Offering and the issue of new Shares pursuant to the exercise of any options that may be granted under the Share Option Scheme and save as mentioned in this prospectus or with the prior written consent of BNP Paribas (on behalf of the Hong Kong Underwriters), and unless in compliance with the requirements of the Listing Rules, the Company will not, and will procure that its subsidiaries will not, allot or issue, or agree to allot or issue, any Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) (including warrants or other convertible or exchangeable securities), or grant or agree to grant any options, warrants or other rights to subscribe for or otherwise acquire any securities or convertible or exchangeable into Shares or other securities of the Company, or repurchase Shares or other securities of the Company, or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Shares, or offer to or agree to do any of the foregoing or announce any intention to do so within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date) and in the event of the Company doing any of the foregoing by virtue of the aforesaid consent or exceptions or during the period of six months immediately following the expiry of the first six months period after the Listing Date, the Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities of the Company.

Each of the Substantial Shareholders has jointly and severally undertaken to the Company and the Hong Kong Underwriters and each of them that without the prior written consent of BNP Paribas (on behalf of the Hong Kong Underwriters), he or it shall not directly or indirectly (except in respect of Mr. TAN, pursuant to or in connection with the Stock Borrowing Agreement) and will procure that the relevant registered holder(s) shall not in the period commencing on the date by reference to

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which disclosure of the shareholding of them is made in this prospectus and ending on a date which is twelve months from the Listing Date:

- (a) transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances (including the creation or entry into of any agreement to create any pledge or charge) in respect of any of those securities in respect of which they are shown by this prospectus to be the beneficial owner(s) or any interest in such securities (which includes any interest in a company which holds any such securities) or securities that constitute or confer the right to receive such securities or securities convertible into or exercisable or exchangeable for or repayable with such securities; or
- (b) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of such securities, whether any such swap agreement or other agreement or transaction is to be settled by delivery of such securities or other securities, in cash or otherwise; or
- (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (a) and (b) above; or
- (d) announce any intention to enter into or effect any of the transactions referred to in paragraphs (a), (b) or (c) above.

Each of the Selling Shareholders has undertaken to the Company and the Hong Kong Underwriters a similar undertaking for a term of 6 months, save for each of Sumitomo and Sumitomo HK which has given a similar undertaking for a term of 12 months and that such undertakings do not restrict the sale of Shares under the International Placing or when the Over-allotment Option is exercised by the Global Coordinator.

(b) International Placing

International Underwriting Agreement

In connection with the International Placing, it is expected that the Company will enter into the International Underwriting Agreement with, *inter alia*, the International Placing Underwriters, on terms and conditions that are substantially similar to the Hong Kong Underwriting Agreement as described above and on the additional terms described below. Under the International Underwriting Agreement, the International Placing Underwriters will severally agree to subscribe or procure subscribers for the International Placing Shares being offered pursuant to the International Placing.

The Selling Shareholders (other than Mr. TAN, WWIC and Novus Capital) intend to grant to the Global Coordinator the Over-allotment Option, exercisable by the Global Coordinator no later than 30 days from 24 January 2008, being the last date for lodging of applications under the Hong Kong Public Offer, to require the Selling Shareholders to sell up to an aggregate of 63,399,000 additional Shares at the Offer Price in connection with over-allocations in the International Placing, if any.

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The Company will agree to indemnify the International Placing Underwriters against certain liabilities, including liabilities under the U.S. Securities Act and the U.S. Exchange Act.

(c) Underwriting Commission

The Underwriters will receive a commission of 3% of the aggregate Offer Price of the Offer Shares (including Shares to be sold pursuant to the Over-allotment Option), out of which they will pay any sub-underwriting commission. The aggregate expenses and fees, including underwriting commissions, together with the Stock Exchange listing fee, 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\$128 million (based on an Offer Price of HK\$4.48 per Share, being the mid-point of the stated range of the Offer Price of between HK\$4.08 and HK\$4.88 per Share and the assumption that the Over-allotment Option is not exercised) are to be borne by the Company and the Selling Shareholders, as the case may be, in proportion to the number of Offer Shares to be sold by the Company and the Selling Shareholders. All expenses related to the Over-allotment Option will be shared amongst those Selling Shareholders who participate in the Over-allotment Option in proportion to the number of Over-allotment Shares sold.

(d) Underwriters' Interests in the Company

Save as disclosed above and other than pursuant to the Underwriting Agreements, 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.