
UNDERWRITING

UNDERWRITERS

Public Offer Underwriters

BNP Paribas Capital (Asia Pacific) Limited
CITIC Securities Corporate Finance (HK) Limited
Daiwa Securities SMBC Hong Kong Limited
China International Capital Corporation (Hong Kong) Limited
DBS Asia Capital Limited
Guotai Junan Securities (Hong Kong) Limited
Shenyin Wanguo Capital (H.K.) Limited
Taifook Securities Company Limited

International Underwriters

BNP Paribas Capital (Asia Pacific) Limited
CITIC Securities Corporate Finance (HK) Limited
Daiwa Securities SMBC Hong Kong Limited
China International Capital Corporation (Hong Kong) Limited
DBS Asia Capital Limited
Guotai Junan Securities (Hong Kong) Limited
Shenyin Wanguo Capital (H.K.) Limited
Taifook Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, the Company is offering the Public Offer Shares for subscription by way of the Public Offer on, and subject to, the terms and conditions of this Prospectus and the relevant application forms.

Subject to: (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein and such listing and permission not subsequently being revoked prior to 8:00 a.m. on the Listing Date (which is currently expected to be on 17 October 2007); (b) certain other conditions set out in the Public Offer Underwriting Agreement (including but not limited to the Offer Price being agreed between the Company, the Selling Shareholder and the Global Coordinator (on behalf of the Underwriters)); and (c) the International Underwriting Agreement (which is expected to be entered into on or about 10 October 2007) having been duly executed and delivered and having become unconditional in accordance with its terms (save as regards any condition relating to the Public Offer Underwriting Agreement having become unconditional) and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date (which is currently expected to be on 17 October 2007), the Public Offer Underwriters have severally agreed to subscribe or procure subscribers for, on the terms and conditions of this Prospectus and the application forms, their respective applicable proportions of the Public Offer Shares now being offered and which are not taken up under the Public Offer.

UNDERWRITING

GROUNDS FOR TERMINATION

The obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement will be subject to termination by notice in writing from the Global Coordinator (for itself and on behalf of the Public Offer Underwriters) if, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is expected to be on 17 October 2007):

1. there has come to the notice of the Global Coordinator:
 - (i) that any statement, considered by the Global Coordinator in its sole and absolute opinion to be material, contained in any offer documents (including this Prospectus and the offering circular to be issued for the purpose of the International Placing) and/or the relevant application forms in relation to the Global Offering was, when it was issued, or has become, untrue, incorrect or misleading in any respect or that any forecasts, expressions of opinion, intention or expectation expressed in any offer documents and/or the relevant application forms are not, in the sole and absolute opinion of the Global Coordinator, in all material respects, fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (ii) 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 the Global Coordinator to be material to the Global Offering; or
 - (iii) any breach of any of the obligations imposed upon any party to the Public Offer Underwriting Agreement or the International Underwriting Agreement (other than on any of the Underwriters); or
 - (iv) 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 Group Company which is considered by the Global Coordinator in its sole and absolute opinion to be material in the context of the Global Offering; or
 - (v) any breach of any of the warranties under the Public Offer Underwriting Agreement reasonably considered by the Global Coordinator in its sole and absolute opinion to be material in the context of the Global Offering; or
 - (vi) approval by the Listing Committee of the Stock Exchange 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
 - (vii) 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
 - (viii) any person (other than the Global Coordinator and any of the Public Offer 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.

UNDERWRITING

2. there shall develop, occur, exist or come into effect:
- (ix) any event, or series of events, beyond the reasonable control of the Underwriters (including, without limitation, acts of government, 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
 - (x) 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
 - (xi) any new Law or change or development involving a prospective change in existing Laws 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 Group Company (the “Specific Jurisdictions”); or
 - (xii) 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
 - (xiii) 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 in any of the Specific Jurisdictions or affecting an investment in the Shares; or
 - (xiv) 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 the Prospectus; or
 - (xv) any litigation or claim of material importance of any third party being threatened or instigated against any Group Company; or
 - (xvi) 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
 - (xvii) the chairman or chief executive officer of the Company vacating his office in circumstances where the operations of the Group will be materially and adversely affected; or

UNDERWRITING

- (xviii) 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
- (xix) a contravention by any member of the Group of the Companies Ordinance or any of the Listing Rules; or
- (xx) a prohibition on the Company and the Selling Shareholder for whatever reason from allotting or selling the Offer Shares pursuant to the terms of the Global Offering; or
- (xxi) non-compliance of this Prospectus (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 law; or
- (xxii) 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
- (xxiii) a valid demand by any creditor for repayment or payment of any indebtedness of any Group Company or in respect of which any Group Company is liable prior to its stated maturity; or
- (xxiv) any loss or damage sustained by any Group Company (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xxv) a petition is presented for the winding-up or liquidation of any Group Company or any Group Company 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 Group Company or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company; or
- (xxvi) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary of Hong Kong and/or the Hong Kong Monetary Authority or otherwise), New York (imposed at the United States federal or New York state level or otherwise), Japan or the PRC or a material disruption in commercial banking or securities settlement or clearance services in any of the Specific Jurisdictions,

which in each case in the sole and absolute opinion of the Global Coordinator (for itself and on behalf of the Public Offer Underwriters):

- (a) is or will 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
- (b) has or will 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 Public Offer or the level of interest under the International Placing; or
- (c) makes it inadvisable, inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or

UNDERWRITING

- (d) would have the effect of making any part of the Public Offer 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 Public Offer Underwriters, upon giving notice in writing to the Company at or prior to 8:00 a.m. on the Listing Date (with a copy of such notice to each of the other Public Offer Underwriters), terminate the Public Offer Underwriting Agreement with immediate effect.

The International Underwriting Agreement

In connection with the International Placing, it is expected that the Company, the Selling Shareholder among other parties, will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set out therein, the International Underwriters would severally agree to procure subscribers or purchaser for, or failing which, agree to themselves subscribe a purchase as principal for, the International Placing Shares being offered pursuant to the International Placing. It is also expected that the International Underwriting Agreement may be terminated upon similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

The Selling Shareholder intends to grant to BNP Paribas, the Over-allotment Option exercisable by BNP Paribas on behalf of the International Underwriters to require the Selling Shareholder to sell up to an aggregate of 117,000,000 Sale Shares, representing 15% of the Shares initially offered under the Global Offering, solely to cover over-allocations in the International Placing, if any. The Over-allotment Option will expire on the date which is the 30th day after the last day for lodging applications under the Public Offer. Please refer to the paragraph headed “Over-allotment Option and Stabilisation” in the section headed “Structure and conditions of the Global Offering” of this Prospectus for further details.

UNDERTAKINGS

The Selling Shareholder has undertaken to the Sponsor, each of the Underwriters and the Company that it shall not, except pursuant to the Stock Borrowing Agreement or employees share option schemes which have been or may be adopted by the Company:

- (i) during the period commencing from the date of this Prospectus and ending on the date which is six months from the Listing Date (the “**First Period**”), it shall not, and shall procure that the relevant registered holder(s) and its associates and companies controlled by it and any nominee or trustee holding in trust for it shall not, without the prior written consent of the Global Coordinator and unless as a result of any exercise of the Over-allotment Option or otherwise in compliance with the requirements of the Listing Rules,
 - (a) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of the Shares or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or such securities; or

UNDERWRITING

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Shares, whether any of the foregoing transactions is to be settled by delivery of Shares or such 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) or (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;
- (ii) it shall not, and shall procure that the relevant registered holder(s) and its associates or companies controlled by it and any nominee or trustee holding in trust for it shall not, without the prior written consent of the Stock Exchange in the six-month period commencing on the expiry of the First Period set out in paragraph (i) above, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Shares held by it or any of its associates or companies controlled by it or any nominee or trustee holding in trust for it if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be controlling shareholder (as defined in the Listing Rules) of the Company or would together cease to be controlling shareholders (as defined in the Listing Rules) of the Company;
 - (iii) in the event of a disposal of any Shares or securities of the Company or any interest therein within six months immediately following the expiry of the First Period set out in paragraph (i) above, it shall take all reasonable steps to ensure that such a disposal shall not create a disorderly or false market for any Shares or other securities of the Company; and
 - (iv) it shall, and shall procure that its associates and companies controlled by and nominees or trustees holding in trust for it shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it or by the registered holder controlled by it of any Shares.

The Selling Shareholder has also undertaken to the Sponsor and to each of the Public Offer Underwriters and the Company that it and its Associates will not apply for any of the Offer Shares pursuant to the Global Offering, either directly or indirectly, whether in their own names or through nominees.

The Selling Shareholder has further undertaken to the Company, the Global Coordinator (for itself and on behalf of the Public Offer Underwriters), the Sponsor and the Stock Exchange that, within the period commencing on the Latest Practicable Date and ending on the date which is 12 months after the Listing Date, it will:

- (i) if and when it pledges or charges any Shares or other securities of the Company (“securities”) beneficially owned by it in favour of an authorised institution pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform the Company, the Global Coordinator (on behalf of the Public Offer Underwriters) and the Sponsor in writing of such pledge or charge together with the number of Shares or securities so pledged or charged; and
- (ii) if and when it receives any indication, either verbal or written, from the pledgee or chargee that any of the pledged/charged Shares or securities will be sold, transferred or disposed of, immediately inform the Company, the Global Coordinator (on behalf of the Public Offer Underwriters) and the Sponsor of such indications.

UNDERWRITING

The Company will inform the Stock Exchange as soon as it has been informed of any of the above matters by any of the Covenantors and will disclose such matters by way of a press announcement which will be published in the newspapers as soon as possible after being so informed by any of the Covenantors.

It is also expected that the Company and the Selling Shareholder will give a similar undertaking to the Sponsor and each of the International Underwriters pursuant to the International Underwriting Agreement.

Except pursuant to the Global Offering and options which may be granted under a share option scheme or with the prior written consent of the Global Coordinator (for itself and on behalf of the 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, Shares or other securities of the Company (including warrants or other convertible or exchangeable securities) or grant or agree to grant any options, warrants, or other rights to subscribe for 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 consequence of ownership of any Shares or offer to or agree to do any of the foregoing or announce any intention to do so during the six months immediately following the Listing Date and in the event of the Company doing any of the foregoing by virtue of the aforesaid exceptions or during the period of six months immediately following the expiry of the first six months period after the Listing Date, it 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.

COMMISSION AND EXPENSES

The Underwriters will receive a commission of 2.5% of the aggregate Offer price of all the Offer Shares, out of which they will pay any sub-underwriting commission. The Sponsor will receive a financial advisory fee and a documentation fee in relation to the Global Offering. Such fee and commission, together with the Stock Exchange listing fees, 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\$198.2 million in aggregate (based on an Offer Price of HK\$5.22 per Offer Share, being the mid-point of the stated range of the Offer Price of between HK\$4.55 and HK\$5.88 per Offer Share) and assuming Over-allotment Option is not exercised. Such commission, fees and expenses are payable by the Company and the Selling Shareholder in proportion to the number of Offer Shares issued or sold by each under the Global Offering. Stamp duty (if any) payable in respect of the Sale Shares shall be borne by the Selling Shareholder.

UNDERWRITERS' INTERESTS IN THE COMPANY AND INDEPENDENCE OF THE SPONSOR

BNP Paribas has been appointed as the compliance adviser of the Company with effect from the Listing Date and the Company shall pay an agreed fee to BNP Paribas for its provision of services.

As of the Latest Practicable Date, a group of companies ("BNP Paribas Group"), to which the Global Coordinator belongs, had banking related business with various members of the Group and the controlling shareholder, CITIC Pacific, which represented less than 1% of the total assets of BNP Paribas Group (based on its consolidated balance sheet as at 31 December 2006). As of the Latest Practicable Date, BNP Paribas Group beneficially owned certain shares of CITIC Pacific, representing less than 1% of the issued share capital of CITIC Pacific and less than 1% of the net consolidated equities of BNP Paribas Group (based on its consolidated balance sheet as at 31 December 2006). In addition, on 25 September 2007, a member of BNP Paribas Group entered into a loan agreement with the Company, pursuant to which it has provided a facility up to HK\$600 million to the Company for the payment of the interim dividend and for use as general working

UNDERWRITING

capital and other commercial uses. The Company does not intend to apply any use of proceeds from such loan agreement to repay any existing and committed banking borrowings, especially any debt due to BNP Paribas Group.

Other than disclosed in the preceding paragraphs and 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.