

UNDERWRITING

HONG KONG UNDERWRITERS**Joint Lead Managers**

Goldman Sachs (Asia) L.L.C.

The Hongkong and Shanghai Banking Corporation Limited

Co-lead Managers

BCOM Securities Company Limited

China Everbright Capital Limited

Co-managers

China Merchants Securities (HK) Co., Limited

Core Pacific – Yamaichi International (H.K.) Limited

First Shanghai Securities Limited

Guotai Junan Securities (Hong Kong) Limited

Kim Eng Securities (Hong Kong) Limited

Kingsway Financial Services Group Limited

Oriental Patron Asia Limited

Shenyin Wanguo Capital (H.K.) Limited

South China Securities Limited

Sun Hung Kai International Limited

Tai Fook Securities Company Limited

VC Brokerage Limited

HONG KONG PUBLIC OFFERING**Hong Kong Underwriting Agreement**

Pursuant to the Hong Kong Underwriting Agreement, we are initially offering 292,782,000 Hong Kong Offer Shares for subscription under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the related Application Forms.

Subject to (i) the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the H Shares (including the additional H Shares which may be made available pursuant to the exercise of the Over-allotment Option) and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement (including, among others, the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and us agreeing on the Offer Price), the Hong Kong Underwriters have

UNDERWRITING

severally agreed to subscribe or procure subscribers for their respective applicable proportions (set out in the Hong Kong Underwriting Agreement) of the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering, on the terms and conditions of this prospectus and the related Application Forms.

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 the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if, prior to 8:00 a.m. on the day that trading in the Offer Shares commences on the Hong Kong Stock Exchange:

1. there shall develop, occur, exist or come into effect:
 - (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the PRC, the United States, the United Kingdom or Japan; or
 - (ii) any change or development involving a prospective change, or any event or series of events likely to result in any change or development, in local, national or international financial, political, military, industrial, economic, fiscal, currency or market conditions or any monetary or trading settlement system (including but not limited to conditions in money and foreign exchange markets and interbank markets, or a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the Hong Kong dollars or the Renminbi against any foreign currencies) in Hong Kong, the PRC, the United States, the United Kingdom or Japan; or
 - (iii) the imposition of a moratorium or any suspension or material limitation in trading in securities generally on the Hong Kong Stock Exchange or the New York Stock Exchange or the London Stock Exchange or the Tokyo Stock Exchange or a material disruption in commercial banking or securities settlement or clearing services in Hong Kong, the PRC, the United States, the United Kingdom or Japan or a general moratorium on commercial banking activities in Hong Kong, the PRC, New York, London or Japan; or
 - (iv) a change, or development involving a prospective change, in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the PRC, the United States, the United Kingdom or Japan; or
 - (v) any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of the Company or the Group; or
 - (vi) any event of force majeure affecting Hong Kong, the PRC, the United States, the United Kingdom or Japan including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, declaration of a national or international emergency or war, riot, public disorder, acts of government, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, strike or lock-out (whether or not covered by insurance); or
 - (vii) any matter has arisen or has been discovered which would, had it arisen immediately before the date of this prospectus and not having been disclosed in this prospectus, constitute a material omission therefrom; or

UNDERWRITING

(viii) any statement contained in this prospectus has become or been discovered to be untrue, incorrect or misleading in any material respect; or

(ix) any material litigation or claim being threatened or instigated against the Company,

which, in the sole opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (a) is or will be or is likely to be materially adverse to the business, financial or other condition or prospects of the Group or, in the case of sub-paragraph (iv), to any present or prospective shareholder of the Company in his/its capacity as such; or
 - (b) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares and/or make it impracticable or inadvisable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or
 - (c) makes it inadvisable or impracticable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus;
2. there comes to the notice of the Joint Global Coordinators any matter or event showing any of the representations, warranties and undertakings given by the Company in the Hong Kong Underwriting Agreement to be untrue, incorrect or misleading in any respect which has or will have a material adverse effect on the Global Offering when given or repeated; or
3. any breach of any of the obligations on the part of the Company under the Hong Kong Underwriting Agreement which has or will have a material adverse effect on the Global Offering.

Undertakings

The Company has undertaken to the Hong Kong Stock Exchange that, except pursuant to the Global Offering or the Over-allotment Option, at any time during the period of six months from the date on which dealings in the H Shares commence on the Hong Kong Stock Exchange (the "Six Month Period"), it will not, without the prior written consent of the Hong Kong Stock Exchange and unless in compliance with the requirements of the Hong Kong Listing Rules, allot or issue or agree to allot or issue any shares or other securities of the Company (including warrants or other convertible securities) or grant or agree to grant any options or rights over any 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 of the Company or offer to or agree to do any of the foregoing or have any intention to do so.

The Company has undertaken to the Hong Kong Underwriters that, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending 180 days after the date on which dealings in the H Shares commence on the Hong Kong Stock Exchange (the "Lock-up Period"), our Company will not, without the prior written consent of the Joint Global Coordinators on behalf of the Hong Kong Underwriters (a) offer, pledge, 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, lend, or otherwise transfer or dispose of, directly or indirectly, H Shares or any shares of the Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, the H Shares or any shares of our Company, or (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 the H

UNDERWRITING

Shares or any shares of our Company, whether any such transactions described in (a) or (b) above is to be settled by delivery of H Shares, other Shares of our Company or such other securities, in cash or otherwise. The foregoing will not apply to (A) the sale or allotment of any H Shares to the Hong Kong Underwriters or the International Purchasers pursuant to the Hong Kong Underwriting Agreement or the International Purchase Agreement, respectively, or (B) the issuance of H Shares to HSBC pursuant to its rights under the investor rights agreement entered into between us and HSBC on 18 August, 2004, as described in the section headed “Strategic Investor – Investor Rights Agreement” in this prospectus.

The Company has undertaken to the Hong Kong Underwriters that, during the Lock-up Period, the Company will, unless it has obtained the prior written consent of the Joint Global Coordinators on behalf of the Hong Kong Underwriters, cause each of its subsidiaries and controlled affiliates not to (a) offer, pledge, 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, lend, or otherwise transfer or dispose of, directly or indirectly, H Shares or any shares of our Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, the H Shares or any shares of our Company, whether now owned or hereinafter acquired, owned directly or indirectly by such subsidiary or affiliate or (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 the H Shares or any shares of our Company, whether any such transactions described in (a) or (b) above is to be settled by delivery of H Shares or shares of our Company or such other securities, in cash or otherwise.

Commission

The Hong Kong Underwriters will receive a commission of 3.0% of the aggregate Offer Price of all the Hong Kong Offer Shares, out of which they will pay any sub-underwriting commission. For unsubscribed Hong Kong 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 International Purchasers and not the Hong Kong Underwriters.

Hong Kong Underwriters’ interest in our Company

Goldman Sachs and HSBC, being two of the Hong Kong Underwriters, are respectively the Joint Sponsors of the Company’s listing on the Hong Kong Stock Exchange.

HSBC currently holds 19.90% of the issued share capital of our Company. HSBC intends to subscribe for additional H Shares pursuant to its rights under the investor rights agreement entered into between us and HSBC on August 18, 2004 such that HSBC is expected to hold 19.90% of our issued share capital immediately following completion of the Global Offering (assuming no exercise of the Over-allotment Option and no issue of any new Shares that may be issued under the HSBC Price Adjustment Top-Up). Further details relating to HSBC’s shareholding in our Company and its right to subscribe for or otherwise be allotted further Shares under the investor rights agreement are set out in the sections headed “Substantial Shareholders” and “Strategic Investor – Investor Rights Agreement” in this prospectus.

INTERNATIONAL OFFERING

International Purchase Agreement

In connection with the International Offering, we expect to enter into the International Purchase Agreement with the International Purchasers. Under the International Purchase Agreement, the International Purchasers to be named therein would severally agree to purchase the Offer Shares or procure purchasers for the Offer Shares offered in the International Offering.

Under the International Purchase Agreement, we intend to grant to the International Purchasers the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Purchasers for up to 30 days from the last day for lodging of applications under the Hong Kong Public

UNDERWRITING

Offering, to require us to issue up to an aggregate of 878,344,000 additional Offer Shares, representing 15% of the maximum number of the Offer Shares initially available under the Global Offering. These Offer Shares will be issued at the Offer Price and will be solely for the purpose of covering over-allocations in the International Offering and, if applicable, any H Shares to be issued to HSBC pursuant to its exercise of its right under the Investor Rights Agreement to subscribe for additional H Shares so as to maintain its percentage interest in our Company at 19.90% in the event that the Over-allotment Option is exercised.

TOTAL EXPENSES

Assuming an Offer Price of HK\$2.25 per Offer Share (being the midpoint of the stated offer price range of HK\$1.95 to HK\$2.55 per Offer Share), the aggregate commissions and fees, together with the Hong Kong Stock Exchange listing fees, SFC transaction levy, investor compensation levy and the Hong Kong Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering, are estimated to amount in aggregate to approximately HK\$650,000,000 (assuming the Over-allotment Option is not exercised) in total.