
UNDERWRITING

HONG KONG UNDERWRITERS

Joint Lead Managers

Deutsche Bank

Goldman Sachs

Merrill Lynch Far East Limited

Co-Lead Managers

BNP Paribas Capital (Asia Pacific) Limited

ING Bank N.V., London Branch

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on 24 September 2010. As described in the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price. Subject to the Listing Committee granting the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus and the Application Forms.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The respective 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 Bookrunners, for themselves and on behalf of the Hong Kong Underwriters, at any time prior to 8:00 a.m. on the Listing Date:

- (a) any matter or event showing any of the representations, warranties and undertakings given by any of the Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or in the International Underwriting Agreement to be untrue, incorrect, inaccurate or misleading when given or repeated; or
- (b) any breach on the part of the Company or the Controlling Shareholders of any of the provisions of the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

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- (c) any matter has arisen or has been discovered which would, had it arisen immediately before the date of this prospectus, not having been disclosed in this prospectus, constitute a material omission therefrom; or
- (d) any statement contained in this prospectus, the Application Forms, the formal notice and any announcements in the agreed form issued by the Company in connection with the Hong Kong Public Offering, was or has become or been discovered to be untrue, incorrect or misleading in any material respect; or
- (e) there shall have occurred any event, act or omission which gives or is likely to give rise to any liability of the Company or the Controlling Shareholders pursuant to the indemnities referred to in Clause 7 of the Hong Kong Underwriting Agreement; or
- (f) except with respect to Erlianhaote Winsway Logistics, a petition is presented for the winding-up or liquidation of the Company or any of its subsidiaries or associates, or the Company or any of its subsidiaries or associates 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 the Company or any of its subsidiaries or associates or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or any of its subsidiaries or associates or anything analogous thereto occurs in respect of the Company or any of its subsidiaries or associates; or
- (g) any adverse change or development or involving an adverse change or prospective adverse change in the condition, financial or otherwise, in the assets, liabilities, earnings, business affairs, business prospects or trading prospects of the Group, including any litigation, claim or arbitral proceedings of material importance being threatened or instigated against any member of the Group; or
- (h) approval by the Listing Committee of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be 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 Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld on or before the Listing Date; or
- (i) there shall have developed, occurred or come into effect any event or series of events, matters or circumstances concerning or relating to:
 - (i) any new law or regulation or any change or development involving a prospective 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 United States, the PRC, the British Virgin Islands, the United Kingdom, Canada, Japan or Singapore or any other jurisdictions reasonably considered by the Joint Bookrunners to be relevant (collectively, the “**Relevant Jurisdictions**”);
 - (ii) any change or development, or any event or series of events likely to result in any change or development, or prospective change or development, in local, regional, national or international financial, political, legal, military, industrial, economic, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange

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markets and inter-bank markets) or equity securities or stock or other financial market conditions or any monetary or trading settlement system (including but not limited to a change in the system under which the value of the Hong Kong currency is linked to that of the United States or a re-valuation of the Renminbi against any foreign currencies) in or affecting any of the Relevant Jurisdictions;

- (iii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the London Stock Exchange or minimum or maximum prices for trading having been fixed, or maximum ranges for prices having been required, by any of the said exchanges (save for the avoidance of doubt, for the fixing of any minimum or maximum prices or price ranges by the Shanghai Stock Exchange and the Shenzhen Stock Exchange before the date of the Hong Kong Underwriting Agreement with respect to specific stocks) or by such system or by order of any regulatory or governmental authority;
- (iv) a change, or development occurs involving a prospective change, in taxation or exchange control (or the implementation of any exchange control) or foreign investment regulations in any of the Relevant Jurisdictions;
- (v) any act of God, war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, terrorism, strike or lock-out and any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis (whether or not covered by insurance) affecting or event of force majeure affecting any of the Relevant Jurisdictions;
- (vi) any change or prospective change, or a materialisation of, any of the risks set out in the section headed “Risk Factors” in this prospectus; or

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

- (i) is or is likely to be materially adverse to the general affairs, management, business, financial, trading or other condition or prospects of the Group as a whole;
- (ii) 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, accepted, subscribed for or purchased or the distribution of Offer Shares or dealings in the Shares in the secondary market; or
- (iii) makes it inadvisable or impracticable to proceed with the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated in this prospectus,

then the Joint Bookrunners, in their absolute discretion, may, for themselves and on behalf of the Hong Kong Underwriters, upon giving notice in writing to our Company

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on or prior to 8:00 a.m. on the Listing Date (with a copy of such notice to each of the Controlling Shareholders and the Hong Kong Underwriters), terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

Undertakings by Our Company

Pursuant to Rule 10.08 of the Listing Rules, except pursuant to the Global Offering or any issue of shares or securities in compliance with Rules 10.08 (1) to (4) of the Listing Rules, our Company will not, at any time within six months from the Listing Date, issue any shares or other securities convertible into equity securities of our Company or enter into any agreement or arrangement to issue such shares or securities (whether or not such issue of shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering or the circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to us and to the Hong Kong Stock Exchange, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), that he or it will not, and shall procure that any other registered holder(s) (if any) will not, without the prior written consent of the Hong Kong Stock Exchange or unless otherwise in compliance with applicable requirements of the Listing Rules:

- (i) in the period commencing on 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, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which he or it is shown by this prospectus to be the beneficial owner (as defined in Rule 10.07(2) of the Listing Rules) (the “**Parent Shares**”); or
- (ii) 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, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Parent Shares to such an extent that immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company.

Further, pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to us and to the Hong Kong Stock Exchange that, during the First Six-month Period and the Second Six-month Period, he or it will:

- (i) if he or it pledges or charges any of our securities beneficially owned by him or it in favour of an authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us of such pledge or charge together with the number of securities so pledged or charged; and
- (ii) if he or it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities will be disposed of, immediately inform us of such indications.

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We will also inform the Hong Kong Stock Exchange as soon as we have been informed of the above matters, if any, by any of our Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by Our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to the Joint Lead Managers and the Hong Kong Underwriters, and the Controlling Shareholders have agreed to procure that, except pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option) and unless in compliance with the Listing Rules, at any time after the date of the Hong Kong Underwriting Agreement and until the expiry of the First Six-month Period, our Company will not, without the prior written consent of the Joint Lead Managers (on behalf of the Hong Kong Underwriters):

- (a) offer, pledge, charge, allot, issue, sell, contract to allot, issue or 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, or repurchase, any of our Shares or other securities of our Company or any interest therein (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or securities or any interest therein); 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 any such Shares or securities or any interest therein; or
- (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or
- (d) publicly disclose that our Company will or may enter into any such transaction described in paragraphs (a), (b) or (c) above,

whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Shares or other securities, in cash or otherwise.

Undertakings by Our Controlling Shareholders

Each of our Controlling Shareholders has undertaken to us, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the stock borrowing arrangement that may be entered into with the Stabilising Manager or any of its affiliates or any person acting for it, without the prior written consent of the Joint Lead Managers (on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

- (i) during the First Six-Month Period:
 - (a) he or it will not 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, conditionally or

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unconditionally, any of our Shares or other securities of our Company or any interest therein (including, but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive any such Shares or securities or any interest therein); or

- (b) he or it will not enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any such Shares or securities or any interest therein; or
- (c) he or it will not enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or
- (d) he or it will not publicly disclose that he or it will or may enter into any transaction described in (a), (b) or (c) above,

whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of such Shares or securities, in cash or otherwise; and

- (ii) during the Second Six-Month Period, he or it will not enter into any of the foregoing transactions in paragraphs (i)(a), (b) or (c) above or agree or contract to or publicly announce any intention to enter into any such transactions if, immediately following such transfer or disposal, any Controlling Shareholder will cease to be a controlling shareholder (as the term is defined in the Listing Rules) of our Company; and
- (iii) until the expiry of the Second Six-Month Period, in the event that he or it enters into any such transactions or agrees or contracts to, or publicly announces an intention to enter into any such transactions, he or it will take all reasonable steps to ensure that he or it will not create a disorderly or false market in the securities of our Company.

Each of our Controlling Shareholders has further undertaken to us, the Joint Lead Managers and the Hong Kong Underwriters that, if at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling twelve months from the Listing Date, it shall:

- (a) if and when he or it pledges or charges any securities or interests in our securities beneficially owned by he or it, immediately inform us and the Joint Lead Managers in writing of such pledge or charge together with the number of securities so pledged or charged; and
- (b) if and when he or it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in our securities will be disposed of, immediately inform us and the Joint Lead Managers.

We agree and undertake that upon receiving such information in writing from any of the Controlling Shareholders, we shall, as soon as practicable, notify the Hong Kong Stock Exchange and make a public disclosure in relation to such information by way of press announcement.

The International Placing

In connection with the International Placing, it is expected that we, the Selling Shareholders and the Controlling Shareholders will enter into the International Underwriting Agreement with the Joint Bookrunners and the International Underwriters. Under the International Underwriting

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Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares being offered pursuant to the International Placing or procure purchasers for such International Placing Shares.

The Selling Shareholders are expected 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 date of the International Underwriting Agreement until 30 October 2010, being the 30th day from the last day for lodging applications under the Hong Kong Public Offering, to require the Selling Shareholders to sell, up to an aggregate of 148,500,000 additional Shares, together representing 15% of the number of Shares initially being offered under the Global Offering, at the Offer Price to solely cover over-allocations in the International Placing, if any.

Commission and expenses

Under the terms and conditions of the Underwriting Agreements, the Hong Kong Underwriters will receive a gross underwriting commission of 2.5% on the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commission. For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, we will pay an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the relevant International Underwriters (but not the Hong Kong Underwriters). Our Company may also in our sole discretion pay any or all of the Joint Bookrunners an additional incentive fee of up to 1% in the aggregate of the sale proceeds of the Shares offered by us under the Global Offering.

Based on an Offer Price of HK\$3.875 per Share (being the mid-point of the indicative Offer Price range of HK\$3.25 to HK\$4.50 per Share), the aggregate commissions and fees (except for any commission payable by the Selling Shareholders for the sale of the Sale Shares), together with the Hong Kong Stock Exchange listing fees, the SFC transaction levy, the Hong Kong Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering will be borne by our Company and such amount is estimated to be approximately HK\$186.7 million in aggregate.

Indemnity

We have agreed to indemnify the Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement or as otherwise disclosed in this prospectus, and, if applicable, the stock borrowing arrangement that may be entered into between the Stabilising Manager or any of its affiliates or any person acting for it with Winsway Resources Holdings, none of the Underwriters is interested legally or beneficially in any shares of any of our members or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members in the Global Offering.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

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Independence of Joint Sponsors

Deutsche Bank satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

A member of the Goldman Sachs group is a limited partner of HOPU and the chairman of Goldman Sachs' subsidiary in China, Goldman Sachs Gao Hua Securities Company Limited, is a founder and partner of HOPU Investment Management Co., Ltd., the company that manages HOPU. Accordingly, the Goldman Sachs group may be viewed to have a business relationship with HOPU and the Company under Rule 3A.07(9) of the Listing Rules that might reasonably give rise to a perception that Goldman Sachs' independence in performing its duties as a sponsor for the Listing would be affected. Accordingly, Goldman Sachs has taken the view that it does not satisfy the independence test set out under Rule 3A.07(9) of the Listing Rules.

RESTRICTIONS ON THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.

In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC.