
UNDERWRITING

HONG KONG UNDERWRITERS

Joint Lead Managers

Goldman Sachs (Asia) L.L.C.
UBS AG, Hong Kong Branch
BOCI Asia Limited
Barclays Bank PLC, Hong Kong Branch
Daiwa Capital Markets Hong Kong Limited
China Merchants Securities (HK) Co., Limited
ABCI Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 113,544,000 Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the H Shares 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 their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional.

One of the conditions is that the Offer Price must be agreed between us (on behalf of ourselves and the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Underwriters). For applicants applying under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering. If, for any reason, the Offer Price is not agreed between us (on behalf of ourselves and the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Underwriters) the Global Offering will not proceed.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Offer Shares under the Hong Kong Underwriting Agreement are subject to termination, if, at any time prior to 8:00 a.m. on the day that trading in the H Shares commences on the Hong Kong Stock Exchange:

- (a) there develops, occurs, exists or comes into force:
 - (i) any event or series of events resulting in or representing a calamity or crisis or a change or development involving a prospective change, in local, national, regional or international financial, political, military, industrial, economic, fiscal or market conditions or sentiments (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets and inter-bank markets) or currency exchange rate or controls in or

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affecting Hong Kong, the PRC, the United States, Japan, Singapore, the European Union (or any member thereof) (collectively the “**Relevant Jurisdictions**”); or

- (ii) any new law or regulation or any change or development involving a prospective change in any existing law or regulation, 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 any of the Relevant Jurisdictions; or
- (iii) any event or series of events in the nature of force majeure (including, without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, riots, public disorder, declaration of a national or international emergency, acts of war, acts of God, acts of terrorism (whether or not responsibility has been claimed), epidemic, pandemic, outbreak of infectious disease (including without limitation SARS, H5N1 or H1N1 or swine or avian influenza or such related/mutated forms), accident or interruption or delay in transportation or economic sanctions) in or affecting any of the Relevant Jurisdictions; or
- (iv) without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or
- (v) the imposition or declaration of (A) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Tokyo Stock Exchange, the Shenzhen Stock Exchange, the Shanghai Stock Exchange or the London Stock Exchange or (B) any moratorium on, or disruption in, banking activities (commercial or otherwise) or foreign exchange trading or securities settlement or clearing services in or affecting any of the Relevant Jurisdictions; or
- (vi) any imposition of economic sanction or withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions; or
- (vii) any change or development or event involving a prospective change in the Group’s assets, liabilities, profit, losses, performance, condition, business, financial, earnings, trading position or prospects; or
- (viii) any material litigation or claim being threatened or instigated against any member of the Group; or
- (ix) 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

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passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed 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,

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

- (A) is or will be or is likely to be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Group as a whole; or
 - (B) has or will have or is likely to have a material adverse effect on the success of the Global Offering 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, will or is likely to make it impracticable, inadvisable or inexpedient to proceed with any part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering and/or the Global Offering or the delivery of Shares on date of the closing; or
- (b) any of the following shall have come to the notice of any of the Joint Global Coordinators or the Hong Kong Underwriters:
- (i) that any statement contained in any of the formal notice required to be published under Chapter 12 of the Listing Rules (the “**Formal Notice**”), this prospectus and the Application Forms (collectively, the “**Hong Kong Public Offer Documents**”), the preliminary offering circular and the final offering circular (collectively, the “**International Offer Documents**”), or other relevant documents or announcements issued by the Company in connection with the Global Offering was or has become untrue, incorrect or misleading in any material respect, or that any forecast, expression of opinion, intention or expectation contained in such documents is not based on reasonable assumptions with reference to the facts and circumstances then subsisting; or
 - (ii) any matter which would, if the Formal Notice, the Hong Kong Public Offer Documents or International Offer Documents or other relevant documents and/or any notices or announcements issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) were issued at that time, constitute a material omission therefrom; or
 - (iii) it becomes necessary for the Company to issue a supplemental prospectus; or

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- (iv) that any of the representations and warranties given by the Company is (or would if repeated at that time be) untrue or breached; or
- (v) any matter, event, act or omission which gives or is likely to give rise to any liability on the part of the Company out of or in connection with any breach, inaccuracy and/or incorrectness of the representations and warranties and/or the indemnities given by the Company under the Hong Kong Underwriting Agreement; or
- (vi) any event, act or omission which gives rise or is likely to give rise to any material liability of the Company pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
- (vii) any breach of any of the obligations of any party (other than the Joint Global Coordinators, Joint Bookrunners or the Hong Kong Underwriters) to the Hong Kong Underwriting Agreement or the corporate investment agreement or any other relevant documents; or
- (viii) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) or in the earnings, business, operations or trading position or prospects of the Group, or any change in capital stock or long-term debt of the Company or any other member of the Group, or any loss or interference with the assets, operations or business of the Company or any other member of the Group, which (in any such case) is not set forth or contemplated in the prospectus and the effect of which is, in the sole opinion of the Joint Global Coordinators, so material and adverse as to make it impracticable or inadvisable to proceed with the Hong Kong Public Offering and/or the Global Offering; or
- (ix) that any profit forecast or estimate which appears in any of the relevant documents is or becomes incapable of being met; or
- (x) that (A) any Director or Supervisor of the Company named in the prospectus seeks to resign or retire, or is removed from office, (B) any certificate given by the Company or any of its respective officers to any of the Joint Global Coordinators or Joint Bookrunners under or in connection with the Hong Kong Underwriting Agreement or the Global Offering is false or misleading in any material respect or (C) any Director or Supervisor as named in the prospectus is 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 (D) a regulatory, governmental or administrative authority (including any stock exchange) or a political body or organization in any jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director; or
- (xi) save as disclosed in the prospectus, a contravention by any member of the Group of the Listing Rules or any applicable laws or regulations in the PRC or Hong Kong; or

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- (xii) a prohibition on the Company for whatever reason from allotting or selling the Offer Shares (including the Shares to be issued pursuant to the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or
- (xiii) the Company withdraws the prospectus and/or the Application Forms and/or the Global Offering.

Undertakings by our Company

We have also undertaken to the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters (and is expected to undertake to the International Underwriters) that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time from the date of the Hong Kong Underwriting Agreement until the expiry of six months from the Listing Date, we will not, without the Joint Bookrunners' prior written consent and unless in compliance with the requirements of the Listing Rules:

- (i) allot, issue, offer, sell, contract to sell, hedge, grant any option or right to subscribe for or purchase or create any interests or encumbrance in respect of, transfer or otherwise dispose of, directly or indirectly, any Shares or any securities exchangeable or convertible into Shares or which carry rights to subscribe for or purchase Shares; or
- (ii) deposit Shares with a depository in connection with the issue of depository receipts; or
- (iii) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any Shares or has an effect on the market in the Shares similar to that of a sale; or
- (iv) offer or agree or announce any intention to do any of the foregoing.

Undertakings by our controlling shareholder

Our controlling shareholder, BEIH, has undertaken to the Stock Exchange, the Joint Bookrunners and us that it will not, save as permitted under the Listing Rules:

- (a) in the period commencing on the date of this prospectus and ending on the date which is six months from the date on which dealings in our H Shares commence on the Stock Exchange (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 our Company's Shares or securities directly or indirectly beneficially owned by it; and
- (b) 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 or securities referred to in the immediately preceding paragraph (a) above if, immediately following such disposal

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or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a controlling shareholder of our Company.

BEIH has further undertaken to the Stock Exchange, the Joint Bookrunners and us that, within the First Six-month Period and the Second Six-month Period, it will:

- (a) when it pledges or charges any Shares or other securities of our Company in respect of which it is the beneficial owner 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 our Company of any such pledge or charge and the number of Shares or other securities of our Company so pledged or charged; and
- (b) when it receives any indication, either verbal or written, from any such pledgee or chargee of Shares or other securities of our Company that such Shares or other securities of our Company will be disposed of, immediately inform us of any such indication.

We will also, as soon as we have been informed of the above matters (if any) by BEIH, inform the Stock Exchange and disclose such matters as soon as possible by way of an announcement to be published as required under the Listing Rules.

The International Offering

In connection with the International Offering, it is expected that our Company and the Selling Shareholders, among others, will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares, failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by Goldman Sachs on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot an aggregate of 170,302,000 additional Offer Shares representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover, among other things, over-allotments (if any) in the International Offering.

Total Commission and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 3.5% on the Offer Price of 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 Offering, our Company will pay an underwriting commission at the rate applicable to the International Offering and such

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commission will be paid to the Joint Bookrunners and the relevant International Underwriters (but not the Hong Kong Underwriters).

Assuming an Offer Price of HK\$1.67 per H Share (being the mid-point of the indicative offer price range of HK\$1.59 to HK\$1.75 per H Share), the aggregate commissions and fees, together with listing fees, SFC transaction levy, Hong Kong Stock Exchange trading fee, legal and other professional fees and printing and other expenses, payable by our Company relating to the Global Offering are estimated to be approximately HK\$162.67 million (assuming the Over-allotment Option is not exercised) in total. The Selling Shareholders will pay the SFC transaction levy and the Hong Kong Stock Exchange trading fee in respect of the Sale Shares.

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Our Company has agreed to indemnify the Hong Kong 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 our Company of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in the Company

Save as disclosed in this prospectus and save for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in any member of our Group or the right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of our Group.

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

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard, and if possible, prevent any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager on behalf of the underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of our H Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of H Shares than the underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option.

The Stabilizing Manager may close out any covered short position by either exercising the Over-allotment Option to purchase additional H Shares or purchasing H Shares in the

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open market. In determining the source of the H Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of H Shares in the open market as compared to the price at which they may purchase additional H Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the H Shares while the Global Offering is in progress. Any market purchases of our H Shares may be effected on any stock exchange, including the Hong Kong Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Stabilizing action permitted pursuant to the Securities and Futures (Price Stabilizing) Rules includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price, (ii) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price, (iii) subscribing, or agreeing to subscribe, for our H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, our H Shares for the sole purpose of preventing or minimizing any reduction in the market price, (v) selling our H Shares to liquidate a long position held as a result of those purchases and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v).

Stabilizing actions by the Stabilizing Manager, its affiliate(s) or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

As a result of effecting transactions to stabilize or maintain the market price of our H Shares, the Stabilizing Manager, its affiliate(s) or any person acting for it, may maintain a long position in our H Shares. The size of the long position, and the period for which the Stabilizing Manager, its affiliate(s) or any person acting for it, will maintain the long position at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of our H Shares.

Stabilizing action by the Stabilizing Manager, its affiliate(s) or any person acting for it is not permitted to support the price of our H Shares for longer than the stabilizing period, which begins on the day on which trading of our H Shares commences on the Hong Kong Stock Exchange and ends on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilizing period is expected to end on January 14, 2012. As a result, demand for our H Shares, and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the H Shares. As a result, the price of the H Shares may be higher than the price that otherwise might exist in the open market. Any stabilizing action taken by the Stabilizing Manager, its affiliate(s) or any person acting for it, may not necessarily result in the market price of our H Shares staying at or above the Offer Price either during or after the stabilizing period. Bids for or market purchases of our H Shares by

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the Stabilizing Manager, its affiliate(s) or any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for our H Shares by purchasers.

A public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.