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## UNDERWRITING

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### UNDERWRITERS FOR THE HONG KONG PUBLIC OFFERING

#### **Joint Lead Managers**

Merrill Lynch Far East Limited  
China International Capital Corporation (Hong Kong) Limited  
Credit Suisse (Hong Kong) Limited  
Deutsche Bank AG, Hong Kong Branch  
ICEA Capital Limited

#### **Co-Lead Managers**

BNP Paribas Peregrine Capital Limited  
China Everbright Securities (HK) Limited  
DBS Asia Capital Limited  
Guangdong Securities Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Taifook Securities Company Limited

#### **Co-Managers**

BCOM Securities Company Limited  
Cazenove Asia Limited  
Oriental Patron Asia Limited  
Shenyin Wanguo Capital (H.K.) Limited  
Sun Hung Kai International Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### **Hong Kong Public Offering**

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Public Offering, we are offering the Hong Kong Offer Shares for subscription 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 to be offered pursuant to the Global Offering as mentioned herein and to certain other conditions set out in the Hong Kong underwriting agreement, the Hong Kong underwriters have agreed severally and not jointly 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 conditions of this prospectus, the application forms and the Hong Kong underwriting agreement.

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### *Grounds for Termination*

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong 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 change or development involving a prospective change or development, or any event or series of events resulting in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, currency market, fiscal or regulatory or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, 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 Renminbi against any foreign currencies) in or affecting Hong Kong, China, the United States, United Kingdom or Japan; or
  - (ii) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, China, the United States, United Kingdom or Japan; 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, acts of war, acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption or delay in transportation) in or affecting Hong Kong, China, the United States, United Kingdom or Japan; or
  - (iv) any local, national, regional or international outbreak or escalation of hostilities (whether or not was is or has been declared) or other state of emergency or calamity or crisis in or affecting Hong Kong, China, the United States, United Kingdom or Japan; or
  - (v) (A) any suspension or limitation on trading in shares or securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the London Stock Exchange, the Shanghai Stock Exchange, the Tokyo Stock Exchange or (B) a general moratorium on commercial banking activities in New York, London, Hong Kong, Japan or China declared by the relevant authorities, or a material disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting Hong Kong, China, the United States, United Kingdom or Japan; or
  - (vi) any (A) material change or prospective material change in exchange controls, currency exchange rates or foreign investment regulations or (B) any change or prospective change in taxation, in Hong Kong, China, the United States, United Kingdom or Japan adversely affecting an investment in the H shares; or
  - (vii) any material litigation or claim being threatened or instigated against the Company or any of its subsidiaries,

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

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- (A) is or will be materially adverse to, or materially and prejudicially affect, the business or financial or trading position or prospects of the Company and its subsidiaries as a whole; or
  - (B) has or will have a material adverse effect on the success of the Global Offering and/or make it impracticable 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 or will make it 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; or
- (b) there has come to the notice of the Joint Bookrunners or any of the Hong Kong Underwriters after the date of the Hong Kong underwriting agreement:
- (i) that 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 (including any supplement or amendment thereto) was or has become untrue, incorrect or misleading in any material respect; or
  - (ii) 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, constitutes a material omission therefrom; or
  - (iii) any of the warranties given by the Company in the Hong Kong Underwriting Agreement is (or would when repeated be) untrue or misleading in any material respect; or
  - (iv) any event, act or omission which gives or is likely to give rise to any liability of the Company pursuant to the indemnities given by the Company under the Hong Kong underwriting agreement which liability has a material adverse effect on the business or financial or trading position of the Company and its subsidiaries, as a whole; or
  - (v) any material breach of any of the obligations of the Company under the Hong Kong underwriting agreement; or
  - (vi) any material adverse change or prospective material adverse change in the business, results of operations, in the financial or trading position or prospects of the Company and its subsidiaries as a whole,

then the Joint Bookrunners may, in their sole discretion and upon giving notice in writing to the Company and the Hong Kong Underwriters, terminate the Hong Kong Underwriting Agreement with immediate effect.

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

#### ***By Us***

We have undertaken to the Hong Kong Stock Exchange that no further shares or securities convertible into our equity securities (whether or not a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the date on which our H shares first commence dealing on the Hong Kong Stock Exchange (whether or not such issue of

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shares or our securities will be completed within six months from the commencement of dealing), except:

- (a) in certain circumstances prescribed by Rule 10.08 of the Hong Kong Listing Rules; or
- (b) pursuant to our proposed A Share Offering. See “A Share Offering.”

### *By Huijin and the MOF*

Each of Huijin and the MOF has undertaken to the Hong Kong Stock Exchange that, except to facilitate the exercise of the over-allotment option granted to the International Offering underwriters, it shall not and shall procure that the relevant registered holder shall not:

- (a) in the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is six months from the date on which dealings in our H shares commence on the Hong Kong Stock Exchange (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 those shares or securities of the Company in respect of which it is shown by this prospectus to be the beneficial owner; or
- (b) in the period of six months commencing on the date on which the First Six-month Period expires, 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 (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, it would cease to be our controlling shareholder.

Each of Huijin and MOF has also undertaken to the Hong Kong Stock Exchange and us that, within the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is 12 months from the date on which dealings in our H shares commence on the Hong Kong Stock Exchange, it will:

- (a) when it pledges or charges any of shares or of other share capital beneficially owned by it 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 us of such pledge or charge together with the number of such shares or other securities so pledged or charged; and
- (b) when it receives any indications, either verbal or written, from any pledgee or chargee of any of shares or of other securities pledged or charged that such shares or securities will be disposed of, immediately inform us of any such indications.

We will inform the Hong Kong Stock Exchange as soon as we have been informed of the above matters (if any) by Huijin or MOF and disclose such matters by way of a press notice which is published in the newspapers as soon as possible after being so informed by Huijin or MOF.

### *Undertakings to the Underwriters*

#### *By Us*

We have, pursuant to the Hong Kong underwriting agreement, undertaken to each of the Joint Global Coordinators, Joint Bookrunners, the Joint Sponsors and the Hong Kong underwriters that, at

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any time after the date of the Hong Kong underwriting agreement up to and including the date falling 180 days after date of the final offering circular in respect of the International Offering, the Company will not without the Joint Bookrunners' prior written consent (subject to the requirements set out in the Hong Kong Listing Rules):

- (a) offer, pledge, issue, sell, contract to 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 its share capital or any securities convertible into or exercisable or exchangeable for or that represent the right to receive such share capital; 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 such share capital,

whether any of the foregoing transactions described in limb (a) or (b) above is to be settled by delivery of share capital or such other securities, in cash or otherwise, provided that the foregoing restrictions shall not apply to the issue of H shares by the Company pursuant to the Global Offering (including pursuant to the over-allotment option) or to the issue of A shares by the Company pursuant to the A Share Offering (including pursuant to the over-allotment option), and the Company further agrees that, in the event of an issue or disposal of any H Shares or any interest therein after the date falling 180 days after the date of the final offering circular in respect of the International Offering, it will take all reasonable steps to ensure that such an issue or disposal will not create a disorderly or false market for the H Shares.

### **Indemnity**

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

### **Commission and Expenses**

The Hong Kong underwriters will receive a gross underwriting commission of 2.5% of the 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 commissions. 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 Joint Bookrunners and the relevant underwriters (but not the Hong Kong underwriters).

The aggregate commissions and fees, together with listing fees, SFC transaction levy, the Hong Kong Stock Exchange trading fee, legal and other professional fees, and printing and other expenses of us and the Selling Shareholders relating to the Global Offering are estimated to amount to approximately HK\$2,287 million and HK\$572 million, respectively (assuming an offer price of HK\$2.815 per share, which is the mid-point of our indicative offer price range for the Global Offering, and that the over-allotment option for the Global Offering is not exercised) in total. The underwriters have agreed to reimburse us for certain expenses we incur in connection with the Global Offering.

### **Hong Kong Underwriters' Interest in Our Company**

Save for its obligations under the Hong Kong underwriting agreement, none of the Hong Kong underwriters has any shareholding interests in our company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our company.

### **The International Offering**

In connection with the International Offering, it is expected that we and the Selling Shareholders will, on or about October 20, 2006, shortly after determination of the offer price, enter into the international underwriting agreement with the Joint Bookrunners on behalf of the International Offering underwriters. Under the international underwriting agreement, the underwriters to be named therein are expected to severally agree to subscribe or procure subscribers for the International Offer Shares initially being offered in the International Offering.

### **RESTRICTIONS ON THE OFFER SHARES**

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong and Japan, 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 authorized 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.

### **STABILIZATION AND OVER-ALLOTMENT**

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, Merrill Lynch Far East Limited, as stabilizing manager (the "Stabilizing Manager"), or any person acting for it, 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 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

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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, which, if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of our H shares that may be over-allocated will not exceed the number of our H shares that may be sold under the over-allotment option, namely 5,308,650,000 H shares, which is 15% of the H shares initially available under the Global Offering.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures Price Stabilizing Rules. 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, 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, 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, or any person acting for it, will maintain the long position, is 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, 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 thirtieth day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on November 17, 2006. 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, 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 the Stabilizing Manager, 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.