

# STRUCTURE OF THE GLOBAL OFFERING

## The Global Offering

This prospectus is published in connection with the Public Offer as part of the Global Offering. The Global Offering comprises of:

- (i) the Public Offer of 36,056,000 H Shares (subject to adjustment as mentioned below) in Hong Kong as described in the paragraph headed “The Public Offer” below; and
- (ii) the International Placing of an aggregate of 324,504,000 H Shares (subject to adjustment as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in reliance on Regulation S and in the United States to QIBs in reliance on Rule 144A.

Macquarie is the sole Global Coordinator, sole bookrunner and sole lead manager of the Global Offering.

Investors may apply for H Shares under the Public Offer or apply for or indicate an interest for Offer Shares under the International Placing, but may not do both.

## The Public Offer

### ***Number of Shares initially offered***

The Public Offer of initially 36,056,000 H Shares at the Offer Price (representing approximately 10% of the total number of H Shares initially available under the Global Offering) is fully underwritten (subject to agreement as to pricing and satisfaction or waiver of the other conditions set out in the Public Offer Underwriting Agreement) for subscription in Hong Kong. Subject to the reallocation of H Shares between the International Placing and the Public Offer, the Public Offer Shares will represent approximately 3.5% of the Company’s enlarged issued share capital immediately after completion of the Global Offering assuming that the Over-allotment Option is not exercised.

### ***Allocation***

The total number of the Company’s H Shares available under the Public Offer (after taking account of any reallocation referred to below) is to be divided into two pools for allocation purposes: pool A and pool B. The H Shares in pool A will be allocated on an equitable basis to applicants who have applied for the H Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The H Shares in pool B will be allocated on an equitable basis to applicants who have applied for the H Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable). Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the H Shares in one (but not both) of the pools are undersubscribed, the surplus H Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. If any H Shares remain unsubscribed after the transfer (from one pool to the other

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pool) and allocation, all or any of the surplus H Shares may be reallocated from the Public Offer to the International Placing at the absolute discretion (but not under any obligation) of the Global Coordinator in such amounts as it deems appropriate. Applicants can only receive an allocation of the H Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 50% of the 36,056,000 H Shares initially included in the Public Offer (that is, 18,028,000 H Shares) will be rejected. Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the application form submitted by him that he and any person(s) for whose benefit he is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any H Shares under the International Placing, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

### ***Reallocation***

The allocation of H Shares between the Public Offer and the International Placing is subject to adjustment. If the number of H Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of H Shares initially available for subscription under the Public Offer, then H Shares will be reallocated to the Public Offer from the International Placing, so that the total number of H Shares available under the Public Offer will be 108,168,000 H Shares, representing approximately 30% of the Offer Shares initially available under the Global Offering. If the number of H Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of H Shares initially available for subscription under the Public Offer, then the number of H Shares to be reallocated to the Public Offer from the International Placing will be increased so that the total number of H Shares available under the Public Offer will be 144,224,000 H Shares, representing approximately 40% of the Offer Shares initially available under the Global Offering. If the number of H Shares validly applied for under the Public Offer represents 100 times or more the number of H Shares initially available for subscription under the Public Offer, then the number of H Shares to be reallocated to the Public Offer from the International Placing will be increased, so that the total number of H Shares available under the Public Offer will be 180,280,000 H Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering. In each such case, the additional H Shares reallocated to the Public Offer will be allocated between pool A and pool B on an equitable basis and the number of H Shares allocated to the International Placing will be correspondingly reduced.

In addition, if the Public Offer is not fully subscribed, the Global Coordinator will have the absolute discretion (but shall not be under any obligation) to reallocate to the International Placing all or any unsubscribed Public Offer Shares in such amounts as they deem appropriate.

References in this prospectus to applications, Application Forms, application or subscription money or the procedure for application relate solely to the Public Offer.

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## ***Applications***

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or if he has been or will be placed or allocated Offer Shares under the International Placing.

The listing of the H Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Public Offer are required to pay, on application, the maximum price of HK\$5.30 per H Share in addition to any brokerage, SFC transaction levy and Stock Exchange trading fee payable on each H Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing of the Global Offering" below, is less than the maximum price of HK\$5.30 per H Share, appropriate refund payments (including the brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application money) will be made to successful applicants, without interest. Further details are set out below in the section headed "How to Apply For the Public Offer Shares."

References in this prospectus to applications, Application Forms, application money or the procedure for application relate solely to the Public Offer.

## **The International Placing**

### ***Number of Shares offered***

Subject to adjustment and the Over-allotment Option, the International Placing will consist of an aggregate of 324,504,000 H Shares.

### ***Allocation***

The International Placing will include selective marketing of 324,504,000 H Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such H Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of H Shares pursuant to the International Placing will be effected in accordance with the "book-building" process described in the paragraph headed "Pricing of the Global Offering" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares, and/or hold or sell its H Shares, after the listing of the H Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and its shareholders as a whole.

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The Global Coordinator (on behalf of the Underwriters) may require any investor who has been offered H Shares under the International Placing, and who has made an application under the Public Offer to provide sufficient information to the Global Coordinator so as to allow it to identify the relevant applications under the Public Offer and to ensure that it is excluded from any application of H Shares under the Public Offer.

The Global Coordinator has the absolute discretion (but shall not be under any obligation) to reallocate to the Public Offer all or any International Placing Shares in such amounts as it deems appropriate.

### Over-allotment Option

In connection with the Global Offering, the Company is expected to grant an Over-allotment Option to the International Underwriters exercisable by the Global Coordinator on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Global Coordinator has the right, exercisable 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 Public Offer, to require the Company to allot and issue up to 54,084,000 additional Offer Shares, representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Placing solely for the purpose of covering over-allocation in the International Placing, if any. In the event that the Over-allotment Option is exercised, a press announcement will be made.

### Pricing of the Global Offering

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring H Shares in the International Placing. Prospective professional and institutional investors will be required to specify the number of H Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or around, the last day for lodging applications under the Public Offer.

Pricing for the H Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or before 14 December 2006, and in any event no later than 18 December 2006 by agreement between the Global Coordinator (on behalf of the Underwriters) and the Company and the number of H Shares to be allocated under various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$5.30 per H Share and is expected to be not less than HK\$4.18 per H Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Public Offer. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative offer price range stated in this prospectus.**

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The Global Coordinator (on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the Company's consent, reduce the number of Offer Shares and/or the indicative offer price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Public Offer. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Public Offer, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) a notice of the reduction in the number of Offer Shares and/or the indicative offer price range. Upon issue of such a notice, the revised number of Offer Shares and/or the offer price range will be final and conclusive and the Offer Price, if agreed upon by the Global Coordinator (on behalf of the Underwriters) and the Company, will be fixed within such revised offer price range. Applicants should have regard to the possibility that any announcement of a reduction in the indicative offer price range may not be made until the day which is the last day for lodging applications under the Public Offer. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the profit forecast for the year ending 31 December 2006 and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of such reduction. **Applicants under the Public Offer should note that in no circumstances can applications be withdrawn once submitted, even if the offer price range is so reduced.** In the absence of any such notice so published, the Offer Price, if agreed upon with the Company and the Global Coordinator, will under no circumstances be set outside the offer price range as stated in this prospectus.

The final Offer Price, the indications of interest in the Global Offering, the results of applications and the basis of allocations of H Shares available under the Public Offer, are expected to be announced on 19 December 2006 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

### **Public Offer Underwriting Agreement**

The Public Offer is fully underwritten by the Hong Kong Underwriters under the terms of the Public Offer Underwriting Agreement and is subject to the Company and the Global Coordinator (on behalf of the Underwriters), agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Placing on the Price Determination Date.

These underwriting arrangements, and the respective Underwriting Agreements, are summarised in the section headed "Underwriting."

### **Dealing**

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on 20 December 2006, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:30 a.m. on 20 December 2006.

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### Conditions of the Public Offer

Acceptance of all applications for H Shares pursuant to the Public Offer will be conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the H Shares in issue (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option); and
- (ii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 7 January 2007.

**If, for any reason, the Offer Price is not agreed between the Company and the Global Coordinator (for itself and on behalf of the Underwriters), the Global Offering will not proceed.**

The consummation of each of the Public Offer and the International Placing is conditional upon, among other things, the other offerings becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published by the Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the next day following such lapse. In such eventuality, all application money will be returned, without interest, on the terms set out in “Terms and Conditions of the Public Offer”. In the meantime, all application money will be held in (a) separate bank account(s) with the receiving bankers or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

H Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on 20 December 2006 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Public Offer Underwriting Agreement — Grounds for Termination” has not been exercised.