

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus contains particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Market Listing) Rules of Hong Kong (as amended) and the Listing Rules for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this prospectus misleading.

CSRC APPROVAL

The CSRC has given its approval on 22nd November, 2004 for the Global Offering and the submission of the application to list the H Shares on the Stock Exchange. In granting such approval, the CSRC accepts no responsibility for the financial soundness of the Company nor the accuracy of any of the statements made or opinions expressed in this prospectus or in the Application Forms.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement. The Global Offering is managed by the Joint Global Bookrunners. The International Purchase Agreement relating to the International Offering is expected to be entered into on or about 30th November, 2005, subject to agreement on the Offer Price between the Company, the Selling Shareholder and the Joint Global Bookrunners (on behalf of the Underwriters).

If, for any reason, the Offer Price is not agreed between the Company, the Selling Shareholder and the Joint Global Bookrunners (on behalf of the Underwriters) the Global Offering will not proceed. For full information about the Underwriters and the underwriting arrangements, see the section of this prospectus headed "Underwriting".

RESTRICTIONS ON SALE OF H SHARES

Each person acquiring the Public Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of H Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit an offering of the Public Offer Shares 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. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of, U.S. persons, except that Offer Shares may be offered, sold or delivered to QIBs in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A. Offer Shares will be sold to non-U.S. persons outside the United States in accordance with Regulation S and in the United States to QIBs pursuant to Rule 144A or another exemption from the registration requirements under U.S. Securities Act. In addition, until 40 days after the later of the commencement of the Global Offering and the closing date, an offer or sale of Offer Shares within the United States (whether or not as a part of the Global Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act.

The Offer Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Global Offering or the accuracy of this prospectus or the circular relating to the International Offering. Any representation to the contrary is a criminal offence in the United States.

Canada

The Offer Shares may not be offered or sold, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of any province or territory of Canada, except pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer or sale is made, and only by a dealer duly registered under the applicable securities laws of that province or territory in circumstances where any exemption from the applicable registered dealer requirements is available.

United Kingdom

This prospectus has not been approved by an authorised person in the United Kingdom and has not been registered with the Registrar of Companies in the United Kingdom. The Offer Shares may not be offered or sold and, prior to the expiry of a period of six months from the date of commencement of dealings in the Offer Shares on the Stock Exchange, will not be offered or sold to any persons in the United Kingdom except to persons who are qualified investors within the meaning of Section 86 of the Financial Services and Markets Act 2000 (the “FSMA”) as amended by the Prospectus Regulations 2005. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by such person in connection with the issue or sale of the Offer Shares except in circumstances in which section 21(1) of the FSMA does not apply to the Company. This prospectus is directed only at (i) persons outside the United Kingdom or (ii) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (iii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Any investment or investment activity to which this prospectus relates is available only to and

will be engaged in only with, such persons and persons who do not fall within (ii) or (iii) above should not rely or act upon this prospectus.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), an offer of Offer Shares has not been made or will not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer of Offer Shares may, with effect from and including the Relevant Implementation Date, be made to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive as implemented in each Relevant Member State.

For the purposes of this provision, the expression an “offer of Offer Shares to the public” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe the Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Italy

This Global Offering has not been registered with the *Commissione Nazionale per la Società* (“CONSOB”) (the Italian securities exchange commission) pursuant to the Italian securities legislation and, accordingly, the Offer Shares may not be offered, sold or delivered and any copies of this prospectus or any other document relating to the Offer Shares may not be distributed in the Republic of Italy in a solicitation to the public at large, and that sales of the Offer Shares in the Republic of Italy shall only be negotiated:

- (i) with professional investors (*operatori qualificati*), as defined in Article 31, second paragraph of CONSOB Regulation no. 11522 of 1st July, 1998, as amended and effected, in compliance with the terms and procedures provided therein; or
- (ii) in circumstances which are exempted from the rules of solicitation of investments pursuant to Article 100 of Legislative Decree no. 58 of 24th February, 1998 and Article 33, first

paragraph, of CONSOB Regulation no. 11971 of 14th May, 1999, as amended from time to time.

Accordingly, and only in relation to the cases under (i) and (ii) above, in which the private placement of the Offer Shares is admitted, the Offer Shares may not be offered, sold or delivered and neither this prospectus nor any other material relating to the Offer Shares may be distributed or made available in the Republic of Italy unless such offer, sale or delivery of the Offer Shares or distribution or availability of copies of this prospectus or any other material relating to the Offer Shares in the Republic of Italy is:

- (iii) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with relevant provisions of Italian laws and regulations; and
- (iv) in compliance with any other applicable requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive, such requirements shall be replaced by the applicable requirements under the Prospectus Directive.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “Singapore Securities and Futures Act”); (ii) to a relevant person, or any person pursuant to Section 275(1A) of the Singapore Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Singapore Securities and Futures Act; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore Securities and Futures Act.

Where the Offer Shares are subscribed or purchased under Section 275 of the Singapore Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Offer Shares under Section 275 of the Singapore Securities and Futures Act except:

- (1) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such rights or interest are acquired at a consideration of not less

than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;

- (2) where no consideration is given for the transfer; or
- (3) by operation of law.

Japan

It is expected that a public offering without listing of the Offer Shares will be made in Japan. The Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except in accordance with the terms and conditions of the public offering without listing of the Offer Shares in Japan, as stated in the securities registration statement filed on 31st October, 2005 (as amended) with the Japanese authority under, or pursuant to any exemption from the registration requirements of, the Securities and Exchange Law of Japan and otherwise in compliance with applicable provisions of Japanese law. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

PRC

This prospectus does not constitute a public offer of the Offer Shares, whether by way of sale or subscription, in the PRC. The Offer Shares are not being offered and may not be offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory requirements of the PRC, the Offer Shares shall only be offered or sold to natural or legal persons in Taiwan, Hong Kong or Macau or any country other than the PRC by means of this prospectus or otherwise.

Each person acquiring the Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Company has applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in the Offer Shares to be issued and sold pursuant to the Global Offering (including the additional H Shares which may be issued and sold pursuant to the exercise of the Over-allotment Option). Save as disclosed in this prospectus, no part of the share or loan capital of the Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

HONG KONG H SHARE REGISTER AND STAMP DUTY

All H Shares sold pursuant to applications made in the Hong Kong Public Offering will be registered on the Company’s H Share register of members to be maintained in Hong Kong. The Company’s principal register of members will be maintained by the Company at CITIC Bank Building, No. 747, Jianshe Avenue, Hankou, Wuhan, Hubei 430015, PRC, its principal place of business in the PRC.

Dealings in H Shares registered in the H Share register of the Company will be subject to Hong Kong stamp duty. Please refer to the section headed “Stamp Duty — Hong Kong Stamp Duty” in Appendix V to this prospectus.

ELIGIBILITY FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the H Shares on the Stock Exchange and the compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or on any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and dealing in the H Shares. None of the Company, the Selling Shareholder, the Global Coordinator, the Joint Global Bookrunners, the Joint Sponsors, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposition of H Shares.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

The Company has instructed Computershare Hong Kong Investor Services Limited, its Hong Kong H Share registrar, and Computershare Hong Kong Investor Services Limited has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until the holder delivers a signed form to the H Share registrar in respect of those H Shares bearing statements to the effect that the holder:

- (i) agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law, the Special Regulations and the Articles of Association;
- (ii) agrees with the Company, each shareholder, Director, Supervisor, manager and officer of the Company, and the Company acting for itself and for each Director, Supervisor, manager and officer of the Company agrees with each shareholder, to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;
- (iii) agrees with the Company and each shareholder of the Company that H Shares are freely transferable by the holders thereof; and

- (iv) authorizes the Company to enter into a contract on his behalf with each Director and officer of the Company whereby such Directors and officers undertake to observe and comply with their obligations to shareholders as stipulated in the Articles of Association.

OVER-ALLOTMENT AND STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price.

In connection with the Global Offering, Merrill Lynch Far East Limited, as stabilising manager (the “Stabilising Manager”), or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period commencing from the day on which the H Shares commence trading on the Stock Exchange. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it to do this. Such stabilisation, if commenced, will be conducted at the absolute discretion of the Stabilising Manager, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. The number of H Shares that may be over-allocated will not be greater than the number of H Shares which may be issued and sold upon exercise of the Over-allotment Option, being 372,482,000 H Shares (comprising 338,620,000 additional H Shares to be allotted and issued by the Company and 33,862,000 additional H Shares to be sold by the Selling Shareholder), which is approximately 15% of the H Shares initially available under the Global Offering.

The Stabilising Manager or any person acting for it may take all or any of the following stabilising actions in Hong Kong during the stabilisation period:

- (i) purchase, or agree to purchase, any of the H Shares or offer or attempt to do so for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares;
- (ii) in connection with any action described in paragraph (i) above;
 - (A) (1) over-allocate the H Shares; or
 - (2) sell or agree to sell the H Shares so as to establish a short position in them, for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares;
 - (B) exercise the Over-allotment Option and purchase or subscribe for or agree to purchase or subscribe for the H Shares in order to close out any position established under paragraph (A) above;
 - (C) sell or agree to sell any of the H Shares acquired by it in the course of the stabilising action referred to in paragraph (i) above in order to liquidate any position that has been established by such action; or
 - (D) offer or attempt to do anything as described in paragraphs (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Stabilising Manager, or any person acting for it, may, in connection with the stabilising action, maintain a long position in the H Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Stabilising Manager or any person acting for it, which may include a decline in the market price of the H Shares.

Stabilisation cannot be used to support the price of the H Shares for longer than the stabilisation period, which begins on the day on which trading of the H Shares commences on the Stock Exchange and ends on the earlier of the thirtieth day after the last day for lodging of applications under the Hong Kong Public Offering or the commencement of trading of the H Shares. The stabilisation period is expected to expire on 29th December, 2005. After this date, when no further stabilising action may be taken, demand for the H Shares, and therefore then market price, could fall.

Any stabilising action taken by the Stabilising Manager, or any person acting for it, may not necessarily result in the market price of the H Shares staying at or above the Offer Price either during or after the stabilisation period. Stabilising bids or market purchases effected in the course of the stabilisation action may be made at any price at or below the Offer Price and can therefore be done at a price below the price the investor has paid in acquiring the H Shares.

PROCEDURE FOR APPLICATION FOR PUBLIC OFFER SHARES

The procedure for applying for Public Offer Shares is set out in the section headed “How to Apply for Public Offer Shares” and in the relevant Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed “Structure of the Global Offering” in this prospectus.