

SHARE CAPITAL

The registered capital of the Company is currently RMB6.02 billion.

The following is a description of the share capital of the Company in issue and to be issued as fully paid or credited as fully paid immediately before and after the completion of the Global Offering:

Description of Shares	Before Global Offering		After Global Offering assuming no exercise of the Over-allotment Option		After Global Offering assuming full exercise of the Over-allotment Option	
Domestic Shares . .	6,020,000,000	100.00%	5,794,250,000	70%	5,760,388,000	66.9%
H Shares	0	0%	2,483,250,000	30%	2,855,732,000	33.1%
Total	6,020,000,000	100.00%	8,277,500,000	100.00%	8,616,120,000	100.00%

The above table assumes the Global Offering becomes unconditional. It takes no account of any Shares which may be issued pursuant to the general mandate granted to the Directors as referred to in the section headed “I. Further Information About the Company — 3. Resolutions of the Company’s shareholders passed on 29th October, 2005” in Appendix VIII to this prospectus.

Ranking

Domestic Shares and H Shares are both ordinary shares in the share capital of the Company. However, H Shares may only be subscribed for by, and traded in Hong Kong dollars between, legal or natural persons of Hong Kong, Macau, Taiwan or any country other than the PRC. Domestic Shares, on the other hand, may only be subscribed for by, and traded between, legal or natural persons of the PRC (other than Hong Kong, Macau and Taiwan) and must be subscribed for and traded in Renminbi. All dividends in respect of H Shares are to be paid by the Company in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be paid by the Company in Renminbi.

All the existing Domestic Shares are held by the Promoter as promoter shares (as defined in the Company Law). Promoter shares may not be sold within a period of three years from the date of establishment of the Company as a joint stock limited company. This period will expire on 12th October, 2007. Upon the approval of the State Council or its authorized supervisory departments and with the consent of the Stock Exchange, the Domestic Shares may be converted into H Shares.

Except as described above and in relation to the despatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different parts of the register of shareholders, the method of share transfer and the appointment of dividend receiving agents, which are all provided for in the Articles of Association and summarized in Appendix VII to this prospectus, the Domestic Shares and the H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the Prospectus Date. However, the transfer of Domestic Shares is subject to such restrictions as PRC law may impose from time to time.

Save for the Global Offering, the Company does not propose to carry out a public or private issue or to place securities simultaneously with the Global Offering or within the next six months. The Company has not approved any share issue plan other than the Global Offering.

The Company has given certain undertakings in respect of the issuance of the H Shares and other securities. Please refer to the section of this prospectus headed “Underwriting — Underwriting Arrangements and Expenses — Undertakings”.