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## STRUCTURE OF THE GLOBAL OFFERING

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### THE GLOBAL OFFERING

The Global Offering consists of (subject to adjustment and the Over-allotment Option):

- (i) the Hong Kong Public Offering of 280,568,000 Offer Shares (subject to adjustment as mentioned below) in Hong Kong as described below under “Structure of the Global Offering — The Hong Kong Public Offering”; and
- (ii) the International Offering of 2,525,112,000 Offer Shares (subject to adjustment and the Over-allotment Option as mentioned below) in the United States to qualified institutional buyers (as such term is defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A, and to parties outside the United States in reliance on Regulation S (including a public offer without listing in Japan).

China International Capital Corporation Limited and Merrill Lynch Far East Limited are the Joint Global Coordinators of the Global Offering.

Of the total of 2,805,680,000 H Shares comprised in the Global Offering (assuming the Over-allotment Option is not exercised), 2,550,618,182 H Shares are newly issued and offered by the Company (representing approximately 90.91% of the Global Offering) and an aggregate of 255,061,818 Sale Shares (representing approximately 9.09% of the Global Offering) are offered by the Selling Shareholders.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described below under “Structure of the Global Offering — Pricing and Allocation.”

### PRICING AND ALLOCATION

The International Underwriters are soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective investors will be required to specify the number of International Offering Shares 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 about Thursday, December 9, 2004.

Pricing of the Offer Shares for the purposes of the various offerings will be fixed on the Price Determination Date, which is expected to be Thursday, December 9, 2004 but in any event not later than December 14, 2004, and the number of Offer Shares to be allocated under various offerings will be determined shortly thereafter by agreement between the Joint Global Coordinators (on behalf of the Underwriters), the Selling Shareholders and us.

The Offer Price will be not more than HK\$3.10 per Offer Share and is currently expected to be not less than HK\$2.35 per Offer Share unless otherwise announced by no later than the morning of the last day for lodging applications under the Hong Kong Public Offering as further explained below. **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.**

**Based on the level of interest expressed by prospective professional and institutional investors during the book-building process, the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) may, with our consent and with the consent of the Selling Shareholders, reduce the number of Offer Shares and/or the indicative offer price range**

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below that stated in this Prospectus (which currently is HK\$2.35 to HK\$3.10 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we 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 Hong Kong Public Offering, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notices of the reduction of the number of Offer Shares and/or the indicative Offer Price range. Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the offer statistics as currently set out in the section headed “Summary” in this Prospectus, and any other financial information which may change as a result of any such reduction. Applicants under the Hong Kong Public Offering should note that in no circumstances can applications be withdrawn once submitted, even if the number of Offer Shares and/or the Offer Price range is so reduced.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators.

Allocation of H Shares pursuant to the International Offering will be determined by the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, 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, and/or hold or sell H Shares, after the listing of the H Shares on the Hong Kong Stock Exchange. Such allocation may be made to professional, institutional, corporate and (in the case of the public offer without listing in Japan) retail investors and is intended to result in a distribution of H Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants, but will otherwise be made strictly on a pro-rata basis, although the allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The net proceeds from the Global Offering accruing to the Company are estimated to be approximately HK\$6,522 million. The estimated net proceeds are calculated after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Global Offering, assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$2.725 per Offer Share, being the mid-point of the proposed Offer Price range of HK\$2.35 to HK\$3.10 per Offer Share.

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The net proceeds from the Global Offering accruing to the Selling Shareholders are estimated to be approximately HK\$651 million. The estimated net proceeds are calculated after deduction of underwriting fees and estimated expenses payable by the Selling Shareholders in relation to the Global Offering, assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$2.725 per Offer Share, being the mid-point of the proposed Offer Price range of HK\$2.35 to HK\$3.10 per Offer Share.

The applicable Offer Price, level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, and the results of application and basis of allocations of the Hong Kong Offer Shares are expected to be announced on Tuesday, December 14, 2004 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

### CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Offer Shares pursuant to the Hong Kong Public Offering will be conditional on, among other things:

- the Listing Committee granting the listing of and permission to deal in the H Shares to be issued and sold as mentioned herein (including any additional H Shares which may be issued and sold pursuant to the exercise of the Over-allotment Option), and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Hong Kong Stock Exchange;
- the UK Listing Authority granting admission of the H Shares to the Official List (including any additional H Shares which may be issued and sold pursuant to the exercise of the Over-allotment Option) and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the London Stock Exchange;
- the Offer Price having been duly determined and the execution and delivery of the International Purchase Agreement on or about the Price Determination Date; and
- the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Global Coordinators, on behalf of the Underwriters) and such obligations not being terminated in accordance with the terms of the respective agreements,

in each case, on or before the dates and times specified in the 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 Sunday, January 2, 2005.

If for any reason the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and accordingly listing on the Hong Kong Stock Exchange and the Official List of the UK Listing Authority will not proceed.

If for any reason the Offer Price is not agreed between us, the Selling Shareholders and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering (including the Hong Kong Public Offering) will not proceed.

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

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If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange and the UK Listing Authority will be notified immediately. We will publish a notice of the lapse of the Global Offering in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the day after such lapse.

In the above situation, we will return all application monies to the applicants, without interest and on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares” in this Prospectus. In the meantime, we will hold all application monies in a separate bank account or separate bank accounts with the receiving bankers or other bank(s) licenced under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

**We expect to issue H Share certificates for the Hong Kong Offer Shares on Tuesday, December 14, 2004. However, these Share certificates will only become valid certificates of title if (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting” in this Prospectus has not been exercised, which is expected to be around 8:00 a.m. (Hong Kong time) on the Listing Date.**

### THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set out in the Hong Kong Underwriting Agreement and described in the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this Prospectus) for the subscription in Hong Kong of, initially, 280,568,000 Offer Shares at the Offer Price, representing approximately 10% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 3.10% of our enlarged issued share capital immediately after completion of the Global Offering but before any exercise of the Over-allotment Option.

The total number of the Offer Shares available under the Hong Kong Public Offering is to be divided equally into two pools for allocation purposes only:

- Pool A: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation fee and Hong Kong Stock Exchange trading fee payable thereon) or less; and
- Pool B: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation fee and Hong Kong Stock Exchange trading fee payable thereon) and up to the value of Pool B.

Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the Pools are

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under-subscribed, the surplus Hong Kong Offer Shares in that Pool will be transferred to the other Pool to satisfy demand in the other Pool and be allocated accordingly.

Applicants can only receive an allocation of the Hong Kong Offer 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 280,568,000 Offer Shares initially included in the Hong Kong Public Offering (that is, 140,284,000 Hong Kong Offer Shares) will be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him or her that he or she or any person(s) for whose benefit he or she is making the application have not indicated an interest for or applied for or taken up or been placed or allotted (including conditionally and/or provisionally) and will not indicate an interest for or apply for or take up or be placed or allotted (including conditionally and/or provisionally) any Offer Shares under the International Offering nor otherwise have participated or will participate in the International Offering, 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).

We will reject multiple applications within Pool A or Pool B, and between the two Pools. Our Directors, the Hong Kong Underwriters and we will take reasonable steps to identify and reject applicants under the Hong Kong Public Offering from investors who have received Offer Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have received Offer Shares in the Hong Kong Public Offering. Investors who have not received Offer Shares under the Hong Kong Public Offering may receive Offer Shares under the International Offering.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor is excluded from any application of Offer Shares under the Hong Kong Public Offering.

The Offer Price will be not more than HK\$3.10 per Offer Share and is expected to be not less than HK\$2.35 per Offer Share. Applicants for Hong Kong Offer Shares under the Hong Kong Public Offering are required to pay, on application, the maximum offer price of HK\$3.10 for each Hong Kong Offer Share. If the Offer Price as finally determined is less than the offer price of HK\$3.10 per Offer Share (excluding brokerage, SFC transaction levy, investor compensation levy and Hong Kong Stock Exchange trading fee thereon) initially paid on application, appropriate refund payments (including brokerage, SFC transaction levy, investor compensation levy and Hong Kong Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares — Refund of Application Monies."

The allocation of H Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 841,704,000, 1,122,272,000 and 1,402,840,000 Offer Shares, respectively, representing approximately 30% (in the case of (i)), 40% (in the case of (ii)) and 50% (in the case of (iii)), respectively, of the total number of Offer Shares

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initially available under the Global Offering (before any exercise of the Over-allotment Option). In such cases, the number of Offer Shares allocated in the International Offering will be correspondingly reduced, in such manner as the Joint Global Coordinators deem appropriate, and such additional Offer Shares will be allocated to Pool A and Pool B. The strategic placing (as set out in the section headed “The Strategic Investor — The Strategic Placing”) will not be affected by such reallocation.

In addition, if the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators may reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such proportions as they deem appropriate.

References in this Prospectus to applications, Application Forms, application or subscription monies or the procedure for application relate solely to the Hong Kong Public Offering.

### THE INTERNATIONAL OFFERING

The International Offering will consist of an offer of an aggregate of 2,525,112,000 Offer Shares (comprising 2,270,050,182 H Shares to be newly issued and offered by us and 255,061,818 Sale Shares to be offered by the Selling Shareholders), representing 90% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) at the Offer Price. The International Offering is subject to the Hong Kong Public Offering becoming unconditional.

Pursuant to the International Offering, the International Underwriters will conditionally place our H Shares with qualified institutional buyers (as such term is defined in Rule 144A under the U.S. Securities Act) in the United States in reliance on Rule 144A, as well as with institutional and professional investors and other investors expected to have a sizeable demand for our H Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S (including the Strategic Investor). The International Offering will also include a public offer without listing to investors (including retail investors) in Japan. Our sale of H Shares to the Strategic Investor is made as part of the International Offering.

We and the Selling Shareholders expect to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters within 30 days after the last day for lodging applications under the Hong Kong Public Offering. A regulatory announcement will be made in the event that the Over-allotment Option is exercised. Pursuant to the Over-allotment Option, the Joint Global Coordinators will have the right to (i) require the Selling Shareholders to sell up to an aggregate of 38,259,273 additional Sale Shares and (ii) us to allot and issue up to an aggregate of 382,592,727 additional H Shares, representing in aggregate approximately 15% of the initial Offer Shares, at the Offer Price, solely to cover over-allotments in the International Offering, if any.

### The Strategic Placing

As part of the International Offering, the Joint Global Coordinators and we have entered into a strategic placing agreement with the Strategic Investor. Please refer to the section headed “The Strategic Investor” of this Prospectus for further details.

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### DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, December 15, 2004, it is expected that dealings in H Shares on the Hong Kong Stock Exchange will commence at 9:30 a.m. on Wednesday, December 15, 2004, and that dealings in the H Shares on the London Stock Exchange will commence at 8:00 a.m. (UK time) on Wednesday, December 15, 2004.

### UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters, full details of which shall be set out in supplementary listing particulars to be published in the United Kingdom on or around the Price Determination Date. The Hong Kong Public Offering and the International Offering are subject to the conditions set out in the section headed “Underwriting — Underwriting Arrangements and Expenses” in this Prospectus. In particular, we, the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and the Selling Shareholders must agree on the Offer Price. The Hong Kong Underwriting Agreement and the International Purchase Agreement are inter-conditional upon each other.

We expect to enter into the International Purchase Agreement relating to the International Offering on or about December 9, 2004, shortly after the determination of the Offer Price.

Underwriting arrangements, the Hong Kong Underwriting Agreement and the International Purchase Agreement are summarised in the section headed “Underwriting” in this Prospectus.