

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Market Listing) Rules and the Hong Kong Listing Rules for the purpose of giving information to the public with regard to our 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.

APPROVAL OF THE CBRC AND THE CSRC

The CBRC and the CSRC gave their written approval on March 22, 2005 and May 12, 2005, respectively, to the Global Offering and the application for the listing of the H Shares on the Hong Kong Stock Exchange. In granting such approval, neither the CBRC nor the CSRC accepts any responsibility for the financial soundness of our Company or 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 contain the terms and conditions of the Hong Kong Public Offering.

The listing of the Offer Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. The Global Offering is managed by the Joint Global Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters. The International Purchase Agreement is expected to be entered into on or about June 17, 2005 (New York time), subject to agreement on the Offer Price between us and the Joint Global Coordinators (on behalf of the Underwriters). If, for any reason, the Offer Price is not agreed among our Company and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering will not proceed. Further details about the Underwriters and the underwriting arrangements are contained in the section headed "Underwriting".

SELLING RESTRICTIONS

Each person acquiring Hong Kong Offer Shares will be required to confirm, or by his acquisition of Hong Kong Offer Shares be deemed 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 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.

United States

The Offer Shares have not been registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The International Purchasers propose to place Offer Shares outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and in accordance with applicable law. Certain of the International Purchasers propose to place Offer Shares, through their

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respective U.S. selling agents, only to QIBs in the United States. Any offer or sale of Offer Shares in the United States will be made by broker-dealers who are registered as such under the U.S. Exchange Act.

Until the expiration of 40 days after the later of the commencement of the Global Offering and the date of the closing of the Global Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in 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 an exemption from, or in transaction not subject to, such requirements or in accordance with Rule 144A.

The Offer Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Global Offering or the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense 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 therein only by persons permitted under applicable laws to sell the Offer Shares.

United Kingdom

This prospectus has not been approved by an authorized 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 in the United Kingdom and, prior to the expiry of a period of six months from the latest date of the issue of the Offer Shares, the Offer Shares may not be offered or sold to any persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) and where applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") have been complied with. In addition, no person may communicate or cause to be communicated to any person in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Offer Shares except in circumstances in which the restriction in section 21(1) of the FSMA does not apply.

Japan

It is expected that a public offering without a listing of the Offer Shares will be made in Japan. The Offer Shares may 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 a public offering without listing of Offer Shares in Japan stated in the securities registration statement filed on May 27, 2005 (as amended) with the Japanese authority under the Securities and Exchange Law of Japan, 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.

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Singapore

This prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. The Offer Shares may not be offered or sold, nor be made the subject of an invitation for subscription or purchase and this prospectus and any document or other material relating to the Offer Shares may not be circulated or distributed, either directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

People's Republic of China

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 may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in Taiwan, Hong Kong or Macau or any country other than the PRC, whether by means of a prospectus or otherwise.

Germany

This prospectus is not a Securities Selling Prospectus (*Wertpapier-Verkaufsprospekt*) within the meaning of the German Securities Prospectus Act of September 9, 1998, as amended (the "Prospectus Act") (*Wertpapier-Verkaufsprospektgesetz*) and has not been filed with and approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) or any other competent German authority under the relevant laws, and the Offer Shares may not be offered or sold and copies of this prospectus or any document relating to the Offer Shares may not be distributed, directly or indirectly, in Germany except to persons falling within the scope of paragraph 2 numbers 1 and 2 of the Prospectus Act and, in such case, in accordance with the Prospectus Act and other applicable provisions of German laws and regulations, including any act or regulation implementing Directive 2003/71/EC of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

Netherlands

The Offer Shares may not, directly or indirectly, be offered, sold, transferred or delivered in or from the Netherlands, whether at their initial distribution or at any time thereafter, and neither this prospectus nor any other document in respect of the Global Offering may be distributed or circulated in or from the Netherlands, other than to individuals or legal entities, who or which trade or invest in securities in the conduct of their profession or trade (which includes banks, investment institutions, securities intermediaries, insurance companies, pension funds, other institutional investors and treasury departments and finance companies of large enterprises).

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

CERTAIN MATTERS RELATING TO THE HONG KONG PUBLIC OFFERING

Application for Listing on the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offer Shares including any Offer Shares which may be issued or sold

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pursuant to the exercise of the Over-allotment Option, and the H Shares resulting from the conversion of the Company's existing Unlisted Foreign Shares and the Domestic Shares held by the National Council for Social Security Fund and China SAFE Investments Ltd. See the section headed "Substantial Shareholders". Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on June 23, 2005.

Save as disclosed in this prospectus, no part of our share or loan capital 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.

H Share Register and Stamp Duty

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on our H Share register to be maintained in Hong Kong. Our principal register of members will be maintained by us at 18 Xianxia Road, Shanghai 200336, PRC, our registered address in the PRC.

Dealings in H Shares registered in the H Share register will be subject to Hong Kong stamp duty. See Appendix VI – "Taxation and Foreign Exchange".

Professional Tax Advice Recommended

Applicants for the Hong Kong Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding and dealing in H Shares. It is emphasized that none of us, the Joint Global Coordinators, the Joint Sponsors, the Underwriters, none of their respective directors, nor any other person or party involved in the Global Offering accepts responsibility for any tax effects or liabilities of holders of H Shares resulting from the subscription, purchase, holding or disposal of H Shares.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF THE H SHARES

We have instructed Computershare Hong Kong Investor Services Limited, our Hong Kong 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 share registrar in respect of those H Shares bearing statements to the effect that the holder:

- *agrees with us and each of our shareholders, and we agree with each shareholder, to observe and comply with the PRC Company Law, the Special Regulations, and the Articles of Association;*
- *agrees with us, each of our shareholders, Directors, Supervisors, managers and officers of the Company, and each of us acting for ourselves and for each of our Directors, Supervisors, managers and officers agrees with each of our shareholders to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs 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 arbitration shall be final and conclusive. See "Appendix VII – Summary of Principal Legal and Regulatory Provisions";*
- *agrees with us and each of our shareholders that the H Shares in our Company are freely transferable by the holders thereof; and*
- *authorizes us to enter into a contract on his behalf with each of our Directors and officers whereby such Directors and officers undertake to observe and comply with their obligations to shareholders as stipulated in the Articles of Association.*

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STABILIZATION

In connection with the Global Offering, The Hongkong and Shanghai Banking Corporation Limited (the “Stabilizing Manager”), or any person acting for it, on behalf of the Underwriters, may over-allocate or effect any other transactions with a view to stabilizing or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period ending 30 days after the last day for lodging of applications under the Hong Kong Public Offering. 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 discretion of the Stabilization 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 lodging of applications under the Hong Kong Public Offering. The number of H Shares which can be over-allocated will not exceed the number of H Shares which may be issued under the Over-allotment Option less any H Shares which may be issued under the Over-allotment Option to HSBC pursuant to its exercise of its right under the Investor Rights Agreement to subscribe for additional H Shares so as to maintain its percentage interest in the Company at 19.90% in the event that the whole or part of the Over-allotment Option is exercised, namely 703,553,000 H Shares, which is approximately 12.01% of the H Shares initially available under the Global Offering.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilization) Rules includes (a) primary stabilization, including purchasing, or agreeing to purchase, any of the H Shares or offer or attempt to do so for the purpose of preventing or minimizing any reduction in the market price of the H Shares, and (b) ancillary stabilization in connection with any primary stabilizing action, including (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price, (ii) selling or agreeing to sell Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price, (iii) purchasing or subscribing, or agreeing to purchase or subscribe for shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) selling or agreeing to sell Shares to liquidate a long position held as a result of those purchases or subscriptions and (v) offering or attempting to do anything described in (ii), (iii) or (iv). The Stabilizing Manager may take any one or more of the stabilization actions described above.

The Stabilizing Manager, or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the H Shares. There is no certainty regarding the extent to which and the time period for which the Stabilizing Manager, or any person acting for it, will maintain any such position as such actions are at the discretion of the Stabilizing Manager or any person acting for it. In the event of any liquidation of any such long position, there may be an impact on the market price of the H Shares. Stabilizing action cannot be taken to support the price of any H Shares for longer than the stabilizing period, which begins on the commencement of trading of the H Shares and ends 30 days from the last day for lodging of applications under the Hong Kong Public Offering. The Stabilizing period is expected to expire on July 16, 2005 and after this date demand for the H Shares and, therefore, their price could fall. Investors should be aware that the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action. Stabilizing bids may be made or transactions effected in the course of stabilizing action at any price below the Offer Price. 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.

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, 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 initial public offer price of the securities. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

PROCEDURE FOR APPLICATION OF HONG KONG OFFER SHARES

The procedure for applying for the Hong Kong Offer Shares is set forth in the section headed “How to Apply for Hong Kong Offer Shares” and in the Application Forms.

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STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including conditions, are set forth in the section headed "Structure of the Global Offering".

EXCHANGE RATE CONVERSION

Solely for your convenience, the prospectus contains translations of certain Renminbi amounts into Hong Kong dollars, of Renminbi amounts into US dollars and of Hong Kong dollars into US dollars at specified rates. You should not construe these translations as representations that the Renminbi amounts could actually be converted into any Hong Kong dollar or US dollar amounts (as the case may be) at the rates indicated or at all. Unless we indicate otherwise, the translations of Renminbi into Hong Kong dollars, of Renminbi into US dollars and of Hong Kong dollars into US dollars have been made at the rates of RMB1.0637 to HK\$1.00, the PBOC Rate prevailing on December 31, 2004, and RMB8.2765 to US\$1.00 and HK\$7.7723 to US\$1.00, the noon buying rates in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2004, respectively. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding. Further information on exchange rates is set forth in Appendix VI – "Taxation and Foreign Exchange".