

**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 of Hong Kong and the Hong Kong Listing Rules for the purpose of giving information to the public with regard to our Company. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm that, having made all reasonable enquiries and 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**

We have obtained approval from the CSRC for the Global Offering and the making of the application to list the H Shares on the Hong Kong Stock Exchange. In granting such approval, the CSRC accepts no responsibility for the financial soundness of our Company, or for the accuracy of any of the statements made or opinions expressed in this Prospectus or in the Application Forms.

**FULLY UNDERWRITTEN**

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 H Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. The Global Offering is managed by the Joint Global Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Purchase Agreement relating to the International Offering is expected to be entered into on or about 22 September 2006, subject to determination of the pricing of the Offer Shares. If, for any reason, the Offer Price is not agreed among us and the Joint Global Coordinators (on behalf of the Underwriters) by 27 September 2006, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse. Further details about the Underwriters and the underwriting arrangements are contained in "Underwriting".

**SELLING RESTRICTIONS**

No action has been taken in any jurisdiction other than Hong Kong to permit any public offering of the Offer Shares or the distribution of this Prospectus. 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 offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation.

Each person acquiring the Offer Shares will be required, and 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 and that he is not acquiring, and has not been offered any Offer Shares in circumstances that contravene any such restrictions.

The following information is provided for guidance only. Prospective applicants for Offer Shares should consult their financial advisers and take legal advice, as appropriate, to inform

themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should inform themselves as to the relevant legal requirements of applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

### ***United States***

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Offer Shares will only be offered and sold (1) within the United States to QIBs in accordance with Rule 144A or another exemption from registration requirements under the U.S. Securities Act, or (2) outside the United States in offshore transactions in accordance with Rule 903 or Rule 904 of Regulation S.

Until 40 days after the later of the commencement of the Global Offering and the closing of the Global Offering, an offer or sale of Offer Shares within the United States by any 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 a transaction not subject to, the registration requirements of the U.S. Securities Act.

Neither the U.S. Securities and Exchange Commission nor any other U.S. regulatory body has approved or disapproved of the Offer Shares or passed upon the accuracy or adequacy of this Prospectus or the offering memorandum relating to the International Offering. Any representation to the contrary is a criminal offence in the United States.

### ***Canada***

The Offer Shares may only be offered in those jurisdictions in Canada and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell the Offer Shares. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares. No securities commission in Canada has reserved or in any way passed upon this Prospectus or the merits of the offering and any representations to the contrary in an offence.

### ***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 such Offer Shares, will not be offered or sold to any persons in the United Kingdom, except to persons whose ordinary activities involve acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose 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 and where applicable provisions of the Financial Services and Markets Act 2000 (the “FSMA”) with respect to anything done by it or in relation to any Offer Share in, from or otherwise invoking the United Kingdom have been complied with. 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 it in connection with the issue or sale of any Shares except in circumstances in which section 2 1(1) of the FSMA does not apply to us.

### *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 Offer 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 authorized or regulated to operate in the financial markets or, if not so authorized 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 our 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.

### *Singapore*

This Prospectus has not been and will not be lodged with or registered by the Monetary Authority of Singapore as a prospectus under the Securities and Futures Act (Cap 289) of Singapore (the “SFA”) and the Offer Shares will be offered in Singapore pursuant to exemptions invoked under Subdivision 4, Division 1, of Part XIII, particularly section 274 and section 275, of the SFA. Accordingly, this Prospectus and any other offering document or material in connection with the offer of the Offer Shares may not be issued, circulated or distributed in Singapore nor may any of the Offer Shares be offered for subscription or purchase or made the subject of an invitation or offer for subscription or purchase, whether directly or indirectly, in Singapore other than (i) pursuant to, and subject to the conditions of, exemptions invoked under Subdivision 4, Division 1, of Part XIII, particularly section 274 and section 275, of the SFA and to persons to whom the Offer Shares may be offered or sold under such exemptions; or (ii) otherwise pursuant to, and subject to the conditions of, any other applicable provisions of the SFA, as amended from time to time.

Where the Offer Shares are subscribed or purchased under section 275 of the SFA 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 (which 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 273 of the SFA except:
  - (1) to an institutional investor under section 274 of the SFA or to a relevant person, or any person pursuant to section 275(1A), and in accordance with the conditions, specified in section 275 of the SFA; or
  - (2) where no consideration is given for the transfer.

### ***Japan***

The Offer Shares offered hereby have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). The Offer Shares may not be, directly or indirectly offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

### ***The Netherlands***

The Offer Shares may not be offered, sold, transferred or delivered in or from within The Netherlands as part of their initial distribution or at any time thereafter directly or indirectly, and neither this Prospectus nor any document in respect of the Global Offering may be distributed or circulated in The Netherlands other than to individuals or legal entities who or which trade or invest in securities in the conduct of a business or profession within the meaning of The Netherlands Securities Transactions Supervision Act 1995 (*Vrijstellingsregeling wet toezicht effectenverkeer 1995*) and its implementing regulations (which include banks, brokers, securities institutions, insurance companies, pension funds, investment institutions, other institutional investors and other parties including treasury departments of commercial enterprises and finance companies of groups which are regularly active in the financial markets in a professional manner).

### ***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 or sold and may not be offered or sold directly or indirectly in the PRC or 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.

### *France*

This Prospectus has not been prepared in the context of a public offering of securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* (“CMF”) and Article 211-1 of the *Règlement Général* of the French *Autorité des Marchés Financiers* (“RGAMF”) and has therefore not been submitted to the *Autorité des Marchés Financiers* for prior approval under conditions set out inter alia by articles 212-1 et seq. of the RGAMF. In accordance with Article L.411-2-4° of the CMF, it may only be made available to qualified investors listed under Articles D.411-1 of the CMF and/or to a limited circle of fewer than 100 investors pursuant to Article L.411-2 of the CMF on the condition that it shall not be passed on to any person nor reproduced (in whole or in part), that investors act for their own account under conditions set out by Articles D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the CMF and undertake not to offer, market or distribute, sell or resell or otherwise retransfer, directly or indirectly, to the public in France the Offer Shares so purchased other than in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 of the CMF.

### *Italy*

The offering of the Offer Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”), in accordance with Italian securities legislation. The Offer Shares may not be offered, sold or delivered, and copies of this Prospectus or any other document relating to the Offer Shares may not be distributed or made available, in the Republic of Italy to the public at large except to qualified investors (“*operatori qualificati*”), as defined by Articles 25 and 31(2) of CONSOB Regulation no.11522 of 1 July 1998 as subsequently modified (“Regulation 11522”) or as defined by any self-executing provision of Directive 2003/71/EC which shall have direct effect in Italy as rule of law. Any offer, sale or delivery of the Offer Shares or distribution or availability of copies of this Prospectus in Italy must be made solely by entities which are fully authorized to conduct such activities in the Republic of Italy and must be in full compliance with the provisions contained in Legislative Decree no. 58 of 24 February 1998, Legislative Decree no. 385 of 1 September 1993 and their implementing rules and guidelines and any other applicable laws and regulations and possible requirements or limitations which may be imposed by the Italian competent authorities.

## CERTAIN MATTERS RELATING TO THE HONG KONG PUBLIC OFFERING

### *Application for listing on the Hong Kong Stock Exchange*

We have applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, including any H Shares which may be issued or sold pursuant to the exercise of the Over-allotment Option. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on 29 September 2006.

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.

### *Eligibility for admission into CCASS*

Subject to the granting of listing of, and permission to deal in, the H Shares on the Hong Kong 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 Hong Kong Stock Exchange or on any other date HKSCC chooses. Settlement of transactions between participants of the Hong Kong 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.

### ***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 our head office in the PRC.

Dealings in the H Shares registered on our H Share register will be subject to Hong Kong stamp duty. See “Appendix V—Taxation”.

### ***Dividends payable to holders of H Shares***

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of H Shares will be paid to shareholders listed on our H Share register, and sent by ordinary post, at the shareholders’ own risk, to the registered address of each shareholder.

### ***Professional tax advice recommended***

Applicants for the Hong Kong Public Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to, the H Shares. It is emphasized that neither we, the Joint Global Coordinators, the Joint Sponsors, the Underwriters, nor 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, disposal of, dealing in, or exercise of any rights in relation to, the H Shares.

### ***Registration of subscription, purchase and transfer of H Shares***

We have instructed Computershare Hong Kong Investor Services Limited, our 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 such holder delivers the relevant share certificate and a signed Standard Form of Transfer to our H Share registrar in respect of those H Shares bearing statements to the effect that the holder:

- (i) 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 our Articles of Association;
- (ii) agrees with us, each of our shareholders, Directors, Supervisors, managers and officers, and we acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each of our shareholders, to refer all differences and claims arising



from our 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 our 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 VI—Summary of principal legal and regulatory provisions” and “Appendix VII—Summary of Articles of Association”;

- (iii) agrees with us and each of our shareholders that the H Shares are freely transferable by the holders thereof; and
- (iv) 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 our shareholders as stipulated in our Articles of Association.

### ***Procedure for application for Hong Kong Public Offer Shares***

The procedure for applying for Hong Kong Public Offer Shares is set out in “How to apply for Hong Kong Public Offer Shares” and in the Application Forms.

## **STRUCTURE OF THE GLOBAL OFFERING**

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

## **STABILIZATION**

In connection with the Global Offering, UBS (the “Stabilizing Manager”), or any person acting for it may over-allocate or effect any other transactions with a view to supporting the market price of our H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However there is no obligation on the Stabilizing Manager or any person acting for it to do this. Such stabilizing action, if taken, may be discontinued at any time, and must be brought to an end after a limited period. 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, namely 210,000,000 H Shares, which is 15% of the H Shares initially available under the Global Offering. The possible stabilizing action that may be taken by the Stabilizing Manager in connection with the Global Offering includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v). Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager 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 will maintain any such position;
- 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 will begin on the Listing Date. The stabilizing period is expected to expire on 21 October 2006, being the 30th day from the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further action may be taken to support the price of the H Shares, demand for the H Shares, and therefore their price, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by any stabilizing action that may be taken; and
- stabilizing bids may be made or transactions effected in the course of stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

Stabilizing 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. Such transactions, if commenced, may be discontinued at any time.

### EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations of certain Renminbi amounts into Hong Kong dollars at specified rates. No representation is made that the Renminbi amounts could actually be converted into any Hong Kong dollar amounts at the rates indicated or at all. Unless we indicate otherwise, the translations of Renminbi into Hong Kong dollars have been made at the rate of RMB1.02334 to HK\$1.00, and the translations of Renminbi into Japanese Yen have been made at the rate of RMB1.00 to JPY14.7288, the PBOC Rate prevailing on 31 August 2006. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

### MARKET SHARE DATA CONVENTION

The statistical and market share information contained in this Prospectus has been derived from government and official sources. Unless otherwise indicated, the information has not been verified by us independently. This statistical information may not be consistent with other statistical information from other sources within or outside China.