

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- (i) the Hong Kong Public Offering of 162,320,000 H Shares (subject to adjustment as mentioned below) in Hong Kong as described below in the section headed “The Hong Kong Public Offering” below; and
- (ii) the International Offering of an aggregate of 3,084,054,000 H Shares (subject to adjustment as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong), in offshore transactions in reliance on Regulation S (including a public offer without listing in Japan) and in the United States to QIBs in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act.

China International Capital Corporation Limited, Citigroup Global Markets Asia Limited and Morgan Stanley Dean Witter Asia Limited are the Joint Global Coordinators and Joint Bookrunners of the Global Offering.

China International Capital Corporation (Hong Kong) Limited, Citigroup Global Markets Asia Limited and Morgan Stanley Dean Witter Asia Limited are the Joint Sponsors and Joint Lead Managers of the Hong Kong Public Offering.

China International Capital Corporation Limited, Citigroup Global Markets Limited and Morgan Stanley & Co. International Limited are the Joint Lead Managers of the International Offering.

Investors may apply for H Shares under the Hong Kong Public Offering or apply for or indicate an interest for H Shares under the International Offering, but may not do both.

The requisite PRC governmental approvals, including the approval of the CSRC, in respect of the Global Offering have been obtained.

PRICING AND ALLOCATION

Pricing

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring H Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of H Shares under the International Offering 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 around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the H Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around 13 December 2006, and in any event on or before 17 December 2006 by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and us and the number of H Shares to be allocated under various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$4.05 per H Share and is expected to be not less than HK\$3.20 per H Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. **Prospective investors should be**

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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.

The Joint Global Coordinators, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of H Shares offered in the Global Offering and/or the indicative offer price range below that stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company 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. Upon issue of such a notice, the number of H Shares offered in the Global Offering and/or the revised offer price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and our Company, will be fixed within such revised offer price range. **Applicants should have regard to the possibility that any announcement of a reduction in the number of H Shares being offered under the Global Offering 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, offering statistics as currently set out in the section headed “Summary”, and any other financial information which may change as a result of 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 H Shares being offered under the Global Offering and/or the offer price range is so reduced.** In the absence of any such notice so published, the Offer Price, if agreed upon with us and the Joint Global Coordinators, will under no circumstances be set outside the offer price range as stated in this Prospectus.

The final Offer Price, the indications of interest in the Global Offering, the results of applications and the basis of allotment of H Shares available under the Hong Kong Public Offering, are expected to be announced on 18 December 2006 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

Allocation

The H 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, effected in accordance with the “book-building” process described in the paragraphs headed “Pricing” above and based on a number of factors, including the level and timing of demand, the 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 H Shares, and/or hold or sell its H Shares, after the listing of the H Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our shareholders as a whole.

Allocation of H 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 Public Offer Shares validly applied for by applicants. Such allocation

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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 Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Public Offer Shares.

Net Proceeds

The net proceeds from the Global Offering accruing to our Company (after deduction of underwriting fees and estimated expenses payable by our Company in relation to the Global Offering, assuming that the Over-allotment Option is not exercised), are estimated to be approximately HK\$12.6 billion, assuming an Offer Price per H Share of HK\$4.05, or approximately HK\$9.9 billion, assuming an Offer Price per H Share of HK\$3.20 (or if the Over-allotment Option is exercised in full, approximately HK\$14.5 billion, assuming an Offer Price per H Share of HK\$4.05, or approximately HK\$11.4 billion, assuming an Offer Price per H Share of HK\$3.20).

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for H Shares pursuant to the Hong Kong Public Offering will be conditional on:

- (i) the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the H Shares being offered pursuant to the Global Offering (including the additional H Shares which may be made available pursuant to the exercise of the Over-allotment Option) (subject only to allotment) and any H Shares, converted from Domestic Shares, which are to be held by NSSF in connection with the Global Offering; and
- (ii) the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and
- (iii) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this Prospectus.

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

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

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 will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company in the South China Morning Post and the Hong Kong Economic Times on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “How to apply for Hong Kong

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Public H Shares — Despatch/ collection of share certificates and refund cheques”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the H Shares will only become valid certificates of title at 8:00 a.m. on 19 December 2006, provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting — Underwriting arrangement and expenses — Grounds for termination” has not been exercised.

THE HONG KONG PUBLIC OFFERING

Number Of H Shares Initially Offered

Our Company is initially offering 162,320,000 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 5% of the total number of H Shares initially available under the Global Offering. Subject to the reallocation of H Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Public Offer Shares will represent approximately 1.4% of our enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the section headed “Conditions of the Hong Kong Public Offering” above.

Allocation

The total number of H Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into two pools for allocation purposes: pool A and pool B. The H Shares in pool A will be allocated on an equitable basis to applicants who have applied for H Share with an aggregate price of HK\$5 million (excluding the brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee payable) or less. The H Share in pool B will be allocated on an equitable basis to applicants who have applied for H Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee payable) up to the total value of pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If H Shares in one (but not both) of the pools are under-subscribed, the surplus H Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for H Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of H Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 81,160,000 H Shares, being the number of H Shares initially allocated to each pool, are liable to be rejected.

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Reallocation

In view of the substantial size of the Global Offering, the Joint Sponsors have applied on our behalf to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the clawback requirements set out in paragraph 4.2 of Practice Note 18 to the Hong Kong Listing Rules. Pursuant to the waiver, 162,320,000 H Shares, representing 5% of the total number of the H Shares initially available under the Global Offering, will be offered to the public in Hong Kong under the Hong Kong Public Offering, and if the number of H 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 H Shares initially available under the Hong Kong Public Offering, the total number of H Shares initially available under the Hong Kong Public Offering will be increased to 243,480,000, 324,638,000 and 649,276,000 H Shares, respectively, representing approximately 7.5% (in the case of (i)), 10% (in the case of (ii)) and 20% (in the case of (iii)) of the total number of H Shares initially available under the Global Offering, assuming the Over-allotment Option is not exercised.

If the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Public Offer Shares to the International Offering, in such proportions as the Joint Global Coordinators deem appropriate.

Applications

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 that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any H Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated H Shares under the International Offering.

The listing of the H Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK\$4.05 per H Share in addition to the brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable on each H Share. If the Offer Price, as finally determined in the manner described in the section headed "Pricing and allocation" above, is less than the maximum price of HK\$4.05 per H Share, appropriate refund payments (including the brokerage, SFC transaction 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 Public Offer Shares" in this Prospectus.

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

THE INTERNATIONAL OFFERING

Number Of H Shares Offered

Subject to reallocation as described above, the International Offering will consist of an aggregate of 3,084,054,000 H Shares, representing approximately 95% of the total number of H Shares initially available under the Global Offering. The International Offering is subject to the Hong Kong Public Offer becoming unconditional. Subject to the reallocation of H Shares between the International Offering and the Hong Kong

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Public Offering, the International Offer Shares will represent approximately 26.0% of our enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Pursuant to the International Offering, the International Underwriters will conditionally place the H Shares with QIBs in the United States in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act, as well as with institutional and professional investors and other investors expected to have a sizeable demand for the H Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S (including a public offer without listing in Japan). The Joint Sponsors have applied on our behalf for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Hong Kong listing Rule 9.16(6)(b) and Paragraph 11 of Appendix 6 of the Hong Kong Listing Rules.

Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered H 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 it is excluded from any application of H Shares under the Hong Kong Public Offering.

Over-allotment Option

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters exercisable by the Joint Global Coordinators on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Joint Global Coordinators have the right, exercisable within 30 days from the last day for lodging of applications under the Hong Kong Public Offering, to require us to allot and issue up to 486,956,000 additional H Shares, representing approximately 15% of the initial H Shares initially available in the Global Offering, at the same price per H Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, a press announcement will be made.