

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the H Shares.

There are risks associated with any investment. Some of the particular risks in investing in the H Shares are set forth in the section headed "Risk Factors" of this prospectus. You should read that section carefully before you decide to invest in the H Shares.

The market share and industry data in this prospectus were derived from data prepared in accordance with PRC GAAP or other applicable local GAAP, which differs from HKFRS in certain significant respects. Unless otherwise indicated, the market share, industry and other operating data relating to our Company or our life insurance business in this prospectus do not include data relating to Pacific-Antai, and the market share, industry and other operating data relating to our property and casualty insurance business do not include data relating to CPIC HK.

OVERVIEW

We are a leading composite insurance group in the PRC, providing, through our subsidiaries and affiliates, a broad range of life and property and casualty insurance products and services to individual and institutional customers throughout the country. We also manage and deploy our insurance funds through our subsidiary, CPIC Asset Management.

In 2008 and the first nine months of 2009, we ranked third in the PRC life insurance market with a market share of 9.0% and 8.1%, respectively, and ranked second and third in the PRC property and casualty insurance market with a market share of 11.4% and 11.6%, respectively, in terms of gross written premiums, based on PRC GAAP financial data published by the CIRC. Our gross written premiums, policy fees and deposits were RMB94,628 million in 2008, of which RMB66,704 million, or approximately 70.5%, was from the operations of CPIC Life and RMB27,875 million, or approximately 29.5%, was from the operations of CPIC Property. Our gross written premiums, policy fees and deposits were RMB54,294 million in the first six months of 2009, of which RMB35,612 million, or approximately 65.6%, was from the operations of CPIC Life and RMB18,656 million, or approximately 34.4%, was from the operations of CPIC Property.

Our net premiums earned and policy fees from the operations of CPIC Life were RMB15,540 million, RMB19,285 million, RMB23,834 million and RMB15,515 million in 2006, 2007, 2008 and the six months ended 30 June 2009, respectively. Our net premiums earned and policy fees from the operations of CPIC Property were RMB12,254 million, RMB16,753 million, RMB20,132 million and RMB11,382 million in 2006, 2007, 2008 and the six months ended 30 June 2009, respectively.

Since our establishment in 1991, we have built one of the most recognized brand names in the PRC insurance industry. We have one of the largest insurance distribution networks in the PRC. As of 30 June 2009, the key components of our distribution network in the PRC included 75 branches and 5,632 central sub-branches, sub-branches and sales outlets located substantially throughout the PRC, approximately 245,700 individual insurance agents for our individual life insurance products and approximately 18,700 employees engaged in direct sales and marketing activities for life and property and casualty insurance products as well as a large number of brokers, agents and other intermediaries for our insurance products. We believe that our prominent brand name, distribution capabilities, extensive customer base and superior customer service help us sustain our market position and capture the growing demand for insurance products and services in the PRC.

SUMMARY

MARKET OPPORTUNITIES

The PRC insurance market is one of the fastest growing insurance markets in the world. Between 2000 and 2008, premiums received by life insurance companies and property and casualty insurance companies in the PRC increased at a compound annual growth rate of 28.3% and 19.1%, respectively, based on data published by the National Bureau of Statistics of China and the CIRC.

Despite the substantial growth in premiums in recent years, the total life and non-life insurance premiums in the PRC represented only approximately 2.2% and 1.0%, respectively, of the PRC's GDP in 2008. These penetration rates, which are significantly lower than those in the more developed markets in Asia, Europe and North America, indicate that the PRC insurance market has potential for further significant growth.

The PRC is in the midst of an economic and demographic transformation, which we believe will continue to create significant growth opportunities in the PRC insurance market. This transformation involves, among other things, the further reform of State-owned enterprises and a shift of responsibility for providing social welfare benefits to a mix of the government, enterprises and individuals. Insurance companies are expected to be responsible for providing supplemental social welfare protection by offering group and individual insurance products. Moreover, the PRC is undergoing significant demographic transformations, including an increase in life expectancy, a decrease in birth rate, an ageing population and a growth in urban population and income, all of which are expected to create substantial growth opportunities for life insurance, health insurance and pension products. At the same time, the rapid growth of the PRC economy in recent years has led to a significant increase in disposable income per capita, which has given rise to an increase in automobile ownership and household properties, among other things, and a significant growth in corporate assets. The rapid growth of the PRC economy has resulted in a higher demand for insurance products and served as the primary driver of the increase in insurance premiums in the PRC. With the economic and demographic transformation, the Chinese public has also become increasingly aware of the need and attractiveness of insurance products, further fostering the demand for insurance products.

OUR STRENGTHS

We are a leading composite insurance group with a prominent brand name and a strong market position in the PRC. We have ranked among the top three in the PRC insurance industry in terms of market shares in life insurance and in property and casualty insurance, each as measured by gross written premiums based on PRC GAAP financial data, and in terms of investment assets. We seek to create sustainable value and stable returns for our shareholders by leveraging our strong competitive advantages. Our principal strengths include:

- A leading insurance company well positioned to capture substantial growth opportunities in the PRC insurance market;
- Dedicated focus on insurance businesses and highly competitive insurance expertise, driven by a pursuit of sustainable, value-enhancing growth;
- One of the most recognized insurance brand names, coupled with an extensive customer base;
- Nationwide, extensive distribution network and integrated service platform;
- ALM-based professional and prudent insurance asset management capabilities;
- Sound corporate governance and solid risk management and internal control capabilities;
- Advanced and reliable information technology system; and
- Experienced management team and centralized group management platform.

SUMMARY

OUR STRATEGY

Our strategic objective is to become a leading, internationally-competitive insurance financial services group focusing on insurance businesses and embracing sustained, value-enhancing growth.

We plan to undertake the following strategic initiatives:

- Continue to optimize business mix to achieve industry-leading value-enhancing growth in the PRC insurance market;
- Enhance overall business development capabilities and core competencies;
 - Further improve centralized operational platforms to support business growth;
 - Strengthen the management of distribution channels and sales force to steadily increase productivity;
 - Enhance customer service quality and improve customer satisfaction;
 - Enhance ALM-based investment management capabilities;
 - Continue to build up our corporate culture and establish our corporate image of “a responsible insurance company”; and
- Further reform centralized management to maximize group synergy.

RISK FACTORS

There are certain risks relating to an investment in the Offer Shares. These risks can be categorized into (i) risks relating to the PRC insurance industry; (ii) risks relating to our Company; (iii) risks relating to the PRC; and (iv) risks relating to the Global Offering. These risks are further described in the section headed “Risk Factors” and are listed below:

Risks Relating to the PRC Insurance Industry

- If we cannot effectively respond to the increasing competition in the PRC insurance industry, our profitability and market share could be materially and adversely affected.
- Changes in interest rates may materially and adversely affect our profitability.
- The limited availability of long-term fixed income securities in the PRC capital markets and the legal and regulatory restrictions on the types of investments that insurance companies are permitted to make affect our ability to match closely the duration of our assets and liabilities.
- Changes in demand for automobiles in the PRC and the evolving implementation of compulsory auto liability insurance in the PRC could materially and adversely affect our results of operations and profitability.
- Catastrophic events, which are unpredictable by nature, could materially and adversely affect our profitability and financial condition.
- Adverse changes in the reinsurance markets or a default by our reinsurers could materially and adversely affect our results of operations and financial condition.
- Concentrated surrenders may materially and adversely affect our cash flows, results of operations and financial condition.
- Our businesses are extensively regulated and changes in laws and regulations may reduce our profitability and limit our growth.
- The rate of growth of the PRC insurance market may not be as high or as sustainable as we anticipate.

SUMMARY

Risks Relating to Our Company

- If we cannot timely obtain capital to satisfy the regulatory requirements regarding solvency margin, the authorities may impose regulatory sanctions on us, which may have a material and adverse effect on our business and results of operations.
- Our investment assets may suffer significant losses or experience sharp declines in their returns, which would have a material adverse effect on our results of operations and financial condition.
- New PRC accounting pronouncements may significantly affect our financial statements for the year ending 31 December 2009 and future years, and may materially and adversely affect our reported net profits and shareholders' equity, among other things.
- Litigation and regulatory investigations and the resulting sanctions or penalties may adversely affect our reputation, business, results of operations and financial condition.
- Our risk management and internal control systems may not be adequate or effective in all respects, and could materially and adversely affect our business and results of operations.
- Our business, results of operations and financial condition could be adversely affected if we are unable to successfully manage our growth.
- Differences in actual experience from the assumptions used in pricing and setting reserves for our insurance products may materially and adversely affect our results of operations and financial condition.
- Our group embedded value and the value of one year's sales of CPIC Life are each calculated based on a number of assumptions used in the calculations and may vary significantly as those assumptions are changed.
- We depend on our ability to attract and retain senior management as well as talented employees and individual insurance agents and the loss of their services could adversely affect our business and results of operations.
- We may not be able to timely detect or prevent fraud or other misconduct by our employees, agents, customers or other third parties.
- We may experience failures in our information technology system, which could materially and adversely affect our business, results of operations and financial condition.
- We have not obtained formal title certificates to some of the properties we occupy and some of our landlords lack relevant title certificates for properties leased to us, which may materially and adversely affect our rights to use such properties.
- Our large shareholders are able to exercise significant influence over us.
- We may encounter difficulties in effectively implementing centralized management and supervision of our subsidiaries and branch entities, as well as consistent application of our policies throughout our Company.
- CPIC Group's ability to pay dividends and meet other obligations depends on dividends and other payments from its operating subsidiaries, which are subject to their contractual obligations and other limitations.

Risks Relating to the PRC

- The PRC's economic, political and social conditions and government policies could affect our business.

SUMMARY

- An economic slowdown in the PRC, such as the one experienced following the recent global financial crisis, may reduce the demand for our products and services and have a material adverse effect on our results of operations, financial condition and profitability.
- The PRC legal system has inherent uncertainties that could limit the legal protections available to you.
- You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.
- Government control of currency conversion and future fluctuation of Renminbi exchange rates could have a material adverse effect on our results of operations and financial condition, and may reduce the value of, and dividends payable on, our H Shares in foreign currency terms.
- Dividends received by individual holders of our H Shares who are foreign nationals and gains derived from the disposition of our H Shares by such holders may become subject to PRC taxation, and there are uncertainties as to the collection of PRC enterprise income tax on gains derived by holders of our H Shares that are foreign enterprises from their disposition of our H Shares.
- Payment of dividends is subject to restrictions under PRC law.
- Some facts, forecasts and statistics contained in this prospectus with respect to the PRC, Hong Kong and their economies and insurance industries are derived from various official or third-party sources and may not be accurate, reliable, complete or up to date.
- The outbreak of Severe Acute Respiratory Syndrome, or SARS, and the potentially more widespread outbreak of avian flu and influenza A (H1N1) in the PRC, and concerns over health hazards in Asia and elsewhere have caused, and may continue to cause, damages to economies, financial markets and business activities in the PRC and elsewhere.

Risks Relating to the Global Offering

- An active trading market for our H Shares may not develop or be sustained, and their trading prices may fluctuate significantly.
- Since there will be a gap of several days between pricing and trading of our Offer Shares, holders of our Offer Shares are subject to the risk that the price of our Offer Shares could fall during the period before trading of our Offer Shares begins.
- Because the Offer Price of our H Shares is higher than our net tangible book value per share, purchasers of our H Shares in the Global Offering will experience immediate dilution. Purchasers of our H Shares may experience further dilution if we issue additional Shares in the future.
- Future sales or perceived sales of substantial amounts of our securities in the public market, including any future sale of our H Shares by those shareholders that are currently subject to contractual and/or legal restrictions on share transfers (including the Overseas Investors) or re-registration of Shares held on our A share register into H Shares, could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise capital in the future, and may result in dilution of your shareholding in our Company.
- We conducted an A Share Offering in 2007, and the characteristics of the A share and H share markets are different.
- We strongly caution you not to place any reliance on any information contained in press articles or other media coverage regarding us, our Global Offering or our A Shares or

SUMMARY

information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

You should read the summary historical consolidated financial information set forth below in conjunction with our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus, which are prepared in accordance with HKFRS. The summary historical consolidated income statement information for the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009 and the summary historical consolidated balance sheet information as of 31 December 2006, 2007 and 2008 and 30 June 2009 set forth below are derived from our consolidated financial statements that have been audited by Ernst & Young and included in the Accountants' Report set forth in Appendix I. The summary historical consolidated income statement information for the six months ended 30 June 2008 set forth below are derived from our unaudited consolidated financial statements that have been reviewed by Ernst & Young and included in the Accountants' Report set forth in Appendix I.

	For the year ended 31 December			For the six months ended 30 June	
	2006	2007	2008	2008	2009
	(unaudited)				
	(in millions of RMB, except per share data)				
Summary Historical Consolidated Income Statement Data					
Gross written premiums and policy fees . . .	35,926	44,881	53,845	29,393	35,773
Less: premiums ceded to reinsurers.	(6,394)	(6,762)	(8,435)	(4,690)	(5,538)
Net written premiums and policy fees	29,532	38,119	45,410	24,703	30,235
Net change in unearned premium reserves.	(1,618)	(1,937)	(1,307)	(2,386)	(3,259)
Net premiums earned and policy fees	27,914	36,182	44,103	22,317	26,976
Investment income	9,534	27,230	8,110	14,452	8,878
Other operating income	284	535	816	344	165
Other income.	9,818	27,765	8,926	14,796	9,043
Total income	37,732	63,947	53,029	37,113	36,019
Net policyholders' benefits and claims					
Life insurance death and other benefits paid.	(1,407)	(1,822)	(2,838)	(2,135)	(1,850)
Claims incurred.	(7,800)	(10,568)	(13,943)	(7,041)	(7,361)
Changes in long-term traditional insurance contract liabilities.	(10,362)	(17,409)	(10,093)	(9,645)	(9,512)
Interest credited to long-term investment type insurance contract liabilities	(2,660)	(3,511)	(4,748)	(2,322)	(2,413)
Policyholder dividends	(1,105)	(1,223)	(2,595)	(1,274)	(985)
Finance costs	(581)	(848)	(532)	(380)	(138)
Interest credited to investment contracts . .	(221)	(165)	(102)	(59)	(38)
Amortization on deferred acquisition costs	(3,880)	(5,155)	(5,634)	(2,517)	(3,786)
Provision for insurance guarantee fund . . .	(211)	(275)	(318)	(176)	(213)
Change in deferred revenue	240	(430)	(2,903)	(1,541)	(987)
Other operating and administrative expenses.	(5,742)	(7,845)	(7,246)	(3,878)	(3,603)
Total benefits, claims and expenses	(33,729)	(49,251)	(50,952)	(30,968)	(30,886)

SUMMARY

	For the year ended 31 December			For the six months ended 30 June	
	2006	2007	2008	2008	2009
				(unaudited)	
	(in millions of RMB, except per share data)				
Share of profits/(losses) of					
A jointly-controlled entity	5	70	(52)	(2)	26
Associates	(8)	—	—	—	—
Profit before tax	4,000	14,766	2,025	6,143	5,159
Income tax	(1,363)	(2,500)	1,161	55	(1,158)
Net profit for the year/period	2,637	12,266	3,186	6,198	4,001
Attributable to:					
- Equity holders of the parent	2,019	11,238	3,086	6,082	3,937
- Minority interests	618	1,028	100	116	64
Basic earnings per share attributable to ordinary equity holders of the parent (RMB)	0.47	1.82	0.40	0.79	0.51

As of 31 December			As of
2006	2007	2008	30 June
			2009
(in millions of RMB)			

**Summary Historical Consolidated
Balance Sheet Data**

Assets				
Property and equipment	3,928	4,546	6,596	6,913
Intangible assets	117	249	365	342
Prepaid land lease payments	222	217	213	210
Interests in associates	209	—	—	—
Investment in a jointly-controlled entity	322	367	391	417
Financial assets at fair value through profit or loss	4,758	2,463	1,166	416
Held-to-maturity financial assets	36,879	58,120	70,980	81,919
Available-for-sale financial assets	68,430	121,867	96,142	113,572
Investments classified as loans and receivables	7,726	13,923	16,532	22,346
Securities purchased under agreements to resell	1,744	5,500	60	—
Term deposits	53,855	59,262	82,756	91,061
Restricted statutory deposits	889	998	1,838	1,838
Policy loans	219	442	698	986
Interest receivables	2,134	3,393	4,979	6,857
Deferred acquisition costs	11,276	13,468	20,114	22,320
Reinsurance assets	7,247	8,395	9,627	11,082
Deferred income tax assets	79	6	763	705
Income tax receivable	1	408	508	—
Insurance receivables	3,177	3,711	4,303	5,017
Other assets	555	1,384	2,406	2,239
Cash and short-term time deposits	10,142	23,622	17,513	18,734
Total Assets	213,909	322,341	337,950	386,974

SUMMARY

	As of 31 December			As of
	2006	2007	2008	30 June
	(in millions of RMB)			2009
Equity and Liabilities				
Equity				
Issued capital	4,300	7,700	7,700	7,700
Reserves	8,369	51,538	38,264	41,326
Retained profits	1,815	12,706	13,391	15,018
Equity attributable to equity holders of the parent	14,484	71,944	59,355	64,044
Minority interests	3,080	712	671	728
Total Equity	17,564	72,656	60,026	64,772
Liabilities				
Insurance contract liabilities	155,607	201,979	239,467	265,326
Investment contract liabilities	7,449	4,554	3,039	2,632
Subordinated debts	2,038	2,113	2,188	2,226
Securities sold under agreements to repurchase	3,120	11,788	7,020	22,435
Policyholders' deposits	11,315	6,913	576	94
Provisions	985	402	98	98
Deferred income tax liabilities	3,281	6,720	1,753	3,833
Income tax payable	194	64	8	57
Deferred revenue	3,711	4,018	9,469	9,812
Premium received in advance	1,288	2,149	2,788	1,264
Policyholder dividend payable	1,984	2,779	4,147	4,598
Payables to reinsurers	1,694	1,607	2,213	3,040
Other liabilities	3,679	4,599	5,158	6,787
Total Liabilities	196,345	249,685	277,924	322,202
Total Equity and Liabilities	213,909	322,341	337,950	386,974

NEW PRC ACCOUNTING PRONOUNCEMENTS

On 7 August 2008, the Ministry of Finance issued Interpretation No. 2, which requires companies with both A shares listed on a PRC stock exchange and H shares listed on the Hong Kong Stock Exchange to recognize, measure and report the same transactions with the same accounting policies and estimates unless an exemption is available under the interpretation. On 5 January 2009, the CIRC issued the CIRC Notice, which requires that, beginning with the financial statements for the year ending 31 December 2009, each PRC insurance company modify its existing accounting policies that may cause discrepancies in its financial reporting for purposes of A shares and H shares so as to eliminate such discrepancies.

Specifically, the CIRC Notice requires that (i) premiums income be recognized and measured based on an assessment of the "significance of the insurance risk" and an unbundling of different components of a contract, which requirement we have considered in preparing our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus, (ii) acquisition costs for new insurance contracts be expensed in the income statement for the current period, instead of being deferred and amortized over the expected life of such insurance contracts, and (iii) actuarial reserves be measured based on the principle of "best estimates", as opposed to our current practice of measuring reserves based on assumptions established at the inception of long-term life insurance contracts with no subsequent changes unless our liability adequacy tests reveal a deficiency in such reserves. The relevant PRC authorities are yet to issue detailed guidance to implement the requirements under Interpretation No. 2 and the CIRC Notice, and insurance companies may be required to make retrospective adjustments to their historical financial statements in accordance with such detailed guidance.

The full implementation of Interpretation No. 2 and the CIRC Notice may have a significant impact on the reporting of our financial statements, including our reported net profits and

SUMMARY

shareholders' equity. Therefore, our results of operations and financial position reflected in our financial statements to be included in our annual report for the year ending 31 December 2009 may differ materially from those reflected in our financial statements included in this prospectus, even though some of these financial statements may relate to the same fiscal years. See "Risk Factors — Risks Relating to Our Company — New PRC accounting pronouncements may significantly affect our financial statements for the year ending 31 December 2009 and future years, and may materially and adversely affect our reported net profits and shareholders' equity, among other things".

SUMMARY OPERATING DATA AND FINANCIAL RATIOS

The following table sets forth certain operating data and financial ratios relating to our life insurance and property and casualty insurance operations as of or for the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009.

	As of or for the year ended 31 December			As of or for the six months ended 30 June
	2006	2007	2008	2009
Life Insurance⁽¹⁾				
Number of customers:				
Individual (in thousands)	22,722	26,906	31,365	33,820
Institutional (in thousands)	312	316	312	318
Total (in thousands)	23,034	27,222	31,677	34,138
Persistency ratio:				
13-month	84.6%	85.7%	86.0%	85.2%
25-month	75.1%	79.1%	81.6%	83.1%
Distribution channels:				
Number of individual life insurance agents	175,903	203,609	226,315	245,707
Number of group sales representatives	3,213	2,899	3,149	3,373
Bancassurance account managers	4,117	7,000	8,532	8,374
Property and Casualty Insurance⁽²⁾				
Number of customers:				
Individual (in thousands)	7,789	9,208	10,596	11,465
Institutional (in thousands)	1,687	1,877	2,146	2,394
Total (in thousands)	9,476	11,085	12,742	13,859
Distribution channels:				
Number of direct sales representatives	9,772	12,481	14,800	15,343
Number of insurance agents	34,408	25,821	30,110	30,556
Number of insurance brokers	273	747	740	935

(1) Operating data of life insurance represented those of CPIC Life.

(2) Operating data of property and casualty insurance represented those of CPIC Property.

SUMMARY

	For the year ended 31 December			For the six months ended 30 June	
	2006	2007	2008	2008	2009
Financial and Operating Ratios					
Group					
Return on average equity ⁽¹⁾	17.46%	26.01%	4.70%	9.25%	6.38%
Return on average assets	1.37%	4.57%	0.97%	1.92%	1.10%
Investment yield ⁽²⁾	5.97%	11.96%	2.92%	5.29%	3.03%
Life Insurance⁽³⁾					
Operating expense ratio ⁽⁴⁾	12.70%	16.42%	12.16%	13.75%	10.15%
Investment yield ⁽²⁾	6.12%	12.88%	4.33%	6.02%	3.15%
Property and Casualty Insurance⁽⁵⁾					
Retention ratio	76.18%	78.29%	76.66%	75.76%	77.32%
Loss ratio	60.36%	59.74%	65.61%	69.49%	62.97%
Expense ratio	37.87%	37.42%	35.39%	35.22%	33.90%
Combined ratio	98.23%	97.16%	101.00%	104.71%	96.86%
Investment yield ⁽²⁾	5.30%	14.22%	4.62%	4.61%	2.19%

(1) Ratio of net profit attributable to equity holders of the parent to average balance of equity attributable to equity holders of the parent at the beginning and end of the period.

(2) Ratio of investment income (net of interest expense incurred for securities sold under agreements to repurchase) to average investments (net of associated liabilities relating to securities sold under agreements to repurchase) at the beginning and end of the period. The yield information for the six months ended 30 June 2008 and 2009 has not been annualized.

(3) Financial and operating ratios of life insurance represented those of CPIC Life.

(4) Ratio of operating expenses excluding acquisition cost included in deferred acquisition costs to net premiums earned.

(5) Financial and operating ratios of property and casualty insurance represented those of CPIC Property.

EMBEDDED VALUE

In order to provide investors with an additional tool to understand our economic value and business results, we have disclosed our group embedded value. We have also disclosed the value of one year's sales in respect of our new life insurance business. The estimates of value of in-force business of CPIC Life and value of one year's sales of CPIC Life have been reviewed by Towers Perrin, an independent firm of consulting actuaries. A copy of Towers Perrin's opinion regarding these values is included in the Consulting Actuaries' Report set forth in Appendix VI to this prospectus. See the section headed "Embedded Value".

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2009

The statistics in the following table are based on the assumption that the H Share Over-Allotment Option is not exercised.

Forecast net profit attributable to equity holders of the Company ⁽¹⁾ no less than	RMB6,510 million
Pro forma fully diluted forecast earnings per H Share ⁽²⁾⁽³⁾	RMB0.77 (HK\$0.87)

(1) The bases on which the above profit forecast have been prepared are set out in Appendix III to this prospectus. See "Risk Factors — Risks Relating to Our Company — New PRC accounting pronouncements may significantly affect our financial statements for the year ending 31 December 2009 and future years, and may materially and adversely affect our reported net profits and shareholders' equity, among other things".

(2) The calculation of the forecast earnings per H Share on a pro forma fully diluted basis is based on the forecast net profit attributable to equity holders of the Company for the year ending 31 December 2009, assuming that our H Shares had been listed since 1 January 2009 and a total of 8,483,000,000 Shares were issued and outstanding during the entire year ending 31 December 2009. This calculation assumes that the H Share Over-Allotment Option will not be exercised and the H Shares issued pursuant to the Global Offering were issued on 1 January 2009.

SUMMARY

- (3) Forecast earnings per H Share are converted into Hong Kong dollars based on the PBOC Rate of HK\$1.00 = RMB0.8809 prevailing on 2 December 2009.

To the extent detailed guidance for the implementation of Interpretation No. 2 and the CIRC Notice is issued and applicable to our financial statements for the year ending 31 December 2009, we will disclose in our annual report for the year ending 31 December 2009: (i) our net profit for the year ending 31 December 2009, derived using the same accounting policies as those under which our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus are prepared; and (ii) a reconciliation of such net profit to our reported net profit for the year ending 31 December 2009 derived using the accounting policies that reflect the implementation of Interpretation No. 2 and the CIRC Notice, in each case of (i) and (ii) with such financial information audited or reviewed by our auditors.

GLOBAL OFFERING

The Global Offering comprises:

- the Hong Kong Public Offering of initially 43,065,200 Offer Shares, or Hong Kong Offer Shares, for subscription by the public in Hong Kong; and
- the International Offering of an aggregate of initially 818,234,800 H Shares, consisting of the offering of our H Shares by us and the Selling Shareholders (i) in the United States to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and (ii) outside the United States and Canada in offshore transactions in reliance on Regulation S under the U.S. Securities Act. At any time from the date we sign the International Purchase Agreement until 30 days after the last day for the lodging of applications in the Hong Kong Public Offering, the Joint Bookrunners, as representatives of the International Purchasers, have an option to require us to issue and allot and the Selling Shareholders to sell up to an additional 128,700,000 H Shares, representing approximately 14.9% of the initial number of Offer Shares to be offered in the Global Offering, at the Offer Price to, among other things, cover over-allocation in the International Offering, if any.

The numbers of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering are subject to adjustment and reallocation as described in the section headed "Structure of the Global Offering".

The Offer Price is expected to be fixed by agreement between the Joint Bookrunners (on behalf of the Underwriters) and us (on behalf of ourselves and the Selling Shareholders) on the Price Determination Date, which is expected to be on or around Wednesday, 16 December 2009 and, in any event, not later than Tuesday, 22 December 2009. The Offer Price will be not more than HK\$30.10 and is currently expected to be not less than HK\$26.80 unless otherwise announced. Furthermore, the Offer Price will not be lower than RMB23.52 (or HK\$26.70, based on the PBOC Rate of HK\$1.00 = RMB0.8809 prevailing on 2 December 2009), the volume-weighted average trading price of our A Shares for the twenty trading days immediately preceding 17 July 2009, the date on which we publicly announced the resolutions of our Board approving the Global Offering plan, taking into account the exchange rate differences between Hong Kong dollars and Renminbi.

A SHARE OFFERING

We conducted a public offering of our A Shares, or the A Share Offering, in the PRC in December 2007. Our A Share Offering comprised an offering of 1 billion A Shares for subscription. Our A Shares were listed on the Shanghai Stock Exchange on 25 December 2007 and are traded in Renminbi (A Share Stock Code: 601601). The offering price for our A Shares in the A Share Offering was RMB30 per A Share, and the net proceeds to us from the A Share Offering were approximately RMB29,032 million. From 25 December 2007 to 2 December 2009, the high and low closing prices for our A Shares were RMB50.31 per A Share on 27 December 2007 and RMB10.48 per A Share on 25 December 2008, respectively. See the

SUMMARY

section headed “Our A Shares”. As of 2 December 2009, the closing price for our A Shares was RMB25.18 per A Share.

OFFER STATISTICS

The statistics in the following table are based on the assumption that the H Share Over-Allotment Option is not exercised.

	Based on an Offer Price of HK\$26.80	Based on an Offer Price of HK\$30.10
Market capitalization of the H Shares ⁽¹⁾	HK\$58,547 million	HK\$65,756 million
Prospective price/earnings multiple on a pro forma fully diluted basis ⁽²⁾	30.8 times	34.6 times
Pro forma adjusted net tangible asset value per H Share ⁽³⁾	HK\$8.67	HK\$8.97

- (1) The calculation of market capitalization is based on a total of 2,184,600,000 H Shares expected to be outstanding following the Global Offering, taking into account the conversion of A Shares into the H Shares to be offered for sale by the Selling Shareholders and the conversion into H Shares of the A Shares held by the Overseas Investors.
- (2) The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on the forecast earnings per H Share on a pro forma fully diluted basis at the respective Offer Prices of HK\$26.80 and HK\$30.10.
- (3) The pro forma adjusted net tangible asset value per H Share is arrived at after the adjustments referred to in the section headed “Financial Information — Unaudited Pro Forma Adjusted Net Tangible Assets and Group Embedded Value, Adjusted for Estimated Net Proceeds from the Global Offering” in this prospectus and on the basis of 8,483,000,000 Shares expected to be in issue following the Global Offering as described in this prospectus at the respective Offer Prices of HK\$26.80 and HK\$30.10.

If the H Share Over-Allotment Option is exercised in full, assuming an Offer Price of HK\$28.45 (being the mid-point of the estimated Offer Price range of HK\$26.80 to HK\$30.10), the pro forma adjusted net tangible asset value per H Share will be HK\$9.08, while the earnings per H Share on a pro forma fully diluted basis will be diluted correspondingly to HK\$0.86.

DIVIDEND POLICY

Subject to applicable requirements of PRC law, our Board will declare dividends, if any, in Renminbi with respect to the H Shares on a per Share basis and will pay such dividends in Hong Kong dollars. Any declaration of dividends for a fiscal year will be subject to shareholders’ approval. The decision to make a recommendation for the payment of any dividend and the amounts of dividends to be declared and actually distributed will depend upon the following factors:

- our results of operations and cash flows;
- our financial position;
- statutory solvency requirements under CIRC rules;
- general business conditions;
- our future prospects;
- statutory and regulatory restrictions on the payment of dividends by us; and
- other factors that our Board deems relevant.

Under the PRC Company Law and our Articles of Association, all of our shareholders have equal rights to dividends and distributions. Holders of the H Shares will share proportionately on a per Share basis in all dividends and other distributions declared by our Board. See the section headed “Financial Information — Dividend Policy”.

SUMMARY

USE OF PROCEEDS FROM THE GLOBAL OFFERING

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$21,506 million (RMB18,945 million based on the PBOC Rate of HK\$1.00 = RMB0.8809 prevailing on 2 December 2009), after deducting the underwriting fees and estimated expenses payable by us in the Global Offering, assuming the H Share Over-Allotment Option is not exercised and assuming an Offer Price of HK\$28.45 per Offer Share, being the midpoint of the estimated Offer Price range.

We intend to use these net proceeds for strengthening our capital base, including, among other things, funding the existing operations of our subsidiaries as well as the potential future expansion of these operations. To the extent that the net proceeds of the Global Offering are not immediately applied to the above purpose, we intend to invest the net proceeds in accordance with relevant laws and regulations and our investment policy. See the section headed “Business — Asset Management and Investment Portfolio” for more information about our investment policy. Before we obtain necessary approvals from relevant PRC regulatory authorities, we are not permitted to convert the net proceeds from the Global Offering into Renminbi.

The net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering are estimated to be approximately HK\$2,172 million, after deducting the underwriting fees payable by the Selling Shareholders in the Global Offering, assuming the H Share Over-Allotment Option is not exercised and assuming an Offer Price of HK\$28.45 per Offer Share, being the midpoint of the estimated Offer Price range. We will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholders. In accordance with the relevant PRC laws and regulations, the net proceeds received by the Selling Shareholders from the sale of the Sale Shares will be remitted to the NSSF Council.

See the section headed “Future Plans and Use of Proceeds from the Global Offering” for details.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed “Risk Factors”. You should read that section carefully before you decide to invest in the Offer Shares.