

### THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering consists of (subject to adjustment and the Over-allotment Option):

- (i) the Hong Kong Public Offering of 840,000,000 Offer Shares (subject to adjustment as mentioned below) in Hong Kong as described below under “The Hong Kong Public Offering”;
- (ii) the International Offering of 79,800,000 ADSs (which may, at the option of investors, be delivered in the form of H Shares) (subject to adjustment as mentioned below) outside the United States and Canada (including a public offer without listing in Japan); and
- (iii) the US Offering of 79,800,000 ADSs (which may, at the option of investors, be delivered in the form of H Shares) (subject to adjustment as mentioned below) in the United States and Canada.

China International Capital Corporation Limited, Merrill Lynch Far East Limited and Morgan Stanley Dean Witter Asia Limited (in alphabetical order) are the joint global coordinators and joint bookrunners of the Global Offering. Of the total of 16,800,000,000 H Shares comprised in the Global Offering (assuming the Over-allotment Option is not exercised), 15,271,200,000 H Shares are offered by the Company and an aggregate of 1,528,800,000 H Shares are offered by the Selling Shareholders.

The number of Offer Shares and/or ADSs (as the case may be) to be offered under the Hong Kong Public Offering, the International Offering and the US Offering, respectively, may be subject to reallocation as described below under “Pricing and Allocation.”

### PRICING AND ALLOCATION

The International Underwriters and the US Underwriters are soliciting from prospective investors indications of interest in acquiring ADSs or Offer Shares in the International Offering and the US Offering. Prospective investors will be required to specify the number of ADSs or Offer Shares they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about Thursday October 31, 2002.

Pricing of the Offer Shares and the ADSs for the purposes of the various offerings will be fixed on the Price Determination Date, which is expected to be Thursday October 31, 2002 but in any event not later than Tuesday November 5, 2002, and the number of ADSs and Offer Shares to be allocated under various offerings will be determined shortly thereafter by agreement between the Joint Global Coordinators (on behalf of the Underwriters) our Company and the Selling Shareholders.

The Offer Price in the Hong Kong Public Offering will be based on the Hong Kong dollar equivalent of the US dollar price per H Share of the ADSs as determined by the Joint Global Coordinators, the Selling Shareholders and us. It will be set at a level slightly lower than, but will after addition of brokerage of 1%, SFC transaction levy of 0.007% and Hong Kong Stock Exchange trading fee of 0.005% (which are payable by applicants in the Hong Kong Public Offering, but are not payable by investors in the International Offering and the US Offering), be equal to the price per H Share of the ADSs, subject to any necessary rounding.

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The transaction levy and trading fee otherwise payable by investors in the International Offering and the US Offering on the Offer Shares purchased by them will be borne by us and the Selling Shareholders.

For the Hong Kong Public Offering, the Offer Price will be not more than HK\$1.69 and is currently expected to be not less than HK\$1.47, unless otherwise announced by no later than the morning of the last day for lodging applications under the Hong Kong Public Offering as further explained below. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative offer price range stated in this prospectus.**

If, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, the Joint Global Coordinators (on behalf of the Hong Kong Underwriters, and with our consent) think it appropriate, the number of Offer Shares and/or the indicative offer price range may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notice of the reduction of the offer price range. **Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative offer price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.** Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the forecasts for the year ending December 31, 2002, the offer statistics as currently set out in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of any such reduction. **Applicants under the Hong Kong Public Offering should note that in no circumstances can applications be withdrawn once submitted, even if the offer price range is so reduced.**

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

Allocation of our Offer Shares pursuant to the Global Offering will be determined by the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, H Shares or (as the case may be) ADSs, after the listing of the H Shares on the Hong Kong Stock Exchange and the listing of the ADSs on the New York Stock Exchange. Such allocation is intended to result in a distribution of H Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong

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Offer Shares validly applied for by applicants, but will otherwise be made strictly on a pro-rata basis, although the allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The net proceeds from the Global Offering accruing to the Company are estimated to be approximately HK\$23,267 million. The estimated net proceeds are calculated after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Global Offering, assuming that the Over-allotment Option is not exercised.

The net proceeds from the Global Offering accruing to the Selling Shareholders (after deduction of underwriting fees and estimated expenses payable by the Selling Shareholders in relation to the Global Offering, assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$1.58 per H Share, being the mid-point of the proposed Offer Price range of HK\$1.47 to HK\$1.69), are estimated to be approximately HK\$2,330 million. The net proceeds from the sale of H Shares (or in the form of ADSs) received by the Selling Shareholders will be remitted to the national social security fund in accordance with the relevant PRC government requirements.

The applicable Offer Price, level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the US Offering, and the basis of allocations of the Hong Kong Offer Shares are expected to be announced on Tuesday November 5, 2002 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

### CONDITIONS OF THE HONG KONG PUBLIC OFFERING

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

- (i) the granting by the Listing Committee of the Hong Kong Stock Exchange of 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
- (ii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (ii) the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Underwriting Agreement having become 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 such Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than November 24, 2002.

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

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If the above conditions are not fulfilled or waived, prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be caused to be published by us in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) 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 Offer Shares—Despatch/Collection of H Share Certificates and Refund Cheques.” In the meantime, the application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering, the International Offering and the US Offering, is conditional upon a number of factors, some of which are not common to all such offerings. However, because the obligations of the respective Underwriters under each of the Underwriting Agreements are subject to the other Underwriting Agreements becoming unconditional, each of the offerings is effectively conditional upon the satisfaction or waiver of the conditions to the other offerings. As a result of the need for the Hong Kong Public Offering to have become unconditional at 8:00 a.m. on the day that dealings commence on the Hong Kong Stock Exchange, each of the US Offering and the International Offering will also have to become unconditional by that time rather than, as is typically the case, at the time of settlement for such offering.

**Share certificates for the Offer Shares are expected to be issued on Wednesday November 6, 2002 but will only become valid certificates of title at 8:00 a.m. on Thursday November 7, 2002, 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 Arrangements and Expenses—Grounds for Termination” has not been exercised.**

### THE HONG KONG PUBLIC OFFERING

We are initially offering 840,000,000 Offer Shares at the Offer Price, representing 5% of the 16,800,000,000 Offer Shares initially available under the Global Offering, for subscription by the public in Hong Kong. Subject to adjustment as mentioned below, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 1% of our total issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised. We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with paragraph 4.2 of Practice Note 18 to the Hong Kong Listing Rules which requires, in an initial public offering having both a Hong Kong subscription tranche and a placing tranche, a minimum allocation of shares representing 10% of the shares offered in the initial public offering to the Hong Kong subscription tranche. In Hong Kong, individual retail investors are expected to apply for Offer Shares through the Hong Kong Public Offering and individual retail investors, including individual investors in Hong Kong applying through banks and other institutions, seeking Offer Shares in the International Offering and/or the US Offering will not be allotted Offer Shares (or a corresponding number of ADSs) in the International Offering or the US Offering.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares or ADSs under the International Offering or the US

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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 Offer Shares under the Hong Kong Public Offering.

For allocation purposes only, the 840,000,000 Offer Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account of any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offering, the International Offering and the US Offering) will be divided equally into two pools: Pool A comprising no less than 420,000,000 Hong Kong Offer Shares and Pool B comprising no less than 420,000,000 Hong Kong Offer Shares, both of which are available on an equitable basis to successful applicants. All valid applications that have been received for Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee) of HK\$5 million or below will fall into Pool A and all valid applications that have been received for Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee) of over HK\$5 million and up to the total value of Pool B, will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) is undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 50% of the 840,000,000 Hong Kong Offer Shares initially comprised in the Hong Kong Public Offering (that is 420,000,000 Hong Kong Offer Shares) are liable to be rejected.

The Offer Price will be not more than HK\$1.69 and is expected to be not less than HK\$1.47. Applicants for Hong Kong Offer Shares under the Hong Kong Public Offering are required to pay, on application, the maximum offer price of HK\$1.69 for each Hong Kong Offer Share. If the Offer Price is less than HK\$1.69, 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. Further details are set out below in the section headed “How to Apply for Hong Kong Offer Shares— V. Refund of application monies.”

We have applied to the Hong Kong Stock Exchange for a waiver from the strict compliance with the clawback requirements specified in paragraph 4.2 of Practice Note 18 to the Hong Kong Listing Rules on the following basis. If the number of Offer Shares validly applied for in the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 1,260,000,000, 1,680,000,000 and 3,360,000,000 Offer Shares, respectively, representing approximately 7.5% (in the case of (i)), 10% (in the case of (ii)) and 20% (in the case of (iii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). In such cases, the number of Offer

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Shares allocated in the International Offering and/or the US Offering will be correspondingly reduced, in such manner as the Joint Global Coordinators deem appropriate, and such additional Offer Shares will be allocated to Pool A and Pool B.

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 Offer Shares to the International Offering and/or the US Offering, in such proportions as the Joint Global Coordinators deem appropriate.

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

### THE INTERNATIONAL OFFERING AND THE US OFFERING

The International Offering and the US Offering will together consist of an aggregate of 159,600,000 ADSs, to be comprised of 79,800,000 ADSs, representing 7,980,000,000 Offer Shares, to be sold in the United States and Canada, and 79,800,000 ADSs, representing 7,980,000,000 Offer Shares, to be sold outside the United States and Canada (including to professional and institutional investors in Hong Kong), respectively. ADSs being offered in the International Offering and the US Offering may, however, be reallocated between such offerings at the discretion of the Joint Global Coordinators. With respect to the International Offering and the US Offering, Offer Shares may, at the option of investors, be delivered in lieu of ADSs (including with respect to ADSs issued upon exercise of the Over-allotment Option). The US Offering includes a public offering registered under the US Securities Act and the prospectus with respect to the US Offering is part of a registration statement filed with the US Securities and Exchange Commission under the US Securities Act.

Each of the Company and the Selling Shareholders is expected to grant to the US Underwriters and the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the US Underwriters and the International Underwriters within 30 days after the date on which dealings of H Shares commence on the Hong Kong Stock Exchange or ADSs commence on the New York Stock Exchange, whichever is earlier, to require (i) the Company to allot and issue up to an aggregate of 2,181,600,000 additional H Shares and (ii) the Selling Shareholders to sell up to an aggregate of 218,400,000 additional H Shares (all or a portion of which may be deliverable in the form of ADSs), representing approximately 14.3% of the Offer Shares initially available under the Global Offering. These H Shares will be issued or sold at the same price per H Share under the US Offering and the International Offering solely to cover over-allocations in the US Offering and the International Offering, if any.

The Selling Shareholders are initially offering a total of 1,528,800,000 H Shares for sale in the Global Offering. The Selling Shareholders may sell up to an additional 218,400,000 H Shares if the Over-allotment Option is exercised in full.

### DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on November 7, 2002, it is expected that dealings in H Shares on the Hong Kong Stock Exchange will commence at 10:00 a.m. on November 7, 2002.

### UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement.

We expect on or about October 31, 2002, shortly after determination of the Offer Price, to enter into the International Underwriting Agreement relating to the International Offering and the US Offering.

Underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarised in the Section headed “Underwriting.”