
INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus contains particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Market Listing) Rules and the Hong Kong Listing Rules for the purpose of giving information to the public with regard to our Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this prospectus misleading.

CSRC APPROVAL

The CSRC has given its approval 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, nor for the accuracy of any of the statements made or opinions expressed in this prospectus or in the Application Forms.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering.

The listing of the Offer Shares on the Hong Kong Stock Exchange is sponsored by the Sponsor and the Co-Sponsors. The Global Offering is managed by the Joint Global Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters. The International Purchase Agreement is expected to be entered into on or about June 18, 2004, subject to agreement on the Offer Price among us (for the Company and on behalf of the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Underwriters). If, for any reason, the Offer Price is not agreed among us (for the Company and on behalf of the Selling Shareholders) and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering will not proceed. Further details about the Underwriters and the underwriting arrangements are contained in the section headed "Underwriting".

SELLING RESTRICTIONS

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

No action has been taken to permit an offering of the Offer Shares or ADSs or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

United States

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

The International Purchasers propose to place Offer Shares and ADSs outside of the United States in offshore transactions in reliance on Regulation S under the US Securities Act and in accordance with applicable law. Certain of the International Purchasers propose to place Offer Shares and ADSs, through their respective U.S. selling agents, only to qualified institutional buyers (as such term is defined in Rule 144A under the US Securities Act) in the United States. Any offer or sale of Offer Shares or ADSs in the United States will be made by broker-dealers who are registered as such under the US Exchange Act.

Until the expiration of 40 days after the later of the commencement of the Global Offering and the date of the closing of the Global Offering, an offer or sale of Offer Shares or ADSs within the United States by a dealer whether or not participating in the Global Offering may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an exemption from, or in transaction not subject to, such requirements or in accordance with Rule 144A.

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

Canada

The Offer Shares and ADSs may not be offered or sold, directly or indirectly, in any province or territory of Canada or to, or for the benefit of, any resident of any province or territory of Canada except pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer or sale is made and therein only by persons permitted under applicable laws to sell the Offer Shares and ADSs.

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 and ADSs may not be offered or sold in the United Kingdom and, prior to the expiry of a period of six months from the latest date of the issue of the Offer Shares and ADSs, the Offer Shares and ADSs may not be offered or sold to any persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) and where applicable provisions of the Financial Services and Markets Act 2000 (the “FSMA”) with respect to anything done by it in relation to any Offer Shares and ADSs in, from

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

or otherwise involving 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 such person in connection with the issue or sale of any Offer Shares and ADSs except in circumstances in which section 21(1) of the FSMA does not apply to the Company.

Japan

It is expected that a public offering without a listing of the Offer Shares will be made in Japan. The Offer Shares may not be offered or sold directly or indirectly, in Japan or to, or for the account of, any resident of Japan, except in accordance with the terms and conditions of a public offering without listing of Offer Shares in Japan stated in the securities registration statement filed on May 28, 2004 (as amended) with the Japanese authority under, or pursuant to, any exemption from the registration requirements of the Securities and Exchange Law of Japan and otherwise in compliance with applicable provisions of Japanese law. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

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

People’s Republic of China

This prospectus does not constitute a public offer of the Offer Shares or ADSs, whether by way of sale or subscription, in the PRC. The Offer Shares or ADSs are not being offered and may not be offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory requirements of the PRC, the H Shares and ADSs may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to natural or legal persons in Taiwan, Hong Kong or Macau or any country other than the PRC, whether by means of a prospectus or otherwise.

Germany

This prospectus is not a Securities Selling Prospectus (*Wertpapier-Verkaufsprospekt*) within the meaning of the German Securities Prospectus Act of September 9, 1998, as amended, (the “**Prospectus Act**”) (*Wertpapier-Verkaufsprospektgesetz*) and has not been filed with and approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht — BaFin) or any other competent German authority under the relevant laws, and the Offer Shares and ADSs may not be offered or sold and copies

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

of this prospectus or any document relating to the Offer Shares and ADSs may not be distributed directly or indirectly in Germany except to persons falling within the scope of paragraph 2 numbers 1, 2 and 3 of the Prospectus Act.

Netherlands

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

CERTAIN MATTERS RELATING TO THE HONG KONG PUBLIC OFFERING

Application for Listing on the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Offer Shares including any Offer Shares which may be issued or sold pursuant to the exercise of the Over-allotment Option, and the H Shares resulting from the conversion of the Company's existing Unlisted Foreign Shares. See the section headed "Business — Overseas Investors". Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on June 24, 2004.

Save as disclosed in this prospectus, no part of our share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

H Share Register and Stamp Duty

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on our H Share register to be maintained in Hong Kong. Our principal register of members will be maintained by us at 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 and Foreign Exchange".

Professional Tax Advice Recommended

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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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 the holder delivers a signed form 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 the Articles of Association;
- (ii) agrees with us, each of our shareholders, Directors, Supervisors, managers and officers, and each of us acting for ourselves and for each of our Directors, Supervisors, managers and officers agrees with each of our shareholders to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which arbitration shall be final and conclusive. See Appendix VII — “Summary of 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 the Articles of Association.

STABILIZATION

In connection with the Global Offering, Goldman Sachs (Asia) L.L.C. (the “**Stabilizing Manager**”), and/or its affiliates and agents on behalf of the Underwriters, in consultation with the other Joint Global Coordinators may over-allocate or effect any other transactions with a view to supporting the market price of the H Shares and ADSs at a level higher than that which might otherwise prevail for a limited period after the commencement of trading in the H Shares. However there is no obligation on the Stabilizing Manager 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 stabilizing action which may be taken by the Stabilizing Manager may include primary and ancillary stabilizing action such as purchasing or agreeing to purchase any of the H Shares or ADSs, exercising the Over-allotment Option, stock borrowing, establishing a short position in the H Shares or ADSs, liquidating long positions in the H Shares or ADSs or offering or attempting to do any such actions. The number of H Shares which can be over-allocated will not exceed the number of H Shares which may be issued or sold under the Over-allotment Option, namely 208,183,000 H Shares, which is approximately 15% of the H Shares initially available under the Global Offering.

The Stabilizing Manager may, in connection with the stabilizing action, maintain a long position in the H Shares or ADSs. 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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

any liquidation of any such long position, there may be an impact on the market price of the H Shares or ADSs. Stabilizing action cannot be taken to support the price of any H Shares and ADSs for longer than the stabilizing period, which begins on the commencement of trading of the H Shares and ADSs and ends 30 days from the last day for lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to expire on July 17, 2004, and after this date, demand for the H Shares and ADSs and therefore their price, could fall. Investors should be aware that the price of the H Shares and ADSs cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action. Stabilizing bids may be made or transactions effected in the course of stabilizing action at any price below the Offer Price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. Such transactions, if commenced, may be discontinued at any time.

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public offer price of the securities. In Hong Kong, the stabilization price will not exceed the Offer Price.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for Hong Kong Offer Shares is set forth in the section headed “How to apply for Hong Kong 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 forth in the section headed “Structure of the Global Offering”.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain Renminbi amounts into Hong Kong dollars, of Renminbi amounts into US dollars and of Hong Kong dollars into US dollars at specified rates. You should not construe these translations as representations that the Renminbi amounts could actually be converted into any Hong Kong dollar or US dollar amounts (as the case may be) at the rates indicated or at all. Unless we indicate otherwise, the translations of Renminbi into Hong Kong dollars, of Renminbi into US dollars and of Hong Kong dollars into US dollars have been made at the rate of RMB1.0657 to HK\$1.00, the PBOC Rate prevailing on December 31, 2003, RMB8.2767 to US\$1.00 and HK\$7.7640 to US\$1.00, the noon buying rates in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2003, respectively. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding. Further information on exchange rates is set forth in Appendix V — “Taxation and Foreign Exchange”.