
A SHARE OFFERING

Concurrently with the Global Offering, we are offering A shares in the PRC by means of an A share prospectus. The A share prospectus, which is issued in the Chinese language only, is prepared pursuant to the regulatory requirements of the PRC. However, you should rely only on the information contained in this prospectus and the related application forms to make your investment decision in purchasing or trading in our H shares.

Our Proposed A Share Offering

Concurrently with the Global Offering, we are undertaking a public offering of our A shares in the PRC.

The A Share Offering comprises an offering of initially 13,000,000,000 A shares for subscription, representing 3.97% of our total outstanding shares following the completion of the Global Offering and the A Share Offering, assuming that neither of the over-allotment options for the Global Offering and the A Share Offering is exercised. The information set forth in this prospectus related to our A Share Offering, including, but not limited to, the net proceeds of the A Share Offering and our net tangible assets, share capital and substantial shareholders after the completion of the A Share Offering, has been prepared based on the assumption that our A Share Offering will comprise an offering of initially 13,000,000,000 A shares for subscription.

We have granted the A Share Offering underwriters an over-allotment option exercisable by China International Capital Corporation Limited on behalf of the A Share Offering underwriters within 30 days following the listing of our A shares on the Shanghai Stock Exchange, which will require us to issue and allot up to an aggregate of 1,950,000,000 A shares representing 15% of the A shares initially offered in the A Share Offering. We expect to make public announcements in the PRC and Hong Kong with respect to any exercise of the over-allotment option for the A Share Offering.

Our A shares will be listed and traded on the Shanghai Stock Exchange and may only be held by legal or natural persons or other entities in the PRC, qualified foreign institutional investors or foreign strategic investors, subject to applicable PRC laws and regulations. Our A shares and H shares will rank *pari passu* with each other in all material respects other than the exceptions described in the section headed “Share Capital.” Dividends on our A shares will be paid in Renminbi. Our H shares and A shares will not be fungible. However, our A shares held by the MOF and Huijin may be re-registered as H shares. See “Share Capital.”

Pricing of A Share Offering

The offer price for A shares in the A Share Offering is expected to be not more than RMB3.12 per share and not less than RMB2.60 per share. It is intended that the offer price for our A shares in the A Share Offering will be equivalent to the offer price for our H shares in the Global Offering, as adjusted for the exchange rate difference between Hong Kong dollar and Renminbi. We expect to publish an announcement in Hong Kong following the determination of the offer prices for the Global Offering and the A Share Offering.

Offerings Not Inter-conditional

Neither our Global Offering nor our A Share Offering is conditional upon the other.

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We cannot assure you that we will be able to complete our A Share Offering as proposed. If domestic market conditions within the PRC are such that it is not advisable or practicable for our A Share Offering to proceed concurrently with the Global Offering, our A Share Offering may take place following the completion of the Global Offering, and the size and other details in respect of the A Share Offering set out above may be subject to change. We have applied for and the Hong Kong Stock Exchange has indicated that it will grant a waiver from strict compliance with Rule 10.08 of the Hong Kong Listing Rules, such that we may undertake the A Share Offering within six months after the completion of the Global Offering. The issue of A shares in such circumstances has been approved by our shareholders and a separate class vote by holders of our H shares is not required. The issue of A shares in such circumstances will comply with Rule 19A.38 of the Hong Kong Listing Rules.

Use of Proceeds of A Share Offering

After deducting the underwriting commission and our estimated offering expenses, we estimate that the net proceeds to us from the A Share Offering will be RMB36.3 billion (HK\$35.8 billion) at the offer price of RMB2.86 (HK\$2.82), being the midpoint of the price range of the A Share Offering, assuming that the over-allotment for the A Share Offering is not exercised, or RMB41.8 billion (HK\$41.1 billion) at the offer price of RMB2.86 (HK\$2.82), being the midpoint of the price range of the A Share Offering, assuming that the over-allotment for the A Share Offering is fully exercised.

We expect to use the net proceeds from the A Share Offering to strengthen our capital base to support the ongoing growth of our business as set forth in “Business—Our Strategy.” If we are not able to raise some or all of the net proceeds of the A Share Offering, we do not expect this to have any material adverse effect on our capital base.

Application for Listing of A Shares

Application is expected to be made for the listing and trading of our A shares on the Shanghai Stock Exchange.

Trading of our A shares is expected to commence on the Shanghai Stock Exchange on or about October 27, 2006 at 9:30 a.m.

Key Events in the A Share Offering

The key events in the A Share Offering are as follows:

Price consultation and marketing to institutional investors	September 27, 2006 – September 29, 2006 October 9, 2006 – October 11, 2006
Book building period for A share institutional investors	October 16, 2006 – October 19, 2006
Public subscription period for A share investors through the trading system of the Shanghai Stock Exchange	October 19, 2006
Announcement of the offer price for the A Share Offering	October 23, 2006
Expected listing date of A shares on the Shanghai Stock Exchange	October 27, 2006

In connection with our A Share Offering, we are required to make certain announcements in the PRC in accordance with applicable PRC laws and regulations. Such announcements in relation to our A Share Offering will be published on the website of the Hong Kong Stock Exchange. However, such information and the prospectus for the A Share Offering do not and will not form part of this prospectus. You should rely solely on the information contained in this prospectus and the related

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application forms in Hong Kong in making your investment decision regarding our H shares. See “Risk Factors—Risks Relating to the Global Offering—We strongly caution you not to place any reliance on any information contained in press articles or other media regarding our Global Offering or A Share Offering or information released by us in connection with the A Share Offering.”

Publication of Quarterly Results

Upon listing of our A shares on the Shanghai Stock Exchange, we will be required to publish quarterly results of operations in the PRC prepared in accordance with PRC GAAP. We will simultaneously disclose these quarterly results prepared under PRC GAAP in Hong Kong in accordance with rule 13.09(2) of the Hong Kong Listing Rules.