

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 248,326,000 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 2,234,924,000 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 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 (including a public offer without listing in Japan).

China International Capital Corporation Limited is the Global Coordinator. China International Capital Corporation Limited, Deutsche Bank AG, Hong Kong Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated are the Joint Global Bookrunners. China International Capital Corporation (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch and Merrill Lynch Far East Limited are the Joint Lead Managers and Joint Sponsors of the Global Offering. Of the total 2,483,250,000 H Shares comprised in the Global Offering (assuming no exercise of the Over-allotment Option), 2,257,500,000 H Shares are offered by the Company and 225,750,000 H Shares are offered by the Selling Shareholder.

Investors may apply for H Shares under the Hong Kong Public Offering or apply for or indicate an interest in 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.

The Hong Kong Public Offering

Number of H Shares initially offered

The Company is initially offering 248,326,000 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of H Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Subject to adjustments mentioned below, the Offer Shares will represent approximately 30% of the Company’s registered share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised. 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 below headed “Conditions of the Hong Kong Public Offering”.

Allocation

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 Public Offer Shares validly applied for by applicants. Such allocation 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 Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

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: 124,164,000 H Shares for pool A and 124,162,000 H Shares for pool B. The H Shares in pool A will be allocated on an equitable basis to applicants who have applied for H Shares with an aggregate price of HK\$5 million (excluding the brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable) or less. The H Shares 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 up to the total value of H Shares in pool B (excluding the brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable). 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 124,164,000 H Shares in pool A or 124,162,000 H Shares in pool B are liable to be rejected.

Reallocation

The allocation of the H Shares between (i) the Hong Kong Public Offering and (ii) the International Offering is subject to adjustment. 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, then H Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of H Shares available under the Hong Kong Public Offering will be increased to 744,976,000 H Shares (in the case of (i)), 993,300,000 H Shares (in the case of (ii)) and 1,241,626,000 H Shares (in the case of (iii)) representing approximately 30%, 40% and 50% of the H Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the additional H Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of H Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Bookrunners deem appropriate. In addition, the Joint Global Bookrunners may allocate H Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed for, the Joint Global Bookrunners have the authority to reallocate all or any unsubscribed Public Offer Shares to the International Offering, in such proportions as the Joint Global Bookrunners 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 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\$1.85 per H Share in addition to any brokerage, SFC transaction levy, investor compensation levy and 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 of the Global Offering" below, is less than the maximum price of HK\$1.85 per H Share, appropriate refund payments (including the brokerage, SFC transaction levy, investor compensation levy and 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 Public Offer Shares."

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 2,234,924,000 H Shares.

Allocation

The International Offering will include selective marketing of H Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such H Shares. 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. Allocation of H Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the section headed "Pricing of the Global Offering" below 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 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 the Company and its shareholders as a whole.

The Joint Global Bookrunners (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 Bookrunners 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.

THE CORPORATE PLACING

As part of the International Offering, the Joint Global Bookrunners, the Company and the Corporate Investors have entered into corporate placing agreements with each of the Corporate Investors. Please refer to the section of this prospectus headed “The Corporate Placing” for further details.

Over-allotment Option

In connection with the Global Offering, the Company and the Selling Shareholder are expected to grant an Over-allotment Option to the International Purchasers exercisable by the Joint Global Bookrunners on behalf of the International Purchasers.

Pursuant to the Over-allotment Option, the Joint Global Bookrunners have the right, exercisable at any time from the day on which trading of the H Shares commences on the Stock Exchange until 30 days after the last day for lodging of applications under the Hong Kong Public Offering, to require (i) the Company to allot and issue up to 338,620,000 additional H Shares, and (ii) the Selling Shareholder to sell up to 33,862,000 additional H Shares, together representing approximately 15% of the initial Offer Shares, at the same price per H Share under the International Offering, to, among other things, cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional H Shares will represent approximately 15% of the Company’s enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

Selling Shareholder

In accordance with relevant PRC regulations, the Selling Shareholder is offering 225,750,000 H Shares for sale as part of the International Offering (before exercise of the Over-allotment Option). The Selling Shareholder may also sell up to 33,862,000 additional H Shares if the Over-allotment Option is exercised in full. The sale of a maximum of 259,612,000 Shares by the Selling Shareholder has been approved by SASAC and authorized by the NCSSF. SASAC has approved the allocation of the maximum of 259,612,000 Shares to the NCSSF, and pursuant to the NCSSF’s authorization given to the Company, the sale of such Shares are being sold by the Selling Shareholder (acting through the Company) on behalf of the NCSSF. The Company, as attorney of the NCSSF, and Dongfeng Motor Corporation will undertake to the Joint Global Bookrunners and the International Purchasers that each of them will take all necessary steps to effect the sale, assignment, transfer and delivery of the State-owned Shares in accordance with the terms and conditions of the International Purchase Agreement and to remit the relating net proceeds to the NCSSF or as it may direct in accordance with relevant PRC regulations.

Pricing of the Global Offering

The International Purchasers 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 30th November, 2005, and in any event not later than 5th December, 2005, by agreement between the Joint Global Bookrunners (on behalf of the Underwriters) the Selling Shareholder and the Company 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\$1.85 per H Share and is expected to be not less than HK\$1.45 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 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 Bookrunners, 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 the Company and the Selling Shareholder, 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, the 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 and the Hong Kong Economic Times 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 Bookrunners (on behalf of the Underwriters) the Selling Shareholder and the 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, of the working capital statement and the profit forecast for the year ending 31st December, 2005 and the Global Offering statistics as currently set out in this prospectus, 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 the Company, the Selling Shareholder and the Joint Global Bookrunners, will under no circumstances be set outside the offer price range as stated in this prospectus.

In the event of a reduction in the number of H Shares being offered under the Global Offering, the Joint Global Bookrunners may at its discretion reallocate the number of H Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares in the Global Offering. The H Shares to be offered in the International

Offering and the H Shares to be offered in the Hong Kong Public Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Bookrunners.

The net proceeds of the Global Offering accruing to the Company (after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Global Offering, assuming the Over-allotment Option is not exercised) are estimated to be approximately HK\$2.89 billion, assuming an Offer Price per H Share of HK\$1.45, or approximately HK\$3.76 billion, assuming an Offer Price per H Share of HK\$1.85 (or if the Over-allotment Option is exercised in full, approximately HK\$4.37 billion, assuming an Offer Price per H Share of HK\$1.85).

The net proceeds of the Global Offering accruing to the Selling Shareholder (after deduction of underwriting fees and estimated expenses payable by the Selling Shareholder in relation to the Global Offering, assuming the Over-allotment Option is not exercised) are estimated to be approximately HK\$289 million, assuming an Offer Price per H Share of HK\$1.45, or approximately HK\$376 million, assuming an Offer Price per H Share of HK\$1.85 (or if the Over-allotment Option is exercised in full, approximately HK\$436 million, assuming an Offer Price per H Share of HK\$1.85). The net proceeds from the sale of H Shares by the Selling Shareholder is required to be remitted to the NCSSF, or as it may direct, in accordance with the relevant PRC government requirements.

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 6th December, 2005 in the South China Morning Post and the Hong Kong Economic Times.

Underwriting Arrangements

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to the Company, the Selling Shareholder and the Joint Global Bookrunners, (on behalf of the Underwriters) agreeing on the Offer Price.

The Company expects to enter into the International Purchase Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting."

Dealing

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on 7th December, 2005, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:30 a.m. on 7th December, 2005.

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, among others:

- (i) the Listing Committee of the 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
- (ii) the execution and delivery of the International Purchase Agreement on the Price Determination Date; and
- (iii) the obligations of the Underwriters under each of the respective Underwriting Agreements 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 respective 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 the date which is 30 days after the Prospectus Date.

If, for any reason, the Offer Price is not agreed between the Company, the Selling Shareholder and the Joint Global Bookrunners (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 its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the 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 Public Offer Shares”. In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banker or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

H Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on 7th December, 2005 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 — Grounds for termination” has not been exercised.