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DONGFENG MOTOR GROUP COMPANY LIMITED*

東風汽車集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 489)

**ANNOUNCEMENT IN RELATION TO THE DISTRIBUTION OF 2015
FINAL DIVIDEND AND PROFIT APPROPRIATION FOR
INVESTORS IN SOUTHBOUND TRADING
IN RESPECT OF THE 2015 FINAL DIVIDEND**

Reference is made to the announcement published by Dongfeng Motor Group Company Limited (the "Company") on 29 March 2016 in relation to the results of the Company for the year ended 31 December 2015 stating that the board of directors (the "Board") resolved to recommend a final dividend of RMB0.20 per share (equivalent to HKD 0.235 per share) for the year ended 31 December 2015 (the "2015 Final Dividend"). The 2015 Final Dividend will be distributed on or about Friday, 26 August 2016 to shareholders whose names appear on the register of members of the Company on Friday, 8 July 2016 (the "Record Date"). The 2015 Final Dividend has been approved by the shareholders of the Company at the annual general meeting held on 17 June 2016. The relevant exchange rate will be the average middle rate of Renminbi to Hong Kong dollars (RMB 0.8507 equivalent to HK\$1.00) as announced by the People's Bank of China for a week prior to the date of declaration of dividends by the annual general meeting of the Company for the year 2015.

THE WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISE HOLDERS OF OVERSEAS H SHARES AND INDIVIDUAL INCOME TAX FOR INDIVIDUAL HOLDERS OF OVERSEAS H SHARES IN RESPECT OF THE FINAL DIVIDEND

Pursuant to the “PRC Individual Income Tax Law” (《中華人民共和國個人所得稅法》), the “PRC Implementation Regulations of the Individual Income Tax Law” (《中華人民共和國個人所得稅法實施條例》), the “Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by on-residents under Tax Treaties (Tentative)” (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124 號)) (“Tax Treaties Notice”), the “Circular on the Questions Concerning Levy of Individual Income Tax after the Guo Shui Fa [1993] No.45 has been repealed”(Guo Shui Han [2011] No.348) (《關於國稅發[1993]45號文件廢止後有關個人所得稅征管問題的通知》(國稅函[2011]348號)), other relevant laws and regulations and the relevant rules promulgated by the State Administration of Taxation, the Company will withhold and pay the individual income tax in respect of the dividend received by the Individual H Shareholders from the Company. The Individual H Shareholders of the Company may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau). The Company will determine the country of domicile of the Individual H Shareholders based on the registered address as recorded in the register of holders of H shares of the Company on the Record Date.

The registered address for all the Individual H Shareholders recorded in the register of holders of H shares of the Company on the Record Date is Hong Kong. As such, unless the Individual H Shareholders notify and provide relevant supporting documents to the Company within the period stated below, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. Based on the above dividend of RMB 0.20 per share (pre-tax), the amount of individual income tax to be withheld and paid by the Company on behalf of the Individual H Shareholders will be RMB 0.020 (approximately Hong Kong Dollar 0.0235) per share.

If the domicile of an Individual H Shareholder is not the same as the country shown in the registered address of such shareholder as recorded in the register of holders of H shares of the Company, the relevant shareholder should notify and provide relevant supporting documents to the Company on or before Friday, 29 July 2016. Upon examination of the supporting documents by competent tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.

For non-resident enterprise holders of H shares of the Company, according to “PRC Enterprise Income Tax Law”(《中華人民共和國企業所得稅法》), “Circular on the Questions Concerning Enterprise Income Tax of Dividends to be withheld and paid by the PRC Resident Enterprise on behalf of the Overseas Non-resident Enterprise H Share holders (Guo Shui Han [2008]No. 897)關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號) and other relevant tax regulations, the Company will withhold 10% of the dividend as enterprise income tax .

Investors and potential investors of the H shares of the Company are recommended to consult professional tax advisors if they are in any doubt as to the implications of the above mechanism of withholding. The Company assumes no responsibility and disclaim all liabilities whatsoever in relation to the tax status or tax treatment of the Individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Individual H Shareholders or any disputes over the withholding mechanism or arrangements.

PROFIT APPROPRIATION FOR INVESTORS OF SOUTHBOUND TRADING

For investors investing in the H Shares of the Company listed on Hong Kong Stock Exchange through the Shanghai Stock Exchange (including enterprises and individuals) (the “**Southbound Trading**”), the Company has entered into the Agreement on Appropriation of Cash Dividends of H Shares for Southbound Trading (港股通H股股票現金紅利派發協議) with the Shanghai Branch of China Securities

Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system. The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect”

(Caishui [2014] No. 81) (《關於滬港通股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic investors

from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For

dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. The record date and the date of appropriation of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares.

By order of the Board of Directors
ZHU YANFENG
Chairman

Wuhan, the PRC, 15 July 2016

As at the date of this announcement, Mr. Zhu Yanfeng and Mr. Li Shaozhu are the executive directors of the Company, Mr. Tong Dongcheng, Mr. Ouyang Jie and Mr. Liu Weidong are the non-executive directors of the Company and Mr. Ma Zhigeng, Mr. Zhang Xiaotie, Mr. Cao Xinghe and Mr. Chen Yunfei are the independent non-executive directors of the Company.

** For identification only*