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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

CONNECTED TRANSACTION
CAPITAL CONTRIBUTION TO
DONGFENG NISSAN AUTO FINANCE CO., LTD.

On 16 October 2017, the Company, Dongfeng Motor Co., Ltd ("**DFL**") (a jointly-controlled entity of the Company and Nissan (China) Investment Co., Ltd. ("**NCIC**"), which is required by the Stock Exchange to be regulated in a manner consistent with the regulation of subsidiaries of the Company, as a condition to its listing on the Stock Exchange), Nissan Motor Co., Ltd. ("**Nissan**") and NCIC (a wholly-owned subsidiary of Nissan), being the existing shareholders of Dongfeng Nissan Auto Finance Co., Ltd. ("**DNAF**") (a company 49% of which is held by the Company directly and indirectly through DFL), entered into the agreement on the increase of registered capital (the "**Capital Contribution Agreement**"), pursuant to which parties to the Capital Contribution Agreement will make a capital contribution in cash to DNAF. Upon completion of the above capital contribution, the shareholding of the Company and DFL in DNAF will remain at approximately 35% and 14% of the enlarged registered capital respectively, Nissan and NCIC will hold approximately 19.95% and 31.05% of the enlarged registered capital respectively.

Nissan through its wholly-owned subsidiary, NCIC, indirectly owns a 50% equity interest in DFL, a jointly-controlled entity and a deemed subsidiary of the Company. Both Nissan and NCIC constitute connected persons of the Company by being substantial shareholders of a subsidiary of the Company. The equity interests in DNAF are jointly owned as to 51% by Nissan and NCIC, 14% by the DFL and 35% by the Company. As such, DNAF is an associate (as defined in the Listing Rules) of Nissan and a connected person of the Company. The transaction contemplated under the Capital Contribution

Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are higher than 0.1% but all applicable percentage ratios are less than 5%, according to Rule 14A.76 of the Listing Rules, the transaction is exempt from the circular and shareholders' approval requirements and is only subject to the announcement and reporting requirements under the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 30 August 2006, 30 November 2007 and 28 December 2016 in relation to the establishment of DNAF and continuing connected transaction in respect of the placement of deposit with DNAF by the Company. On 16October 2017, the Company, DFL (a jointly-controlled entity of the Company and NCIC, which is required by the Stock Exchange to be regulated in a manner consistent with the regulation of subsidiaries of the Company, as a condition to its listing on the Stock Exchange), Nissan and NCIC (a wholly-owned subsidiary of Nissan), being the existing shareholders of DNAF (a company 49% of which is held by the Company directly and indirectly through DFL), entered into the Capital Contribution Agreement, pursuant to which parties to the Capital Contribution Agreement will make a capital contribution in cash to DNAF. Upon completion of the above capital contribution, the shareholding of the Company and DFL in DNAF will remain at approximately 35% and 14% of the enlarged registered capital respectively, Nissan and NCIC will hold approximately 19.95% and 31.05% of the enlarged registered capital respectively. The joint venture agreement dated 30 August 2006 between the Company and Nissan and the articles of association of DNAF will be amended to reflect the transaction contemplated under the Capital Contribution Agreement accordingly.

PRINCIPAL TERMS OF THE CAPITAL CONTRIBUTION AGREEMENT

Date

16 October 2017

Parties

(1) Dongfeng Motor Group Co., Ltd.

(2) Dongfeng Motor Co., Ltd.

(3) Nissan Motor Co., Ltd.

(4) Nissan (China) Investment Co., Ltd.

Capital Contribution

Upon completion of the capital contribution, the registered capital of DNAF will increase from RMB1,529,412,000 to RMB5,029,412,000 (an increase of RMB3,500,000,000 in the registered capital). The Company and DFL make an incremental contribution in DNAF's registration capital of RMB 1,225,000,000 and RMB 490,000,000, respectively. Nissan and

NCIC make an incremental contribution in DNAF's registration capital of RMB 1,236,736,630.48 and RMB 548,262,369.52, respectively.

Capital Structure of DNAF before the capital contribution:

Name of shareholder	**Contribution to registered capital (RMB)**	**Shareholding percentage**
Dongfeng Motor Group Co., Ltd.	535,294,000	35%
Dongfeng Motor Co., Ltd.	214,118,000	14%
Nissan Motor Co., Ltd.	455,000,000	29.75%
Nissan (China) Investment Co., Ltd.	325,000,000	21.25%
Total	1,529,412,000	100.00%

Capital Structure of DNAF after the capital contribution:

Name of shareholder	**Contribution to registered capital** *(RMB)*	**Shareholding percentage**
Dongfeng Motor Group Co., Ltd.	1,760,294,000	35%
Dongfeng Motor Co., Ltd.	704,118,000	14%
Nissan Motor Co., Ltd.	1,003,262,369.52	19.95%
Nissan (China) Investment Co., Ltd.	1,561,737,630.48	31.05%
Total	5,029,412,000	100.00%

INFORMATION ON DNAF

DNAF is principally engaged in providing loans to end users and auto dealers for purchase of automobiles. DNAF mainly provides auto loans to auto dealers and end users for purchase of NISSAN brand vehicles, Venucia brand vehicles, INFINITI brand vehicles and Renault brand vehicles, accepts deposits from shareholders in accordance with the scope of business approved by the regulatory authorities of the PRC, and accepts security deposits from automobile dealers for automobile purchase loans and from leasees for automobile leasing.

Pursuant to the audited accounts of DNAF prepared in accordance with the International Financial Reporting Standards for the two years ended 31 December 2016, the net profits (before taxation) of DNAF for 2015 and 2016 amounted to approximately RMB915.78 million and RMB1276.36 million, respectively and the net profits (after taxation) of DNAF for 2015 and 2016 amounted to approximately RMB672.68 million and RMB950.23 million, respectively.

BASIS FOR DETERMINATION OF AMOUNT OF CONTRIBUTION

The amount of the capital contribution is determined based on the net asset value of DNAF as of 31 March 2017 as well as a premium over such net asset value agreed by the parties. Pursuant to the audited accounts of DNAF prepared in accordance with the International Financial Reporting Standards for the year ended 31 December 2016, the net asset value of DNAF amounted to RMB 4,798.95 million as of 31 December 2016.

REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION TO DNAF

The capital contribution to DNAF will strengthen its capital sufficiency for further development in the market of passenger vehicles. It will also foster DNAF's performance in Macro Prudential Assessment (MPA) by the China Central Bank, which aims to mitigate financial risks and satisfy regulatory requirements.

The Board (including the independent non-executive Directors) is of the view that the Capital Contribution Agreement has been entered into in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Nissan through its wholly-owned subsidiary, NCIC, indirectly owns a 50% equity interest in DFL, a jointly-controlled entity and a deemed subsidiary of the Company. Both Nissan and NCIC constitute connected persons of the Company by being substantial shareholders of a subsidiary of the Company. The equity interests in DNAF are owned as to 51% by Nissan, 14% by the DFL and 35% by the Company. As such, DNAF is an associate (as defined in the Listing Rules) of Nissan and a connected person of the Company. The transaction contemplated under the Capital Contribution Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are higher than 0.1% but all applicable percentage ratios are less than 5%, according to Rule 14A.76 of the Listing Rules, the transaction is exempt from the circular and shareholders' approval requirements and is only subject to the announcement and reporting requirements under the Listing Rules.

None of the Directors has a material interest in the transaction contemplated under the Capital Contribution Agreement and has abstained from voting on the Board resolutions to approve the transaction contemplated under the Capital Contribution Agreement.

INFORMATION ON RELEVANT PARTIES

The Group is principally engaged in the manufacture of commercial vehicles (including trucks and buses), passenger vehicles (including basic passenger cars, MPVs and SUVs),

engines and other auto parts. The Group is also engaged in other automotive-related businesses including vehicle and vehicle manufacturing equipment import/export businesses and the manufacture of vehicle manufacturing equipment, finance businesses, insurance agency businesses and used car businesses.

DFL is a jointly-controlled entity owned by the Company and Nissan through NCIC as to 50% and 50% respectively, which is principally engaged in the development, design, manufacture, assembly, sales and after sales services of passenger vehicles, commercial vehicles, engine and auto parts, tools and equipments.

Nissan is principally engaged in the manufacture and sale of diesel engines, light- duty, medium-duty and heavy-duty diesel trucks, buses, bus chassis and special-purpose vehicles. NCIC is a wholly-owned subsidiary of Nissan.

DEFINITIONS

"Board"	the board of directors of the Company
"Capital Contribution Agreement"	the agreement on the increase of registered capital dated 16 October 2017 entered into between the Company, DFL, Nissan and NCIC
"Company"	Dongfeng Motor Group Company Limited* (東風汽車集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and the H shares of which are listed on the Stock Exchange
"DFL"	Dongfeng Motor Co., Ltd.
"Directors"	the directors of the Company
"DNAF"	Dongfeng Nissan Auto Finance Co., Ltd.
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on

	The Stock Exchange of Hong Kong Limited
"NCIC"	Nissan (China) Investment Co., Ltd.
"Nissan"	Nissan Motor Co., Ltd.
"PRC"	the People's Republic of China, but for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the Board of Directors
ZHU YANFENG
Chairman

Wuhan, the PRC, 16 October 2017

As at the date of this announcement, Mr. Zhu Yanfeng, Mr. Li Shaozhu and Mr. Liu Weidong are the 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 purposes only*