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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)

PROGRESS ANNOUNCEMENT FOR THE COMBINATION AMENDMENT TO COMBINATION AGREEMENT

Reference is made to the announcement of the Company dated 18 December 2019 (the "**First Announcement**") and the circular dated 17 June 2020 (the "**Circular**"), in relation to, amongst others, the undertaking in relation to combination of PSA and FCA and the PSA Share Repurchase Agreement which in aggregation constitutes a major and connected transaction.

On 14 September 2020 (French time), PSA and FCA entered into the Amendment to Combination Agreement (the "**Amendment**"), in relation to, among others, certain amendments to the Combination Agreement, including but not limited to FCA dividend, Faurecia distribution, ordinary dividend of PSA and FCA, and PSA and FCA have announced the joint press release the same day, announcing the amendments to the Combination Agreement (the "**Joint Press Release**")

Other than the amendments stated in this announcement, all other principal terms and conditions of the Combination Agreement as disclosed in the First Announcement and Circular remain unchanged.

INTRODUCTION

Reference is made to the announcement of the Company dated 18 December 2019 and the circular dated 17 June 2020, in relation to, amongst others, the undertaking in relation to combination of PSA and FCA and the PSA Share Repurchase Agreement which in aggregation constitutes a major and connected transaction. Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the Circular.

In order to support the capital structure and optimize the operations of the New Company following completion of the Combination while maintaining the careful balance reflected in the Combination and the relative benefits of the Combination to the shareholders in each of PSA and FCA, PSA and FCA have entered into the Amendment to Combination Agreement on 14 September 2020 (French time).

AMENDEMENTS

The principal terms of the Amendment are as follows:

I. Date

14 September 2020 (French time).

II. Parties

PSA; and

FCA

III. FCA Dividend and Faurecia distribution

As previously disclosed in the Circular, FCA will distribute to its shareholders a special dividend of €5.5 billion while PSA will distribute to its shareholders its 46% stake in Faurecia prior to the closing of the Combination. Pursuant to the Amendment, FCA intends to make a cash distribution of €2.90 billion payable to its shareholders prior to the closing of the Combination, and PSA and FCA intends that, promptly following the closing of the Combination, the New Company will distribute to its shareholders by dividend or other form of distribution all of the shares held by the New Company in Faurecia.

IV. Ordinary dividend of PSA and FCA

As previously disclosed in the Circular, each PSA and FCA intended to distribute a €1.1 billion ordinary dividend in 2020 related to fiscal year 2019, subject to approval by each of PSA's and FCA's board of directors and shareholders. Pursuant to the Amendment, PSA will review with its management board and supervisory board and FCA will review with its board of directors a potential distribution of €500 million to be paid by each of PSA and FCA to its shareholders, respectively, prior to the closing of the Combination, provided that such distribution shall be paid only if it is paid by both PSA and FCA, or, in the alternative, a potential cash distribution of €1.0 billion to be paid by the New Company following the closing of the Combination to shareholders of the New Company.

Other than the amendments stated in this announcement, all other principal terms and conditions of the Combination Agreement as disclosed in the First Announcement and Circular remain unchanged and that completion of the Combination is expected to take place by the end of the first quarter of 2021, subject to the previously agreed conditions to closing in the Combination Agreement.

REASONS FOR THE AMENDMENT

PSA and FCA have agreed on the Amendment in order to address the liquidity impact on the automotive industry of the COVID19 pandemic while preserving the economic value and fundamental balances of the Combination Agreement as disclosed in the Joint Press Release. The exchange ratio, being each issued and outstanding ordinary share, par value €1.00 per share of PSA, exchanged for 1.742 common shares, par value €0.01, of the New Company in the Combination, and the other material terms and conditions of the Combination remain unchanged as previously disclosed in the First Announcement and Circular.

In light of above, the Company considers that the Amendment does not constitute a material variation to the terms of the Combination Agreement and there's no material impact on the Company's interest in the Combination.

By order of the Board of Directors

ZHU YANFENG

Chairman

Wuhan, the PRC, 15 September 2020

As at the date of this announcement, Mr. Zhu Yanfeng, Mr. Li Shaozhu and Mr. You Zheng are the executive Directors of the Company, Mr. Cheng Daoran is the nonexecutive Director of the Company, and Mr. Ma Zhigeng, Mr. Chen Yunfei and Mr. Leung Wai Lap, Philip are the independent non-executive Directors of the Company.

** For identification purposes only*