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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)

**DISCLOSEABLE TRANSACTION
ENTERING INTO THE AGREEMENT RELATING
TO THE SALE OF TARGET SHARES**

References are made to the circular and supplemental circulars dated 18 June 2020, 18 September 2020 and 29 January 2021 of the Company (collectively the “**Relevant Circulars**”) and the announcements dated 25 September 2020, 28 September 2020, 30 September 2020 and 5 January 2021 of the Company (collectively the “**Announcements**”), in relation to the Share Repurchase Agreement signed between the Company and PSA on 17 December 2019 and amended and restated on 25 September 2020, pursuant to which the Company committed to dispose 20.7 million shares of PSA by 31 December 2022, translating into 36.1 million ordinary shares of Stella after having applied the exchange ratio of the merger with FCA.

The Board hereby announces that on 7 September 2021, DMHK (a wholly-owned subsidiary of the Company) and BNP entered into the Agreement, pursuant to which BNP agrees to use its reasonable endeavours to procure purchasers for up to 36,060,000 ordinary shares of Stella with a total consideration of €600,399,000.

The Company has completed the placement of 36,060,000 Stella ordinary shares, representing 1.15% of Stella’s share capital and €600,399,000, through a placement to eligible qualified and international institutional investors by way of an accelerated bookbuild offering (the “**Placement**”). The sale price of the Placement determined in the accelerated bookbuild offering to institutional investors was set at €16.65 per share, with settlement expected to occur on or around 13 September 2021.

The Company retains a stake of 4.5% of Stella’s share capital following completion of the Placement. The Company has agreed to a 90-day Lock-up Period for its remaining shares in Stella, subject to waiver from the sole global coordinator and certain other customary exceptions, including transfer of shares to a subsidiary and tender into any public tender offer for all or part of the remaining shares.

As one or more of the applicable ratios (as defined in the Listing Rules) of the transaction under the Agreement exceeds 5% and is less than 25%, the transaction under the Agreement constitutes a discloseable transaction of the Company pursuant to the requirements under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules, while exempted from the shareholders’ approval requirement.

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MAIN TERMS OF THE AGREEMENT

Main terms of the Agreement are set out as follow:

1. Parties

DMHK, as seller; and

BNP, as manager

To the best of the knowledge, information and belief of directors of the Company having made all reasonable enquiries, the BNP and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

2. Date of Agreement

7 September 2021

3. Purchase and Sale

DMHK appoints BNP as the sole global coordinator to act as its agent for the purposes of effecting the sale of Target Shares on the terms and subject to the conditions set out in the Agreement and BNP accepts such appointment.

BNP agrees to use its reasonable endeavours to procure purchasers for the Target Shares at a price per Share (the “**Purchase Price**”) to be determined pursuant to an accelerated bookbuilding process. The number of shares to be sold (the “**Sale Shares**”) and the Purchase Price will be subject to agreement by the parties following completion of the bookbuilding process.

The sale of 36,060,000 ordinary shares in Stella with a total consideration of €600,399,000 were agreed between BNP and purchasers following completion of the bookbuilding process. The consideration for the sale of Target Shares is based on the closing price of the stock market on the date of the Agreement and is determined in accordance with an agreed discount.

4. Closing

The closing date shall be the date set out in the agreement between BNP and purchasers following completion of the bookbuilding process (the “**Closing Date**”).

On the Closing Date or at such other time and/or date as DMHK and BNP agree, DMHK shall procure that the Sale Shares are credited through the facilities and in accordance with the procedures of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. to an account or accounts designated by BNP.

Against delivery of the Sale Shares, BNP shall pay or procure there to be paid an amount (“**Settlement Amount**”) equal to the number of Sale Shares multiplied by the Purchase Price in euro, in same-day funds to an account or accounts designated by DMHK from which all commissions, fees and expenses payable by DMHK pursuant to the Agreement will be deducted.

Notwithstanding any contrary provision hereunder, if any purchaser procured for the Sale Shares fails to pay its portion of the Settlement Amount on the Closing Date (“**Outstanding Amount**”), BNP shall immediately pay the Outstanding Amount to DMHK on the Closing Date in accordance with the foregoing provisions of this paragraph (in which case the relevant portion of the Sale Shares corresponding to the Outstanding Amount shall be deemed to be purchased by BNP as principal), such that DMHK shall always receive the full amount of the Settlement Amount on the Closing Date (subject only to the deduction of the commissions, fees and expenses payable by the Seller pursuant to the Agreement).

5. Lock-Up

None of DMHK, nor any person controlled by or controlling or under common control with DMHK, nor any person acting on its or their behalf, will, without the prior written consent of BNP, directly or indirectly offer, sell, contract to sell, pledge, grant any option over or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by DMHK or any person controlled by or controlling or under common control with DMHK, or any person in privity with DMHK or any person controlled by or controlling or under common control with DMHK), directly or indirectly, any equity securities of Stella or any securities convertible into, or exercisable, or exchangeable for, equity securities of Stella, or publicly announce an intention to effect any such transaction, for a period beginning on the date of the Agreement and ending on the date which is 90 days after the Closing Date (such 90-day period, the “**Lock-up Period**”).

6. Indemnity

The Seller agrees to indemnify and hold harmless BNP and its affiliates, and their respective directors, officers, agents and employees and each other person, if any, controlling each BNP or any of its affiliates (each a “**Relevant Person**”) from and against any and all losses, claims, damages, liabilities or expenses which any Relevant Person may suffer or incur or, in each case, actions in respect thereof, related to or arising out of (i) any breach or alleged breach of the representations and warranties of DMHK contained in the Agreement, (ii) any failure or alleged failure of DMHK to perform its obligations under the Agreement or (iii) any Relevant Person’s role in connection herewith (including, in each case, actions arising out of the sale contemplated by the Agreement but excluding, in the case of (iii) only, any losses, claims, damages, liabilities or expenses finally judicially determined by a court of competent jurisdiction to have resulted from (and then only to the extent of) such Relevant Person’s gross negligence, wilful default or fraud), and DMHK will reimburse any Relevant Person for all properly incurred expenses (including legal fees and any irrecoverable VAT on any incurred expenses) as they are incurred by such Relevant Person in connection with investigating, preparing or defending any such action or claim, whether or not in connection with a pending or threatened litigation in which such Relevant Person is a party.

REASONS FOR AND BENEFITS OF THE TRANSACTION

References are made to the Announcements and the Relevant Circulars of the Company, in relation to amendment to and progress of PSA Share Repurchase Agreement. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Announcements and Relevant Circulars. According to the revised PSA Share Repurchase Agreement, the Company is required to sell all the Unsold Repurchase Shares it holds as at the Sale Long Stop Date, on or before December 31, 2022, to one or several third parties, in one or several transactions. The sale of Target Shares is based on the aforementioned PSA Share Repurchase Agreement.

As the sale of Target Shares are recognized through other equity instruments, the sale will not have an impact on the Company's income statement.

The proceeds from the sale are intended to be used to support the development of the Company's principal business.

The directors of the Company are of the view that the terms of the Agreement are entered into on normal commercial terms in the ordinary course of business of the Company, which are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios (as defined in the Listing Rules) of the transaction under the Agreement exceeds 5% and is less than 25%, the transaction under the Agreement constitutes a discloseable transaction of the Company pursuant to the requirements under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules, while exempted from the shareholders' approval requirement.

GENERAL INFORMATION

Information on the Company

The Company is principally engaged in the manufacturing businesses of commercial vehicles (includes passenger vehicles and trucks), passenger cars (including basics, MPVs, SUVs), engines and other automotive parts. In addition, the Company is also engaged in other vehicle related businesses, including exports and imports of vehicles and equipment businesses and vehicle equipment manufacturing, financing businesses, insurance agency and used car trading businesses. The ultimate beneficial owner of the Company is the State-owned Assets Supervision and Administration Commission of the State Council.

Information on BNP

BNP, a public limited company (société anonyme) incorporated in the Republic of France, the issued shares of which are listed on Euronext Paris, which mainly engages in financing, investment, savings and protection solutions.

Information on Stella

References are made to the circular and supplemental circulars of the Company dated 18 June 2020, 18 September 2020 and 29 January 2021, in relation to the merger of PSA and FCA as well as amendment to PSA share repurchase agreement. On 16 January 2021, PSA and FCA merged into Stella. On the merger date, the Group held 100,622,220 shares of PSA, with a shareholding ratio of 11.24%, and converted to holding 175,283,907 shares of Stella, with a shareholding ratio of 5.62%. Stella is a Dutch-domiciled multinational automotive manufacturing corporation which offer a full spectrum of choice from luxury, premium and mainstream passenger vehicles to pickup trucks, SUVs and light commercial vehicles, as well as dedicated mobility, financial, and parts and service brands. Stella is listed on Milan's Borsa Italiana, on Euronext Paris and on the New York Stock Exchange.

The total assets of Stella as at 30 June 2021 is €158,542 million as set out in its published 2021 interim report. As the merger between PSA and FCA was completed on 16 January 2021, which lead to creation of Stella, the net profits for the two financial years immediately preceding the transaction are not applicable for Stella. The profit before and after taxation of PSA for the year ended 31 December 2020 is €2,737 million and €2,022 million respectively as set out in its 2020 annual report. The profit before and after taxation of FCA for the year ended 31 December 2020 is €1,356 million and €24 million respectively as set out in its 2020 annual report. For other financial information of PSA and FCA, please refer to the Relevant Circulars.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Agreement”	the secondary block trade agreement relating to the sale of shares in Stellantis N.V. entered into between the Company and BNP on 7 September 2021 in relation to the sale of Target Shares
“BNP”	BNP Paribas, a public limited company (société anonyme) incorporated in the Republic of France, the issued shares of which are listed on Euronext Paris
“Board”	the board of directors of the Company
“Company”	Dongfeng Motor Group Company Limited* (東風汽車集團股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Stock Exchange
“DMHK”	Dongfeng Motor (Hong Kong) International Co., Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“FCA”	FIAT CHRYSLER AUTOMOBILES N.V., a Dutch public limited liability company, listed on the New York Stock Exchange and the MTA managed by the Italian Stock Exchange. On January 16, 2021, the merger between PSA and FCA has been completed, which lead to the creation of Stella
“Group”	the Company and its subsidiaries

“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China
“PSA”	PEUGEOT S.A., a French société anonyme, listed on Euronext. On January 16, 2021, the merger between PSA and FCA has been completed, which lead to the creation of Stella
“Relevant Circulars”	the circular and supplemental circulars of the Company dated 18 June 2020, 18 September 2020 and 29 January 2021, in relation to the merger of PSA and FCA as well as amendment to PSA share repurchase agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Stella”	Stellantis N.V., a public limited liability company incorporated under the laws of, and is domiciled in the Netherlands which listed on Milan’s Borsa Italiana, Euronext Paris and the New York Stock Exchange

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Shares”	36,060,000 ordinary shares in Stella held by the Company to be sold under the Agreement
“€”	the lawful currency of the member states of the European Union
“%”	Per cent

By order of the Board of Directors
ZHU YANFENG
Chairman

Wuhan, the PRC, 7 September 2021

As at the date of this announcement, Mr. Zhu Yanfeng, Mr. Yang Qing and Mr. You Zheng are the executive directors of the Company, Mr. Huang Wei is the non-executive director of the Company, and Mr. Zong Qingsheng, Mr. Leung Wai Lap, Philip and Mr. Hu Yiguang are the independent non-executive directors of the Company.

* *For identification purposes only*