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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
2021 SPECIAL DIVIDEND AND PROFIT APPROPRIATION
FOR INVESTORS IN SOUTHBOUND TRADING
IN RESPECT OF THE DISTRIBUTION OF
2021 SPECIAL DIVIDEND**

Reference is made to the announcement of voting result of the Extraordinary General Meeting (“EGM”) published by Dongfeng Motor Group Company Limited (the “**Company**”) on 15 September 2021. Board of directors (the “**Board**”) declared a special dividend of RMB0.40 per share (equivalent to HKD0.4818 per share) for the year 2021 (the “**2021 Special Dividend**”). The 2021 Special Dividend will be distributed on Monday, 25 October 2021 to shareholders whose names appear on the register of members of the Company on Sunday, 26 September 2021. The relevant exchange rate will be the average middle rate of Renminbi to Hong Kong dollars (RMB0.8302 equivalent to HKD1.00) as announced by the People’s Bank of China for a week prior to the EGM date of the Company.

**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 2021 SPECIAL 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 non-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Guo Shui Fa [1993] No.45 has been repealed”(Guo Shui Han [2011] No.348) (《關於國稅發[1993]45號文件廢止後有關個人所得稅征管問題的通知》(國稅函[2011]348號)), other relevant laws and regulations and the relevant rules promulgated by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 determined 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 Monday, 20 September 2021 (“**the Last Share Registration Date**”).

The registered address for all the Individual H Shareholders recorded in the register of holders of H shares of the Company on the Last Share Registration 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 RMB0.40 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 RMB0.04 per share (equivalent to HKD0.04818 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 Thursday, 30 September 2021. 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 and Shenzhen 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 and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the 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)) and “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127) (《關於深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[2016]127號)) and for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong and Shenzhen-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 and Shenzhen 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 Last Share Registration 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, 16 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, the non-executive director is Mr. Huang Wei, and Mr. Zong Qingsheng, Mr. Leung Wai Lap, Philip and Mr. Hu Yiguang are the independent non-executive directors of the Company.

* *For identification only*