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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 AND CONNECTED TRANSACTION
DISPOSAL OF EQUITY INTEREST IN STELLANTIS N.V.

THE DISPOSAL

On 21 November 2023, DMHK delivered an Offer Notice to Stellantis pursuant to the Heads of Agreement, indicating its intent to sell 50,000,000 Stellantis Shares at the purchase price of €18.6824 per Stellantis Shares.

On 23 November 2023 (Beijing Time), DMHK and Stellantis entered into the Share Repurchase Confirmation, pursuant to which Stellantis agreed to purchase all of the Offer Shares at the Offer Price.

LISTING RULES IMPLICATIONS

As the highest percentage ratio applicable to the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Dongfeng Peugeot Citroën Automobile Company Ltd is a non wholly-owned subsidiary of the Company, the equity interest of which is held by each of the Company and Stellantis as to 50%. Accordingly, Stellantis is a substantial shareholder of Dongfeng Peugeot Citroën Automobile Company Ltd and a connected person of the Company at the subsidiary level.

As a result, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (i) Stellantis is a connected person at the subsidiary level; (ii) the Board has approved the Disposal; and (iii) the independent non-executive Directors have confirmed that the Disposal is on normal commercial terms or better that are fair and reasonable, and that the Disposal is in the ordinary and usual course of business of the Company, and in the best interests of the Company and its Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

Reference is made to the announcement of the Company dated 17 July 2022 in relation to the entering into of the Heads of Agreement between DMHK and Stellantis, pursuant to which the parties agreed that, *inter alia*, in the event that DMHK proposes to dispose of all or a portion of Stellantis Shares held by it, DMHK may choose to offer the Stellantis Shares to Stellantis or to dispose of the Stellantis Shares by way of an accelerated bookbuild offering, to be determined at the discretion of DMHK.

On 21 November 2023, DMHK delivered an Offer Notice to Stellantis pursuant to the Heads of Agreement, indicating its intent to sell 50,000,000 Stellantis Shares at the purchase price of €18.6824 per Stellantis Shares.

On 23 November 2023, DMHK and Stellantis entered into the Share Repurchase Confirmation, pursuant to which Stellantis agreed to purchase all of the Offer Shares at the Offer Price.

2. SUMMARY TERMS OF THE OFFER NOTICE AND SHARE REPURCHASE CONFIRMATION

Subject Matter DMHK agreed to sell, and Stellantis agreed to purchase, the Offer Shares at the Offer Price.

Consideration €934.12 million, which was calculated by multiplying the number of Offer Shares by the Offer Price of €18.6824 per Offer Share. The Offer Price is equal to the average closing trading price per share in Stellantis as quoted on Euronext Milan for the last five (5) trading days immediately prior to the date on which DMHK delivered the Offer Notice to Stellantis.

Terms and Conditions

The Heads of Agreement together with the Offer Notice and Share Repurchase Confirmation set forth the terms and conditions that will apply to the purchase and sale of the Offer Shares. In particular, the Share Repurchase Confirmation provides that any warranties shall be limited to the due organisation of each party, due authorisation to consummate the purchase and sale of the Offer Shares, absence of inside information and insider trading, valid title in the Offer Shares and absence of any security interest or other encumbrance on the Offer Shares.

The Offer Shares shall be sold and transferred to Stellantis free and clear of any security interest or other encumbrance, with all rights (including the right to dividends) and obligations attaching thereto, as from the Settlement Date.

3. FINANCIAL EFFECT OF THE DISPOSAL

The Group's investment in Stellantis is accounted for as an "investment in other equity instruments", and the Offer Shares to be disposed of will be transferred from the accruals recognized under "other comprehensive income" to "undistributed profit", which will not affect the current profit and loss of the Group.

It is expected that the sale of the Offer Shares of 50,000,000 Stellantis Shares at the Offer Price of €18.6824 will bring €934.12 million cash inflow for the Group.

4. INFORMATION ON STELLANTIS

Stellantis 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. Stellantis is listed on Milan's Borsa Italiana, on Euronext Paris and on the New York Stock Exchange. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the largest shareholder of Stellantis is Exor N.V. which is controlled by the Agnelli family.

As at the date of this announcement, DMHK holds 99,223,907 Stellantis Shares, representing approximately 3.16% of the issued share capital of Stellantis. After completion of the Disposal, DMHK will hold 49,223,907 Stellantis Shares, representing approximately 1.58% of Stellantis' share capital post-cancellation.

Pursuant to the latest audited financial statements of Stellantis, the book value of the net assets of Stellantis as at 31 December 2022 was €72.382 billion.

Set out below are the audited net profits of Stellantis (before and after taxation) for the two financial years preceding the Disposal:

	For the year ended 31 December 2022	For the year ended 31 December 2021
Net profit before taxation (total net profits) (<i>billion €</i>)	19.244	14.392
Net profit after taxation (net profits attributable to owners of the parent and non-controlling interests) (<i>billion €</i>)	16.779	13.218

5. INFORMATION RELATING TO THE COMPANY AND DMHK

The Company is principally engaged in the manufacturing businesses of commercial vehicles (includes buses and trucks), passenger cars (including basics, MPVs and 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. As at the date of this announcement, the ultimate beneficial owner of the Company is the State-owned Assets Supervision and Administration Commission of the State Council.

DMHK is a wholly-owned subsidiary of the Company established for the purpose of the investment and financing of the Company's overseas projects and transactions.

6. REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The Disposal would allow the Company to realise a significant capital gain through monetising its shares in Stellantis at a price without discount to the market price and without any limitation potentially caused by the liquidity level of such shares.

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

Taking into account the factors mentioned above, the Directors (including the independent non-executive Directors) consider that the Disposal is on normal commercial terms or better that are fair and reasonable, and that the Disposal is in the ordinary and usual course of business of the Company, and in the best interests of the Company and its Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As the highest percentage ratio applicable to the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Dongfeng Peugeot Citroën Automobile Company Ltd is a non wholly-owned subsidiary of the Company, the equity interest of which is held by each of the Company and Stellantis as to 50%. Accordingly, Stellantis is a substantial shareholder of Dongfeng Peugeot Citroën Automobile Company Ltd and a connected person of the Company at the subsidiary level.

As a result, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (i) Stellantis is a connected person at the subsidiary level; (ii) the Board has approved the Disposal; and (iii) the independent non-executive Directors have confirmed that the Disposal is on normal commercial terms or better that are fair and reasonable, and that the Disposal is in the ordinary and usual course of business of the Company, and in the best interests of the Company and its Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors of the Company has any material interests in the Disposal, none of the Directors are required to abstain from voting on the relevant Board resolution.

8. DEFINITIONS

“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 limited company incorporated in the PRC with limited liability and the H shares of which are listed on the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Director”	the director(s) of the Company
“Disposal”	the disposal of the Offer Shares by DMHK to Stellantis pursuant to the Heads of Agreement, the Offer Notice and the Share Repurchase Confirmation
“DMHK”	Dongfeng Motor (Hong Kong) International Co. Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Heads of Agreement”	the heads of agreement dated 15 July 2022 entered into between the Company and DMHK
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Notice”	the written notice delivered by DMHK to Stellantis on 21 November 2023 indicating its intent to sell the Offer Shares
“Offer Price”	€18.6824 per Offer Share
“Offer Shares”	50,000,000 Stellantis Shares
“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, Macau and Taiwan
“Share Repurchase Confirmation”	the share repurchase confirmation entered into between DMHK and Stellantis on 23 November 2023 setting out the terms and conditions of the Disposal
“Shareholders”	shareholders of the Company

“Stellantis”	Stellantis N.V., a public limited liability company incorporated under the laws of, and is domiciled in the Netherlands and listed on Milan’s Borsa Italiana, Euronext Paris and the New York Stock Exchange
“Stellantis Shares”	shares of Stellantis
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“€”	the lawful currency of the member states of the European Union
“%”	per cent

By order of the board of directors
Yang Qing
Chairman

Wuhan, the PRC, 23 November 2023

As at the date of this announcement, Mr. Yang Qing and Mr. You Zheng are the executive directors of the Company, 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*