INSIDE INFORMATION
INTENDED RESTRUCTURING OF DONGFENG RENAULT

This announcement is published by the Board of Directors of DONGFENG MOTOR GROUP COMPANY LIMITED (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Dongfeng Renault Automobile Co., Ltd. (hereinafter referred to as “Dongfeng Renault”) was established in 2013 by the joint capital of RENAULT S.A. of France (hereinafter referred to as “Renault”) and the Company, each holding 50% of the shares. Given the downturn in the domestic market and Dongfeng Renault’s operation, shareholders intend to restructure Dongfeng Renault. After amicable negotiation, Renault and the Company entered into a non-binding memorandum and reached preliminary understanding, of which Renault intends to transfer its 50% equity interest in Dongfeng Renault to the Company. Dongfeng Renault will cease to engage in business activities related to the Renault brand. The Company intends to implement business transformation and upgrading with Dongfeng Renault. According to its overall strategic plan, the Company is committed to achieve high-quality development and innovation in technologies and business model.

The above plan is subject to formalization and is subject to the Company’s relevant internal and external approval requirements, if applicable. Upon the formalization of the relevant transaction plans, the Company will comply with its compliance obligations in accordance with the relevant requirements of the Hong Kong Listing Rules, if applicable.
The Company was informed that Renault plans to continue to provide high quality service for its 300,000 customers through Renault dealers and alliance synergies.

The Company and Renault decided also to reinforce cooperation together with Nissan, like shown by successful eGT New Energy Automotive Co., Ltd case for electric vehicle. Furthermore, Dongfeng and Renault will continue cooperation together with Nissan on new generation engines, continually giving diesel license to Dongfeng Motor Co., Ltd (a joint venture between the Company and Nissan Motor Co., Ltd). In the future, the Company and Renault plan to engage in innovative cooperation in the field of intelligent networked vehicles.

Under the proportionate consolidation approach, the assets, revenue and pre-tax profit of Dongfeng Renault accounted for 1.5%, 1.8% and 0.7% of the Group’s total assets, revenue and pre-tax profit for the financial year ended 31 December 2017. The assets, revenue and pre-tax profit of Dongfeng Renault accounted for 1.3%, 1.4% and 0.02% of the Group’s total assets, revenue and pre-tax profit for the financial year ended 31 December 2018, and the assets and revenue of Dongfeng Renault accounted for 1.0% and 0.5% of the Group’s total assets and revenue for the financial year ended 31 December 2019, and the pre-tax profit of Dongfeng Renault for 2019 is negative.

In view of the limited financial contribution of Dongfeng Renault to the Group, the Company is of the view that the aforementioned restructuring will not have a material impact on the business operation or financial position of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board of Directors

Zhu Yanfeng
Chairman

Wuhan, the PRC, 14 April 2020

As at the date of this announcement, Mr. Zhu Yanfeng, Mr. Li Shaozhu and Mr. Youzheng are the executive directors of the Company, Mr. Cheng Daoran is the non-executive director of the Company, and Mr. Ma Zhigeng, Mr. Zhang Xiaotie and Mr. Chen Yunfei are the independent non-executive directors of the Company.

* For identification purposes only