

I. FURTHER INFORMATION ABOUT THE COMPANY**1. The Company**

- (a) The Company was registered in the PRC as a limited liability company on 18th May, 2001 by Dongfeng Motor Corporation and China Huarong Asset Management Corporation (中國華融資產管理公司), China Cinda Asset Management Corporation (中國信達資產管理公司), China Orient Asset Management Corporation (中國東方資產管理公司), China Development Bank (國家開發銀行) and China Great Wall Asset Management Corporation (中國長城資產管理公司) as the shareholders in accordance with the provisions set out in the Company Law under the name of Dongfeng Motor Co., Ltd (東風汽車有限公司) based on a debt-to-equity conversion agreement entered into by Dongfeng Motor Corporation and these financial institutions in May 2000 and its supplements. The Company obtained a Business License (Registration No. 4203001002688) issued by Shiyang Municipal Administration of Industry and Commerce on the same day.
- (b) On 29th October, 2002 and in preparation for the formation of Dongfeng Motor Co., Ltd (東風汽車有限公司), the Company's joint venture with Nissan Motor Co., Ltd, the shareholders' meeting of the Company approved that the Company's name be changed from Dongfeng Motor Co., Ltd (東風汽車有限公司) to Dongfeng Automotive Industry Investment Co., Ltd (東風汽車工業投資有限公司). To reflect this name change, the Company obtained a new Business Licence issued by Shiyang Municipal Administration of Industry and Commerce on 26th March, 2003.
- (c) After a change of its registered address, the Company obtained an updated Business Licence (Registration No. 4201141160252) issued by Wuhan Municipal Administration of Industry and Commerce on 26th September, 2003.
- (d) On 11th August, 2004, the Company entered into a share repurchase agreement, under which the Company bought back all of the equity interests held by China Huarong Asset Management Corporation (中國華融資產管理公司), China Cinda Asset Management Corporation (中國信達資產管理公司), China Orient Asset Management Corporation (中國東方資產管理公司), China Development Bank (國家開發銀行) and China Great Wall Asset Management Corporation (中國長城資產管理公司), totalling 42.86% of the Company's then registered capital. As a result of such share repurchase and assets transfer, registered capital of the Company was reduced to RMB3,102,470,000 from RMB10,763,100,000 and the form of the Company was changed into a state wholly-owned limited liability company.
- (e) In preparation of the Global Offering and with the approval issued by SASAC on 8th October, 2004 and re-registration with SAIC on 12th October, 2004, the Company further transformed into a joint stock limited company.
- (f) With the approval issued by SASAC on 19th October, 2004, the Company was further converted into an "overseas subscription company".
- (g) The Company has established a principal place of business in Hong Kong at 28/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and has registered with the Hong Kong Companies Registry as an oversea company in Hong Kong under Part XI of the Companies Ordinance on 2nd September, 2005. Susan Lo Yee Har and Wendy Kam Mei Ha, both of 28/F, Bank of East Asia Harbour View Centre, 56

Gloucester Road, Wanchai, Hong Kong have been authorised to accept on behalf of the Company service of process and any notices in Hong Kong.

2. *Changes in the registered capital of the Company*

- (a) At the time of its establishment, the Company's registered capital was RMB10,763,100,000, all of which were credited as fully paid up and held as follows:

<u>Shareholders</u>	<u>Amount of equity contribution</u>	<u>Percentage of shareholding</u>
Dongfeng Motor Corporation	RMB 6,149,610,000	57.14%
China Huarong Asset Management Corporation	RMB 2,165,550,000	20.12%
China Cinda Asset Management Corporation	RMB 989,650,000	9.19%
China Orient Asset Management Corporation	RMB 828,000,000	7.69%
China Development Bank	RMB 550,000,000	5.11%
China Great Wall Asset Management Corporation	RMB 80,300,000	0.75%
	<u>RMB10,763,110,000</u>	<u>100%</u>

- (b) After the execution of the share repurchase agreement and assets transfer, on 6th September, 2004, the Company was formally reorganised as a state wholly-owned limited liability company and the registered capital of the Company was reduced to RMB3,102,470,000 and the shareholding structure has been changed as follows:

<u>Shareholder</u>	<u>Amount of equity contribution</u>	<u>Percentage of shareholding</u>
Dongfeng Motor Corporation	RMB3,102,470,000	100%

- (c) In preparation of the Global Offering, the Company has further transformed into a joint stock limited company and further converted into an "overseas subscription company." The Company's registered capital was changed to RMB6,020,000,000 (in accordance with its net asset value) divided into 6,020,000,000 Domestic Shares of nominal value of RMB1.00 each, all of which were credited as fully paid up and held as follows:

<u>Promoter</u>	<u>Number of Domestic Shares of nominal value of RMB1.00 each in the registered capital of the Company</u>	<u>Percentage of shareholding</u>
Dongfeng Motor Corporation	6,020,000,000	100%

- (d) Save as aforesaid, there has been no alteration in the registered capital of the Company since the date of its establishment.

3. Resolutions of the Company's shareholders passed on 29th October, 2005

Extraordinary general meetings of the Company were held on 29th October, 2005 at which the following resolutions of the shareholders, among other resolutions, were passed:

- (a) the Articles of Association were adopted;
- (b) the Global Offering of the H Shares (including the additional H Shares which might be issued if the Over-allotment Option is exercised in full) and their listing on the main board of the Stock Exchange were approved;
- (c) conditional upon (i) the Listing Committee of the Stock Exchange approving the listing of, and granting permission to deal in, the H Shares and (ii) the Underwriting Agreements being entered into, the Global Offering of up to 2,483,250,000 H Shares with a nominal value of RMB1.00 each (assuming no exercise of the Over-allotment Option) was approved;
- (d) the Over-allotment Option (of up to 372,487,500 additional H Shares, representing no more than 15% of the initial Offer Shares) was approved;
- (e) the Company was authorized to increase its registered capital from RMB6,020,000,000 to no more than RMB8,700,000,000 (assuming full exercise of the Over-allotment Option), in accordance with terms of the relevant Underwriting Agreements and the approvals of the relevant PRC regulatory authorities and the Stock Exchange;
- (f) the foregoing resolutions set out in paragraphs (c) to (e) above would be effective for a period of one year commencing from 29th October, 2005;
- (g) the Directors were authorized to deal with all matters relating to the Global Offering;
- (h) the Directors were given the responsibility of dealing with all matters relating to the implementation of the above shareholder resolutions relating to the Global Offering; and
- (i) the Directors were authorized to deal with all matters relating to approval procedures relating to the sale of the State-owned Shares by the Selling Shareholder.

4. Corporate Reorganisation

In preparation for the Global Offering, the Group underwent with the Reorganisation. The Reorganisation involved, inter alia, the following:

- (a) on 27th February, 2004, application was made to SASAC for the reorganisation of the Company which was approved by SASAC on 20th July, 2004;
- (b) on 11th August, 2004, the Company entered into a share repurchase agreement, under which the Company bought back all of the equity interests held by China Huarong Asset Management Corporation (中國華融資產管理公司), China Cinda Asset Management Corporation (中國信達資產管理公司), China Orient Asset Management Corporation (中國東方資產管理公司), China Development Bank (國家開發銀行) and China Great Wall Asset Management Corporation (中國長城資產管理公司), totalling 42.86% of the Company's then registered capital, at a consideration of RMB4,613.5 million, to be fully paid in three installments by 31st May, 2005;
- (c) on 26th August, 2004, the Company entered into an asset transfer agreement pursuant to which it transferred assets in relation to certain auxiliary businesses, social benefits and insolvent companies to Dongfeng Motor Corporation;

- (d) on 26th August, 2004, an approval (企業名稱變更核准通知書) was issued by SAIC for the change of name from 東風汽車工業投資有限公司 (Dongfeng Automotive Industry Investment Co., Ltd) to 東風汽車集團股份有限公司 (Dongfeng Motor Group Company Limited);
- (e) on 6th September, 2004, a new business licence was granted by the Wuhan Administration for Industry and Commercial Bureau (武漢市工商行政管理局) to the Company, the Company was formally reorganised as a state-wholly owned limited liability company and the registered capital of the Company was reduced to RMB3,102,470,000 from RMB10,763,100,000;
- (f) on 8th October, 2004, the SASAC approved the establishment of the Company as a joint stock limited company (Guo Zi Gai Ge 2004 No. 925);
- (g) on 14th October, 2004, the Company was authorised by resolutions of the shareholders of the Company to increase its registered capital from RMB6,020,000,000 up to RMB8,616,125,000;
- (h) on 19th October, 2004, the SASAC approved the conversion of the Company into an “overseas subscription company”;
- (i) on 22nd November, 2004, CSRC approved the issue and listing of the H Shares;

II. SUBSIDIARIES

The Company’s subsidiaries (as defined under the Listing Rules) are set out in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus.

III. OTHER JOINT VENTURE ARRANGEMENTS

Apart from those companies set out in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus and the companies mentioned in paragraph II above, the Group is not interested in any other joint venture companies.

IV. FURTHER INFORMATION ABOUT THE DIRECTORS, SUPERVISORS, STAFF AND MANAGEMENT, AND SUBSTANTIAL SHAREHOLDERS

1. *Particulars of service contracts*

Each of the Directors has entered into a service contract with the Company on 29th October, 2005 for a term of three years and thereafter subject to termination by either party giving not less than three months’ written notice to the other party. These contracts are identical in all material aspects. Each of the executive Directors and Supervisors is entitled to reimbursement for all necessary and reasonable expenses properly incurred in the course of employment.

Details of the Directors' and Supervisors' remuneration during the Relevant periods are as follows:

	Directors					Supervisors				
	For the year ended 31 st December,			For the six- month period ended 30 th June,		For the year ended 31 st December,			For the six- month period ended 30 th June,	
	2002	2003	2004	2004	2005	2002	2003	2004	2004	2005
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Fees	—	—	—	—	—	—	—	—	—	—
Other emoluments:										
— Salaries, allowances and benefits in kinds	563	542	689	209	1,059	267	255	457	98	593
— Bonus	1,722	1,356	2,160	—	—	666	359	920	—	—
— Pension costs	34	43	42	15	47	15	18	27	8	29
Total	<u>2,319</u>	<u>1,941</u>	<u>2,891</u>	<u>224</u>	<u>1,106</u>	<u>948</u>	<u>632</u>	<u>1,404</u>	<u>106</u>	<u>622</u>

No Independent Non-executive Directors received any remuneration during the year ended 31st December, 2002, 2003, 2004 and six month period ended 30th June, 2005.

Save as disclosed above, no other payments have been paid or are payable, in respect of the three years ended 31st December, 2004 and six months ended 30th June, 2005, by the Company or any of its subsidiaries to the Directors and Supervisors.

Under the arrangements currently in force, the aggregate remuneration of the Directors and Supervisors payable for the year ending 31st December, 2005 is estimated to be approximately RMB4,888,000 and RMB2,041,853 respectively, which excludes the discretionary bonus.

2. Disclosure of Directors' and Supervisors' interests in the shares in issue of the Company

Immediately following the completion of the Global Offering, and assuming the Over-allotment Option is not exercised, none of the Directors and Supervisors have any beneficial interests or short positions in any Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which once the H Shares are listed, (a) will have to be disclosed pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions in which they are taken or deemed to have taken under the SFO), or (b) will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein once the H Shares are listed, or (c) will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

3. Substantial shareholders

Information on the substantial shareholders of the Company is set out in the section of this prospectus headed "Substantial Shareholders".

4. *Connected transactions and related transactions*

Details of the related party transactions are set out in the section of this prospectus headed “Business — Connected Transactions” and in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus.

5. *Disclaimers*

Save as disclosed in this prospectus:

- (a) The Directors confirm that none of the Directors or chief executive or Supervisors of the Company has any interest or short positions in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be disclosed pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions in which they are taken or deemed to have taken under the SFO) once the H Shares are listed, or will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein once the H Shares are listed, or will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange once the H Shares are listed;
- (b) none of the Directors nor Supervisors nor any parties listed in paragraph VI.6 headed “Qualification of parties” in this Appendix directly or indirectly is interested in the promotion of the Company or in any assets which have, within the 2 years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to the Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries;
- (c) none of the Directors nor Supervisors nor any parties listed in paragraph VI.6 headed “Qualification of parties” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Company or its subsidiaries;
- (d) save in connection with the Hong Kong Underwriting Agreement and the International Purchase Agreement, none of the parties listed in paragraph VI.6 headed “Qualification of parties” in this Appendix:
 - (i) is interested legally or beneficially in any shares in the Company or its subsidiaries;
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or its subsidiaries;
- (e) none of the Directors nor Supervisors has entered or is proposed to enter into a service contract with the Company or its subsidiaries (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation);
- (f) no cash, securities or benefit has been paid, allotted or given within the two years preceding the date of this prospectus to the Promoters in connection with the Global Offering nor is any such cash, securities or benefit intended to be paid, allotted or given; and

- (g) none of the Directors nor their Associates nor any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's Shares in issue) has any interest in any of the five largest contractors and five largest customers of the Company or its subsidiaries.

V. FURTHER INFORMATION ABOUT THE BUSINESS

1. *Summary of material contracts*

The following contracts (not being in the ordinary course of business) have been entered into by any member of the Group within two years immediately preceding the date of this prospectus and are or may be material:

- 1) an equity transfer agreement dated 22nd December, 2003 pursuant to which Dongfeng Automotive Industry Investment Co., Ltd agreed to transfer its 70% equity interest in Dongfeng Automobile Co., Ltd to Dongfeng Motor Co., Ltd;
- 2) a share repurchase agreement dated 12th June, 2004 pursuant to which Dongfeng Automotive Industry Investment Co., Ltd bought back all of the equity interests held by China Huarong Asset Management Corporation, China Cinda Asset Management Corporation, China Orient Asset Management Corporation, China Development Bank and China Great Wall Asset Management Corporation in Dongfeng Automotive Industry Investment Co., Ltd for a consideration of RMB4,613.5 million;
- 3) an equity transfer agreement dated 24th June, 2004 pursuant to which Dongfeng Motor Corporation agreed to transfer its 10% equity interest in Honda Motor (China) Co., Ltd to Dongfeng Automotive Industry Investment Co., Ltd on a no-consideration basis;
- 4) an equity transfer agreement, dated 21st August, 2004 pursuant to which Dongfeng Motor Corporation agreed to transfer its 50% equity interest in Dongfeng Honda Engine Co., Ltd to Dongfeng Automotive Industry Investment Co., Ltd on a no-consideration basis;
- 5) an asset transfer agreement dated 26th August, 2004 pursuant to which Dongfeng Motor Corporation agreed to transfer some of its assets to Dongfeng Automotive Industry Investment Co., Ltd on a no-consideration basis;
- 6) an supplementary asset transfer agreement dated 31st August, 2004 pursuant to which Dongfeng Motor Corporation agreed to bear certain debt and liability of Dongfeng Automotive Industry Investment Co., Ltd;
- 7) an agreement between Dongfeng Automotive Industry Investment Co., Ltd and Dongfeng Motor Corporation dated 17th September, 2004 pursuant to which Dongfeng Motor Corporation agreed to bear certain contractual obligations and enjoy certain contractual rights of Dongfeng Automotive Industry Investment Co., Ltd arising from the Joint Venture Agreement of Dongfeng Motor Co., Ltd;
- 8) a trademark licence agreement dated 29th October, 2005 pursuant to which Dongfeng Motor Corporation agreed to grant to the Company the non-exclusive right to use certain trademarks on a royalty-free basis and with right to sub-licence for an initial period of ten years, which is automatically renewable at the option of the Company;
- 9) the reorganization agreement dated 29th October, 2005 and entered into between the Company and Dongfeng Motor Corporation regarding the Reorganisation referred to in

- the section of this prospectus headed “I. Further information about the Company — 4. Corporate Reorganisation” in Appendix VIII;
- 10) the non-competition agreement dated 29th October, 2005 between Dongfeng Motor Corporation and the Company referred to in the section of this prospectus headed “Business — Non-competition Agreement”;
 - 11) A placing agreement dated 9th November, 2005 and entered into between the Company and Standard Chartered Private Equity Limited in relation to the subscription of H Shares by Standard Chartered Private Equity Limited in the amount of U.S.\$50 million. Please refer to the section in this prospectus headed “The Corporate Placing” for details; and
 - 12) A placing agreement dated 9th November, 2005 and entered into between the Company and Singapex Investments Pte Ltd in relation to the subscription of H Shares by Singapex Investments Pte Ltd in the amount of U.S.\$40 million. Please refer to the section in this prospectus headed “The Corporate Placing” for details.
 - 13) A Hong Kong Underwriting Agreement dated 23rd November, 2005 and entered into between the Company, the Selling Shareholder, the Joint Global Bookrunners, and the Hong Kong Underwriters. Please refer to the section in this prospectus headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement” for details.

2. PRC Joint Venture Agreements

- (a) *Joint venture partners, respective capital contributions, percentage interests in the profits, dividends or other distributions of the joint venture, term of the joint venture and any other material terms of the joint venture contract*

Please refer to the section headed in this prospectus “Business — Overview of the Business of the Group” for further details.

- (b) *Pre-emption rights of the joint venture partners and other restrictions on the sale, assignment or transfer of a partner’s interest in the joint venture and provisions on termination of the joint venture*


Please refer to the section headed in this prospectus “Appendix VI — Summary of principal PRC legal and regulatory provisions — Joint ventures” for further details.

- (c) *Arrangements concerning the management of the joint venture’s business and operations and any special supply, production or licensing arrangements involving any of the joint venture partners*

Please refer to the section headed in this prospectus “Business — Continuing connected transactions relating to the Jointly-controlled Entities” for further details.

3. *Intellectual property rights*

On 29th October, 2005, Dongfeng Motor Corporation and the Company entered into a trademark licence agreement (商標許可使用協議), pursuant to which, the Company has been granted a non-exclusive right to use the following trademarks owned by Dongfeng Motor Corporation and registered at the Trademark Office on a royalty-free basis and with the right to sub-licence for an initial period of ten years and automatically renewable at the option of the Company:

<u>Trademark</u>	<u>Registration Number</u>	<u>Registered Owner</u>	<u>Effective Period</u>	<u>Class¹</u>
1. 	571137	Dongfeng Motor Corporation	10/11/2001- 09/11/2011	12
2. 東風	110702	Dongfeng Motor Corporation	01/03/2003- 28/02/2013	12

(1) Class 12 in the PRC covers, inter alia, cars and other vehicles.

Save as disclosed in this prospectus, there are no trademarks, patents or other intellectual property rights which are material to the Group's business.

VI. OTHER INFORMATION

1. *Tax Indemnity*

Pursuant to the Reorganisation Agreement, Dongfeng Motor Corporation has given indemnities in connection with all the tax liabilities of the Company in respect of the reallocated assets arising before and after the effective date of reorganisation.

2. *Estate duty*

The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries.

3. *Litigation*

As at the Latest Practicable Date, the Group was not involved in any litigation, arbitration or administrative proceedings that could have a material adverse effect on the Group's financial condition and results of operations, taken as a whole. As far as the Group is aware, no such material litigation, arbitration or administrative proceedings are threatened.

4. *Particulars of the Selling Shareholder*

Certain particulars of the Selling Shareholder are set out as follows:

- Name: (1) Dongfeng Motor Corporation (as the registered holder of the State-owned Shares)
(2) NCSSF (as the owner of the beneficial interests in the State-owned Shares)
(3) The Company (as the attorney of the NCSSF in respect of the sale of the State-owned Shares in the Global Offering pursuant to a letter issued by the NCSSF dated 19th October, 2004)
- Address: (1) Dongfeng Motor Corporation
No. 1 Checheng Road, Shiyan District, Hubei, PRC
(2) **NCSSF**
No. A2, Yue Tan Street, Xi Cheng District, Beijing, PRC
(3) **The Company**
No. 8 Car City Road North, Wuhan Economic Development Zone, Wuhan, Hubei 430015, PRC
- Principal business: (1) **Dongfeng Motor Corporation**
Holding company of the Company
(2) **NCSSF**
An entity set up by the State Council, its principal function includes asset management of the social security fund of the PRC
(3) **The Company**
Manufacturing of automobiles and automotive related products, and automotive-related investments, in the PRC
- Number of State-owned Shares for sale: Not more than 259,612,000

5. *Joint Sponsors*

The Joint Sponsors have made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as described in this prospectus. All necessary arrangements have been made enabling the securities to be admitted into CCASS.

Merrill Lynch Global Partners (“MLGP”) and Merrill Lynch Far East Limited are fellow subsidiaries of Merrill Lynch & Co., Inc. MLGP and Merrill Lynch Far East Limited are operationally independent of each other including in relation to day-to-day operations, management, reporting lines, performance measurement and compensation. Their respective operations and management are subject to formal “Chinese walls” disciplines. MLGP owns an approximate 40 per cent. interest in a PRC entity (“PRC entity”) which produces automotive parts. One of the customers for automotive parts is a joint venture (“JV”) jointly owned by a PRC A-share listed company, which in turn is approximately 70 per cent. owned by Dongfeng Motor Co., Ltd, a 50% owned joint venture of the Company. Annual sales of automotive parts by the PRC entity to the JV are not significant to the PRC entity or to MLGP.

Having regard to the circumstances as set out in Rule 3A.07 and the fact (a) there is no direct business dealings between the Company's indirect joint venture entity and MLGP; and (b) the services and duties to be provided and performed by Merrill Lynch Far East Limited in its capacity as sponsor to the Company have no bearing whatsoever on the investment of MLGP in the PRC entity, MLGP's minority interest in the PRC entity does not, and would not be reasonably considered to, affect the independence of Merrill Lynch Far East Limited as one of the Joint Sponsors.

6. Preliminary expenses

The estimated preliminary expenses are approximately HK\$500,000 and are payable by the Company.

7. Qualification of parties

The qualifications of the parties who have given opinions in this prospectus are as follows:

<u>Name¹</u>	<u>Qualifications</u>
China International Capital Corporation (Hong Kong) Limited	Licensed under the Securities and Futures Ordinance for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the Securities and Futures Ordinance
Deutsche Bank AG, Hong Kong Branch	Deemed registered institution under the Securities and Futures Ordinance registered for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the Securities and Futures Ordinance and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
Merrill Lynch Far East Limited	Licensed under the Securities and Futures Ordinance for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the Securities and Futures Ordinance
Ernst & Young	Certified Public Accountants
Sallmanns (Far East) Limited	Member of The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors
Commerce & Finance Law Offices	PRC lawyers

(1) Names of the Joint Sponsors are in alphabetical order.

8. Consent of parties

For the purposes of the relevant requirements under the Listing Rules and the Companies Ordinance, each of the Joint Sponsors, Ernst & Young, Sallmanns (Far East) Limited and Commerce & Finance Law Offices have given and have not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports, valuation certificate, letters and/or opinions and summaries of opinion (as the case may be) and/or the references to their names included herein in the form and context in which they respectively appear.

9. *Financial Adviser to the Company*

China International Capital Corporation Limited, being the Company's financial adviser, advises generally on the Reorganisation and management structure and human resources of the Company, assisting the Company in communicating with the PRC central government in obtaining PRC central government's approvals for the Reorganisation and the Global Offering and in identifying the parties involved in the Global Offering.

10. *No material adverse change*

The Company confirms that there has been no material adverse change in its financial or trading position since 30th June, 2005.

11. *Binding effect*

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

12. *Miscellaneous*

- (a) Save as disclosed in this prospectus:
- (i) within the two years immediately preceding the date of this prospectus, the Company and its subsidiaries have not issued or agreed to issue any of their share or loan capital fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) the Company has not issued nor agreed to issue any founder shares, management shares or deferred shares; and
 - (iv) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares of the Company.
 - (v) there have been no interruptions in the business of the Company which may have or have had a significant effect on the financial position of the Company in the last 12 months;
- (b) The Company does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the PRC Sino-Foreign Joint Venture Law.
- (c) The Company is not presently listed on any stock exchange or traded on any trading system.

13. *Promoter*

The sole Promoter of the Company is Dongfeng Motor Corporation. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or benefit has been paid, allotted or given to the Promoters in connection with the Global Offering or the connected transactions described in this prospectus.