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CHANGFENG AXLE (CHINA) COMPANY LIMITED

暢豐車橋（中國）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group for the six months ended 30 June 2011 and the management's estimate, the unaudited net profit of the Group for the six months ended 30 June 2011 is expected to decline as compared with the corresponding period in 2010. Such decline was primarily due to the decrease in sales volume of the Group's products during the first half of 2011 as compared with that of the same period of last year as a result of the weak market of medium duty truck and heavy duty truck during the first half of 2011, which in turn resulted in the decrease of profits during the first half of 2011 as compared with the same period of last year.

Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.

This announcement is made by Changfeng Axle (China) Company Limited (the "**Company**", together with its subsidiaries shall be referred to as the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group for the six months ended 30 June 2011 and the management's estimate, the unaudited net profit of the Group for the six months ended 30 June 2011 is expected to decline as compared with the corresponding period in 2010. Based on information currently available, the Board considers that such decline was primarily due to the decrease in sales volume of the Group's products during the first half of 2011 as compared with that of the same period of last year as a result of the weak market of medium duty truck and heavy duty truck during the first half of 2011, which in turn resulted in the decrease of profits during the first half of 2011 as compared with the same period of last year.

The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figure or information audited or reviewed by the Company's auditors and that the actual results of the Group may be different from what is disclosed in this announcement. Investors are advised to read carefully the results announcement of the Company for the six months ended 30 June 2011 which will be published in due course.

Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.

By Order of the Board
Changfeng Axle (China) Company Limited
Mr. Wong Kwai Mo
Chairman

Hong Kong, 21 July 2011

As at the date of this announcement, the executive Directors are Mr. Wong Kwai Mo, Ms. Wu Ching and Mr. Lai Fengcai; the non-executive Director is Ms. Dong Ying, Dorothy; and the independent nonexecutive Directors are Mr. Zhu Weizhou, Dr. Li Xiuqing and Mr. Chong Ching Hei.