

## Definitions

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below.

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| “Asset Management Companies”          | China Huarong Asset Management Corporation, China Cinda Asset Management Corporation, China Orient Asset Management Corporation, China Great Wall Asset Management Corporation and China Development Bank   |
| “Associates”                          | has the meaning ascribed thereto under the Listing Rules  |
| “Company”                             | 東風汽車集團股份有限公司 (Dongfeng Motor Group Company Limited), a joint stock limited company registered in the PRC on 12 October 2004 in accordance with the laws of the PRC or where the context refers to any time prior to the date of incorporation, those entities and businesses which were contributed to and conducted by the Company upon its establishment  |
| “Dongfeng Joint Venture Companies”    | Jointly-controlled Entities in which the Company, its subsidiaries or Jointly-controlled Entities (including their respective subsidiaries and Jointly-controlled Entities) have equity interests as at 31 December 2006 and “Dongfeng Joint Venture Company” shall be construed accordingly. Please refer to page 212 of this annual report for further information regarding the references made in this annual report in relation to the Dongfeng Joint Venture Companies, Dongfeng Motor Group and the Group  |
| “Dongfeng Motor Corporation” or “DMC” | 東風汽車公司 (Dongfeng Motor Corporation), a state-owned enterprise incorporated under the laws of the PRC  |
| “Dongfeng Motor Group”                | the Group, the Dongfeng Joint Venture Companies and their respective subsidiaries and associates. All information given in this annual report with respect to the Dongfeng Motor Group includes information of the Group and all such companies collectively, without regard to the ownership level of the members of the Group in such companies. Please refer to further page 212 of this annual report for further information regarding the references made in this annual report in relation to the Dongfeng Joint Venture Companies, Dongfeng Motor Group and the Group |

“Group” the Company and its subsidiaries. Please refer to page 212 of this annual report for further information regarding the references made in this annual report in relation to the Dongfeng Joint Venture Companies, Dongfeng Motor Group and the Group

“Joint Venture Company” a joint venture company is a company set up by contractual agreement, whereby joint venture parties undertake an economic activity. A joint venture company operates as a separate entity in which each party has an interest

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with terms of the joint venture agreement.

A joint venture company is treated by a joint venture party as:

- (a) a subsidiary, if the joint venture party has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the joint venture party does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;
- (c) an associate, if the joint venture party does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) an investment, if the joint venture party holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company

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| “Jointly-controlled Entity” or “JCE” | a jointly-controlled entity is a Joint Venture Company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity. A joint venture party's investments in its Jointly-controlled Entities can be accounted for by proportionate consolidation, which involves recognizing a proportionate share of the joint venture's assets, liabilities, income and expenses with similar items in the consolidated financial statements of the joint venture party on a line-by-line basis. When the profit sharing ratio is different to the joint venture party's equity interests in the Jointly-controlled Entities, the joint venture party's share of their assets, liabilities, income and expenses is determined based on the agreed profit sharing ratio. The results of Jointly-controlled Entities are included in the joint venture party's profit and loss account to the extent of dividends received and receivable. The joint venture party's investments in Jointly-controlled Entities are treated as long term assets and are stated at cost less impairment losses |
| “Listing Rules”                      | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time  |
| “Parent Group”                       | Dongfeng Motor Corporation and its subsidiaries (excluding the Group)   |
| “PRC” or “China”                     | the People's Republic of China. Except where the context requires, geographical references in this prospectus to the PRC or China exclude Hong Kong, Macau or Taiwan  |
| “SFO”                                | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time   |

**In this annual report, unless otherwise specified, all references to revenues, profits and other financial information of the Group include those of the relevant Dongfeng Joint Venture Companies to the extent that such information has been proportionately consolidated or otherwise reflected in the financial information set out in this annual report. Subject to the above and unless otherwise specified, all information in this annual report relating to the Dongfeng Motor Group includes information of the Group and all companies (including Dongfeng Joint Venture Companies and Associates) in which the members of the Group have direct or indirect equity interests, without regard to the ownership level of, or the proportion of interest held by, the members of the Group in such companies. It should be noted that the Company and its subsidiaries only hold up to 50% of interest in the Dongfeng Joint Venture Companies.**