

press release

For immediate release

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Standard Chartered Private Equity Limited Invests in Dongfeng Motor Group

Standard Chartered Private Equity Limited (SCPEL), the private equity arm of Standard Chartered Bank has signed an investment agreement with Dongfeng Motor Group (Dongfeng), for a US\$50 million investment in Dongfeng's Hong Kong IPO. As the lead corporate investor in the offering, Standard Chartered Bank has rich global resources which can contribute to Dongfeng's domestic and international business development as part of its long term commitment to the China market.

The cooperation between the two industry giants is significant on its own. As one of the only two "national teams" of the automobile industry in China, Dongfeng possesses not only a strong brand, but also partnerships with leading global auto giants such as Nissan, Honda, PSA and Cummins, offering a diverse portfolio of hot selling product such as sedans, multi-purpose vehicles (MPV), sport utility vehicles (SUV), trucks and buses.

Standard Chartered Bank has the longest history in China, having its first branch set up in Shanghai in 1858. It is now one of the largest foreign banks in China with ten branches, one sub-branch (another three to be opened by end of Q1, 2006) and four representative offices. Six of these branches can provide full banking services (including RMB services) for corporate customers and foreign currency services for local citizens. Standard Chartered also enjoys a strong reputation in HK, being one of the three note-issuing banks.

“SCPEL aims to create value propositions with Chinese enterprises through our investments. In China, we aim to work with leading Chinese enterprises to achieve global 500 status through our active support in terms of corporate governance, financial resources and services of our global bank. Through this investment, SCPEL participates in the large and growing auto sector of China. Standard Chartered Bank can offer Dongfeng comprehensive and integrated financial services ranging from project finance, consumer finance, acquisition finance, syndicated loans to structure finance,” said Mr. Karam Butalia, global head of SCPEL.

“Dongfeng is another investment in sector leaders by SCPEL in China this year. While the auto sector is experiencing temporary difficulties, the long term potential of China’s consumer market and economic growth remains promising. We believe the current market situation presents us a rare opportunity to invest. In 2006, SCPEL will increase its investment weight in China. We will focus on coastal areas, consumer products and the pharmaceutical sectors, while remaining open to high growth companies in other regions and sectors,” said Mr. Fan Chen, Managing Director and Head of Greater China, SCPEL.

Mr. Chen also commended the Greater China team of SCPEL: “The team is made up of seasoned investment professionals with sophisticated understanding of the international capital markets, local Chinese practices and international business standards. We are intimately knowledgeable about the economic policies, legal environment, and enterprises practices in China. Through working closely with our partner companies, our team provides value-added assistance such as integration with the international capital markets, as evidenced in our work with Beifa Group. We firmly believe that we will bring significant value to Dongfeng as it plans further development in the international capital markets.”

This investment represents the first foray into the Chinese auto manufacturing sector by a mainstream private equity firm, making SCPEL the pioneer among international financial institution to invest in the Chinese auto sector. SCPEL believes this investment will become a successful cooperation model between international capital

and the Chinese domestic auto industry and marks an important step in the long-term development of the Chinese auto sector. Furthermore, leveraging its investment fund and global financial resources, Standard Chartered Bank hopes to provide further support to Chinese SOE reform and their capital market development. This investment signifies Standard Chartered Bank's long term commitment to China, and is an important milestone of Standard Chartered Bank's participation in China's SOE reform.

Note to editors:

Standard Chartered – leading the way in Asia, Africa and the Middle East

Standard Chartered Private Equity Limited (SCPEL) is the private equity arm of Standard Chartered Bank. SCPEL invests in mid to late stage companies in need of expansion capital or acquisition finance, and in management buy-outs. SCPEL invests in companies located in Greater China, India, Korea and South East Asia. It is an active partner that provides board-level strategic advice and access to the international network of Standard Chartered Bank.

Standard Chartered employs 40,000 people in 1,200 locations in more than 50 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas. Standard Chartered is one of the world's most international banks, with employees representing 80 nationalities.

Standard Chartered PLC is listed on both the London Stock Exchange and the Stock Exchange of Hong Kong and is in the top 25 FTSE-100 companies, by market capitalization.

Dongfeng Motor Group

Dongfeng is one of the most well known domestic auto brand in China. Dongfeng Group has an absolute leading position in commercial vehicle market, and has the strongest growth potential in passenger vehicle market in China. Through the largest and most thorough restructuring in China's auto making history, Dongfeng has established its sustainable core competency.

In 1H2005 on China market, Dongfeng was No.1 in heavy truck, medium truck and SUC, No.2 in light truck, and No.3 in sedans and MPVs.

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