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DONGFENG MOTOR GROUP COMPANY LIMITED*

東風汽車集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 489)

**CONNECTED TRANSACTION
DISPOSAL OF 50% EQUITY INTEREST
IN DONGFENG HONDA ENGINE**

DISPOSAL OF 50% EQUITY INTEREST IN DONGFENG HONDA ENGINE

The Board is pleased to announce that on 30 October 2025 (after trading hours), the Company entered into the Equity Transfer Agreement with GHAC, pursuant to which the Company agreed to sell and GHAC agreed to purchase 50% equity interest in Dongfeng Honda Engine, for a consideration of approximately RMB1,172 million (equivalent to approximately HK\$1,290 million).

The transaction was conducted through the GUAEE (a public platform in China for asset and equity transactions) by means of a public listing and tender process.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, HM and HMCi (a wholly-owned subsidiary of HM) holds 40% and 10% equity interest in Dongfeng Honda Engine, respectively. HM and HMCi are substantial shareholders of Dongfeng Honda Engine, and are connected persons of the Company. GHAC is held by, among others, HM and HMCi as to 40% and 10%, respectively. As such, GHAC, being an joint venture (associate) of HM, is also a connected person of the Company. Therefore, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio under Rule 14.07 of the Listing Rules applicable to the Disposal is more than 1% but less than 5%, the Disposal is subject to the reporting and announcement requirements but exempted from the circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the joint announcement issued by DFM, the Offeror and the Company on 22 August 2025 in connection with, among others, the proposed pre-conditional privatization of the Company by the Offeror by way of merger by absorption.

As of the date of this announcement, and in accordance with Note 1 to Rule 4 of the Takeovers Code, the Company has obtained the consent from the Offeror in respect of the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder. Accordingly, the Company is not required under Rule 4 to the Takeovers Code to obtain Shareholders' approval in general meeting in connection with the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder.

EQUITY TRANSFER AGREEMENT

On 30 October 2025 (after trading hours), the Company entered into the Equity Transfer Agreement with GHAC, pursuant to which the Company agreed to sell and GHAC agreed to purchase 50% equity interest in Dongfeng Honda Engine, for a consideration of approximately RMB1,172 million (equivalent to approximately HK\$1,290 million). As at the date of this announcement, none of GHAC, GAC, HM, HMCI is a Shareholder.

The principal terms of the Equity Transfer Agreement are set out below:

Date

30 October 2025

Parties

- (1) the Company; and
- (2) GHAC

Subject Matter to be Disposed

Pursuant to the Equity Transfer Agreement, the Company agreed to sell and GHAC agreed to purchase 50% equity interest in Dongfeng Honda Engine.

Consideration and Payment

The Consideration is approximately RMB1,172 million, the basis of which is set out in paragraph “Basis for Determining the Consideration” below.

The transaction deposit of RMB351.7 million paid by GHAC to GUAEE shall, upon the signing of the Equity Transfer Agreement, automatically be converted into an equivalent portion of the Consideration.

The remaining balance of RMB820.7 million, after deducting the transaction deposit, shall be paid in full in a lump sum within five working days from the effective date of the Equity Transfer Agreement (effective from the date of approval of the concentration of undertakings as required by laws and regulations).

Within three working days from the day after GUAEE, upon receiving the full Consideration and the full transaction service fees from both parties, shall directly transfer the Consideration (including the transaction deposit) into the designated bank account of the Company and issue the transaction certificate.

Arrangements related to Employment, Claims and Debts, and Profit and Losses

The employment relationships of the current employees of Dongfeng Honda Engine (excluding personnel who have not executed labor contracts with Dongfeng Honda Engine) will not be affected by the Disposal. Their labor contracts will continue to be performed (except in cases where the contract has expired, the employee resigns voluntarily, the employee seriously violates the labor contract or labor discipline, or as otherwise provided by laws and regulations), and their years of service will be calculated continuously.

The claims and debts of Dongfeng Honda Engine shall continue to be enjoyed and borne by Dongfeng Honda Engine after the change of business registration.

The profits and losses generated by Dongfeng Honda Engine during the period from the day following the Valuation Date to the date of Completion (inclusive) shall be borne and enjoyed by the shareholders of Dongfeng Honda Engine upon Completion, in proportion to their shareholding.

Completion

Through negotiation and joint cooperation between the parties, assistance shall be provided to Dongfeng Honda Engine to complete the industrial and commercial registration change procedures for Completion. The Disposal will be publicized through GUAEE.

INFORMATION ON DONGFENG HONDA ENGINE

Dongfeng Honda Engine is principally engaged in manufacturing automobile parts and accessories (including manufacturing automobile engine). As of the date of this announcement, the equity interest of Dongfeng Honda Engine is held by the Company, HM and HMCi as to 50%, 40% and 10%, respectively.

Set out below is the key audited financial information of Dongfeng Honda Engine prepared in accordance with PRC accounting standards:

Item	For the year ended 31 December 2024	For the year ended 31 December 2023
	<i>RMB (million)</i> <i>(audited)</i>	<i>RMB (million)</i> <i>(audited)</i>
Operating revenue	9,566	17,852
Net profit before income tax	(216)	84
Net profit after income tax	(228)	84

Basis for Determining the Consideration

The Consideration was arrived at through the listing-for-sale process at GUAEE and was the bidding price as set out in the listing-for-sale document. The bidding price was determined with reference to the appraised value of the entire equity interest of Dongfeng Honda Engine as of the Valuation Date based on the Asset Valuation Report. The independent valuer generally adopted the asset-based approach for the valuation while the income approach was specifically adopted for the valuation of operating asset group (including buildings and structures, equipment-type fixed assets, construction in progress, land use rights, and other intangible assets (including technology) etc.). Therefore, part of the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

DETERMINATION OF VALUATION METHOD

Three basic methods can be used to carry out business enterprise value assessment: the income approach, the market approach, and the asset-based approach. The market approach estimates an asset's value by comparing it to recent transaction prices of similar assets, requiring a public, active market and accessible transaction information. The income approach values an asset by calculating the present value of its expected future earnings, assuming that buyers will not pay more than the asset's anticipated returns, and requires that future earnings and associated risks can be reasonably estimated. The asset-based approach, determines a company's value by individually

assessing all identifiable assets and liabilities at fair value and summing them, with accurate valuation of each component being crucial to the method's effectiveness.

The valuation assesses the overall enterprise value. Due to the limited number of comparable equity transactions for similar companies in the PRC and challenges in gathering relevant transaction and comparable factor information, it is difficult to quantify their impact on enterprise value. Furthermore, finding comparable companies in the capital market with similar asset scale, structure, business scope, and profitability is challenging. As a result, the market approach is not suitable for this assessment.

Dongfeng Honda Engine is profitable or expected to achieve sustainable economic growth. Its expected returns can be quantified, the period of returns can be predicted, and associated risks can be forecasted. Therefore, the income approach is suitable for this assessment.

When each asset and liability can be separately identified and evaluated, the asset-based approach is considered. In this case, as of the Valuation Date, the scope of assets and liabilities of Dongfeng Honda Engine is clear and can be identified through financial records, purchase and construction documents, and on-site inspections. Each asset and liability can be evaluated individually according to their characteristics and the requirements of the assessment method. Thus, the asset-based approach is also suitable.

The valuer analyzed the preliminary conclusions from income approach and asset-based approach, after considering the rationality of each and the quality and quantity of data, and ultimately chose the asset-based approach.

ASSUMPTIONS

Based on the Valuation Report, the following main assumptions were made during the valuation of equity interest of Dongfeng Honda Engine:

1. The current political, legal, technological, fiscal, or economic conditions will not undergo any significant changes that could adversely affect the enterprise's business.
2. The relationship and common interests between the enterprise and its partners will not undergo significant changes.
3. The current and future operators of the enterprise will perform their duties diligently, and the management team will be able to steadily advance the enterprise's development plans and strive to achieve the expected business prospects.

4. The core team of the enterprise will continue to serve in future years and will not engage externally in business activities that compete with the enterprise's operations.
5. All contracts and agreements signed by the enterprise as of the assessment benchmark date can be performed as agreed.
6. The enterprise will comply with relevant national laws and regulations, and there are no major violations that would affect the enterprise's development and realization of profits.
7. The accounting policies adopted for the historical financial information provided by the enterprise are basically consistent in all material respects with those used for the profit forecasts.
8. It is assumed that the enterprise's annual cash inflows and outflows are evenly distributed throughout the year.
9. It is assumed that the enterprise can raise necessary funds according to operational needs, and normal operations will not be affected by financing issues.
10. It is assumed that the relevant business licenses of the enterprise can be renewed normally upon expiration; for buildings and vehicles within the assessment scope that lack complete ownership certificates or are in the process of obtaining such certificates, their ownership status has been duly considered and disclosed, and it is assumed that the enterprise's future production and operations will not be affected by such matters.
11. The enterprise was recognized as a high-tech enterprise in 2023 and enjoys a preferential corporate income tax rate of 15% for three years. Taking into account the current status of the enterprise, its high-tech enterprise qualification, and future profit forecast indicators meeting relevant requirements, it is expected that this qualification can be continuously maintained. Therefore, this assessment assumes that the high-tech enterprise qualification can be renewed upon expiration, and the corporate income tax rate for subsequent years will be calculated at 15%.
12. It is assumed that the enterprise's new research and development projects can proceed smoothly according to the planned milestones.

Input Data and Calculation Process for the Appraisal

The asset-based approach uses appropriate methods to separately appraise various types of assets and liabilities:

1. Current assets (including monetary funds and receivables) are generally valued at their verified book value. For inventories purchased for self-use, the cost method is used for appraisal, with the appraised value determined based on the current procurement cost as of the Valuation Date. For raw materials showing signs of impairment, after thorough communication with the appraised entity and understanding the physical condition, suitable methods are adopted for appraisal. For products sold under normal circumstances, the appraised value is determined based on their book unit price, taking into account the cost profit margin and net profit discount rate.
2. Long-term equity investments are mainly appraised based on the equity represented by the investment. For long-term equity investments with significant influence, the appraisal is conducted by multiplying the owner's equity of the investee (after overall appraisal) by the shareholding ratio to determine the appraised value.
3. The enterprise's operating asset group (including fixed assets—buildings, equipment, construction in progress, intangible assets—land use rights, and other intangible assets (including technology-related assets)) are mainly appraised based on treating fixed assets—buildings, equipment, construction in progress, intangible assets—land use rights, and other intangible assets (including technology-related assets) as an asset portfolio with independent profit-generating capability. The income approach is adopted for the appraisal.

Appraised value = present value of net cash flows of the asset group + present value of terminal working capital + present value of existing assets at the end of the period + present value of newly added assets at the end of the period

Income Approach Calculation Formula:

P = Sum of the present values of earnings in each period during the future earnings period

$$= \sum_{i=1}^n \frac{F_i}{(1+r)^i}$$

Where:

P – Net cash flow

r – Selected discount rate

n – Number of earnings years

Fi – Expected earnings in the i-th future earnings period

Contribution of working capital to net profit:

Working capital contribution = net working capital $\times$ return on investment

Discount rate calculation:

Discount rate = risk-free rate of return + risk premium

Determination of the risk-free rate of return:

The risk-free rate of return compensates for the time value of money and mainly includes two aspects:

1. The average rate of return in a scenario without inflation and without risk, i.e., the return for transferring the right to use funds;
2. The inflation premium, which compensates for the loss of purchasing power due to inflation.

Since these two compensations cannot be separated in practice, together they constitute the risk-free rate of return.

In this valuation, the risk-free rate of return is selected as the average yield to maturity of long-term government bonds (with a remaining term of more than 10 years) traded on the exchange market as of the valuation benchmark date, as provided by the Wind Financial Terminal, which is 1.80%.

Determination of Risk Premium:

A comprehensive assessment method is used in this valuation, quantifying and summing four factors: industry risk, technical risk, market risk, and management risk.

A. Industry risk premium

Industry maturity: The target asset group is in the automotive industry, which is greatly affected by national industrial policy adjustments; value: 80

Industry return level: The automotive industry has a relatively low return rate; value: 80

Therefore, the industry risk premium for the asset group is 3.20%

B. Operational risk premium

Market demand risk: The development of fuel engines is restricted; value: 80

Market competition risk: The automotive industry is highly competitive; value: 80

Therefore, the technical risk premium for the asset group is 4.80%

C. Financial risk premium

Financing risk: After communication with the enterprise, financing risk is average and development is stable; value: 20

Capital demand: After communication with the enterprise, subsequent investment amounts are moderate; value: 60

Therefore, the market risk premium for the asset group is 1.44%

D. Management risk premium

Macro-control risk: After communication with the enterprise, fuel engines are increasingly restricted by environmental emission regulations; value: 75

Other risks: The asset group has certain other risks; value: 75

Therefore, the management risk premium for the asset group is 3.38%

Based on the above, the total risk premium for the asset group is:

Risk premium = industry risk premium + technical risk premium + market risk premium + management risk premium
= 3.20% + 4.80% + 1.44% + 3.38% = 12.82%

Determination of discount rate:

Asset group discount rate = risk-free rate of return + risk premium = 1.40% + 12.82% = 14.20% (rounded)

4. Deferred tax assets are mainly appraised based on the principle that deferred tax arising from impairment provisions or appreciation expectations represents a temporary difference, and should be traced back to its source for consolidated reappraisal. Related income tax matters are handled in accordance with conventional asset appraisal practices.

5. Liabilities are mainly appraised based on the actual items and amounts that the property rights holders will need to assume after the realization of the appraisal purpose, and are generally recognized at their book value.

The table below sets out the carrying value and the fair value of the assets and liabilities as at 31 December 2024:

Item	Carrying Value (RMB: million)	Fair Value (RMB: million)	Change Amount	Change Rate (%)
	A	B	C=B-A	D=C/A*100 %
Current Assets	4,712.23	4,740.80	28.57	0.61
Non-current Assets	695.51	875.47	179.96	25.87
– Long-term Equity Investments	8.85	–	-8.85	-100
– Fixed Assets	495.25	775.18	235.19	43.55
– Construction in Progress	34.46			
– Intangible Assets	10.28			
– Deferred Income Tax Assets	146.67	100.29	-46.39	-31.63
Total Assets	5,407.74	5,616.26	208.52	3.86
Total Liabilities	3,271.29	3,271.29	–	–
Owner’s Equity	2,136.45	2,344.97	208.52	9.76

Main reasons for the increase or decrease in fair value as compared to the carrying amount are as follows:

According to the Valuation Report, as of 31 December 2024, the total book value of Dongfeng Honda Engine’s assets was RMB5,407.74 million, while the appraised value was RMB5,616.26 million, representing an increase of RMB208.52 million or 3.86%. The book value of net assets was RMB2,136.45 million, while the appraised value was RMB2,344.97 million, representing an increase of RMB208.52 million or 9.76%.

- (i) **Current Assets:** The carrying value of current assets was RMB4,712 million, and the fair value was RMB4,741 million, representing an increase of RMB29 million or 0.61%. The main reason for the increase is that the provision for inventory write-downs was assessed as nil, resulting in an increase in value.
- (ii) **Non-current Assets:** The carrying value of non-current assets was RMB696 million, and the fair value was RMB875 million, representing an increase of RMB180 million or 25.87%. The main reason for the increase is that the operating asset groups of the Company (including fixed assets such as buildings and equipment, construction in progress, and intangible assets such as land use rights and other intangible assets including technology) were valued using the income approach. As these asset groups are capable of generating cash flows, their value increased accordingly.

REASONS FOR AND BENEFITS OF THE TRANSACTION

In light of the intensified competition in the automobile industry in the PRC, taking into account the Group strategies, the Company has decided to optimize and adjust its own fuel vehicle asset structure. At the same time, the Disposal will help the Company accelerate its transition to new energy.

The Directors (including independent non-executive Directors) of the Company are of the view that the terms of the Equity Transfer Agreement are fair and reasonable, and the Disposal is on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole.

No Directors have a material interest in the Disposal and therefore, none of the Directors has abstained from voting on the Board resolution.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, Dongfeng Honda Engine will cease to be a joint venture of the Company, and the profit and loss financial results of Dongfeng Honda Engine will no longer be reflected in the financial statements of the Group.

After taking into account the difference between the Consideration and the book value of Dongfeng Honda Engine as of 31 December 2024, and deducting the expected costs and expenses for the Disposal, the Company is expected to record a gain (after tax) of approximately RMB104 million as a result of the Disposal.

The expected net proceeds from the Disposal are intended to be used by the Group as general working capital and funding for any investment opportunities in the future.

INFORMATION ON THE PARTIES

The Company

The Company is principally engaged in the manufacturing businesses of commercial vehicles (includes passenger vehicles and trucks), passenger cars (including basics, MPVs and SUVs), engines and other automotive parts. In addition, the Company is also engaged in other vehicle related businesses, including exports and imports of vehicles and equipment businesses and vehicle equipment manufacturing, financing businesses, insurance agency and used car trading businesses.

GHAC

GHAC is principally engaged in the manufacture and sales of vehicles and vehicle parts and components. It is jointly controlled as to 40% by HM, 10% by HMC and 50% by GAC.

GAC is principally engaged in investment in the research and development, manufacturing and marketing of automobile, motorcycle and components, automobile service trade and other relevant industries, investment in automobile finance and other financial sectors, investment in self-owned land development projects and related real estate projects and property management. The ultimate beneficial owner of GAC is the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government* (廣州市人民政府國有資產監督管理委員會).

HM is principally engaged in research and development, manufacture and sales of vehicles, vehicle parts and components, motorcycles, and Power Products as well as ancillary business. The shares of HM are listed on the Tokyo Stock Exchange (stock code: 7267) and New York Stock Exchange (stock code: HMC).

HMC is a wholly-owned subsidiary of HM.

Save as disclosed in this announcement, GHAC and its ultimate beneficial owners do not have any other connected relationship with the Company and its subsidiaries.

INFORMATION ON THE EXPERTS

The qualifications of the experts who have provided conclusions or opinions in this announcement are as follows:

Name	Qualification
Ernst & Young	Certified Public Accountants
Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司)	Independent professional valuer

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the experts is a third party independent of the Company and its connected persons. As of the date of this announcement, none of the experts has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

Each of the experts has provided and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its letter and references to its name in the form and context in which it appears.

Ernst & Young, the reporting accountant of the Company, has reported on the arithmetical accuracy of the calculations of the discounted cash flow on which part of the valuation is based, which does not involve the adoption of accounting policies.

The Board has reviewed and considered the valuations including the principal assumptions upon which the valuations were based. The Board has also considered the report from Ernst & Young. On the basis of the foregoing, the Board is of the opinion that the valuations have been made after due and careful enquiry. The letter issued by the Board and the letter issued by Ernst & Young are listed in Appendix I and Appendix II to this announcement, respectively.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, HM and HMCi (a wholly-owned subsidiary of HM) holds 40% and 10% equity interest in Dongfeng Honda Engine, respectively. HM and HMCi are substantial shareholders of Dongfeng Honda Engine, and are connected persons of the Company level. GHAC is held by HM and HMCi as to 40% and 10%. As such, GHAC, being a joint venture (associate) of HM, is also a connected person of the Company. Therefore, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio under Rule 14.07 of the Listing Rules applicable to the Disposal is more than 1% but less than 5%, the Disposal is subject to the reporting and announcement requirements but exempted from the circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the joint announcement issued by DFM, the Offeror and the Company on 22 August 2025 in connection with, among others, the proposed pre-conditional privatization of the Company by the Offeror by way of merger by absorption.

As of the date of this announcement, and in accordance with Note 1 to Rule 4 of the Takeovers Code, the Company has obtained the consent from the Offeror in respect of the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder. Accordingly, the Company is not required under Rule 4 to the Takeovers Code to obtain Shareholders' approval in general meeting in connection with the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder.

DEFINITIONS

“Asset Valuation Report”	Asset Valuation Report on the Entire Equity Interest of Dongfeng Honda Engine involved in the Proposed Share Purchase《東風汽車集團股份有限公司擬股權轉讓所涉及的東風本田發動機有限公司股東全部權益價值資產評估報告》) issued by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司)
“Board”	the board of Directors
“Company”	Dongfeng Motor Group Company Limited* (東風汽車集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and the H shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the Equity Transfer Agreement
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Consideration”	the consideration payable under the Equity Transfer Agreement, being approximately RMB1,172 million (equivalent to approximately HK\$1,290 million)

“DFM”	Dongfeng Motor corporation* (東風汽車集團有限公司), a company incorporated in the PRC with limited liability, being the sole shareholder of the Offeror as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Disposal”	the sale and purchase of 50% equity interest of Dongfeng Honda Engine pursuant to the terms of the Equity Transfer Agreement
“Dongfeng Honda Engine”	Dongfeng Honda Engine Co., Ltd. (東風本田發動機有限公司), a jointly controlled entity incorporated under PRC law held by the Company, HM and HMCI as to 50%, 40% and 10%, respectively
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and GHAC dated 30 October 2025
“GAC”	Guangzhou Automobile Group Co., Ltd. *(廣州汽車集團股份有限公司), a joint stock entity incorporated under PRC law
“GHAC”	GAC Honda Automobile Co., Ltd.* (廣汽本田汽車有限公司) (formerly known as Guangzhou Honda Automobile Co. Ltd (廣州本田汽車有限公司)), a jointly controlled entity under PRC law held by GAC, HM and HMCI as to 50%, 40% and 10%, respectively
“Group”	the Company and its subsidiaries
“GUAEE”	GuangDong United Assets and Equity Exchange* (廣東聯合產權交易中心), the only institution in Guangdong Province engaging in transfer of state-owned assets
“HMCI”	Honda Motor (China) Investment Co., Ltd. (本田技研工業(中國)投資有限公司), a company incorporated under PRC law wholly owned by HM

“HM”	Honda Motor Co Ltd * (本田技研工業株式会社), a company incorporated in Japan whose shares are listed on the Tokyo Stock Exchange (stock code: 7267) and New York Stock Exchange (stock code: HMC).
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offeror”	Dongfeng Motor Group (Wuhan) Investment Company Limited* (東風汽車集團(武漢)投資有限公司), formerly known as Dongfeng Motor Engineering Research Institute (Wuhan) Company Limited* (東風汽車工程研究院(武漢)有限公司), a company incorporated in the PRC with limited liability, being a wholly-owned subsidiary of DFM as of the date of this announcement
“PRC”	the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules

“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Valuation Date”	31 December 2024, which is the valuation date set out in the Asset Valuation Report
“%”	per cent

By order of the Board
Yang Qing
Chairman

Wuhan, the PRC,
30 October 2025

As of the date of this announcement, Mr. Yang Qing and Mr. You Zheng are the executive directors of the Company, Ms. Liu Yanhong is the non-executive director of the Company, Mr. Zong Qingsheng, Mr. Leung Wai Lap, Philip and Mr. Hu Yiguang are the independent non-executive directors of the Company.

* *For identification purposes only*

APPENDIX I – LETTER FROM THE BOARD

30 October 2025

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 50% EQUITY INTEREST IN DONGFENG HONDA ENGINE CO., LTD.

We refer to the valuation report dated 20 July 2025 issued by Shanghai Lixin Appraisal Co., Ltd.* (the “**Independent Valuer**”) regarding the valuation of the entire equity interest of Dongfeng Honda Engine Co., Ltd. as of 31 December 2024 (the “**Valuation**”), which constitutes profit forecasts under Rule 14.61 of the Listing Rules.

We have discussed with the Independent Valuer on different aspects including the bases and assumptions based upon which the Valuation has been prepared, and reviewed the Valuation for which the Independent Valuer is responsible. We have also considered the report from Ernst & Young regarding whether the profit forecasts, so far as the calculations are concerned, have been properly complied with the bases and assumptions set out in the valuation report. We have noted that the profit forecasts in the Valuation are mathematically accurate and the discounted cash flow forecast will not be affected by accounting policies.

Pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the board of directors (the “**Board**”) of the Company confirmed that the Valuation prepared by the Independent Valuer has been made after due and careful enquiry.

* *For identification purposes only*

Yours faithfully,
For and on behalf of the Board
Dongfeng Motor Group Company Limited
YANG QING
Chairman

APPENDIX II – REPORT OF ERNST & YOUNG

The following is the text extracted from a report received from Ernst & Young, for the purpose of incorporation in this announcement.

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF THE ENTIRE EQUITY INTEREST OF DONGFENG HONDA ENGINE CO., LTD.

To the Directors of Dongfeng Motor Group Company Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 20 July 2025 prepared by Shanghai Lixin Asset Appraisal Co., Ltd. in respect of the entire equity interest of Dongfeng Honda Engine Co., Ltd. (the “**Target**”) as at 31 December 2024 is based. The valuation is set out in the announcement of Dongfeng Motor Group Company Limited (the “**Company**”) dated 30 October 2025 (the “**Announcement**”) in connection with the disposal of 50% equity interest in the Target by the Company. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ responsibilities

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out on pages 5-6 of the Announcement.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Ernst & Young

Certified Public Accountants

Hong Kong

30 October 2025