

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**GUANGZHOU AUTOMOBILE GROUP CO., LTD.**

**廣州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: 2238)**

**CONNECTED TRANSACTION  
CAPITAL INCREASE AGREEMENT**

**BACKGROUND**

On 30 October 2025, GAC Honda, a principal jointly-controlled entity of the Company, entered into the Equity Transfer Agreement with Dongfeng Motor Group, pursuant to which Dongfeng Motor Group (as the vendor) agreed to sell and GAC Honda (as the purchaser) agreed to acquire 50% of the equity interest in Dongfeng Honda Engine, at a consideration of RMB1,172,485,400 (equivalent to approximately HK\$1,286,847,541), which was conducted by way of public tender and transfer on the GUAEE.

**CAPITAL INCREASE AGREEMENT**

On 10 November 2025, the Company entered into the Capital Increase Agreement with Honda Motor, Honda China and GAC Honda, pursuant to which the registered capital of GAC Honda will be enlarged from US\$541,000,000 to US\$867,215,960. The Company, Honda Motor and Honda China will contribute to the Capital Increase at an aggregate amount of US\$326,215,960 (equivalent to approximately HK\$2,544,484,488) in proportion to their respective capital contributions in GAC Honda, subject to the terms and conditions of the Capital Increase Agreement.

**LISTING RULES IMPLICATIONS**

**Equity Transfer**

Upon completion of the Equity Transfer, GAC Honda will hold 50% of the equity interest in Dongfeng Honda Engine, and the attributable interest of the Company in Dongfeng Honda Engine will become 25%. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Equity Transfer does not exceed 5%, the Equity Transfer does

not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and thus the Equity Transfer is not subject to the announcement and shareholders' approval requirements therein. As to the Equity Transfer, Dongfeng Motor Group is an Independent Third Party. Accordingly, the Equity Transfer does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and it is not subject to the disclosure requirements therein.

### **Capital Increase**

Honda Motor and Honda China are substantial shareholders of GAC Honda, a principal jointly-controlled entity of the Company. Accordingly, in relation to the Capital Increase, Honda Motor and Honda China are connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Therefore, the Capital Increase and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Capital Increase exceeds 0.1% but is less than 5%, the Capital Increase is subject to the reporting and announcement requirements but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon completion of the Capital Increase, each of the Company, Honda Motor and Honda China will maintain their respective percentage holding of equity interest in GAC Honda and continue to hold 50%, 40% and 10% of the equity interest in GAC Honda respectively. In respect of Dongfeng Honda Engine, Honda Motor and Honda China will no longer hold any equity interest in Dongfeng Honda Engine. The equity interest of GAC Honda in Dongfeng Honda Engine will increase from 50% to 100%, and the attributable interest of the Company in Dongfeng Honda Engine will become 50%. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Capital Increase is less than 5%, the Capital Increase does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and thus the Capital Increase is not subject to the announcement and shareholders' approval requirements therein.

**Shareholders and potential investors should note that the Equity Transfer and the Capital Increase under the Equity Restructuring shall only become effective upon the fulfilment and/or, where applicable, waiver of conditions precedent under the Capital Increase Agreement. As such, the Capital Increase may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **BACKGROUND**

Reference is made to the announcement of the Company dated 30 September 2025 by way of an overseas regulatory announcement in relation to, among other things, the proposed equity investment of GAC Honda as approved by the Board. As part of the Equity Restructuring, on 30 October 2025,

GAC Honda, a principal jointly-controlled entity of the Company, entered into the Equity Transfer Agreement with Dongfeng Motor Group, pursuant to which Dongfeng Motor Group (as the vendor) agreed to sell and GAC Honda (as the purchaser) agreed to acquire 50% of the equity interest in Dongfeng Honda Engine, at a consideration of RMB1,172,485,400 (equivalent to approximately HK\$1,286,847,541), which was conducted by way of public tender and transfer on the GUAAE.

Following the entering into of the Equity Transfer Agreement, on 10 November 2025, the Company entered into the Capital Increase Agreement with Honda Motor, Honda China and GAC Honda, pursuant to which the registered capital of GAC Honda will be enlarged from US\$541,000,000 to US\$867,215,960. The Company, Honda Motor and Honda China will contribute to the Capital Increase at an aggregate amount of US\$326,215,960 (equivalent to approximately HK\$2,544,484,488) in proportion to their respective capital contributions in GAC Honda, subject to the terms and conditions of the Capital Increase Agreement. Upon completion of the Capital Increase, each of the Company, Honda Motor and Honda China will maintain their respective percentage holding of equity interest in GAC Honda and continue to hold 50%, 40% and 10% of the equity interest in GAC Honda respectively. In respect of Dongfeng Honda Engine, Honda Motor and Honda China will no longer hold any equity interest in Dongfeng Honda Engine. The equity interest of GAC Honda in Dongfeng Honda Engine will increase from 50% to 100%, and the attributable interest of the Company in Dongfeng Honda Engine will become 50%.

The Equity Transfer pursuant to the Equity Transfer Agreement and the Capital Increase pursuant to the Capital Increase Agreement together constitute the Equity Restructuring of Dongfeng Honda Engine.

The principal terms of the Capital Increase Agreement are set out below.

## **CAPITAL INCREASE AGREEMENT**

### **Date**

10 November 2025

### **Parties**

- (i) The Company;
- (ii) Honda Motor;
- (iii) Honda China; and
- (iv) GAC Honda.

## **Total amount of Capital Increase**

The total amount of Capital Increase will be US\$326,215,960 (equivalent to approximately HK\$2,544,484,488), and the enlarged registered capital of GAC Honda immediately after completion of the Capital Increase will be US\$867,215,960 (equivalent to approximately HK\$6,764,284,488).

## **Capital contributions**

The original currency in which each party makes its contribution is RMB. The Company, Honda Motor and Honda China shall contribute to the Capital Increase at an aggregate amount of US\$326,215,960 in proportion to their respective capital contributions in GAC Honda as follows:

- (1) the Company shall make a capital contribution of RMB1,172,485,400, which is equivalent to US\$163,107,980<sup>#</sup>, representing 50% of the total increase in the registered capital of GAC Honda;
- (2) Honda Motor shall make a capital contribution of RMB937,988,320, representing 40% of the total increase in the registered capital of GAC Honda. The capital contribution shall be paid with the entire 40% equity interest in Dongfeng Honda Engine held by Honda Motor, which is equivalent to US\$130,486,384<sup>#</sup>; and
- (3) Honda China shall make a capital contribution of RMB234,497,080, representing 10% of the total increase in the registered capital of GAC Honda. The capital contribution shall be paid with the entire 10% equity interest in Dongfeng Honda Engine held by Honda China, which is equivalent to US\$32,621,596<sup>#</sup>.

<sup>#</sup> being converted based on the median exchange rate of US\$1 = RMB7.1884 as published by the PBOC prevailing on 31 December 2024, being the Benchmark Date.

## **Shareholding structure of GAC Honda immediately prior to and upon completion of the Capital Increase**

The table below sets forth the shareholding structure of GAC Honda immediately prior to and upon completion of the Capital Increase.

Shareholder(s)	Immediately prior to completion of the Capital Increase		Immediately upon completion of the Capital Increase	
	Registered capital of GAC Honda <i>US\$</i>	Percentage of the registered capital of GAC Honda	Enlarged registered capital of GAC Honda <i>US\$</i>	Percentage of the enlarged registered capital of GAC Honda
The Company	270,500,000	50%	433,607,980	50%
Honda Motor	216,400,000	40%	346,886,384	40%
Honda China	54,100,000	10%	86,721,596	10%
<b>Total</b>	<b><u>541,000,000</u></b>	<b><u>100%</u></b>	<b><u>867,215,960</u></b>	<b><u>100%</u></b>

The Company's contribution to the registered capital of GAC Honda will be financed by internal funds.

### **Completion of the Capital Increase**

The Company shall within 3 business days after fulfillment of all conditions precedent under the Capital Increase Agreement, pay its capital contribution to GAC Honda in the form of RMB cash on a one-off lump sum basis. In respect of the Company, the completion date of the Capital Increase refers to the date when it pays up its capital contribution to GAC Honda. The Company shall be deemed to have fulfilled its payment obligation in relation to the Capital Increase upon remitting the capital contribution to GAC Honda's designated bank account.

Within 3 business days after fulfillment of all conditions precedent under the Capital Increase Agreement and on the day that the Company fulfills the aforementioned payment obligation, Honda Motor and Honda China shall fulfill their payment obligations to contribute to the Capital Increase with equity interest. The Company shall notify Honda Motor, Honda China, GAC Honda and Dongfeng Honda Engine in writing at least 1 day in advance of the date it intends to fulfill its payment obligation, and shall promptly notify the aforesaid parties upon completion of its payment obligation on the day of fulfillment. On such day, Honda Motor, Honda China and GAC Honda shall notify Dongfeng Honda Engine, and facilitate Dongfeng Honda Engine in the transfer of the equity interests of Honda Motor and Honda China to GAC Honda and issue the capital contribution certificate and register of shareholders to GAC Honda. In respect of Honda Motor and Honda China, the completion date of the Capital Increase refers to the date on which Dongfeng Honda Engine records GAC Honda as its shareholder on the register of shareholders. Accordingly, the equity interests held by Honda Motor and Honda China in Dongfeng Honda Engine, together with all

corresponding rights and obligations, shall be transferred to GAC Honda. GAC Honda will then hold 100% equity interest in Dongfeng Honda Engine, and Honda Motor and Honda China shall be deemed to have fulfilled their payment obligations in relation to the Capital Increase. On the same day of receiving the capital contribution certificate and register of shareholders issued by Dongfeng Honda Engine, GAC Honda will issue the capital contribution certificates and updated registers of shareholders in relation to the Capital Increase to the Company, Honda Motor and Honda China respectively.

Dongfeng Honda Engine will apply to the relevant market regulatory authority for the registration of industrial and commercial change in relation to the Equity Transfer, while GAC Honda shall apply to the relevant market regulatory authority for the registration of industrial and commercial change in relation to the Capital Increase. The Company, Honda Motor and Honda China shall assist GAC Honda and Dongfeng Honda Engine in completing the registrations before 31 December 2025.

If any party to the Capital Increase Agreement becomes aware that Dongfeng Honda Engine may be unable to update the register of shareholders regarding the transfer of the equity interests of Honda Motor and Honda China to GAC Honda before 30 December 2025, the parties shall forthwith commence negotiations.

### **Conditions precedent**

The above obligations of the Company to pay the capital contribution, and of Honda Motor and Honda China to transfer their respective equity interest in Dongfeng Honda Engine to GAC Honda as fulfillment of their payment obligations under the Capital Increase shall arise simultaneously upon the fulfilment (or where applicable, waiver) of all the following conditions precedent under the Capital Increase Agreement:

- (1) the GUAEE having issued a notice of signing in respect of the Equity Transfer under the Equity Restructuring, and the relevant transaction documents having been executed and become effective;
- (2) the antitrust enforcement authority having approved or waived the examination of the concentration of undertakings in respect of the Equity Restructuring;
- (3) GAC Honda having passed shareholders' resolutions approving the following:
  - (a) increase in the registered capital of GAC Honda;
  - (b) the Capital Increase as stipulated in the Capital Increase Agreement;
  - (c) in relation to the Capital Increase, adoption of new articles of association of GAC Honda or amendments thereto, and the new joint venture contract in respect of GAC Honda, and setting out the shareholders' particulars following the completion of the Capital Increase;

- (4) all parties to the Capital Increase Agreement, Dongfeng Honda Engine and Dongfeng Motor Group having obtained the necessary internal corporate approvals (where applicable) for the Equity Restructuring;
- (5) there being no laws, regulations, or judgments, awards, rulings or injunctions issued by courts or relevant governmental authorities which would restrict, prohibit or nullify the implementation of the Capital Increase or the Equity Transfer by the relevant parties, and there being no pending or potential litigation, arbitration, judgments, awards, rulings or injunctions by government departments that have materially and adversely affected the parties, the Capital Increase or the Equity Transfer.

### **Arrangements for the transitional period**

The profit or loss of Dongfeng Honda Engine recorded from the day following the Benchmark Date until the date of completion of the Capital Increase by Honda Motor and Honda China shall be shared or borne by GAC Honda.

### **Effective date of the Capital Increase Agreement**

While the Capital Increase Agreement shall take effect upon the signing of the parties, the Equity Transfer and the Capital Increase under the Equity Restructuring shall only take effect upon the fulfillment and/or, where applicable, waiver of the conditions precedent under the Capital Increase Agreement, including the obtaining of the approval or waiver by the antitrust enforcement authority of the examination of the concentration of undertakings in respect of the Equity Restructuring.

### **INFORMATION ON DONGFENG HONDA ENGINE**

Dongfeng Honda Engine is principally engaged in manufacturing automobile parts and accessories (including manufacturing automobile engine). Prior to the Equity Transfer, Dongfeng Motor Group, Honda Motor and Honda China held 50%, 40% and 10% equity interest in Dongfeng Honda Engine respectively.

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

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

## VALUATION OF DONGFENG HONDA ENGINE

The capital contributions to the Capital Increase have been arrived at after arm's length negotiations among the parties to the Capital Increase Agreement with reference to the valuation of the entire shareholders' interests in Dongfeng Honda Engine assessed by the Independent Valuer using the asset-based approach as at 31 December 2024, being the Benchmark Date.

According to the Valuation Report, as at the Benchmark Date, the book value of the net assets of the entire shareholders' interests in Dongfeng Honda Engine assessed by the Independent Valuer using the asset-based approach is RMB2,028.7156 million, and the appraised value is RMB2,345.1936 million, with an appreciation in valuation of RMB316.478 million (an appreciation rate of 15.60%).

### Details of the valuation

The main content of the Valuation Report is as follows:

Methodology considered : In determining the value of the appraised assets, the Independent Valuer has considered three basic asset valuation approaches, namely the income approach, the market approach and the asset-based approach, respectively.

Basis of the adoption of valuation approaches : Income approach

The income approach refers to the valuation method of capitalising or discounting the expected income to determine the value of the appraised entity. Dongfeng Honda Engine operates in the automotive engine manufacturing industry, with GAC Honda as its primary customer. Its product pricing model is closely linked to GAC Honda, with a single customer base and moderate risk resilience. Given the intense competition in the automotive manufacturing sector, the revenue of Dongfeng Honda Engine declined annually from 2022 to 2024, and its future earnings and associated risks could not be reliably estimated. Consequently, the Independent Valuer believes that the income approach is not suitable.

## Market approach

The market approach refers to the valuation method that determines the value of an appraised entity by comparing the appraised entity with comparable listed companies or comparable transaction cases. The market approach commonly consists of two specific methods of comparing with listed companies and transactions.

The method of comparing with comparable listed companies refers to the specific method which involves calculating appropriate value ratios or economic indicators by analysing operating and financial data of listed companies in the capital market operating in the industry same as or similar to that of the appraised entity, thereby determining the value of the valuation target based on comparative analysis with the appraised entity.

The method of comparing with comparable transactions refers to the specific method in which information on trade, acquisition and merger cases of comparable companies are collected and analysed, and the value ratios are calculated appropriately to determine the value of the appraised entity based on comparative analysis with the appraised entity.

Due to limitations in information collection, an adequate number of comparable transaction cases could not be identified. Furthermore, the impact of differences between the appraised entity and transaction cases on equity value could not be fully quantified. Therefore, the method of comparing with comparable transactions is not applicable. However, a sufficient number of listed companies similar to the appraised entity could be identified in the securities market. These companies are active in trading, with publicly available transaction and financial data and comprehensive information. Therefore, the Independent Valuer believes that the method of comparing with comparable listed companies is applicable.

### Asset-based approach

The asset-based approach refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and off-balance sheet assets and liabilities, based on the balance sheet of the appraised entity as at the valuation benchmark date. To assess the equity value of Dongfeng Honda Engine, the asset-based approach reflects the company's value from the perspective of its acquisition or construction. It provides a basis for business management and evaluation after the completion of the economic transaction. Therefore, the Independent Valuer has adopted the asset-based approach for this valuation.

Valuation conclusion : Although the Independent Valuer considers both the market approach and asset-based approach to be applicable, the results derived from the market approach reflect the current open market value. The valuation methodology simulates estimation of the appraised entity's value by referencing current open market values. The liquidity factors considered are based on the analysis results of historical open market data. However, China's securities market exhibits significant volatility and is heavily influenced by factors such as policy and capital flows, resulting in certain valuation discrepancies.

The valuation conclusion under the asset-based approach is derived from the perspective of the acquisition and construction of enterprises, with the replacement costs of assets and liabilities as the standard of value, reflecting that the socially necessary labor expended in asset investments (acquisition and construction cost) is in line with the price levels of existing materials, labor and management. This approach possesses objectivity and verifiability, making it less susceptible to the subjective factors of the operator. For capital-intensive enterprise, it is more consistent with the value judgment logic of both parties involved in the transaction. Therefore, the valuation conclusion under the asset-based approach has been adopted by the Independent Valuer as the valuation conclusion of the total value of the shareholders' equity of Dongfeng Honda Engine.

Specific estimation methods for the asset-based approach : On the premise of continuous operation of the enterprise, each asset and liability should be evaluated by the Independent Valuer respectively by using the assessment methods appropriate to the assets and liabilities assessed, and the appraised value of the net assets should be determined by deducting the value of liabilities from the value of the assets after valuation.

In the course of the valuation process, the Independent Valuer has carried out asset inventory, account audit, ownership verification, physical inspection, market research and valuation method selection.

Valuation assumptions : In determining the results of the valuation, the Independent Valuer has made the following key assumptions:

1. All the assets to be valuated have already been in the transaction process.
2. Both parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information in order to make rational judgments on the assets including their functions, purposes and transaction prices.
3. Dongfeng Honda Engine may continue operating after the expiry of the term of operation.
4. There will be no material changes to the political, economic and social environment of the countries and regions where Dongfeng Honda Engine is located after the Benchmark Date.
5. There will be no material changes to the national macro-economic policies, industrial policies or regional development policies after the Benchmark Date.
6. There will be no material changes to the interest rates, exchange rates, tax bases and tax rates, as well as policies charges in relation to Dongfeng Honda Engine after the Benchmark Date.

7. The manager of Dongfeng Honda Engine is responsible, and its management is capable of taking up their positions and performing their duties.
8. Dongfeng Honda Engine fully complies with all relevant laws and regulations.
9. There will be no force majeure events with material adverse impacts on Dongfeng Honda Engine after the Benchmark Date.

Based on the above and that the Independent Valuer has conducted the valuation in accordance with the Basic Rules for Assets Appraisal issued by the Ministry of Finance of the PRC as well as the Rules of Practicing for Asset Appraisal and Code of Ethics issued by China Appraisal Society, the Company is of the view that the basis of valuation of the equity value of Dongfeng Honda Engine is fair and reasonable.

## **INFORMATION OF THE PARTIES**

### **The Group**

The principal businesses of the Group include the research and development and the manufacturing of vehicles and motorcycles, automobile parts and components, commercial services, financial services, and mobile transportation services, which form a complete closed-loop automobile industry chain. Its ultimate beneficial owner is the State-Owned Assets Administration Bureau of the Guangzhou Municipal People's Government.

### **GAC Honda**

GAC Honda is a principal jointly-controlled entity of the Company incorporated in May 1998 under PRC law, in which the Company, Honda Motor and Honda China hold 50%, 40% and 10% equity interest respectively. The principal businesses of GAC Honda are the manufacture and sales of vehicles and vehicle parts and components.

### **Honda Motor**

Honda Motor 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 Honda Motor are listed on the Tokyo Stock Exchange (stock code: 7267) and New York Stock Exchange (stock code: HMC).

## **Honda China**

Honda China is a wholly-owned subsidiary of Honda Motor. Honda China is principally engaged in self-funded investments, wholesale of motorcycles, parts and components, wholesale of automobile parts and components, automobile sales, sales of new energy vehicles, technical services and technical development, etc.

### **FINANCIAL EFFECTS OF THE CAPITAL INCREASE**

Upon completion of the Capital Increase, each of the Company, Honda Motor and Honda China will maintain their respective percentage holding of equity interest in GAC Honda and continue to hold 50%, 40% and 10% of the equity interest in GAC Honda respectively. In respect of Dongfeng Honda Engine, Honda Motor and Honda China will no longer hold any equity interest in Dongfeng Honda Engine. The equity interest of GAC Honda in Dongfeng Honda Engine will increase from 50% to 100%, and the attributable interest of the Company in Dongfeng Honda Engine will become 50%. GAC Honda, a principal jointly-controlled entity of the Company, is accounted for in the consolidated financial statements of the Group using the equity method. Upon completion of the Capital Increase, Dongfeng Honda Engine will also be accounted for in the consolidated financial statements of the Group using the equity method.

### **REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE**

Dongfeng Honda Engine primarily supplies engines and components to GAC Honda. Implementing the Equity Transfer and Capital Increase will facilitate the seamless integration of GAC Honda's engine operations, enhance supply chain stability and autonomy, improve management efficiency, reduce costs and boost operational performance, thereby laying a solid foundation for accelerating the Group's transition towards the intelligent and electric manufacturing of automobiles.

The Directors (including the independent non-executive Directors) are of the view that, notwithstanding that the Capital Increase Agreement is not entered into in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and Shareholders as a whole.

None of the Directors has any material interest in the Capital Increase Agreement and the transactions contemplated thereunder, and therefore they are not required to abstain from voting on the relevant Board resolutions.

## LISTING RULES IMPLICATIONS

### Equity Transfer

Upon completion of the Equity Transfer, GAC Honda will hold 50% of the equity interest in Dongfeng Honda Engine, and the attributable interest of the Company in Dongfeng Honda Engine will become 25%. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Equity Transfer does not exceed 5%, the Equity Transfer does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and thus the Equity Transfer is not subject to the announcement and shareholders' approval requirements therein. As to the Equity Transfer, Dongfeng Motor Group is an Independent Third Party. Accordingly, the Equity Transfer does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and it is not subject to the disclosure requirements therein.

### Capital Increase

Honda Motor and Honda China are substantial shareholders of GAC Honda, a principal jointly-controlled entity of the Company. Accordingly, in relation to the Capital Increase, Honda Motor and Honda China are connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Therefore, the Capital Increase and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Capital Increase exceeds 0.1% but is less than 5%, the Capital Increase is subject to the reporting and announcement requirements but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, upon completion of the Capital Increase, Honda Motor and Honda China will no longer hold any equity interest in Dongfeng Honda Engine. The equity interest of GAC Honda in Dongfeng Honda Engine will increase from 50% to 100%, and the attributable interest of the Company in Dongfeng Honda Engine will become 50%. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Capital Increase is less than 5%, the Capital Increase does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and thus the Capital Increase is not subject to the announcement and shareholders' approval requirements therein.

**Shareholders and potential investors should note that the Equity Transfer and the Capital Increase under the Equity Restructuring shall only become effective upon the fulfilment and/or, where applicable, waiver of conditions precedent under the Capital Increase Agreement. As such, the Capital Increase may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Benchmark Date”	the valuation benchmark date of the Valuation Report, being 31 December 2024
“Board”	the board of directors of the Company
“Capital Increase”	the enlargement of the registered capital of GAC Honda from US\$541,000,000 to US\$867,215,960 by the Company, Honda Motor and Honda China pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 10 November 2025 entered into among the Company, Honda Motor, Honda China and GAC Honda in respect of the Capital Increase
“Company”	Guangzhou Automobile Group Co., Ltd.* (廣州汽車集團股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability in June 2005, the issued H shares of which are listed on the Stock Exchange (Stock Code: 002238)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dongfeng Motor Group”	Dongfeng Motor Group Co., Ltd.* (東風汽車集團股份有限公司), a joint stock limited company incorporated in the PRC, the issued H shares of which are listed on the Stock Exchange (Stock Code: 000489), which held 50% of the equity interest in Dongfeng Honda Engine prior to the Equity Transfer, and an Independent Third Party
“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, in which Dongfeng Motor Group, Honda Motor and Honda China held 50%, 40% and 10% equity interest respectively prior to the Equity Transfer
“Equity Restructuring”	the equity restructuring plan of Dongfeng Honda Engine to transform it into a wholly-owned subsidiary of GAC Honda, of which the Equity Transfer and the Capital Increase together constitute an integral part

“Equity Transfer”	the transfer of 50% of the equity interest in Dongfeng Honda Engine held by Dongfeng Motor Group pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the agreement dated 30 October 2025 entered into between GAC Honda (as the purchaser) and Dongfeng Motor Group (as the vendor) in respect of the Equity Transfer
“GAC Honda”	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 incorporated in May 1998 under PRC law, in which the Company, Honda Motor and Honda China hold 50%, 40% and 10% equity interest respectively
“Group”	the Company, its subsidiaries and their respective jointly-controlled entities
“GUAEE”	Guangdong United Assets and Equity Exchange* (廣東聯合產權交易中心), an open platform in China for the trading of assets and interests, the sole institution in Guangdong Province engaged in assets transactions of state-owned enterprises
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Honda China”	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 Honda Motor, and a joint venture partner of the Company in GAC Honda
“Honda Motor”	Honda Motor Co., Ltd.* (本田技研工業株式會社), a company incorporated in Japan, the shares of which are listed on the Tokyo Stock Exchange (Stock Code: 7267) and the New York Stock Exchange (Stock Code: HMC), and a joint venture partner of the Company in GAC Honda
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	(a) third party(ies) independent of and not connected with the Company and its connected persons
“Independent Valuer”	Guangdong Union Trust Evaluation Co., Ltd.* (廣東聯信資產評估土地房地產估價有限公司)

“joint venture partner(s)” or “jointly-controlled entity(ies)”	joint venture company(ies) under direct or indirect joint control, and no participating party has unilateral control power over the economic activities of such jointly-controlled entity(ies) as a result of such direct or indirect joint control
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning as ascribed to it under the Listing Rules
“PBOC”	People’s Bank of China
“PRC” or “China”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“US\$”	United States dollar, the lawful currency of the United States of America
“Valuation Report”	valuation report on the value of the entire shareholders’ interests in Dongfeng Honda Engine as at the Benchmark Date issued by the Independent Valuer on 29 August 2025
“%”	per cent

\* *for identification purpose only*

*In this announcement, unless otherwise stated, RMB and US\$ have been converted to HK\$ at the rate of RMB0.91113 = HK\$1.00 and US\$1.00 = HK\$7.80 respectively for illustration purpose only. No representation is made that any amounts in RMB, US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

By order of the Board  
**Guangzhou Automobile Group Co., Ltd.**  
**FENG Xingya**  
*Chairman*

Guangzhou, the PRC, 10 November 2025

*As at the date of this announcement, the executive director of the Company is FENG Xingya, the non-executive directors of the Company are CHEN Xiaomu, DENG Lei, ZHOU Kaiquan, WANG Yiwei and HONG Suli, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.*