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GUANGZHOU AUTOMOBILE GROUP CO., LTD.

廣州汽車集團股份有限公司

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



DENWAY MOTORS LIMITED

駿威汽車有限公司

*(Incorporated in Hong Kong under
the Companies Ordinance)*

Website: <http://www.denway-motors.com>

(Stock code: 203)

JOINT ANNOUNCEMENT

Pursuant to Rule 3.7 of the Code on Takeovers and Mergers

UPDATE ON THE PROPOSED LISTING BY INTRODUCTION AND PROPOSED PRIVATISATION OF DENWAY

Reference is made to the joint announcement issued by GAC and Denway dated 22 January 2010 (the "Joint Announcement") pursuant to which the GAC Board and the Denway Board jointly announced that GAC proposed to list its H Shares on the Hong Kong Stock Exchange by way of an introduction and the Listing will create listed equity consideration for the proposed privatisation of Denway by way of a scheme of arrangement under section 166 of the Hong Kong Companies Ordinance and the update announcement jointly issued by GAC and Denway dated 23 February 2010. Terms defined in the Joint Announcement shall have the same meanings herein unless the context requires otherwise.

The GAC Board and the Denway Board would like to inform the Denway Shareholders that as at the date of this announcement, the listing application made by GAC to the Hong Kong Stock Exchange on 19 January 2010 for the Listing of the H Shares on the Hong Kong Stock Exchange by way of an introduction pursuant to Rule 7.14(3) of the Listing Rules is still being processed, and no firm intention to make an offer under Rule 3.5 of the Takeovers Code or decisions not to proceed with an offer or of termination of talks has been made.

Denway Shareholders and potential investors in Denway should take note that the Listing by GAC may not materialise and, accordingly, there can be no certainty that the Proposed Privatisation offer will be made.

This announcement is issued pursuant to Rule 3.7 of the Takeovers Code. Denway Shareholders will be informed of any further development with regards to the proposed Listing and the Proposed Privatisation as and when necessary and on a monthly basis until announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer or of termination of talks is made.

Denway Shareholders and potential investors in Denway are reminded to exercise caution when dealing in Denway Shares and any other securities of Denway. In particular, Denway Shareholders and potential investors in Denway are reminded that the Listing and the Proposed Privatisation may or may not materialise and may be subject to various conditions.

Persons who are in doubt as to the action should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of GAC and Denway are hereby reminded to disclose their dealings in any securities of GAC and Denway under Rule 22 of the Takeovers Code.

By order of the board of
Guangzhou Automobile Group Co., Ltd.
Mr. Zhang Fangyou
Chairman

By order of the board of
Denway Motors Limited
Mr. Li Tun
Managing Director

Hong Kong, 23 March 2010

The directors of GAC jointly and severally accept full responsibility for the accuracy of the information in this announcement (other than that relating to Denway) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by Denway) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement (other than that relating to Denway) herein misleading.

The directors of Denway jointly and severally accept full responsibility for the accuracy of the information in this announcement (other than that relating to GAC) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by GAC) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement (other than that relating to GAC) herein misleading.

As at the date of this announcement, the executive directors of GAC are ZHANG Fangyou, ZENG Qinghong, YUAN Zhongrong, FU Shoujie and LU Sa, the non-executive directors of GAC are LIU Huilian, WEI Xiaoqin, LI Tun, WANG Songlin and LI Pingyi and the independent non-executive directors of GAC are WU Gaogui, MA Guohua, XIANG Bing, LAW Albert Yu Kwan and LI Zhengxi.

As at the date of this announcement, the executive directors of Denway are Mr. ZHANG Fangyou, Mr. ZENG Qinghong, Mr. LI Tun, Mr. FU Shoujie and Mr. YAO Yiming and the independent non-executive directors of Denway are Mr. CHEUNG Doi Shu, Mr. LEE Ka Lun and Mr. FUNG Ka Pun.