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GUANGZHOU AUTOMOBILE GROUP CO., LTD.

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



DENWAY MOTORS LIMITED

*(Incorporated in Hong Kong
under the Companies Ordinance)
(Stock code: 203)*

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF DENWAY BY GAC BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 166 OF THE HONG KONG COMPANIES ORDINANCE

RESUMPTION OF TRADING IN DENWAY SHARES

Joint Financial Advisers to GAC

J.P.Morgan

J.P. Morgan Securities
(Asia Pacific) Limited

Morgan Stanley

Morgan Stanley Asia Limited



China International Capital
Corporation Hong Kong
Securities Limited

Independent Financial Adviser to Denway IBC



BNP Paribas Capital (Asia Pacific) Limited

INCREASE OF SHARE EXCHANGE RATIO

INCREASE OF CANCELLATION CONSIDERATION

Reference is made to the 3.5 Announcement. The GAC Board and the Denway Board hereby jointly announce that on 7 June 2010, GAC requested the Denway Board to put forward to the Scheme Shareholders a Revised Share Exchange Ratio under which holders of the Scheme Shares will receive from GAC as a cancellation consideration:

For every Scheme Share cancelled0.474026 GAC H Shares

It is expected that under the Privatisation, fractions of GAC H Shares will not be issued to the Scheme Shareholders.

GAC is of the view that the previous Share Exchange Ratio is reasonable to Scheme Shareholder and the Revised Share Exchange Ratio will further enhance the attractiveness of the offer. The Revised Share Exchange Ratio shows GAC's full respect of Scheme Shareholders' interest and GAC's willingness to share its potential growth with the Scheme Shareholders. GAC believes that the Revised Share Exchange Ratio improves the return of the Scheme Shareholders in the Privatisation and will engage the support of Scheme Shareholders. GAC has confirmed that there will be no further revision to the Revised Share Exchange Ratio.

Save as aforesaid, all other terms of the Privatisation proposal will remain unchanged.

RESUMPTION OF TRADING

At the request of Denway, trading in the Denway Shares on the Stock Exchange was suspended from 9:30 a.m. on 7 June 2010 (Hong Kong time) pending the issue of this announcement. An application has been made by Denway to the Stock Exchange for the resumption of trading in the Denway Shares with effect from 9:30 a.m. on 8 June 2010 (Hong Kong time).

WARNING

Scheme Shareholders, investors and potential investors in Denway should be aware that the implementation of the Privatisation and the Scheme is subject to the conditions set out in this Announcement being satisfied or waived, as applicable, and accordingly, the Privatisation and the Scheme may or may not become effective. Scheme Shareholders, investors and potential investors in Denway should therefore exercise caution when dealing in Denway Shares and/or other securities of Denway. Persons who are in doubt as to the action they should take should consult their licensed securities dealers, registered institutions in securities, bank managers, solicitors or other professional advisers.

DEFINITIONS

In this announcement, capitalized terms and expressions have the meanings used in the 3.5 Announcement, except that the following expressions have the meanings set out below unless the context requires otherwise.

“3.5 Announcement”	the announcement jointly issued on 19 May 2010 pursuant to Rule 3.5 of the Takeovers Code by GAC and Denway in respect of GAC’s proposed listing of the GAC H Shares on the Stock Exchange by way of introduction and the corresponding proposed privatisation of Denway
“Revised Share Exchange Ratio”	the exchange ratio of 0.474026 GAC H Shares for every Scheme Share under the Privatisation

The GAC Directors jointly and severally accept full responsibility for the accuracy of the information in this Announcement (other than that relating to the Denway Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than that expressed by the Denway Group), 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 Group) herein misleading.

The Denway Directors jointly and severally accept full responsibility for the accuracy of the information in this Announcement (other than that relating to the GAC Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than that expressed by the GAC Group), 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 the GAC Group) herein misleading.

As at the Announcement Date, the executive directors of GAC are ZHANG Fangyou, ZENG Qinghong, YUAN Zhongrong and LU Sa, the non-executive directors of GAC are FU Shoujie, 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 Announcement Date, 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.

In accordance with Rule 3.8 of the Takeovers Code, Associates of GAC and Denway are hereby reminded to disclose their dealings in Denway Shares and GAC Shares pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

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, 8 June 2010