

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.

*(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 COMPANIES ORDINANCE

AND

PROPOSED WITHDRAWAL OF LISTING OF DENWAY MOTORS LIMITED

AND

LISTING OF GAC BY WAY OF INTRODUCTION ON THE MAIN BOARD OF THE STOCK EXCHANGE

DESPATCH OF SCHEME DOCUMENT

Joint Financial Advisers and Joint Sponsors to GAC

J.P.Morgan

Morgan Stanley



Independent Financial Adviser to Denway IBC



Valuation Adviser to GAC



The Scheme Document has been despatched to all Denway Shareholders on Friday, 18 June 2010.

The respective notices of the Court Meeting and the EGM to be held on Friday, July 16 2010 are set out in the Scheme Document.

Scheme Shareholders should consider carefully the recommendations of the Denway IBC and the factors, reasons and recommendations relating to the Privatisation as set out in the letter from BNP Paribas Capital, the independent financial adviser to the Denway IBC, before making a decision on the Privatisation.

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 the Scheme Document 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.

INTRODUCTION

Reference is made to (i) the Announcement pursuant to which GAC and Denway jointly announced that on 19 May 2010, GAC formally requested the Denway Board to put forward the Privatisation proposal to the Scheme Shareholders with a view to privatise Denway by GAC; and (ii) the announcement dated 8 June 2010 pursuant to which GAC and Denway jointly announced that on 7 June 2010, GAC requested the Denway Board to put forward the revised Share Exchange Ratio to the Scheme Shareholders. Reference is also made to the announcement dated 21 April 2010 issued by Denway in relation to, among other things, the appointment of BNP Paribas Capital as the independent financial adviser to the Denway IBC.

Unless the context otherwise requires, all capitalised terms defined in this announcement shall have the same meanings as defined in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Privatisation, the Scheme, the expected timetable, an explanatory statement as required under the Companies Ordinance, the recommendations from the Denway IBC in respect of the Privatisation and the advice of BNP Paribas Capital to the Denway IBC, a notice of the Court Meeting and a notice of the EGM, has been despatched to all Denway Shareholders on Friday, 18 June 2010.

RECOMMENDATION OF THE DENWAY IBC AND BNP PARIBAS CAPITAL

The Denway IBC, comprising all the independent non-executive Denway Directors, namely Mr. Cheung Doi Shu, Mr. Lee Ka Lun and Mr. Fung Ka Pun, has been established to advise the Scheme Shareholders in respect of the Privatisation and Scheme.

BNP Paribas Capital has been appointed as the independent financial advisor to advise the Denway IBC in respect of the Privatisation and Scheme. The Scheme Document includes, inter alia, a letter from BNP Paribas Capital giving its advice and recommendation to the Denway IBC on the Privatisation and the Scheme. The advice of BNP Paribas Capital and the recommendations of the Denway IBC are set out in the Scheme Document. Scheme Shareholders should consider carefully the recommendations of the Denway IBC and the factors, reasons and recommendations relating to the Privatisation as set out in the letter from BNP Paribas Capital, the independent financial adviser to the Denway IBC, before making a decision on the Privatisation.

Having considered the principal factors and reasons set out in the letter from BNP Paribas Capital contained in the Scheme Document, and as of the date of the Scheme Document, BNP Paribas Capital considers the terms of the Privatisation proposal to be, on balance, fair and reasonable so far as the Disinterested Denway Shareholders are concerned and recommends the Denway IBC to recommend the Disinterested Denway Shareholders to vote in favour of the special resolution to approve the Scheme at the Court Meeting and the special resolution to approve and give effect to the Scheme at the Denway EGM.

Having considered the terms of the Privatisation and the advice from BNP Paribas Capital, as of the date of the Scheme Document, the Denway IBC considers the terms of the Privatisation to be, on balance, fair and reasonable so far as the Disinterested Denway Shareholders are concerned and recommends the Disinterested Denway Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting and the special resolution to approve and give effect to the Scheme at the Denway EGM.

MEETINGS

The Court Meeting and the EGM will be held at 10:00 a.m. and 10:30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively on Friday, 16 July 2010, at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong. Notices of these meetings are set out in the Scheme Document. For the purposes of these meetings, trading in the Shares are expected to be suspended from 9:30 a.m. on Friday, 16 July 2010 until the release of the results of these meetings, which is expected to be no later than 7:00 p.m. on the same day.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Disinterested Denway Shareholders to attend and vote at the Court Meeting and the Denway Shareholders to attend and vote at the Denway EGM, the register of members of Denway will be closed from 12 July 2010 to 16 July 2010 (both days inclusive) and during such period, no transfer of Denway Shares will be effected. In order to qualify to vote at the Court Meeting and the Denway EGM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of Denway in Hong Kong, Tricor Abacus Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. (Hong Kong time) on 9 July 2010.

CONDITIONS OF THE PRIVATISATION

The Privatisation and the Scheme are subject to the satisfaction or waiver, as applicable, of the conditions of the Privatisation set out in the section headed “3. Conditions of the Privatisation and the Scheme” in the Explanatory Statement on pages 59 to 61 of the Scheme Document. All these conditions will have to be satisfied or waived, as applicable, on or before 31 December 2010 (or such later date as GAC and Denway may agree and the High Court may allow), otherwise the Privatisation, including the Scheme, will lapse. Assuming that all of these conditions are satisfied or waived, as applicable, it is expected that the Scheme will become effective on 25 August 2010.

EXPECTED TIMETABLE

Latest time for lodging transfers of Denway Shares in order to qualify for attending and voting at the Court Meeting and the Denway EGM.	4:30 p.m. on Friday, 9 July 2010
Register of members of Denway closed for determination of entitlements of Disinterested Denway Shareholders to attend and vote at the Court Meeting and of Denway Shareholders to attend and vote at the Denway EGM ⁽²⁾	Monday, 12 July 2010 to Friday, 16 July 2010 (both days inclusive)
Latest time for lodging forms of proxy in respect of ⁽⁶⁾ :	
• Court Meeting	10:00 a.m. on Wednesday, 14 July 2010
• Denway EGM	10:30 a.m. on Wednesday, 14 July 2010
Suspension of dealing in Denway Shares.	9:30 a.m. on Friday, 16 July 2010
Court Meeting	10:00 a.m. on Friday, 16 July 2010
Denway EGM.	10:30 a.m. on Friday, 16 July 2010 (or immediately after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the Denway EGM published on the Stock Exchange’s website and Denway’s website	not later than 7 p.m. on Friday, 16 July 2010
Resumption of dealing in Denway Shares	9.30 a.m. on Monday, 19 July 2010

High Court hearing of the summons for directions in respect of capital reduction	9:30 a.m. on Tuesday, 27 July 2010
Last day for dealings in Denway Shares	Monday, 16 August 2010
Latest time for lodging transfers of the Denway Shares to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 19 August 2010
Closure of Register of members of Denway for determination of Scheme Shareholders ⁽⁷⁾	Friday, 20 August 2010 to Tuesday, 24 August 2010 (inclusive)
Court Hearing ⁽³⁾	9:30 a.m. on Tuesday, 24 August 2010
Scheme Record Time	4 p.m. on Tuesday, 24 August 2010
Announcement of (1) the results of the Court Hearing and (2) the expected withdrawal of the listing of the Denway Shares from the Stock Exchange on the Stock Exchange's website and Denway's website	not later than 7 p.m. on Tuesday, 24 August 2010
Scheme Effective Date ⁽⁸⁾	Wednesday, 25 August 2010
Withdrawal of listing of the Denway Shares on the Stock Exchange ⁽⁹⁾	after close of business on Wednesday, 25 August 2010
Announcement of (1) Scheme Effective Date and (2) the withdrawal of the listing of the Denway Shares on the Stock Exchange published on the Stock Exchange website and Denway's website	Wednesday, 25 August 2010
Certificates for the GAC H Shares to be despatched on or before ⁽⁵⁾	Friday, 27 August 2010
Dealings in the GAC H Shares on the Stock Exchange expected to commence at	9:30 a.m. on Monday, 30 August 2010

Notes:

- (1) *Denway Shareholders should note that the timetable is subject to change. Further announcement(s) will be made in the event if there is any change.*
- (2) *The closure of the register of members of Denway during this period is not for the purpose of determining entitlements under the Scheme. Instead, it is for the purpose of determining entitlements of Disinterested Denway Shareholders to attend and vote at the Court Meeting and the Denway Shareholders to attend and vote at the Denway EGM, respectively.*
- (3) *The Court Hearing will be held at the High Court at the High Court Building, 38 Queensway, Hong Kong.*

- (4) *If the Listing Committee of the Stock Exchange does not grant approval for the Listing on or prior to 25 August 2010, the Introduction will lapse. GAC will announce on the next Business Day that the Introduction has lapsed. In addition, GAC will make a separate announcement if there is any revision to the above timetable. The Scheme shall become effective upon all the conditions to the Privatisation being fulfilled and/or otherwise waived (as the case may be).*
- (5) *The GAC H Share certificates are expected to be despatched to Scheme Shareholders on 27 August 2010 after the Stock Exchange grants its approval for the Listing. In the event that the approval for the Listing is not obtained on 25 August 2010, the GAC H Share certificates will not be despatched on 27 August 2010 and dealings in the GAC H Shares on the Stock Exchange will not commence on 30 August 2010. In such event, and before 9:00 a.m. on 30 August 2010, GAC will make an announcement of the above and of a revised timetable. Investors who trade in the GAC H Shares prior to the receipt of the GAC H Share certificates do so entirely at their own risk.*
- (6) *Forms of proxy should be deposited at the office of Denway's share registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than the relevant times and dates stated above or, in the case of the pink form of proxy in respect of the Court Meeting, it may be handed to the chairman of the Court Meeting at the Court Meeting. Completion and return of a form of proxy for the Court Meeting or the Denway EGM will not preclude a Denway Shareholder from attending the relevant meeting and voting in person. In such event, the returned form of proxy will be deemed to have been revoked.*
- (7) *The registers of members of Denway kept in Hong Kong will be closed during such period, for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.*
- (8) *The Scheme will become effective when (a) it is sanctioned (with or without modification) by the High Court and (b) a copy of the order of the High Court sanctioning the Scheme is delivered to the Companies Registry for registration. Registration is expected to take place on Wednesday, 25 August 2010. Scheme Shareholders should note the "Conditions of the Privatisation and the Scheme" set out on pages 59 to 61 of the Scheme Document.*
- (9) *It is expected that the listing of the Denway Shares on the Stock Exchange will be withdrawn after close of business on Wednesday, 25 August 2010, being the Scheme Effective Date.*

OVERSEAS DENWAY SHAREHOLDERS

The making of the Privatisation proposal to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas holder of Denway Shares wishing to take any action in relation to the Privatisation and the Scheme to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

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 the Scheme Document 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.

DEFINITIONS

“Scheme Document” means the scheme document containing, among other things, further details of the Privatisation, the Scheme, the expected timetable, an explanatory statement as required under the Companies Ordinance, the recommendations from the Denway IBC in respect of the Privatisation and the advice of BNP Paribas Capital to the Denway IBC, a notice of the Court Meeting and a notice of the EGM

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, 18 June 2010

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