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GUANGZHOU AUTOMOBILE GROUP CO., LTD.

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

(Stock code: 2238)



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

SANCTION OF THE SCHEME BY THE HIGH COURT

Joint Financial Advisers and Joint Sponsors to GAC

J.P.Morgan

Morgan Stanley



Independent Financial Adviser to Denway IBC



Valuation Adviser to GAC



The Court Hearing was held on Tuesday, 24 August 2010 and the Scheme was sanctioned and the reduction of share capital of Denway involved in the Scheme was confirmed by the High Court on that day.

The Court Order and the Minute will be delivered to the Registrar of Companies for registration on Wednesday, 25 August 2010. Subject to the registration of the Court Order and the Minute and the obtaining of the listing approval from the Stock Exchange in relation to the listing of, and permission to deal in the GAC H Shares on the Stock Exchange, the Scheme is expected to become effective on Wednesday, 25 August 2010. A further announcement will be made when the Scheme has become effective.

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. 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.

INTRODUCTION

Reference is made to the announcements jointly issued by GAC and Denway dated 19 May 2010, 8 June 2010, 18 June 2010 and 16 July 2010 in relation to the Privatisation and the Scheme Document dated 18 June 2010. Terms defined in the Scheme Document shall have the same meanings when used in this announcement unless otherwise defined herein.

SANCTION OF THE SCHEME BY THE HIGH COURT

The Court Hearing was held on Tuesday, 24 August 2010 and the Scheme was sanctioned and the reduction of share capital of Denway involved in the Scheme was confirmed by the High Court on that day.

A sealed copy of the order of the High Court dated 24 August 2010 (the “**Court Order**”), together with a minute approved by the High Court containing the particulars required by Section 61 of the Companies Ordinance (the “**Minute**”) will be delivered to the Registrar of Companies of Hong Kong for registration on Wednesday, 25 August 2010. It is expected that the Court Order and the Minute will be registered on the same day.

Subject to the registration by the Registrar of Companies of Hong Kong of the Court Order and the Minute and the obtaining of the listing approval from the Stock Exchange in relation to the listing of, and permission to deal in the GAC H Shares on the Stock Exchange, the Scheme is expected to become effective on Wednesday, 25 August 2010. A further announcement will be made when the Scheme has become effective.

APPLICATION FOR WITHDRAWAL OF LISTING OF THE DENWAY SHARES

An application for the withdrawal of the listing of the Denway Shares has been made to the Stock Exchange and the Listing Committee of the Stock Exchange has approved the withdrawal of the listing of the Denway Shares on the Stock Exchange with effect after close of business on Wednesday, 25 August 2010, subject to the Scheme becoming effective. It is expected that the listing of the Denway Shares on the Stock Exchange will be withdrawn with effect after close of business on Wednesday, 25 August 2010. Upon the Scheme becoming effective, Denway will become a wholly-owned subsidiary of GAC.

DESPATCH OF CERTIFICATES FOR GAC H SHARES AND COMMENCEMENT OF DEALINGS IN GAC H SHARES

Subject to the Scheme becoming effective, certificates for the GAC H Shares are expected to be despatched to the Scheme Shareholders on or before Friday, 27 August 2010, and dealings in the GAC H Shares on the Stock Exchange are expected to commence at 9:30 a.m. on Monday, 30 August 2010.

SHARE REGISTRAR

GAC would like to clarify that the name of its Hong Kong H Share Registrar is Tricor Investor Services Limited which is situated at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong.

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. 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.

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, 24 August 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.