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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in Guangzhou Automobile Group Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed dealer in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**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)**

- (1) PROPOSED COMPLETION OF CERTAIN INVESTMENT PROJECTS FUNDED BY PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES AND UTILISATION OF THE REMAINING PROCEEDS FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL**
- (2) CHANGE IN USE OF PART OF THE PROCEEDS**
- (3) RELATED TRANSACTIONS CONCERNING GAC FINANCE'S PROVISION OF FINANCIAL SERVICES TO RELATED PARTIES**
- (4) PROPOSED FORMULATION OF DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FROM 2024 TO 2026**
- (5) THE PLAN OF REPURCHASE OF SHARES THROUGH CENTRALIZED PRICE BIDDING**
- (6) PROPOSED AMENDMENTS TO THE RULES FOR THE INDEPENDENT DIRECTORS**
- (7) PROPOSED AMENDMENTS TO THE ADMINISTRATIVE SYSTEM OF PROCEEDS**
- (8) NOTICE OF 2023 ANNUAL GENERAL MEETING AND**
- (9) NOTICE OF 2024 FIRST H SHAREHOLDERS' CLASS MEETING**

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A letter from the Board is set out on pages 5 to 21 of this circular.

The AGM and H Shareholders' Class Meeting of Guangzhou Automobile Group Co., Ltd. (the "Company") will be held at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 2:00 p.m. on Monday, 20 May 2024.

The AGM Notice containing the resolutions to be approved at the AGM is set out on pages 58 to 60 of this circular. The H Shareholders' Class Meeting Notice containing the resolution to be approved at the H Shareholders' Class Meeting is set out on pages 61 to 62 of this circular.

Whether or not you are able to attend the said meetings, you are requested to complete the forms of proxy enclosed in accordance with the instructions printed thereon and return the same to the Company as soon as possible. The forms of proxy of the AGM and H Shareholders' Class Meeting shall be returned to the Company's H Share registrar, Tricor Investor Services Limited, at least 24 hours before the time of holding of such meetings (i.e. 2:00 p.m. on Sunday, 19 May 2024) or at least 24 hours before the designated time of voting. Completion and return of the forms of proxy will not preclude you from attending the AGM and H Shareholders' Class Meeting and voting at the meetings should you so wish.

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## DEFINITIONS

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*In this circular (other than those set out in the AGM Notice and the H Shareholders' Class Meeting Notice), the following expressions shall have the meanings set out below unless the context requires otherwise:*

“A Share(s)”	domestic listed shares of par value of RMB1.00 each in the ordinary share capital of the Company which are listed on the SSE (Stock Code: 601238)
“A Shareholders' Class Meeting”	the 2024 first class meeting for holders of A Shares to be held by the Company at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 2:00 p.m. on Monday, 20 May 2024 (in the order of the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting respectively)
“Administrative System of Proceeds”	the Administrative System of Proceeds of Guangzhou Automobile Group Co., Ltd.
“AGM”	the 2023 annual general meeting of the Company to be held on Monday, 20 May 2024 at 2:00 p.m. at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC
“AGM Notice”	the notice dated 26 April 2024 convening the AGM as set out on pages 58 to 60 of this circular
“Articles of Association”	the Articles of Association of Guangzhou Automobile Group Co., Ltd.
“Board”	the board of Directors of the Company
“Class Meetings”	the A Shareholders' Class Meeting and the H Shareholders' Class Meeting
“Company” or “GAC”	Guangzhou Automobile Group Co., Ltd., a joint stock limited company incorporated in the PRC, the issued H Shares and A Shares of which are listed on the Stock Exchange and the SSE respectively
“Company Law”	the Company Law of the People's Republic of China
“CBIRC”	the National Financial Regulatory Administration under the State Council of China, formerly known as the China Banking and Insurance Regulatory Commission
“CSRC”	the China Securities Regulatory Commission

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“GAC Finance”	Guangzhou Automobile Group Finance Co., Ltd. (廣州汽車集團財務有限公司), a wholly-owned subsidiary incorporated by the Company in January 2017 under PRC law
“GAC Hino”	GAC Hino Motors Co., Ltd. (廣汽日野汽車有限公司), a jointly controlled entity incorporated in November 2007 under PRC law by the Company and Hino Motors, Ltd.
“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 by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.
“GAC Mitsubishi”	Hunan Zhixiang Motor Management Services Limited (湖南智享汽車管理有限公司), previously known as GAC Mitsubishi Motor Co., Ltd. (廣汽三菱汽車有限公司), a limited liability company incorporated in the PRC
“GAC-SOFINCO”	GAC-SOFINCO Automobile Finance Co., Ltd. (廣汽滙理汽車金融有限公司), a jointly controlled entity incorporated in May 2010 under PRC law by the Company and Société de Financement Industriel et Commercial (SOFINCO)
“GAC Toyota”	GAC Toyota Motor Co., Ltd. (廣汽豐田汽車有限公司) (formerly known as Guangzhou Toyota Motor Co., Ltd. (廣州豐田汽車有限公司)), a jointly controlled entity incorporated in September 2004 under PRC law by the Company, Toyota and Toyota Motor (China) Investment Co., Ltd.
“GAC Toyota Engine”	GAC Toyota Engine Co., Ltd. (廣汽豐田發動機有限公司), an associated company incorporated in February 2004 under PRC law by the Company and Toyota, and the Company holds 30% of its equity interests
“GAEI”	Guangzhou Automobile Group Company Automotive Engineering Institute (廣州汽車集團股份有限公司汽車工程研究院), a branch company of the Company established in June 2006 for the purpose of conducting research and development of the products and technology in which the Company has proprietary rights

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## DEFINITIONS

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“GAMC”	GAC Motor Co., Ltd. (廣汽乘用車有限公司) (formerly known as Guangzhou Automobile Group Motor Co., Ltd. (廣州汽車集團乘用車有限公司)), a wholly-owned subsidiary incorporated by the Company in July 2008 under PRC law
“GPMA”	Global Platform Modular Architecture
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares of nominal value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Stock Exchange (Stock Code: 2238)
“H Shareholders’ Class Meeting”	the 2024 first class meeting for holders of H Shares to be held by the Company at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 2:00 p.m. on Monday, 20 May 2024 (in the order of the AGM, A Shareholders’ Class Meeting and H Shareholders’ Class Meeting respectively)
“H Shareholders’ Class Meeting Notice”	the notice dated 26 April 2024 convening the H Shareholders’ Class Meeting as set out on pages 61 to 62 of this circular
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PHEV”	plug-in hybrid electric vehicle
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules for the Independent Directors”	the Rules for the Independent Directors of Guangzhou Automobile Group Co., Ltd.
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holders of the Company’s Shares

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## DEFINITIONS

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“Sponsor”	China International Capital Corporation Limited, the sponsor of the Company’s non-public issuance of A Shares in 2017
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“SUV”	sports utility vehicle
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Toyota”	Toyota Motor Corporation (豐田汽車公司), a company incorporated in Japan and listed on the Tokyo Stock Exchange, Nagoya Stock Exchange, New York Stock Exchange, and London Stock Exchange, which holds 100% and 50% equity interests in Toyota Motor (China) Investment Co., Ltd. and GAC Toyota respectively
“Wuyang-Honda”	Wuyang-Honda Motors (Guangzhou) Co., Ltd. (五羊—本田摩托(廣州)有限公司), a jointly controlled entity incorporated in July 1992 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.
“%”	per cent

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LETTER FROM THE BOARD

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**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)**

*Executive Directors:*

Zeng Qinghong (*Chairman*)  
Feng Xingya (*General Manager*)

*Non-executive Directors:*

Chen Xiaomu  
Ding Hongxiang  
Guan Dayuan  
Deng Lei  
Wang Yiwei

*Independent non-executive Directors:*

Zhao Fuquan  
Xiao Shengfang  
Wong Hakkun  
Song Tiebo

*Registered office:*

23/F, Chengyue Building  
448-458 Dong Feng Zhong Road  
Yuexiu District  
Guangzhou, the PRC

*Office address:*

GAC Center  
No. 23 Xingguo Road  
Zhujiang New Town  
Tianhe District  
Guangzhou, the PRC

*Principal place of business in Hong Kong:*

Room 808, Citicorp Centre  
18 Whitfield Road  
Causeway Bay, Hong Kong

26 April 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED COMPLETION OF CERTAIN INVESTMENT PROJECTS FUNDED BY PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES AND UTILISATION OF THE REMAINING PROCEEDS FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL**
- (2) CHANGE IN USE OF PART OF THE PROCEEDS**
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- (4) PROPOSED FORMULATION OF DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FROM 2024 TO 2026**
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- (9) NOTICE OF 2024 FIRST H SHAREHOLDERS' CLASS MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with information regarding (1) the proposed completion of certain investment projects funded by proceeds from non-public issuance of A Shares and utilisation of the remaining proceeds for permanent replenishment of working capital; (2) the change in use of part of the proceeds; (3) the related transactions concerning GAC Finance's provision of financial services to related parties; (4) the proposed formulation of dividend distribution plan for Shareholders from 2024 to 2026; (5) the plan of repurchase of Shares through centralized price bidding; (6) the proposed amendments to the Rules for the Independent Directors; and (7) the proposed amendments to the Administrative System of Proceeds, and to issue the AGM Notice and the H Shareholders' Class Meeting Notice, in order to seek your approval of the resolutions relating to, inter alia, the aforesaid matters at the AGM and the H Shareholders' Class Meeting.

### 2. PROPOSED COMPLETION OF CERTAIN INVESTMENT PROJECTS FUNDED BY PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES AND UTILISATION OF THE REMAINING PROCEEDS FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL

Reference is made to (1) the announcement of the Company dated 17 November 2017 in relation to the results of the non-public issuance of A Shares; and (2) the announcements of the Company dated 16 November 2018 and 13 December 2019 respectively in relation to the use of proceeds from the non-public issuance of A Shares.

As approved by the "Approval in relation to the Non-public Issuance of Shares by Guangzhou Automobile Group Co., Ltd." (Zheng Jian Xu Ke [2017] No. 1801) (《關於核准廣州汽車集團股份有限公司非公開發行股票的批覆》(證監許可[2017]1801號文)) by the CSRC, the Company issued not more than 753,390,254 A Shares to specific investors by way of non-public issuance in November 2017, with aggregate proceeds of approximately RMB15,000 million. After deducting the underwriting and sponsors fees of approximately RMB82.50 million, the actual net proceeds amounted to approximately RMB14,917.50 million.



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## LETTER FROM THE BOARD

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In accordance with the prospectus for the non-public issuance of Shares, after deducting the issuance expenses, the proceeds would be used in a manner according to the importance and urgency for the development of the new energy and prospective technology projects, plant and vehicle model projects and key autoparts projects.

*Unit: 0'000 Currency: RMB*

Project Type	No.	Name of Project	Total project investment	Amount of proceeds proposed to be used
New energy and prospective technology projects	1	New energy vehicles and R & D of prospective technology project	502,367	480,000
	2	GAEI phase 1 base expansion project	71,051	60,000
	3	GAEI phase 2 base construction project	114,323	100,000
Plant and vehicle model projects	4	GAC proprietary brand project of Xinjiang	108,695	80,000
	5	GAC improvement project of Hangzhou	330,038	220,000
	6	GAC proprietary brands technological reformation project	353,172	250,000
	7	GAC proprietary brands vehicle models projects	387,941	215,000
	7.1	GAMC A16 project	27,200	20,000
	7.2	GAMC A35 project	44,477	35,000
	7.3	GAMC A5H project	55,293	30,000
	7.4	GAMC A10 project	49,020	40,000
	7.5	GAMC A30 project	99,401	15,000
	7.6	GAMC A32 project	14,502	10,000
Key autoparts projects	7.7	GAMC A06 project	46,193	35,000
	7.8	GAMC A7M project	51,855	30,000
	8	GAMC engine project	57,666	50,000
	9	GAMC gearbox project	42,762	30,000
	10	P6 gearbox development project	20,646	15,000
<b>Total</b>			<b>1,988,661</b>	<b>1,500,000</b>

As at 31 December 2023, the GAEI phase 1 base construction project had been completed and is ready for use. The aforesaid project utilised a total of approximately RMB507.4399 million of the proceeds raised. The unutilised proceeds of approximately RMB92.5601 million and net interest income of approximately RMB65.3726 million amounted to total remaining proceeds of approximately RMB157.9327 million. The Company proposes to permanently replenish the working capital with such remaining proceeds.

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## LETTER FROM THE BOARD

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The above resolution has been considered and approved at the 60th meeting of the sixth session of the Board, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of a special resolution at the AGM.

### 3. CHANGE IN USE OF PART OF THE PROCEEDS

Reference is made to the proceeds raised from non-public issuance of A Shares as mentioned in “**2. PROPOSED COMPLETION OF CERTAIN INVESTMENT PROJECTS FUNDED BY PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES AND UTILISATION OF THE REMAINING PROCEEDS FOR PERMANENT REPLENISHMENT OF WORKING CAPITAL**” of this letter from the Board. As disclosed in the table at page 7 of this circular, the funds proposed to be used for GAC proprietary brand project of Xinjiang (original project) amounted to RMB800 million.

#### (I) Overview of the General Information of the Investment Project to Be Changed

The original project “GAC proprietary brand project of Xinjiang” was implemented by GAMC as the main entity, with a total investment of RMB1,086.95 million. The project is developed in Urumqi Economic and Technological Development Zone with an annual production capacity of 50,000 units. The project comprises assembly workshop, welding workshop and painting workshop etc., and relevant auxiliary facilities for production and living, which is implemented in two phases. In the first phase, the construction of assembly workshop and relevant facilities shall be carried out, for which RMB281.35 million was proposed to be financed with the proceeds. In the second phase, the construction of welding workshop, painting workshop and relevant auxiliary facilities shall be carried out to form a complete production line, for which RMB518.65 million was proposed to be financed with the proceeds. Upon completion of the two phases, the production scale will reach 50,000 units/year.

#### (II) Use and Balance of the Proceeds

As of 31 December 2023, the first phase of the original project had been completed, namely the construction of the assembly workshop and related facilities. The amount of the proceeds actually utilised amounted to RMB227.8295 million, achieving the expected goal of the first phase. The specific use and balance of proceeds are as follows:

*Unit: 0'000 Currency: RMB*

<b>Project Type</b>	<b>Total amount of investment commitment from the proceeds raised</b>	<b>Cumulative amount invested</b>	<b>Proportion</b>	<b>Unutilised balance of proceeds raised (inclusive of interests and cash management revenue, etc.)</b>
GAC proprietary brand project of Xinjiang	80,000	22,782.95	28.48%	62,157.79

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## LETTER FROM THE BOARD

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*Note:* In terms of the specific amount of remaining proceeds, the balance of the designated accounts for raised proceeds at the time of carry-over shall prevail.

### (III) Reasons for Proposed Change of the Original Investment Project

The original investment project was formulated by the Company based on various factors such as the market environment, industry development trends and the Company's actual situation at the time. The Company has also made investments in accordance with the project construction plan, with the first phase of investment completed, while the second phase of investment was originally scheduled to be implemented on a rolling basis based on market sales. However, due to the slowdown in the overall growth rate of the automobile industry in recent years alongside the intensified competition within the industry, the growth rate of the Company's automobile sales volume has been lower than expected. As the overall production capacity of the Company is relatively sufficient, in order to improve the efficiency of the use of proceeds and optimise the allocation of funds and resources, the second phase of investment for production capacity expansion as originally planned has been postponed. The Company will continue with the implementation of program demonstration based on the overall layout of the industry chain and sales volume growth, and will use its own funds to steadily implement project construction.

### (IV) Details of New Project

#### (I) *General Information of "GAC Proprietary Brands Vehicle Models Projects"*

<b>Project name</b>	GAC proprietary brands vehicle models projects
<b>Project overview</b>	The projects include A66 and T68 model projects. Among them, A66 project mainly covers the newly developed mid- to high-end sedans based on the Y78 architecture. The project achieves co-line production by incorporating certain dedicated devices and transforming certain general equipment. T68 project mainly aims to develop a capacious five-seater SUV for the Y78 architecture. The project involves adaptive transformation of stamping, welding, painting, and assembly workshops, introducing dedicated equipment such as mold and tooling to the existing production line and transforming certain general equipment to realise co-line production.
<b>Main implementation entity</b>	Jointly implemented by GAEI (as the research and development entity) and GAMC (as the production and sales entity).
<b>Location of implementation</b>	Guangzhou

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## LETTER FROM THE BOARD

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**Amount of investment  
in the project**

The total investment of the projects amounted to RMB1,355.83 million (of which the total investment of the A66 project was RMB671.92 million, and that of T68 project was RMB683.91 million). The proceeds proposed for utilisation was RMB621.59 million (data as of 31 December 2023, exact amount shall be subject to the balance in the special project account upon actual carry-over), and the remaining funds were financed by self-owned funds or self-raised funds.

**Construction cycle**

May 2024 to December 2026

**(II) Analysis on Necessity and Feasibility of the Project**

*1. Necessity of the project*

New energy vehicles align with the prevailing trends of the development of the eras and technological progress, with the plug-in hybrid route dominating as the fastest growing market segment in 2023. At present, the sales volume, growth rate and market share of B-class sedans are constantly increasing. Self-developed brands have made breakthroughs in the B-class sedan market leveraged by the transformation toward new energy, accounting for 28% of the sales volume in the B-class sedan market in 2022. The penetration rate of new energy among B-class sedans of self-developed brands has reached 62%, of which PHEV accounts for 16%, and its share continues to expand rapidly. In addition, the SUV market capacity is projected to reach 12.36 million by 2025 (accounting for 51%), surpassing sedans and emerging as the dominant market segment, with further growth of capacity anticipated. The Company has unequivocally stated its commitment to “unswervingly implement strategic transformation and focus on the dual-core development strategy driven by ‘XEV+ICV’”. A66 and T68 models projects, which are proposed to be transformed into investment projects, are mid- to high-end sedans and capacious five-seater SUVs forged on the new Y78 platform under the orientation of energy-saving vehicles. Through the new energy pathway, the realisation of surpassing existing competing models in terms of product strength and user experience can boost the sales volume of sedans and SUVs of self-developed brands.

*2. Feasibility of the project*

The existing products developed on a globalised platform have gained recognition, while the integration of the industry chain has further solidified the foundation of these products. The Company develops hybrid products based on the GPMA globalised platform. Three plug-in hybrid products (E9/E8/ES9) have been successfully put into production in 2023 and have gained market recognition. The A66/T68 models are newly developed based on the Y78 architecture on the basis of existing

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## LETTER FROM THE BOARD

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products, which further enhances product competitiveness and rallies in promising market expectations. GAEI empowers product research and development with its years of experience accumulated in the field of independent research and development. Furthermore, the Company has accelerated the arrangements with respect to hybrid-related self-developed motors and electronic controller, and production lines for the purpose of installation on the A66/T68 models as planned, which can further enhance the cost competitiveness and supply security capabilities of products.

### ***(III) Implementation Risks of New Projects***

Currently, a new round of technological revolution and industrial transformation is booming around the world. The integration of automobiles with energy, transportation, information communications, artificial intelligence and other fields is accelerating, driving profound changes in automobile product modality and consumption structure. Since the project takes a certain period of time from demonstration to implementation and product launch, during which the policy environment, market scale and investment costs, etc. may vary, there are risks in investment projects, including products performing poorer than expected, lack of application fields and limited customer recognition.

### ***(IV) Impact of the Changes in Investment Projects on the Company***

The change in certain investment projects is a reasonable adjustment made by the Company based on its business situations, which is closely related to the Company's development strategy and existing primary businesses, and can improve the utilisation efficiency of proceeds and optimise the resource allocation within the Company, thereby improving the Company's production and operation level as well as profitability to be in line with the interests of the Company and all Shareholders.

## **(V) Opinions of the Board, the Supervisory Committee and the Sponsor**

### ***(I) Opinions of the Board***

The Company held the 60th meeting of the sixth session of the Board on 28 March 2024, at which the resolution in relation to the change in use of part of the proceeds was considered and approved. The Board believes that the change in use of the Company's proceeds is in line with its actual operating needs, and is conducive to improving the utilisation efficiency of the Company's proceeds, promoting the development of its primary business and the improvement of its profitability, which is in the interests of the Company and all Shareholders. Therefore, the Board agrees to the change in use of part of the proceeds and agreed to submit the resolution at the AGM for review.

### ***(II) Opinions of the Supervisory Committee***

The Company held the 19th meeting of the sixth session of the Supervisory Committee on 28 March 2024, at which the resolution in relation to the change in use of part of the proceeds was considered and approved. The Supervisory Committee believes that the changes

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## LETTER FROM THE BOARD

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in certain investment projects and the use of the remaining proceeds to invest in new projects are adjustments made by the Company based on its operating and management conditions, which is in line with the Company's strategic development direction and is conducive to improving the utilisation efficiency of proceeds. The review procedures for the change in use of proceeds comply with relevant laws and regulations, the Articles of Association and other provisions, and the review procedures and voting results were legal and valid. Therefore, the Supervisory Committee agrees to the change in use of part of the proceeds and agreed to submit the resolution at the AGM for review.

### *(III) Opinions of the Sponsor*

Upon examination and verification, the Sponsor believes that the change of investment projects and the use of proceeds to invest in new projects have been considered and approved by the Board and the Supervisory Committee, and the necessary decision-making procedures at this stage have been fulfilled, which are in compliance with the requirements under relevant laws, regulations, and normative documents. The change in certain investment projects and the use of corresponding proceeds to invest in new projects fall within the scope of a prudent decision made by the Company based on the actual situation of project implementation. There is neither disguised change in the investment purpose of the proceeds nor damage to the interests of Shareholders, and it will not have an adverse impact on the Company's operations and financial condition. In summary, the Sponsor has no objection to the change in certain investment projects and the use of remaining proceeds to invest in new projects by the Company.

The above resolution has been approved at the 60th meeting of the sixth session of the Board and the 19th meeting of the sixth session of the Supervisory Committee, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of a special resolution at the AGM.

## **4. RELATED TRANSACTIONS CONCERNING GAC FINANCE'S PROVISION OF FINANCIAL SERVICES TO RELATED PARTIES**

### **(I) Background**

According to the Self-regulatory Guidelines for Listed Companies on the SSE No.5 – Transactions and Related Party Transactions (《上交所上市公司自律監管指引第5號-交易與關聯交易》), a listed company shall enter into a financial services agreement with a related party in connection with a related party transaction involving a finance company and submit it as a separate resolution to the Board meeting or a Shareholders' general meeting for consideration and disclosure.

As there are senior management of the Company who concurrently serve as directors of joint ventures and associates of the Company such as GAC Toyota, GAC Honda and GAC-SOFINCO, the deposit and loan businesses between GAC Finance, a wholly-owned subsidiary of the Company, and such joint ventures and associates constitute related party transactions under the listing rules of the SSE and are subject to the decision making procedures for related party transactions and the signing of relevant financial services agreements in accordance with the rules.

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## LETTER FROM THE BOARD

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### **(II) Basic Information of the Related Party Transactions**

According to the statistics, in 2023, GAC Finance proposes to provide deposit and loan financial services to GAC Toyota (including its wholly-owned subsidiary GAC Toyota Automobile Sales Co., Ltd. (廣汽豐田汽車銷售有限公司)), GAC Honda (including its wholly-owned subsidiary GAC Honda Automobile Sales Co., Ltd. (廣汽本田汽車銷售有限公司)), Wuyang-Honda, GAC-SOFINCO, and GAC Toyota Engine with reference to market interest rates and sign the relevant financial services agreements in accordance with the regulations. For the above, the average daily deposit balance in aggregate is not more than RMB7.5 billion and the annual credit amount is not more than RMB10 billion (including letters of guarantee) in total.

#### *Implications under the Listing Rules*

Save for GAC Toyota Engine, the counterparties to which GAC Finance provides deposit and loan financial services are (or are deemed to be) subsidiaries of the Company and therefore the transactions do not constitute notifiable transactions of the Company under Chapter 14 or connected transactions of the Company under Chapter 14A of the Listing Rules.

As GAC Toyota Engine is a subsidiary of Toyota, which holds 50% equity interest in GAC Toyota, a principal jointly-controlled enterprise of the Group, GAC Toyota Engine is a connected person of the Company at the subsidiary level. That being said, GAC Toyota Engine has placed deposits with GAC Finance but has not obtained any loans from GAC Finance. Even though such deposit could be regarded as financial assistance received by the Group from a connected person, as such deposit is conducted on normal commercial terms and is not secured by assets of GAC Finance or the Group, the financial assistance deemed to be received by the Group from GAC Toyota Engine is fully exempt pursuant to Rule 14A.90 of the Listing Rules. In addition, as far as the related party transactions to be approved are concerned, GAC Finance will not issue loans to GAC Toyota Engine.

### **(III) Purpose of the transactions and impact on the Company**

In accordance with the relevant provisions of the Regulations Governing Enterprise Group Finance Companies promulgated by the CBIRC, in order to strengthen the centralised management of internal funds and improve the efficiency of capital utilisation, GAC Finance proposes to absorb the above-mentioned enterprises' daily average deposits of no more than RMB7.5 billion, and provide a credit line of no more than RMB10 billion (including letters of guarantee) in accordance with the market interest rates. Through these transactions, the collection and utilisation of internal funds can be appropriately strengthened, which is conducive to the efficiency of utilisation of reasonable deployment of capital among member enterprises and further promotes the sustainable and stable development of each enterprise. It is in the interests of the Company and all Shareholders as a whole and will not prejudice the interests of the Company and its Shareholders, especially minority Shareholders.

The above resolution has been approved at the 60th meeting of the sixth session of the Board, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of an ordinary resolution at the AGM.

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## LETTER FROM THE BOARD

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### 5. PROPOSED FORMULATION OF DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FROM 2024 TO 2026

Since 2012, the Company has started to formulate the dividend distribution plans for Shareholders, which have been strictly implemented until now. In order to promote the Company to further refine the cash dividend system, maintain the consistency, rationality and stability of the cash dividend policy, protect the legitimate rights and interests of investors, and guide Shareholders to form expectations of stable investment return, pursuant to the Company Law of the PRC, the Securities Law of the PRC, the “Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends Distribution of Listed Companies (Revised in 2023)” issued by the CSRC (Zheng Jian Hui Fa [2023] No. 61) (《上市公司監管指引第3號—上市公司現金分紅(2023年修訂)》(證監會發佈[2023]61號)), the “Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies” issued by the CSRC (Zheng Jian Hui Fa [2012] No. 37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監會發[2012]37號)), the “Guidelines for the Self-Regulatory Supervision of Listed Companies on the SSE No. 1 – Standardized Operation” (《上交所上市公司自律監管指引第1號—規範運作》), and the Articles of Association, the Board has formulated the “Dividend Distribution Plan for Shareholders of Guangzhou Automobile Group Co., Ltd. (2024-2026)”, specific details of which are set out in Appendix I to this circular.

The above resolution has been approved at the 60th meeting of the sixth session of the Board, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of an ordinary resolution at the AGM.

### 6. THE PLAN OF REPURCHASE OF SHARES THROUGH CENTRALIZED PRICE BIDDING

Reference is made to the announcement of the Company dated 28 March 2024, in relation to the convening of the 60th meeting of the sixth session of the Board on 28 March 2024 at which the Resolution on the Plan of Repurchase of Shares through Centralized Price Bidding was considered and approved, agreeing to the repurchase of the Company’s Shares by means of centralized price bidding for the Company’s A Shares and H Shares.

#### I. Background and Purpose

With the confidence in the Company’s future development prospects and the high recognition of the Company’s value, in order to optimise the capital structure of the Company, establish consummate investor return mechanism, safeguard the legitimate rights and interests of investors, elevate the investment value of the Company, enhance investors’ confidence, continue to improve the Company’s medium- and long-term incentive mechanism to mobilise the entrepreneurial motivation of its employees and continuously create value for Shareholders, the Company has formulated the repurchase plan that takes into account factors such as the Company’s operating conditions, prospects for business development, financial condition and future profitability.



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## LETTER FROM THE BOARD

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### II. Main Content of the Plan of Repurchase

**Total number and classes of Shares to be repurchased**      The share classes proposed to be repurchased are A Shares and H Shares in issue of the Company.

The total amount for the proposed repurchase of A shares will range from a minimum of (and inclusive of) RMB100 million to a maximum of (and inclusive of) RMB200 million. The final actual number of A Shares repurchased shall not exceed 10% of the total number of A Shares. Assuming that the total number of A Shares of the Company remains unchanged from the Latest Practicable Date to the date of the AGM, it shall not exceed 738,828,395 A Shares.

The total amount for the proposed repurchase of H Shares will range from a minimum of (and inclusive of) RMB400 million to a maximum of (and inclusive of) RMB800 million (to be converted to Hong Kong dollars based on the exchange rate). The final actual number of H Shares repurchased shall not exceed 10% of the total number of H Shares on the date of approval at the AGM. Assuming that the total number of H Shares of the Company remains unchanged from the Latest Practicable Date to the date of the AGM, it shall not exceed 309,862,030 H Shares.

**Methods of share repurchase**      The A Share repurchases shall be conducted through centralized price bidding through the SSE system. The H Share repurchases shall be conducted through centralized price bidding through the Stock Exchange system.

**Purposes for the Shares to be repurchased**      The A Shares to be repurchased by the Company are proposed for the implementation of the Company's share option scheme or employee share ownership scheme. If the Company fails to use all the repurchased Shares within 36 months after the completion of the share repurchase, the unused repurchased Shares will be cancelled. The H Shares repurchased by the Company will be cancelled.

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## LETTER FROM THE BOARD

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### **Repurchase period**

The repurchase period for A Shares shall not exceed 12 months from the date of the AGM where the share repurchase plan is approved by the Company. When the Company implements share repurchases of A Shares, it will strictly abide by the regulations of the SSE on the relevant time limits for repurchasing shares, and shall not conduct share repurchases during the following periods:

- (1) From the date of occurrence of a significant event that may have a material impact on the trading price of the Company's securities and its derivatives, or during the decision-making process to the date of disclosure pursuant to the laws; and
- (2) Other circumstances stipulated by the CSRC and the SSE.

The repurchase period for H Shares shall be from the date of the AGM where the share repurchase plan is approved by the Company up to the date of the Company's next AGM, unless the Shareholders revoke or modify the repurchase authorisation by an ordinary resolution at another earlier general meeting. When the Company implements share repurchases of H Shares, it will strictly abide by the regulations of the Stock Exchange on the relevant time limits for repurchasing shares, including (but not limited to other times after the Company becomes aware of the inside information and before the relevant inside information is made public) no share repurchase shall be made by the Company from one month before the disclosure of the annual report, interim report, and quarterly report to the disclosure date of the report.

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## LETTER FROM THE BOARD

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### **Repurchase price**

The price of A Shares repurchased shall not exceed RMB13.34 per share, meaning that such price shall not be higher than 150% of the average trading price of the Company's A Shares for the 30 trading days prior to the date on which the Board passes the resolution on the repurchase of Shares.

The price for each repurchase of H Shares shall not be higher than 105% of the average closing price of the Company's H Shares for the 5 trading days prior to the repurchase.

From the date of consideration and approval of the repurchase by the Board until the completion of the repurchase, in the event of any capital reserve capitalisation, distribution of shares or cash dividends, share splits, share reductions and other ex-rights and ex-dividends of the Company, the repurchase price limit of Shares will be adjusted accordingly from the date of ex-rights and ex-dividend in accordance with the relevant regulations of the CSRC, the SSE and the Stock Exchange.

### **Source of the repurchase funds**

The Company's own funds

### **III. Proposed Matters Authorised by General Meetings to the Board**

According to the Articles of Association, the relevant repurchase plan shall be submitted to the AGM and Class Meetings for review. The Board shall simultaneously propose to the AGM to authorise the matters relating to repurchase as follows, which the specific repurchase operation shall be implemented by the secretary to the Board or the company secretary.

1. To the extent permitted by laws and regulations, carry out share repurchases in accordance with relevant repurchase plan and market conditions, including the time, price and quantity of repurchases;
2. If the regulatory authorities change the relevant conditions for the share repurchase or there are any changes in the market conditions, the Board shall be authorised to make the corresponding changes on related matters such as the relevant share repurchase plan, except for matters that are required to be reapproved by the general meetings as stipulated in the relevant laws, regulations and the Articles of Association;
3. Authorise to handle the relevant approval matters, including but not limited to authorisation, signing, execution, modification, and completing all necessary documents, contracts, agreements and covenants relating to the share repurchase;

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## LETTER FROM THE BOARD

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4. Set up special securities accounts for the repurchase and handle other related businesses;
5. Authorise the relevant disposal of the repurchased shares according to the purposes agreed in the plan; and
6. Handle other matters that are not listed herein but necessary for the share repurchase.

The authorisation period for the above authorisation matters is from the date on which the relevant repurchase plan is approved at the AGM to the date on which all repurchased shares according to the relevant repurchase plan have been disposed of for the agreed purpose.

On the premise of ensuring its own normal operation, the Company will make every effort to facilitate the smooth implementation of the repurchase plan. However, there are still the following risks that may affect the implementation of the share repurchase plan and the Company will issue a reminder of risks to all investors:

1. There is a risk that the repurchase plan may not be successfully implemented or may only be partially implemented due to the fact that the price of the Company's Shares may exceed the repurchase price limit throughout the repurchase period;
2. There is a risk that the repurchase plan may not be implemented or may only be partially implemented if there is insufficient fund for repurchase or the outbound investment approval has set a limit (as required for the H Shares repurchase);
3. There is a risk that the implementation of the repurchase plan may be changed or terminated in accordance with the regulations due to significant changes in the Company's production and operation, financial condition, and external objective circumstances;
4. There is a risk that the share repurchase plan may not be approved at the Company's general meeting or the Class Meetings after consideration resulting in its non-implementation; and
5. The repurchased A Shares are proposed to be used for the employee share ownership or share option scheme. There is a risk that such employee share ownership or share option scheme will not be approved by the Company in the AGM or the Class Meetings, or that the repurchased shares will not be granted in full due to the scheme participants forgoing their subscription.

The above resolution has been approved at the 60th meeting of the sixth session of the Board, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of an ordinary resolution at the AGM and A and H Shareholders' Class Meetings. An explanatory statement, as required by the Listing Rules, providing the information reasonably necessary to enable the Shareholders to make an informed decision on whether to support the proposal regarding the share repurchase mandate, is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 7. PROPOSED AMENDMENTS TO THE RULES FOR THE INDEPENDENT DIRECTORS

Reference is made to the announcement of the Company dated 26 April 2024 in relation to, among other things, the proposed amendments to the Rules for the Independent Directors.

In accordance with the “Management Measures for Independent Directors of Listed Companies” (《上市公司獨立董事管理辦法》) issued by CSRC and the actual situation of the Company, the Company proposes to make corresponding amendments to the Rules for the Independent Directors.

Details of the amendments to the Rules for the Independent Directors are set out in Appendix III to this circular.

The above resolution has been approved at the 62nd meeting of the sixth session of the Board, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of an ordinary resolution at the AGM.

### 8. PROPOSED AMENDMENTS TO THE ADMINISTRATIVE SYSTEM OF PROCEEDS

Reference is made to the announcement of the Company dated 26 April 2024 in relation to, among other things, the proposed amendments to the Administrative System of Proceeds.

According to the regulatory guidelines and regulations, the “Regulatory Guidance for Listed Companies No.2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies (Revised in 2022)” (《上市公司監管指引第2號—上市公司募集資金管理和使用的監管要求(2022修訂)》), the “Rules Governing the Listing of Stocks on the SSE (Revised in August 2023)” (《上交所股票上市規則(2023年8月修訂)》), the “Guidelines for the Self-Regulation of Listed Companies on the SSE No. 1 -Standardized Operation (Revised in December 2023)” (《上交所上市公司自律監管指引第1號—規範運作(2023年12月修訂)》) and other latest management regulations of relevant systems, and in view of the Group’s administrative practice of proceeds management, the Ministry of Finance and Securities proposes to make corresponding amendments to the Administrative System of Proceeds.

Details of the amendments to the Administrative System of Proceeds are set out in Appendix IV to this circular.

The above resolution has been approved at the 62nd meeting of the sixth session of the Board, and is hereby submitted for consideration and, if thought fit, approval by Shareholders by way of an ordinary resolution at the AGM.

### 9. DUTY REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the relevant laws and regulations of the Company Law of the PRC, the Securities Law of the PRC, the Rules for Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on the SSE, the Listing Rules and the regulations and requirements of the Articles of Association, the independent non-executive Directors of the Company will present the duty report of the independent Directors for 2023 at the AGM. Such report will be presented at the AGM, but no Shareholders’ approval is required.

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## LETTER FROM THE BOARD

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The full text of the duty report of the independent Directors for 2023 was published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in the form of an overseas regulatory announcement and the website of the Company ([www.gac.com.cn](http://www.gac.com.cn)) on 28 March 2024.

### 10. AGM AND H SHAREHOLDERS' CLASS MEETING

The AGM Notice and the H Shareholders' Class Meeting Notice are set out on pages 58 to 60 and 61 to 62 respectively of this circular for the Shareholders' consideration of the resolutions relating to, inter alia, (1) the proposed completion of certain investment projects funded by proceeds from non-public issuance of A Shares and utilisation of the remaining proceeds for permanent replenishment of working capital; (2) the change in use of part of the proceeds; (3) the related transactions concerning GAC Finance's provision of financial services to related parties; (4) the proposed formulation of dividend distribution plan for Shareholders from 2024 to 2026; (5) the plan of repurchase of Shares through centralized price bidding; (6) the proposed amendments to the Rules for the Independent Directors; and (7) the proposed amendments to the Administrative System of Proceeds.

The AGM and the H Shareholders' Class Meeting will be held at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 2:00 p.m. on Monday, 20 May 2024 (in the order of the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting respectively). The forms of proxy for use at the AGM and the H Shareholders' Class Meeting are enclosed with this circular. The Board confirms that no Shareholder has a material interest in the relevant resolutions and therefore, no Shareholder is required to abstain from voting at the above meetings.

The register of members of the Company will be closed from Wednesday, 15 May 2024 to Monday, 20 May 2024 (both days inclusive), during which no transfer of Shares will be effected so as to ascertain the H Shareholders' entitlement to attend and vote at the AGM and the H Shareholders' Class Meeting. In order to be eligible to attend and vote at the AGM and the H Shareholders' Class Meeting, all relevant completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before 4:30 p.m. on Tuesday, 14 May 2024.

Pursuant to Rule 13.39(4) of the Listing Rules, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all votes at the AGM and the H Shareholders' Class Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

Whether or not you are able to attend the AGM and H Shareholders' Class Meeting, you are requested to complete the forms of proxy enclosed in accordance with the instructions printed thereon and return the same to the Company as soon as possible. The forms of proxy of the AGM and H Shareholders' Class Meeting shall be returned to the Company's H Share registrar, Tricor Investor Services Limited, at least 24 hours before the time of holding of such meetings (i.e. 2:00 p.m. on Sunday, 19 May 2024) or at least 24 hours before the designated time of voting. Completion and return of the forms of proxy will not preclude you from attending the AGM and H Shareholders' Class Meeting and voting at the meetings should you so wish.

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## LETTER FROM THE BOARD

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### 11. RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the resolutions in relation to (1) the proposed completion of certain investment projects funded by proceeds from non-public issuance of A Shares and utilisation of the remaining proceeds for permanent replenishment of working capital; (2) the change in use of part of the proceeds; (3) the related transactions concerning GAC Finance's provision of financial services to related parties; (4) the proposed formulation of dividend distribution plan for Shareholders from 2024 to 2026; (5) the plan of repurchase of Shares through centralized price bidding; (6) the proposed amendments to the Rules for the Independent Directors; and (7) the proposed amendments to the Administrative System of Proceeds would be in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend all Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice and the H Shareholders' Class Meeting Notice.

### 12. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement contained herein misleading.

### 13. GENERAL INFORMATION

Should there be any discrepancies between the Chinese and English versions of this circular, the Chinese version shall prevail.

By order of the Board  
**Guangzhou Automobile Group Co., Ltd.**  
**ZENG Qinghong**  
*Chairman*

Since 2012, the Company has started to formulate the dividend distribution plans for Shareholders, which have been strictly implemented until now. In order to promote the Company to further refine the cash dividend system, maintain the consistency, rationality and stability of the cash dividend policy, protect the legitimate rights and interests of investors, and guide Shareholders to form expectations of stable investment return, the Board formulated the Dividend Distribution Plan for Shareholders of Guangzhou Automobile Group Co., Ltd. (2024-2026) (hereinafter referred to as the “Plan”) pursuant to the Company Law of the PRC, the Securities Law of the PRC, the “Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends Distribution of Listed Companies (Revised in 2023)” issued by the CSRC (Zheng Jian Hui Fa [2023] No. 61) (《上市公司監管指引第3號—上市公司現金分紅(2023年修訂)》(證監會發佈[2023]61號)), the “Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies issued by the CSRC (Zheng Jian Hui Fa [2012] No. 37)” (《關於進一步落實上市公司現金分紅有關事項的通知》(證監會發[2012]37號)), the “Guidelines for the Self-Regulatory Supervision of Listed Companies on the SSE No. 1 – Standardized Operation” (《上交所上市公司自律監管指引第1號—規範運作》), and the Articles of Association, specific details of which are set out as follows:

## **I. THE PRINCIPLE FOR FORMULATION OF THE PLAN**

The Company focuses on pursuing reasonable return for investors, and the long-term and sustainable development of the Company. After considering factors such as operating conditions, strategic planning, capital needs, Shareholders’ requirements of the Company etc., a continuous, scientific and stable return mechanism is to be established, in order to ensure continuity and stability of the profit distribution policy.

## **II. DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR THE NEXT THREE YEARS (2024-2026)**

### **(I) Form of Profit Distribution**

The Company may distribute profits by cash, Shares and a combination of cash and Shares, with priority to cash.

### **(II) Conditions for Cash Dividends**

1. The distributable profit (i.e. after-tax profit after loss recovery of the Company and accrual of the statutory reserve fund) and accumulated undistributed profits for the year are positive, and the cash flow of the Company can satisfy the normal operation and sustainable development of the Company; and
2. The auditor has issued a standard audit report with unqualified opinion on the Company’s financial report for the year.



**(III) Cash Dividend Payout Ratio**

The profit distributed in cash in each of the years by the Company shall be no less than 10% of the distributable profit realised in such year, whereas the cumulative profit distributed in cash for the three consecutive years shall be no less than 30% of the annual average distributable profits realised in such three years. The cash paid by the Company for share repurchases during the year is deemed to be cash dividends.

**(IV) Cash Dividend Cycle**

In principle, cash dividend shall be distributed by the Company annually. The Board may propose to distribute interim cash dividend based on the profitability and the capital requirements of the Company.

**(V) Conditions of Distribution of Dividend in Shares**

Depending on the cumulative distributable profits, reserves and the condition of cash flow, the Board may propose a plan for dividend distribution in Shares and submit the same to the general meeting for deliberation, provided that the minimum cash dividend payout ratio and a reasonable scale of share capital of the Company are maintained and it's beneficial to the interests of all Shareholders as a whole.

**(VI) Procedures and Mechanism for Decision Making on Profit Distribution**

1. The Company's profit distribution plan is proposed and drafted by the strategy committee of the Board based on the provisions of the Articles of Association, profitability and capital needs, and is submitted to the general meeting for review after being considered and approved by the Board;
2. When considering the specific cash dividend proposal, the Board shall seriously study and demonstrate the timing, conditions and minimum proportion, adjustment conditions and requirements for decision-making procedures for distributing cash dividends of the Company; if independent Directors believe that the specific cash dividend plan may harm the rights and interests of the listed companies or minority Shareholders, they have the right to express independent opinions. If the Board does not adopt or does not fully adopt the opinions of the independent Directors, the opinions of the independent Directors and the specific reasons for the non-acceptance shall be recorded in the Board resolution and be disclosed;
3. While considering a specific cash dividend proposal at the general meeting, active communication and exchange with Shareholders, especially minority Shareholders, through various channels (including but not limited to online voting and inviting minority Shareholders to meetings) are encouraged in order to fully collect views and demands of medium-sized and minority Shareholders. The concerns of minority Shareholders shall also be addressed and replied to promptly;

4. When the conditions for cash dividends are met in that year and the Board does not propose a budget with profit distribution in cash or distribute profit with a cash dividend ratio lower than required by the Articles of Association, the reasons shall be provided and disclosed in the annual report. While convening the general meeting, the Company shall also provide other approaches such as online voting for the convenience of minority Shareholders in participating in the voting in the general meeting; and
5. The general meeting shall vote on the profit distribution budget proposed by the Board according to law and regulations and the provisions in the Articles of Association.

### **III. ADJUSTMENT MECHANISM FOR THE PLAN**

In the event that the profit distribution policy require adjustment based on reasons such as the Company's production and operation condition, investment plans and long-term development needs etc., the Board shall propose the resolution on the adjustment to the profits distribution policy according to actual situation and submit the same to the general meeting for consideration and approval.

### **IV. SUPPLEMENTARY PROVISIONS**

Matters not covered in the Plan shall be implemented in accordance with relevant laws, administrative regulations, departmental rules, normative documents, the Articles of Association and other relevant provisions. The Plan shall be interpreted by the Board and shall enter into force from the date of its approval at the general meeting.

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## **APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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*In accordance with the Listing Rules, this appendix serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution(s) to be proposed at the AGM and the Class Meetings for the grant of the repurchase mandate to the Directors.*

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### **1. TOTAL NUMBER AND CLASSES OF SHARES PROPOSED TO BE REPURCHASED**

The share classes proposed to be repurchased are A Shares and H Shares issued by the Company.

The total amount for the proposed repurchase of A shares will range from a minimum of (and inclusive of) RMB100 million to a maximum of (and inclusive of) RMB200 million. The final actual number of A Shares repurchased shall not exceed 10% of the total number of A Shares. Assuming that the total number of A Shares of the Company remains unchanged from the Latest Practicable Date to the date of the AGM, it shall not exceed 738,828,395 A Shares.

The total amount for the proposed repurchase of H Shares will range from a minimum of (and inclusive of) RMB400 million to a maximum of (and inclusive of) RMB800 million (to be converted to Hong Kong dollars based on the exchange rate). The final actual number of H Shares repurchased shall not exceed 10% of the total number of H Shares on the date of approval at the AGM. Assuming that the total number of H Shares of the Company remains unchanged from the Latest Practicable Date to the date of the AGM, it shall not exceed 309,862,030 H Shares.

The Directors consider that there will not be a material adverse impact on the working capital and on the gearing ratio of the Company in the event that the repurchase mandate is to be exercised in full at any time during the proposed repurchase period (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2023). That being said, with the upper limits of repurchase amount being set, the Directors will not propose to exercise the repurchase mandate to such extent that would have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company. The number and price of A Shares and/or H Shares to be repurchased on any occasion and other terms upon will be decided by the Directors at the relevant time taking into account the actual circumstances during the repurchase, in order to act in the best interests of the Company.

### **2. REASONS FOR REPURCHASE**

With the confidence in the Company's future development prospects and the high recognition of the Company's value, in order to optimise the capital structure of the Company, establish consummate investor return mechanism, safeguard the legitimate rights and interests of investors, elevate the investment value of the Company, enhance investors' confidence, continue to improve the Company's medium- and long-term incentive mechanism to mobilise the entrepreneurial motivation of its employees and continuously create

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## **APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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value for Shareholders, the Company has formulated the repurchase plan that takes into account factors such as the Company's operating conditions, prospects for business development, financial condition and future profitability.

### **3. SOURCE OF THE REPURCHASE FUNDS**

The source of the repurchase funds will be financed by the Company's own funds, which is legally available for the purpose of share repurchase in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

### **4. IMPLICATION UNDER TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT**

If a share repurchase by the Company results in a substantial Shareholder's interest in the voting rights of the Company increasing proportionately, such increase may be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, may obtain or consolidate control of the Company or become obligated to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any repurchase to be made under the mandate to be granted to the Board in respect of the repurchase plan. Moreover, the Directors will not make share repurchases on the Stock Exchange if such repurchases would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

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## APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

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### 5. A SHARE PRICES AND H SHARE PRICES

The highest and lowest prices at which the A Shares and H Shares were traded on the SSE and the Stock Exchange respectively during each of the previous twelve months and up to the Latest Practicable Date were as follows:

	Per A Share		Per H Share	
	Highest <i>RMB</i>	Lowest <i>RMB</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2023</b>				
April	11.21	10.24	5.10	4.68
May	10.98	10.08	5.03	4.40
June	10.69	10.12	4.81	4.42
July	11.85	10.48	5.07	4.48
August	11.79	10.03	4.90	4.05
September	10.47	9.88	4.25	3.68
October	10.62	9.65	3.90	3.57
November	10.32	9.71	3.83	3.57
December	9.94	8.42	3.64	3.35
<b>2024</b>				
January	8.80	8.00	3.65	3.03
February	9.08	7.72	3.49	3.00
March	9.76	8.57	3.56	3.12
April (as of the Latest Practicable Date)	9.74	8.30	3.47	2.94

### 6. GENERAL

Having made all reasonable enquiries, to the best knowledge of the Directors, if the proposed repurchases are exercised, none of the Directors or any of their close associates, as defined in the Listing Rules, currently propose to sell any Shares to the Company, and no core connected person, as defined in the Listing Rules, has notified the Company that he/she/it has a current intention to sell any Shares to the Company, or has undertaken not to do so.

So far as the same may be applicable, the Directors will exercise the power of the Company to make repurchases of A Shares and H Shares in the Company pursuant to the general mandate to be granted by the Shareholders of the Company at the AGM in accordance with the Listing Rules, the applicable laws of the PRC, and the Articles of Association.

With reference to the unusual changes in the participants of the Company's 2020 A share option and restricted share incentive scheme (such as retirement, resignation, assessment, etc.), the Company completed the repurchase and cancellation on the SSE of the restricted A Shares granted to ineligible participants on 29 February 2024. A total of 3,330,156 restricted A Shares have been cancelled. Among them, 942,351 Shares were repurchased at RMB4.33 per Share, while the other 2,387,805 Shares were repurchased at RMB4.46423 per Share.

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**APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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Save as disclosed above, no repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

The Directors confirm that there is nothing unusual about this explanatory statement or the proposed share repurchase.

Proposed amendments to the Rules for the Independent Directors are as follows:

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 1 General Provisions</b>	Article 2 These Rules are provided in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), <u>the Rules of Independent Directors of Listed Companies (hereinafter referred to as the “Rules of Independent Directors”)</u> , the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Listing Rules of the Stock Exchange of Hong Kong Limited (hereinafter collectively referred to as the “Listing Rules”), the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation, other laws, administrative regulations, regulatory documents, and the relevant provisions of the Articles of Association of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as the “Articles of Association”).	<b>Chapter 1 General Provisions</b>	Article 2 These Rules are provided in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), <u>the Management Measures for Independent Directors of Listed Companies (hereinafter referred to as the “Management Measures”)</u> , the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Listing Rules of the Stock Exchange of Hong Kong Limited (hereinafter collectively referred to as the “Listing Rules”), the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation, other laws, administrative regulations, regulatory documents, and the relevant provisions of the Articles of Association of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as the “Articles of Association”).
<b>Chapter 1 General Provisions</b>	Article 3 Independent Directors (also known as independent non-executive Directors, both have the same meaning) refer to the Directors who do not hold other positions in the Company other than directorship, and have no relationship with the Company and its substantial shareholders that may <del>hinder</del> their independent and objective judgment.	<b>Chapter 1 General Provisions</b>	Article 3 Independent Directors (also known as independent non-executive Directors, both have the same meaning) refer to the Directors who do not hold other positions in the Company other than directorship, and have no <u>direct or indirect interest in or</u> with the Company, its substantial shareholders <u>or actual controller, or other relationships</u> that may <u>affect</u> their independent and objective judgment.

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<u>Independent Directors shall perform their duties and responsibilities independently, without influence from the substantial shareholders and actual controllers of the Company or other entities or individuals.</u>
<b>Chapter 1 General Provisions</b>	Article 6 Independent Directors engaged by the Company shall include at least one accounting professional <del>(which refers to a person with a senior title or qualification as a certified public accountant).</del>	<b>Chapter 1 General Provisions</b>	<p>Article 6 Independent Directors engaged by the Company shall include at least one accounting professional.</p> <p><u>To be nominated as a candidate for Independent Director in the capacity as an accounting professional, he/she shall have extensive accounting expertise and experience, and at least meet one of the following requirements:</u></p> <p><u>(1) holding the qualification of a certified public accountant;</u></p> <p><u>(2) holding a senior title, an associate professor title or above or a doctoral degree in accounting, auditing or financial management;</u></p> <p><u>(3) holding a senior title in economic management with more than five (5) years of full-time work experience in professional positions such as accounting, auditing or financial management.</u></p>
<b>Chapter 1 General Provisions</b>	Article 7 Independent Directors of the Company and potential Independent Directors shall follow the requirements of the CSRC to participate in trainings organised by the CSRC and institutions authorised by it.	<b>Chapter 1 General Provisions</b>	<del>Article 7 Independent Directors of the Company and potential Independent Directors shall follow the requirements of the CSRC to participate in trainings organised by the CSRC and institutions authorised by it.</del>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 2 Qualifications of Independent Directors</b>	<p>Article 8 Independent Directors shall comply with the following basic conditions:</p> <p>(1) Being qualified to act as a Director of a listed company under the laws, administrative regulations and other relevant provisions;</p> <p>(2) Demonstrating independence in a manner as required by the Rules of Independent Directors;</p> <p>(3) Possessing basic knowledge in the operation of a listed company and being familiar with relevant laws, administrative regulations, institutions and rules;</p> <p>(4) Possessing more than five (5) years' working experience in the legal or economic sectors or <del>other areas necessary for performing the duties of an Independent Director;</del></p> <p>(5) <del>Other requirements stipulated in the Articles of Association; and</del></p> <p>(6) <del>Other requirements set forth in the Listing Rules.</del></p>	<b>Chapter 2 Qualifications of Independent Directors</b>	<p><u>Article 7</u> Independent Directors shall comply with the following basic conditions:</p> <p>(1) Being qualified to act as a Director of a listed company under the laws, administrative regulations and other relevant provisions;</p> <p>(2) Demonstrating independence in a manner as required by the <u>Management Measures</u> of Independent Directors;</p> <p>(3) Possessing basic knowledge in the operation of a listed company and being familiar with relevant laws, administrative regulations, institutions and rules;</p> <p>(4) Possessing more than five (5) years' working experience in the legal or <u>accounting</u> or <u>economic sectors etc.</u> <del>other areas necessary for performing the duties of an Independent Director;</del></p> <p>(5) <u>Having good personal integrity and no material breach of trust or other adverse records;</u></p> <p>(6) <u>Other conditions as stipulated in the laws, administrative regulations, CSRC regulations, business rules of the stock exchange(s) and the Articles of Association.</u></p>
<b>Chapter 2 Qualifications of Independent Directors</b>	<p>Article 9 The following persons shall not be Independent Directors:</p> <p>(1) any persons holding positions in the Company or its subsidiaries, and their spouses, parents, children, siblings, parents</p>	<b>Chapter 2 Qualifications of Independent Directors</b>	<p><u>Article 8</u> The following persons shall not be Independent Directors:</p> <p>(1) any persons holding positions in the Company or its subsidiaries, and their spouses, parents, children, siblings, parents <u>of their spouses</u>, spouses of their children,</p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>of their spouses, spouses of their children, spouses of their siblings and siblings of their spouses;</p> <p>(2) the shareholders, being natural persons directly or indirectly holding more than 1% of the issued shares in the Company or being one of the top ten (10) shareholders and their spouses, parents and children;</p> <p>(3) any persons who hold positions in a corporate shareholder that directly or indirectly holds more than 5% of the issued shares in the Company or any persons holding positions in the top five (5) corporate shareholders of the Company, and their spouses, parents and children;</p> <p><del>(4) any persons who had been in the status in the immediate previous year as set forth in the three sub clauses above;</del></p> <p>(5) any persons providing financial, legal and consulting services for the Company and controlling shareholders or their respective subsidiaries, including all members of the project team, reviewers at all levels, persons who sign on the report, partners and principal persons of intermediaries providing services;</p> <p>(6) any persons who <del>serve as a Director, Supervisor or senior management in companies which</del> have major business relationship with the Company and controlling shareholders or their respective subsidiaries <del>or in the controlling shareholder of such companies;</del></p>		<p><u>parents of daughter-in-law and son-in-law</u>, spouses of their siblings and siblings of their spouses;</p> <p>(2) the shareholders, being natural persons directly or indirectly holding more than 1% of the issued shares in the Company or being one of the top ten (10) shareholders and their spouses, parents and children;</p> <p>(3) any persons who hold positions in a corporate shareholder that directly or indirectly holds more than 5% of the issued shares in the Company or any persons holding positions in the top five (5) corporate shareholders of the Company, and their spouses, parents and children;</p> <p><u>(4) persons who hold positions in the subsidiaries of the Company's controlling shareholders or actual controllers and their spouses, parents, and children;</u></p> <p><u>(5) any persons providing financial, legal, consulting and sponsor services for the Company, its controlling shareholders or actual controllers</u> or their respective subsidiaries, including <u>but not limited to</u> all members of the project team, reviewers at all levels, persons who sign on the report, partners, <u>Directors, senior management</u> and principal persons of intermediaries providing services;</p> <p><u>(6) any persons who have major business relationship with the Company, its controlling shareholders or actual controllers</u> or their respective subsidiaries <u>or persons who hold positions in units</u></p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(7) any persons, within the latest <b>one (1) year</b>, falling under any of the circumstances outlined in the aforementioned six items;</p> <p><del>(8) any other persons as specified by the Articles of Association;</del></p> <p><del>(9) any other persons as prescribed by the China Securities Regulatory Commission and stock exchanges;</del></p> <p>(10) pursuant to Rule 3.13 of the Hong Kong Listing Rules, any persons who may cause the Stock Exchange of Hong Kong Limited (the “Exchange”) or other persons to question the independence of such Independent Director unless the Company shall, in advance, be able to prove to the Exchange and satisfy the Exchange that the person concerned is indeed an independent person.</p> <p>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under <b>items (4), (5) and (6)</b> of the preceding paragraph do not include <b><u>those which do not constitute connected relationship with the Company under Rule 6.3.4 of the SSE Listing Rules.</u></b></p>		<p><b><u>with major business relationship and their controlling shareholders or actual controllers;</u></b></p> <p>(7) any persons, within the latest <b>twelve (12) months</b>, falling under any of the circumstances outlined in the aforementioned six items;</p> <p><b><u>(8) other persons who lack independence as prescribed by laws, administrative regulations, CSRC regulations, rules of the stock exchange(s) and the Articles of Association;</u></b></p> <p>(9) pursuant to Rule 3.13 of the Hong Kong Listing Rules, any persons who may cause the Stock Exchange of Hong Kong Limited (the “Exchange”) or other persons to question the independence of such Independent Director unless the Company shall, in advance, be able to prove to the Exchange and satisfy the Exchange that the person concerned is indeed an independent person.</p> <p>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under <b>items (4) to (6)</b> of the preceding paragraph do not include <b><u>the enterprises controlled by the same state-owned assets management institution as the Company and not forming a connected relationship with the Company according to relevant regulations.</u></b></p> <p><b><u>Independent Directors shall conduct self-examination on their independence every year and submit the self-examination results to the Board. The Board shall</u></b></p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<u>evaluate the independence of the Independent Directors in office and issue specific opinions every year, which shall be disclosed together with the annual report.</u>
<b>Chapter 2 Qualifications of Independent Directors</b>	Article 10 Independent Directors shall ensure enough time and energy to effectively perform their duties, and those who have served as an independent director in <u>five (5)</u> domestic <del>or overseas</del> listed companies shall not be nominated as candidates for independent director in other listed companies.	<b>Chapter 2 Qualifications of Independent Directors</b>	<u>Article 9</u> Independent Directors shall ensure enough time and energy to effectively perform their duties, and those who have served as an independent director in <u>three (3)</u> domestic listed companies shall not be nominated as candidates for independent director in other listed companies <b>in principle</b> .
<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	<p>Article 11 The Board, the Supervisory Committee, or shareholders of the Company individually or collectively hold over 1% of the shares issued by the Company may nominate the candidates for the Independent Directors, who shall be determined through the election at the general meeting.</p> <p>The nominator of an Independent Director shall obtain the consent to the nomination from the nominee before the nomination. The nominator shall have the full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience and all other posts he or she concurrently holds, and give opinion on the nominee's qualifications and the independence required as an Independent Director. The nominee shall make a <b>public</b> statement <u>that he or she has no relationship with the Company that may affect his or her independent objective judgment.</u></p>	<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	<p><u>Article 10</u> The Board, the Supervisory Committee, or shareholders of the Company individually or collectively hold over 1% of the shares issued by the Company may nominate the candidates for the Independent Directors, who shall be determined through the election at the general meeting.</p> <p><u>Investors protection institutions established by law may publicly request shareholders to entrust them to exercise the right to nominate Independent Directors on their behalf.</u></p> <p><u>The nominator specified in the first paragraph of this Article shall not nominate any person who has an interest in the nominator or any other closely related person who may affect the independent performance of his or her duties as a candidate for Independent Director.</u></p> <p>The nominator of an Independent Director shall obtain the consent to the nomination from the nominee before the nomination.</p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	Before convening the general meeting for the election of Independent Directors, the Board shall make announcement regarding the above matters as required.		<p>The nominator shall have the full knowledge of the nominee's general information such as profession, educational background, professional title, detailed working experience, all other posts he or she concurrently holds, <b><u>and whether there is any material breach of trust or other adverse records,</u></b> and give opinion on the nominee's qualifications and the independence required as an Independent Director. The nominee shall make a statement <b><u>as to his/her independence and other conditions for serving as an Independent Director.</u></b></p> <p>Before convening the general meeting for the election of Independent Directors, the Board shall make announcement regarding the above matters as required.</p>
<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	Article 13 The term of office for Independent Directors shall be the same as that of other Directors of the Company, and they may stand for re-election upon the expiry of their terms, but the re-appointment shall not exceed six (6) years.	<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	<b><u>Article 12</u></b> The term of office for Independent Directors shall be the same as that of other Directors of the Company, and they may stand for re-election upon the expiry of their terms, but the re-appointment shall not exceed six (6) years. <b><u>A person who has served as an Independent Director of the Company for six (6) consecutive years shall not be nominated as a candidate for Independent Director of such listed company within thirty-six (36) months from the date of occurrence of the above.</u></b>
<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	Article 14 An Independent Director who fails to attend <b><u>three (3)</u></b> consecutive Board meetings in person shall be removed upon a motion of the Board to the general meeting.  <del>Except for circumstances described above, and those set out in the Company Law that a person is</del>	<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	Article 13 An Independent Director who fails to attend <b><u>two (2)</u></b> consecutive Board meetings in person <b><u>and entrust other Independent Directors to attend on his behalf,</u></b> shall be removed upon a motion of the Board to the general meeting <b><u>within thirty (30) days from the date of occurrence of such event. The Company</u></b>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>unqualified to act as a Director, an Independent Director shall not be removed without cause from his/her office before the expiration of his/her term of office. Where an Independent Director is removed from office prior to the expiration of his/her term of office, the Company shall make special disclosure in relation thereto. The removed Independent Director may make a public statement if he believes that he/she has been improperly removed from his/her office.</del></p>		<p><u>may dismiss an Independent Director before the expiration of his/her term of office in accordance with statutory procedures. Where the directorship of an Independent Director is terminated before expiration, the Company shall disclose the specific reasons and basis in a timely manner. The Company shall disclose any objections raised by Independent Directors in a timely manner.</u></p> <p><u>Where an Independent Director fails to comply with item (1) or (2) of Article 7 of these Rules, he/she shall immediately cease to perform his/her duties and resign from his/her position. If he/she fails to submit a resignation, the Board shall immediately remove him/her from office as required after becoming aware of or should be aware of this fact.</u></p> <p><u>Where an Independent Director submits a resignation or is dismissed from office due to the circumstances specified in the preceding paragraph, the proportion of Independent Directors in the Board or special committees fall short of the statutory quorum or the minimum quorum specified in the Articles of Association, or there is a lack of accounting professionals among the Independent Directors, the Company shall complete the by-election within 60 days from the date of the occurrence of the aforesaid circumstances.</u></p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	Article 15 An Independent Director may submits a resignation prior to the expiration of his/her term of office. In resigning his/her duties, an Independent Director shall tender a written resignation letter to the Board of Directors and specify any matter which is related to his/her resignation or which he/she considers necessary to bring to the attention of the shareholders and creditors of the Company. If the resignation of the Independent Directors makes the number of Independent Directors or the Board of Directors fall below than the statutory quorum or minimum quorum as required by the Articles of Association, such resignation letter of the Independent Director shall only come into force when the next Independent Director has been appointed to fill the vacancy.	<b>Chapter 3 Nomination, Election, Tenure and Replacement of Independent Directors</b>	Article 14 An Independent Director may submits a resignation prior to the expiration of his/her term of office. In resigning his/her duties, an Independent Director shall tender a written resignation letter to the Board of Directors and specify any matter which is related to his/her resignation or which he/she considers necessary to bring to the attention of the shareholders and creditors of the Company. <b><u>The Company shall disclose the reasons for the Independent Director's resignation and matters requiring attention.</u></b>  If the resignation of the Independent Directors makes the <b><u>proportion</u></b> of Independent Directors <b><u>in</u></b> the Board of Directors <b><u>or special committees</u></b> fall below than the statutory quorum or minimum quorum as required by the Articles of Association, <b><u>or result in the lack of accounting professionals among the Independent Directors,</u></b> such resignation letter of the Independent Director shall only come into force when the next Independent Director has been appointed to fill the vacancy. <b><u>The Company shall complete the by-election within sixty (60) days from the date on which the Independent Director tenders his/her resignation.</u></b>
<b>Chapter 4</b>	Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<b>Chapter 4</b>	<b><u>Chapter 4 Independent Directors' Performance of Duties and Ways of Performing Duties</u></b>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	Article 16 <u>Independent Directors shall attend Board meetings on time, understand the Company's production operations and operating situations, and take the initiative to investigate and obtain information necessary for making decisions. Independent Directors shall report their performance of duties at the Company's annual general meeting.</u>	Chapter 4 <u>Independent Directors' Performance of Duties and Ways of Performing Duties</u>	<u>Article 15 Independent Directors shall perform the following duties and powers:</u>  <u>(1) to participate in the decision-making of the Board and offer specific opinions on the matters deliberated;</u>  <u>(2) to supervise the matters on potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, Directors and senior management specified in Articles 23, 26, 27 and 28 of Management Measures, urge the decision-making of the Board in line with the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders;</u>  <u>(3) to provide professional and objective advice on the operation and development of the Company, promoting the improvement of the decision-making level of the Board;</u>  <u>(4) to perform other duties and powers prescribed by laws, administrative regulations, CSRC regulations, and the Articles of Association.</u>
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	Article 17 In addition to the duties and powers granted by the Company Law and other relevant laws, regulations, and the Articles of Association, Independent Directors shall also have the following special powers:  <del>(1) Prior confirmation of material related party transactions (being defined as material related party transactions</del>	Chapter 4 <u>Independent Directors' Performance of Duties and Ways of Performing Duties</u>	Article 16 In addition to the duties and powers granted by the Company Law and other relevant laws, regulations, and the Articles of Association, Independent Directors shall also have the following special powers:  (1) independently engaging an intermediary organisation to audit, consult or verify specific matters of listed companies;



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>under the Shanghai Stock Exchange Listing Rules: the related party transactions intended to be concluded between the listed company and related parties with a total amount of more than RMB3 million or 5% of the latest audited net assets of the listed company) shall first be approved by Independent Directors and then discussed by the Board. Before Independent Directors determine such transaction, intermediaries may be appointed to issue independent financial adviser reports as the basis for such judgment.</del> For the connected transactions as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company's Independent Directors must review the continuing connected transactions every year and confirm in the annual report and the accounts that the transactions have been entered into</p> <p>(I) in the ordinary course of business of the Company;</p> <p>(II) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the listed issuers than terms available to or from (as appropriate) independent third parties; and</p> <p>(III) in accordance with the terms of the agreements for relevant transactions and the terms of the transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole.</p>		<p>(2) proposing to the Board the holding of extraordinary general meetings;</p> <p>(3) proposing the holding of Board meetings;</p> <p>(4) publicly soliciting shareholders' rights from shareholders according to law;</p> <p>(5) <u>expressing independent opinions on matters that may be detrimental to the rights and interests of listed companies or minority shareholders;</u></p> <p>(6) other duties and powers specified by laws, administrative regulations, CSRC regulations and the Articles of Association.</p> <p><u>In exercising the duties and powers set out in items (1) to (3) above, the Independent Directors shall obtain the consents of more than one-half of all Independent Directors.</u></p> <p><u>Where an Independent Director exercises his/her duties and powers under item (1), the listed company shall make timely disclosure. Where the above duties and powers cannot be exercised normally, the listed company shall disclose the specific circumstances and reasons.</u></p> <p><u>Article 17</u> The following matters shall be submitted to the Board for consideration with the consent of more than one-half of all the Independent Directors of the listed company:</p> <p>(1) related party transactions to be disclosed. For the connected transactions as defined in the Rules Governing the</p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(2) to propose to the Board for the appointment or removal of accounting firms;</p> <p>(3) to propose to the Board to convene extraordinary general meetings;</p> <p>(4) to propose to convene the Board meetings;</p> <p>(5) to engage independently external auditors and advisers;</p> <p>(6) to publicly obtain the rights to vote from the shareholders prior to the general meetings;</p> <p><del>Independent Directors shall seek the consent of more than half of all the Independent Directors before exercising the powers under items (1) to (4) and (6) above and shall seek the consent of all the Independent Directors before exercising the power under item (5) above.</del></p> <p>If the abovementioned proposals are not adopted or the abovementioned powers cannot be properly exercised, the Company shall disclose the relevant situation.</p>		<p>Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company's Independent Directors must review the continuing connected transactions every year and confirm in the annual report and the accounts that the transactions have been entered into</p> <p>(I) in the ordinary course of business of the Company;</p> <p>(II) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the listed issuers than terms available to or from (as appropriate) independent third parties; and</p> <p>(III) in accordance with the terms of the agreements for relevant transactions and the terms of the transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole.</p> <p><u>(2) the plan for the change or waiver of undertakings by the Company and relevant parties;</u></p> <p><u>(3) the decisions made and the measures taken by the Board in relation to the acquisition of the Company;</u></p> <p><u>(4) other matters specified by laws, administrative regulations, CSRC regulations and the Articles of Association.</u></p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<u>Newly added</u>	Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u>	<u>Article 18 Before convening the Board meeting, Independent Directors may communicate with the secretary to the Board to make inquiries, request supplementary materials and provide opinions and suggestions on matters to be considered. The Board and relevant personnel shall carefully study the questions, requirements and opinions raised by the Independent Directors, and timely report to the Independent Directors on the implementation of the amendments to the resolutions.</u>
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<u>Newly added</u>	Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u>	<u>Article 19 If an Independent Director votes against or abstains from voting on resolutions of the Board, he/she shall state the specific reasons and basis thereof, the legality and compliance of the matter involved in the resolution, the possible risks and the impact on the interests of the listed companies and minority shareholders. When disclosing the resolutions of the Board, the listed company shall also disclose the dissenting opinions of the Independent Directors, which shall be stated in the resolutions of the Board and the meeting minutes.</u>
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<u>Newly added</u>	Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u>	<u>Article 20 Independent Directors shall pay continuous attention to the implementation of the resolutions of the Board in relation to the matters set out in Articles 23, 26, 27 and 28 of Management Measures. In case of any violation of laws, administrative regulations, CSRC regulations, the business rules of the stock exchange(s) and the Articles of Association, or violation of the resolutions of the general meeting and the Board, Independent Directors shall report to</u>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<p><u>the Board in a timely manner and may require the listed company to make written explanations. Where the disclosure is involved, the listed company shall disclose it in a timely manner.</u></p>
<p>Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions</p>	<p><u>Newly added</u></p>	<p>Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u></p>	<p><u>Article 21 The Company shall regularly or irregularly hold meetings with Independent Directors present only (hereinafter referred to as “Special Meeting of Independent Directors”). The matters set forth in items (1) to (3) of Article 16, and Article 17 of these Rules shall be subject to the review of the Special Meeting of Independent Directors.</u></p> <p><u>The Special Meeting of Independent Directors may study and discuss other matters of the Company if necessary.</u></p> <p><u>The Special Meeting of Independent Directors shall be convened and presided over by an Independent Director jointly elected by a majority of the Independent Directors. If the convener fails to or is unable to perform his or her duties, two or more Independent Directors may convene a meeting by themselves and elect a representative to preside over the meeting.</u></p> <p><u>The Company shall facilitate and support the convening of the Special Meeting of Independent Directors.</u></p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	Article 18 <u>When the Board of the Company establishes Remuneration Committee, Audit Committee and Nomination Committee, etc., the Independent Directors shall represent more than half of the members of the aforesaid committees.</u>	Chapter 4 <u>Independent Directors' Performance of Duties and Ways of Performing Duties</u>	Article 22 <u>The Company shall establish an Audit Committee under the Board. The members of the Audit Committee shall be Directors who do not serve as senior management of the listed company, of which a majority shall be Independent Directors, with accounting professionals among the Independent Directors serving as conveners.</u>  <u>The Company may set up special committees such as the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee under the Board based on its needs. The majority of members of the Nomination Committee and the Remuneration and Appraisal Committee shall be Independent Directors, who shall also be the conveners.</u>
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<del>Article 19 In addition to performing the above duties, the Independent Directors shall give independent opinions to the Board of the Company or general meetings in respect of the following matters:  (1) <del>The nomination, appointment and dismissal of Directors;</del>  (2) <del>The appointment or dismissal of senior management personnel;</del>  (3) <del>The remuneration of Directors and senior management personnel of the Company;</del>  (4) <del>In order to comply with the provisions of the Shanghai Stock Exchange Listing Rules, any existing or</del></del>	Chapter 4 <u>Independent Directors' Performance of Duties and Ways of Performing Duties</u>	<u>Deleted</u>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>new loans or other transfer of funds from the listed companies to any of its shareholders, actual controllers or affiliates in a total amount exceeding RMB3 million and accounting for more than 5% of the listed companies' latest audited net assets, and whether the Company has taken effective steps to recover the debts;</del></p> <p><del>(5) Matters deemed by the Independent Directors as may damage the rights and interests of the minority shareholders;</del></p> <p><del>(6) Other matters provided in the Articles of Association or specified by regulatory authorities.</del></p> <p><del>The Independent Director shall express their opinions on the above matters in one of the following manners: agree; reserved opinions and its reasons; object and its reasons; unable to give an opinion and its obstacles. In the event that the related matters are discloseable, the Company shall announce the opinions of the Independent Directors. In case of diversified opinions among the Independent Directors and no consensus can be reached, the Board shall separately disclose the opinions of each Independent Directors.</del></p>		

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<u>Newly added</u>	Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u>	<u>Article 23 Independent Directors in the special committees of the Board of the Company shall perform their duties in accordance with laws, administrative regulations, CSRC regulations, business rules of the stock exchange(s) and the Articles of Association. Independent Directors shall attend the meetings of the special committees in person. An Independent Director who is unable to attend such meetings in person shall review the meeting materials in advance, form explicit opinions, and appoint in writing another independent Director to attend the meeting on his or her behalf. If, in the course of performing his or her duties, an Independent Director becomes aware of any material matter of the Company which falls within the scope of duties and powers to a special committee, he or she may promptly request the special committee to conduct discussion and review under the relevant procedures.</u>
Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions	<u>Newly added</u>	Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u>	<u>Article 24 The Independent Directors should spend not less than fifteen (15) days a year on-site at the Company.</u>  <u>In addition to attending general meetings, Board meetings and their special committees meetings, and Special Meetings of Independent Directors in accordance with the requirements, the Independent Directors may perform their duties and powers by various means, such as obtaining information on the Company’s operations on a regular basis, receiving reports from management, communicating with intermediaries such</u>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<p><u>as the person in charge of the internal audit organization and the accounting firm that undertakes the listed company’s auditing business, conducting on-site inspections, and communicating with minority shareholders.</u></p>
<p>Chapter 4 Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions</p>	<p><u>Newly added</u></p>	<p>Chapter 4 <u>Independent Directors’ Performance of Duties and Ways of Performing Duties</u></p>	<p><u>Article 25 Minutes of meetings of the Board of the Company and its special committees and the Special Meetings of Independent Directors shall be prepared in accordance with the requirements, and the opinions of the Independent Directors shall be set out in the minutes of the meetings. The Independent Directors shall sign to confirm the minutes of the meetings.</u></p> <p><u>Independent Directors shall prepare work records to record in detail the performance of their duties and powers. Information obtained by the Independent Directors in the course of performing their duties and powers, minutes of relevant meetings, records of communications with staff of the Company and the intermediary, etc. shall form an integral part of the work records. With respect to the important contents of the work records, the Independent Directors may request the secretary to the Board and other relevant personnel to sign to confirm the same, and the Company and the relevant personnel shall cooperate with such request.</u></p> <p><u>Work records of the Independent Directors and information provided by the Company to Independent Directors should be kept for at least ten (10) years.</u></p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 5 Working Conditions that the Company Shall Provide to Independent Directors</b>	<p>Article 21 To ensure that Independent Directors are in a position to exercise their powers effectively, the Company shall provide Independent Directors with the essential working conditions.</p> <p>(1) Where a major issue is to be decided by the Board, the Company shall inform the Independent Director in advance according to the statutory time and provide sufficient information at the same time. Supplemental materials can be requested in case the Independent Directors consider the information provided is insufficient. In the event that more than two (2) Independent Directors consider that the information is insufficient or the argument is unclear, written joint proposal can be submitted by such Independent Directors, to the Board to postpone the Board meeting or postpone the deliberation of such matters, and shall be adopted by the Board.</p> <p><del>(2) The Company shall provide the working conditions necessary for the Independent Directors to perform their duties. The secretary to the Board of the Company shall actively assist the Independent Directors to perform their duties, including but not limited to introduction of circumstances and provision of materials, etc. The secretary to the Board shall deal with the relevant matters in respect of the announcement at the stock exchange where the independent opinion, proposals and written explanations of the Independent Directors are required to be announced.</del></p>	<b>Chapter 5 Working Conditions that the Company Shall Provide to Independent Directors</b>	<p><u>Article 27</u> To ensure that Independent Directors are in a position to exercise their powers effectively, the Company shall provide Independent Directors with the essential working conditions <u>and personnel support, and designate dedicated departments and personnel such as the office of the Board and the secretary to the Board, to assist Independent Directors in performing their duties and powers.</u></p> <p><u>The secretary to the Board of Directors shall ensure effective flow of information between the Independent Directors and other Directors, senior management and other relevant persons, and ensure that the Independent Directors would be provided with sufficient resources and necessary professional advice to perform their duties.</u></p> <p><u>Article 28</u> Where a major issue is to be decided by the Board, the Company shall <u>provide relevant meeting materials to Independent Directors no later than the notice period for Board meetings as stipulated in laws, administrative regulations, CSRC regulations or the Articles of Association, and provide effective communication channels for Independent Directors.</u> In the event that two (2) <u>or more</u> Independent Directors consider that the <u>meeting materials are incomplete, insufficiently supported by evidence, or not provided in a timely manner,</u> written proposal can be submitted by such Independent Directors, to the Board to postpone the Board meeting or postpone the deliberation of such matters, and shall be adopted by the Board.</p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(3) When the Independent Directors are performing their duties, employees of the Company shall assist by all means and shall not refuse, obstruct, or conceal or interfere with their performance of duties independently.</p> <p><del>(4) Documents and materials provided to the Independent Directors by the Company and its relevant employees shall be kept by the Company and the relevant Independent Directors according to the time limit stipulated in the Company's file management systems.</del></p> <p>(5) The expenses incurred by Independent Directors in exercising their powers shall be borne by the Company.</p>		<p><u>Article 29</u> When the Independent Directors are performing their duties, employees of the Company <u>such as Directors and senior management of the listed company</u>, shall assist by all means and shall not refuse, obstruct, or conceal or interfere with their performance of duties independently.</p> <p><u>If an Independent Director encounters obstruction in the exercise of his/her duties and powers in accordance with the laws, he/she may explain the situation to the Board, request cooperation from the Directors, senior management and other relevant personnel, and record the specific circumstances of the obstruction and the resolution of the situation in his/her work records. If the obstruction cannot be eliminated, he/she may report to the CSRC and the stock exchanges.</u></p> <p><u>Where the performance of duties by an Independent Director involves information that should be disclosed, the Company shall process the disclosure in a timely manner. Where the Company does not disclose such information, the Independent Director may directly apply for disclosure, or report to the CSRC and the stock exchanges.</u></p> <p><u>Article 30</u> The expenses incurred by Independent Directors in <u>engaging professional institutions and</u> exercising <u>other</u> powers shall be borne by the Company.</p>
Chapter 6	Duties and Obligations as Independent Directors	Chapter 6	<u>Obligations and Statutory Responsibilities as Independent Directors</u>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 6 Duties and Obligations as Independent Directors</b>	Article 24 Independent Directors shall bear the fiduciary duties and obligation of due diligence to the Company and all of its shareholders, and shall comply strictly with the Company Law, the Securities Law, <u>the Guiding Opinion</u> and other laws, administrative regulations, regulatory documents, and regulations concerning Directors in the Articles of Association. Independent Directors shall also follow these Rules, maintain independence, earnestly perform their duties, faithfully fulfill their obligations, and safeguard the interests of the Company and all of its shareholders.	<b>Chapter 6 <u>Obligations and Statutory Responsibilities as Independent Directors</u></b>	<b>Article 33</b> Independent Directors shall bear the fiduciary duties and obligation of due diligence to the Company and all of its shareholders, and shall comply strictly with the Company Law, the Securities Law, <u>the Management Measures of Independent Directors</u> and other laws, administrative regulations, regulatory documents, and regulations concerning Directors in the Articles of Association. Independent Directors shall also follow these Rules, maintain independence, earnestly perform their duties, faithfully fulfill their obligations, and safeguard the interests of the Company and all of its shareholders.
<b>Chapter 7 Supplementary Provisions</b>	Article 34 These Rules shall be drafted by the Board and take effect after approval by the general meeting. <del>The Rules for the Independent Directors of Guangzhou Automobile Group Co., Ltd., which has come into effect since the listing of A + H shares, shall be repealed simultaneously.</del>	<b>Chapter 7 Supplementary Provisions</b>	<b>Article 43</b> These Rules shall be drafted by the Board and take effect after approval by the general meeting. <u>The former Rules for the Independent Directors of Guangzhou Automobile Group Co., Ltd. issued on 20 January 2023 shall be repealed simultaneously.</u>

Proposed amendments to the Administrative System of Proceeds are as follows:

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 1 General Provisions</b>	Article 1 With a view to regulate the utilisation and management of funds raised by Guangzhou Automobile Group Co., Ltd. (the “Company”), the Administrative System of Proceeds is formulated pursuant to the relevant requirement of laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, <u>the Administrative Measures for Initial Public Offering and Listing of Shares, the Administrative Measures for the Issuance of Securities by Listed Companies, Regulations for Report on the Utilisation of Proceeds from Previous Fund-Raising Activity, Listed Companies Regulatory Guidance No.2 – Regulatory Requirements on the Management and Use of Proceeds of Listed Companies by the CSRC, Listing Rules of Shanghai Stock Exchange (“Listing Rules”), Shanghai Stock Exchange Promulgated Administrative Measures for the Capital Raised by Listed Companies (2013 Revision)</u> and the Interim Management Measures for the Regulation of Corporate Bond Issuance of Guangzhou Municipal State-owned Assets Supervision and Administration Commission, and combined with the actual condition of the Company.	<b>Chapter 1 General Provisions</b>	Article 1 With a view to regulate the utilisation and management of funds raised by Guangzhou Automobile Group Co., Ltd. (the “Company”), the Administrative System of Proceeds is formulated pursuant to the relevant requirement of laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, <u>the Measures for the Administration of Registration of the Initial Public Offering of Stocks, the Measures for Administration of Registration of Securities Issuance by Listed Companies, the Guidelines for the Application of Regulatory Rules – Issuance No. 7, the Listed Companies Regulatory Guidance No.2 – Regulatory Requirements on the Management and Use of Proceeds of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</u> , and the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation <u>as well as the Articles of Association of Guangzhou Automobile Group Co., Ltd.</u> , and combined with the actual condition of the Company.
<b>Chapter 1 General Provisions</b>	Article 5 The sponsor agency shall supervise, on a continuous basis, the management and utilisation of proceeds to fulfill the duty of sponsor, pursuant to <u>the Management Measures for the Sponsor System for the Issuance and Listing of Securities and Shanghai Stock Exchange</u>	<b>Chapter 1 General Provisions</b>	Article 5 The sponsor agency shall supervise, on a continuous basis, the management and utilisation of proceeds to fulfill the duty of sponsor, pursuant to the Measures for the Administration of the Sponsorship of the Offering and Listing of Securities (Revised in 2023) and the Self-

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<b><u>Promulgated Administrative Measures for the Capital Raised by Listed Companies (2013 Revision).</u></b>		regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation.
<b>Chapter 2 Deposit of Proceeds</b>	<p>Article 7 The Company shall, within one month after the proceeds are put in place, sign a tripartite supervision agreement in relation to deposits in the Special Account for Proceeds with the <u>sponsor agency</u> and commercial bank (the “Commercial Bank”) in which proceeds are deposited. The agreement shall at least include the following:</p> <p>(1) The proceeds should be concentrated and deposited in the Special Account for Proceeds;</p> <p>(2) the Commercial Bank shall provide the bank reconciliation statement to the Company for the Special Account for Proceeds on a monthly basis and copy the same to the <u>sponsor agency</u>;</p> <p>(3) where the accumulated amount withdrawn by the Company from Special Account for Proceeds at one time or in 12 months exceeds RMB50 million and reaches 20% of the total amount of the Special Account for Proceeds after issue charges (“Net Proceeds”), the Company should inform the <u>sponsor agency</u> promptly;</p> <p>(4) the <u>sponsor agency</u> may, at any time, visit the Commercial Bank to inquire about information on the Special Account for Proceeds;</p>	<b>Chapter 2 Deposit of Proceeds</b>	<p>Article 7 The Company shall, within one month after the proceeds are put in place, sign a tripartite supervision agreement in relation to deposits in the Special Account for Proceeds with the <u>sponsor and the independent financial advisor</u> and commercial bank (the “Commercial Bank”) in which proceeds are deposited <b><u>and make announcement(s) in a timely manner.</u></b> The agreement shall at least include the following:</p> <p>(1) The proceeds should be concentrated and deposited in the Special Account for Proceeds;</p> <p><b><u>(2) Account number of the Special Account for Proceeds, fund raising projects and the amount of deposit in relation to the special account;</u></b></p> <p><b><u>(3)</u></b> the Commercial Bank shall provide the bank reconciliation statement to the Company for the Special Account for Proceeds on a monthly basis and copy the same to the <b><u>sponsor or the independent financial advisor;</u></b></p> <p><b><u>(4)</u></b> where the accumulated amount withdrawn by the Company from Special Account for Proceeds at one time or in 12 months exceeds RMB50 million and reaches 20% of the total amount of the Special Account for Proceeds after issue charges (“Net Proceeds”), the Company should inform the <b><u>sponsor or the independent financial advisor</u></b> promptly;</p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(5) liabilities of the Company, Commercial Bank and <u>sponsor agency</u> for breach of contract.</p> <p>.....</p>		<p><u>(5) the sponsor or the independent financial advisor</u> may, at any time, visit the Commercial Bank to inquire about information on the Special Account for Proceeds;</p> <p><u>(6) The supervision duties of the sponsor or the independent financial advisor, the notification and cooperation duties of the Commercial Bank, the supervision method of the sponsor or the independent financial advisor and the Commercial Bank on the use of the proceeds of the Company;</u></p> <p>(7) Liabilities of the Company, Commercial Bank and <u>sponsor or the independent financial advisor</u> for breach of contract;</p> <p><u>(8) In the event of the Commercial Bank's failure, for three times, to provide the reconciliation statement to the sponsor or the independent financial advisor in a timely manner and failure to meet the sponsor's or the independent financial advisor's request to inquire and investigate into information on the Special Account for Proceeds, the Company may terminate the agreement and cancel such Special Account for Proceeds.</u></p> <p>.....</p>
<b>Chapter 3 Use of Proceeds</b>	<p>Article 9 The Company should follow the following requirements in utilizing proceeds:</p> <p>.....</p>	<b>Chapter 3 Use of Proceeds</b>	<p>Article 9 The Company should follow the following requirements in utilizing proceeds:</p> <p>.....</p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>3. where the deadline of the previous investment plan of the proceeds has expired and the amount invested by the proceeds fails to reach 50% of the amount as set out by the relevant plan;</p> <p>4. where other abnormal situations occur in the investment projects.</p> <p>.....</p>		<p>3. where the deadline of the <b>latest</b> investment plan of the proceeds has expired and the amount invested by the proceeds fails to reach 50% of the amount as set out by the relevant plan;</p> <p>4. where other abnormal situations occur in the investment projects.</p> <p>.....</p>
<b>Chapter 3 Use of Proceeds</b>	<p>Article 10 The proceeds of the Company should, in principal, be utilised in the main operating businesses. The Company should not conduct the following acts with the proceeds:</p> <p>(1) investment projects for the funds raised are such investments with financial nature as the holding of transaction-oriented financial assets and <b>available-for-sale financial assets</b>, lending to others, entrusted wealth management, a few direct or indirect investment in companies whose main business is the trading of marketable securities;</p> <p>.....</p>	<b>Chapter 3 Use of Proceeds</b>	<p>Article 10 The proceeds of the Company should, in principal, be utilised in the main operating businesses. The Company should not conduct the following acts with the proceeds:</p> <p>(1) investment projects for the funds raised are such investments with financial nature as the holding of transaction-oriented financial assets and <b>investment in other equity instruments</b>, lending to others, entrusted wealth management, a few direct or indirect investment in companies whose main business is the trading of marketable securities;</p> <p>.....</p>
<b>Chapter 3 Use of Proceeds</b>	<p>Article 11 Where the Company previously utilise its own capital in the investment projects, it can replace its own capital with the proceeds within 6 months of the proceeds becoming in place.</p> <p>The replacement should be considered and approved by the Board of the Company, with the assurance report issued by an accounting firm and the explicit consent of <b>independent directors</b>, supervisory committee and sponsor agency. The</p>	<b>Chapter 3 Use of Proceeds</b>	<p>Article 11 Where the Company previously utilise its own capital in the investment projects, it can replace its own capital with the proceeds within 6 months of the proceeds becoming in place.</p> <p>The replacement should be considered and approved by the Board of the Company, with the assurance report issued by an accounting firm and the explicit consent of supervisory committee and sponsor agency.</p>

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Chapter	Content	Corresponding Chapter	Content
	Company should report to SSE and make an announcement within two trading days of the Board meeting.		The Company should report to SSE and make an announcement within two trading days of the Board meeting.
<b>Chapter 3 Use of Proceeds</b>	<p>Article 12 The company can perform cash management on temporarily idle proceeds. The products it invests in should fulfill the following conditions:</p> <p>(1) <u>high degree of security, fulfill the need of preserving principal and the issuing body of the product can provide the guarantee of principal preservation;</u></p> <p>(2) high liquidity, without affecting the normal implementation of the investment projects. Investment products shall not be pledged. The special clearing account for the product (if applicable) cannot be used for depositing capital other than proceeds or for other purposes. In the event of opening or deregistration of special clearing account for the product, the Company should report to SSE and make an announcement within 2 trading days.</p>	<b>Chapter 3 Use of Proceeds</b>	<p>Article 12 The company can perform cash management on temporarily idle proceeds. <u>The term of the investment products shall not be longer than the authorised period of use as approved by internal resolutions, and shall not exceed twelve (12) months.</u> The products it invests in should fulfill the following conditions:</p> <p>(1) <u>principal-guaranteed products, characterised by high degree of security and the fulfillment of principal preservation requirements, for which the issuing body of the product can provide the guarantee of principal preservation, such as structured deposits and certificates of large amount deposit;</u></p> <p>(2) high liquidity, without affecting the normal implementation of the investment projects. Investment products shall not be pledged. The special clearing account for the product (if applicable) cannot be used for depositing capital other than proceeds or for other purposes. In the event of opening or deregistration of special clearing account for the product, the Company should report to SSE and make an announcement within 2 trading days.</p>
<b>Chapter 3 Use of Proceeds</b>	Article 13 Utilisation of idle proceeds in investment products is subject to the approval of the Board of the Company, with the explicit consent of <b>independent directors</b> , supervisory committee and	<b>Chapter 3 Use of Proceeds</b>	Article 13 Utilisation of idle proceeds in investment products is subject to the approval of the Board of the Company, with the explicit consent of supervisory committee and sponsor agency. The



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>sponsor agency. The Company should make an announcement of the following within two trading days of the Board meeting:</p> <p>(1) basic information of the proceeds being raised, including the time, amount of proceeds, net amount of proceeds and investment plan;</p> <p>(2) utilisation of the proceeds;</p> <p>(3) the amount and term of the products invested with idle proceeds, whether there exists acts of changing the purpose of proceeds and measures ensuring the normal implementation of the investment projects is undisturbed;</p> <p>(4) distribution of revenue, scope of investment and security of investment product;</p> <p>(5) opinion of <b>independent directors</b>, supervisory committee and sponsor agency.</p>		<p>Company should make an announcement of the following within two trading days of the Board meeting:</p> <p>(1) basic information of the proceeds being raised, including the time, amount of proceeds, net amount of proceeds and investment plan;</p> <p>(2) utilisation of the proceeds;</p> <p>(3) the amount and term of the products invested with idle proceeds, whether there exists acts of changing the purpose of proceeds and measures ensuring the normal implementation of the investment projects is undisturbed;</p> <p>(4) distribution of revenue, scope of investment and security of investment product;</p> <p>(5) opinion of supervisory committee and sponsor agency.</p> <p><b><u>The Company shall in a timely manner make an announcement of risk reminder and indicate the risk control measures adopted by the Company to guarantee the safety of the funds in the event of material risks, such as if financial conditions of the issuer have deteriorated and product invested has suffered losses.</u></b></p>
<b>Chapter 3 Use of Proceeds</b>	Article 16 Utilizing proceeds in excess for permanent supplement of working capital or repayment of bank loans should be subject to the approval of the Board of the Company and the general meeting, with the option of online voting provided to	<b>Chapter 3 Use of Proceeds</b>	Article 16 Utilizing proceeds in excess for permanent supplement of working capital or repayment of bank loans, <b><u>provided that the cumulative amount used within each 12-month period shall not exceed 30% of the total proceeds in excess, and the</u></b>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>shareholders and the explicit consent of <del>independent directors</del>, supervisory committee and sponsor agency. The Company should report to SSE and make an announcement of the following within two days of the Board meeting:</p> <p>.....</p> <p>(6) opinion of <del>independent directors</del>, supervisory committee and sponsor agency.</p>		<p><u>Company shall undertake not to make high-risk investments or provide financial assistance to objects other than its holding subsidiaries within 12 months after the replenishment. Such utilisation</u> should be subject to the approval of the Board of the Company and the general meeting, with the option of online voting provided to shareholders and the explicit consent of supervisory committee and sponsor agency. The Company should report to SSE and make an announcement of the following within two days of the Board meeting:</p> <p>.....</p> <p><u>(6) Opinion issued by the supervisory committee and the sponsor agency.</u></p>
<b>Chapter 3 Use of Proceeds</b>	<p>Article 18 After the completion of a single investment project, the Company's utilisation of the remaining proceeds of that project (including interest income) in other investment projects is subject to the approval of the Board, with the explicit consent of <del>independent directors</del>, sponsor agency and supervisory committee. The Company should report to SSE and make an announcement within two days of the Board meeting.</p>	<b>Chapter 3 Use of Proceeds</b>	<p>Article 18 After the completion of a single investment project, the Company's utilisation of the remaining proceeds of that project (including interest income) in other investment projects is subject to the approval of the Board, with the explicit consent of sponsor agency and supervisory committee. The Company should report to SSE and make an announcement within two days of the Board meeting.</p>
<b>Chapter 3 Use of Proceeds</b>	<p>Article 19 After the completion of all investment projects, the use of remaining proceeds (including interest income) <u>above 10% of the net proceeds is subject to the approval of the Board and general meeting and the explicit consent of independent directors, sponsor agency and supervisory committee. The</u></p>	<b>Chapter 3 Use of Proceeds</b>	<p>Article 19 After the completion of all investment projects, the use of remaining proceeds (including interest income) <u>by the Company shall be subject to the review and approval by the Board, and the explicit consent of sponsor agency and supervisory committee. The Company should report to the SSE and make an</u></p>

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><u>Company should report to SSE and make an announcement within two days of the Board meeting.</u></p> <p><u>The use of remaining proceeds (including interest income) below 10% of the net proceeds is subject to the approval of the Board and the explicit consent of independent directors, sponsor agency and supervisory committee. The Company should report to SSE and make an announcement within two days of the Board meeting.</u></p> <p>Remaining proceeds (including interest income) below RMB5 million or below 5% of net proceeds can be exempt from the procedures in the previous clauses. Its utilisation should be disclosed in the latest periodic report.</p>		<p><u>announcement within two (2) trading days of the approval by the Board. The use of remaining proceeds (including interest income) accounting for more than 10% of the net proceeds is also subject to the approval at the general meetings.</u></p> <p>Remaining proceeds (including interest income) below RMB5 million or below 5% of net proceeds can be exempt from the procedures in the previous clauses. Its utilisation should be disclosed in the latest periodic report.</p>
<b>Supplementary Provisions</b>	<p>Article 33 This system shall become valid on the day it is passed in the general meeting of the Company. <u>The original Administrative System of Proceeds of Guangzhou Automobile Group Co., Ltd.</u> shall simultaneously become null.</p>	<b>Supplementary Provisions</b>	<p>Article 33 This system shall become valid on the day it is passed in the general meeting. Subsequent revisions and interpretations of this system will be authorised by the general meeting to the Board. <u>The Administrative System of Proceeds of Guangzhou Automobile Group Co., Ltd. issued and implemented on 19 September 2014</u> shall simultaneously become null.</p>

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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### 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)**

### NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 annual general meeting (the “AGM”) of Guangzhou Automobile Group Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Monday, 20 May 2024 at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC to consider and, if thought fit, approve the following resolutions:

1. The resolution on the annual report and its summary for the year 2023
2. The resolution on the work report of the board of directors for the year 2023
3. The resolution on the work report of the supervisory committee for the year 2023
4. The resolution on the financial report for the year 2023
5. The resolution on the proposal for profit distribution for the year 2023
6. The resolution on the appointment of auditors for the year 2024
7. The resolution on the appointment of internal control auditors for the year 2024
8. The resolution on the completion of certain investment projects funded by proceeds from non-public issuance of A shares and utilisation of the remaining proceeds for permanent replenishment of working capital
9. The resolution on the change in use of part of the proceeds
10. The resolution on the related transactions concerning GAC Finance’s provision of financial services to related parties
11. The resolution on the formulation of dividend distribution plan for Shareholders from 2024 to 2026
12. The resolution on the plan of repurchase of shares through centralized price bidding
13. The resolution on the amendments to the Rules for the Independent Directors

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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14. The resolution on the amendments to the Administrative System of Proceeds

The above resolutions (1) to (7) and resolutions (10) to (14) will be considered and approved by way of ordinary resolutions. The above resolutions (8) to (9) will be considered and approved by way of special resolutions.

By order of the Board  
**Guangzhou Automobile Group Co., Ltd.**  
**ZENG Qinghong**  
*Chairman*

Guangzhou, the PRC, 26 April 2024

*Notes:*

1. Details of the above resolutions (8) to (14) are set out in the circular of the Company dated 26 April 2024.
2. Any shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the said meeting is entitled to appoint one or more than one proxy to attend and vote on his/her behalf. A proxy need not be a Shareholder.
3. In order to be valid, the Shareholder’s form of proxy and, if such form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the Company’s H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time for holding the meeting (i.e. 2:00 p.m. on Sunday, 19 May 2024) or 24 hours before the time appointed for taking the poll.
4. Shareholders or their proxies shall present proofs of identities when attending the meeting.
5. The register of members of the Company will be closed from Wednesday, 15 May 2024 to Monday, 20 May 2024 (both days inclusive), during which no transfer of shares will be effected so as to ascertain the Shareholders’ entitlement to attend and vote at the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before 4:30 p.m. on Tuesday, 14 May 2024.
6. Shareholders or their proxies attending the AGM are responsible for their own transportation and accommodation expenses.
7. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.
8. At the AGM, the independent non-executive directors of the Company will present the duty report of the independent directors for 2023. Such report will be presented at the AGM, but no Shareholder’s approval is required.
9. The book closure arrangement in relation to the final dividend in respect of the financial year ended 31 December 2023 will be separately announced.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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10. The notice of the AGM is despatched to holders of H shares of the Company only. The notice of the AGM to holders of A shares and the form of proxy are separately published on the websites of the Company (<http://www.gac.com.cn>) and the Shanghai Stock Exchange (<http://www.sse.com.cn>).
11. The contact person of the AGM is Mr. Liu Yong and his contact number is (86)-20-83151202/(86)-20-83151139, Ext. 8104.

*As at the date of this notice, the executive directors of the Company are ZENG Qinghong and FENG Xingya, the non-executive directors of the Company are CHEN Xiaomu, DING Hongxiang, GUAN Dayuan, DENG Lei and WANG Yiwei, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.*

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## NOTICE OF 2024 FIRST H SHAREHOLDERS' CLASS MEETING

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### 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)**

### NOTICE OF 2024 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2024 first class meeting for holders of H shares (“**H Shareholders’ Class Meeting**”) of Guangzhou Automobile Group Co., Ltd. (the “**Company**”) will be held at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 2:00 p.m. (to be held in the order of the 2023 annual general meeting, the 2024 first class meeting for holders of A shares and the 2024 first class meeting for holders of H shares of the Company) on Monday, 20 May 2024 to consider and, if thought fit, approve the following resolution:

#### ORDINARY RESOLUTION

1. The resolution on the plan of repurchase of shares through centralized price bidding

By order of the Board  
**Guangzhou Automobile Group Co., Ltd.**  
**ZENG Qinghong**  
*Chairman*

Guangzhou, the PRC, 26 April 2024

#### *Notes:*

1. Details of the above-mentioned resolution are set out in the circular of the Company dated 26 April 2024.
2. Any holder of H share of the Company (“**H Shareholder(s)**”) entitled to attend and vote at the above-mentioned H Shareholders’ Class Meeting is entitled to appoint one or more than one proxy to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.
3. The H Shareholder’s form of proxy must be signed by the H Shareholder or his attorney duly authorised in writing. In case of a corporation, the same must be either under its common seal or signed by its director(s) or other duly authorised person(s). If the H Shareholder’s form of proxy is signed by other duly authorised person(s), the power of attorney authorising that attorney to sign or other authorisation document must be notarised. In order to be valid, the H Shareholder’s form of proxy together with the power of attorney or other authorisation document (if any), shall be deposited at the Company’s H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time for holding the meeting (i.e. 2:00 p.m. on Sunday, 19 May 2024) or 24 hours before the time appointed for taking the poll.
4. H Shareholders or their proxies shall present proofs of identities when attending the meeting.

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## NOTICE OF 2024 FIRST H SHAREHOLDERS' CLASS MEETING

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5. The register of members of the Company will be closed from Wednesday, 15 May 2024 to Monday, 20 May 2024 (both days inclusive), during which no transfer of shares will be effected so as to ascertain the H Shareholders' entitlement to attend and vote at the forthcoming H Shareholders' Class Meeting. In order to be eligible to attend and vote at the forthcoming H Shareholders' Class Meeting, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before 4:30 p.m. on Tuesday, 14 May 2024.
6. H Shareholders or their proxies attending the H Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses.
7. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all votes at the H Shareholders' Class Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Hong Kong Listing Rules.
8. This notice of H Shareholders' Class Meeting is despatched to H Shareholders of the Company only.
9. The contact person of the H Shareholders' Class Meeting is Mr. Liu Yong and his contact number is (86)-20-83151202/ (86)-20-83151139, Ext. 8104.

*As at the date of this notice, the executive directors of the Company are ZENG Qinghong and FENG Xingya, the non-executive directors of the Company are CHEN Xiaomu, DING Hongxiang, GUAN Dayuan, DENG Lei and WANG Yiwei, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.*