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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)

UTILISATION OF PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES

References are made to the announcements of Guangzhou Automobile Group Co., Ltd. (the “**Company**”) respectively dated 31 October 2016 and 17 November 2017, and the circular of the Company dated 25 November 2016 (the “**Circular**”) in relation to, amongst others, the non-public issuance of A shares of the Company. Unless otherwise indicated, capitalised terms used in this announcement shall have the same meaning as defined in the Circular.

The Non-public Issuance was completed in November 2017. The actual amount of gross proceeds raised was RMB14,999,999,957.14 and the actual amount of net proceeds raised, after deducting the issuance expenses of RMB83,050,000.00 was RMB14,916,949,957.14. Details of utilisation of the proceeds raised as at 31 December 2018 and as at 30 June 2019 respectively are set out below.

AS AT 31 DECEMBER 2018

As at 31 December 2018, the amount of proceeds brought forward was RMB7,839,414,400 whereas the total cumulative amount of utilised proceeds was RMB7,542,520,600 (inclusive of issuance expenses). There was no inconsistency between the utilisation of the proceeds and the original intended use.

Details of utilisation of the proceeds raised are set out below:

<i>Unit: RMB10,000</i>				
No.	Investment project	Total amount of investment commitment from the proceeds raised	Amount invested for this year	Cumulative amount invested
1	New energy vehicles and R&D of prospective technology project	480,000.00	82,216.00	114,222.63

2	GAEI phase 1 base construction project	60,000.00	9,030.12	9,874.26
3	GAEI phase 2 base construction project	100,000.00	5,109.58	38,185.35
4	GAC proprietary brand project of Xinjiang	80,000.00	6,468.83	22,782.95
5	GAC improvement project of Hangzhou	220,000.00	33,523.44	152,350.38
6	GAC proprietary brands technological reformation project	250,000.00	125,769.87	139,567.00
7	GAC proprietary brands vehicle models projects	215,000.00	75,078.92	184,098.46
7.1	GAMC A16 project	20,000.00	3,549.78	17,639.05
7.2	GAMC A35 project	35,000.00	16,159.88	25,077.09
7.3	GAMC A5H project	30,000.00	8,708.69	30,547.98
7.4	GAMC A10 project	40,000.00	18,147.41	33,835.77
7.5	GAMC A30 project	15,000.00	0.00	15,000.00
7.6	GAMC A32 project	10,000.00	3,333.15	9,849.95
7.7	GAMC A06 project	35,000.00	17,932.21	31,491.54
7.8	GAMC A7M project	30,000.00	7,247.80	20,657.09
8	GAMC engine project	50,000.00	29,187.61	45,797.88
9	GAMC gearbox project	30,000.00	11,626.69	25,317.74
10	P6 gearbox development project	15,000.00	8,054.54	13,750.41
	Issuance expenses	-	0.00	8,305.00
	Total	1,500,000.00	390,065.60	754,252.06

AS AT 30 JUNE 2019

As at 30 June 2019, the amount of proceeds brought forward was RMB6,589,327,100 whereas the total cumulative amount of utilised proceeds was RMB8,921,517,800 (inclusive of issuance expenses) and there was no inconsistency between the utilisation of the proceeds and the original intended use.

Details of utilisation of the proceeds raised are set out below:

Unit: RMB10,000

No.	Investment project	Total amount of investment commitment from the proceeds raised	Amount invested for this half year	Cumulative amount invested	Estimated time of completion
1	New energy vehicles and R&D of prospective technology project	480,000.00	69,051.75	183,274.38	2020
2	GAEI phase 1 base construction project	60,000.00	2,940.14	12,814.40	2020
3	GAEI phase 2 base construction project	100,000.00	4,220.41	42,405.76	2020
4	GAC proprietary brand project of Xinjiang	80,000.00	0.00	22,782.95	2023
5	GAC improvement project of Hangzhou	220,000.00	0.00	152,350.38	Completed
6	GAC proprietary brands technological reformation project	250,000.00	45,447.28	185,014.28	Completed
7	GAC proprietary brands vehicle models projects	215,000.00	11,926.37	196,024.84	
7.1	GAMC A16 project	20,000.00	898.56	18,537.61	Completed
7.2	GAMC A35 project	35,000.00	5,465.69	30,542.78	Completed
7.3	GAMC A5H project	30,000.00	0.00	30,547.98	Completed
7.4	GAMC A10 project	40,000.00	885.64	34,721.41	Completed
7.5	GAMC A30 project	15,000.00	0.00	15,000.00	Completed
7.6	GAMC A32 project	10,000.00	150.05	10,000.00	Completed
7.7	GAMC A06 project	35,000.00	2,663.30	34,124.84	Completed
7.8	GAMC A7M project	30,000.00	1,893.13	22,550.22	Completed
8	GAMC engine project	50,000.00	1,486.95	47,284.83	Completed
9	GAMC gearbox project	30,000.00	1,577.22	26,894.96	Completed
10	P6 gearbox development project	15,000.00	1,249.59	15,000.00	2020
	Issuance expenses	-	0.00	8,305.00	-
	Total	1,500,000.00	137,899.71	892,151.78	

The Group expects to continue to invest the unused proceeds raised from the Non-public Issuance in each of the above unfinished projects in accordance with the respective amount of investment commitment and expected time of completion, and in order taking into account the importance and urgency of each project.

For further information on the utilisation of proceeds raised from the Non-public Issuance, please refer to the “Specific Report on the Deposit of the Proceeds and the Utilisation of the Proceeds by Guangzhou Automobile Group Co., Ltd.” published by the Company on 29 March 2019 and 30 August 2019 respectively by way of overseas regulatory announcements.

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

Guangzhou, the PRC, 13 December 2019

As at the date of this announcement, the executive directors of the Company are ZENG Qinghong and FENG Xingya, the non-executive directors of the Company are YAN Zhuangli, CHEN Maoshan, CHEN Jun, DING Hongxiang and HAN Ying, and the independent non-executive directors of the Company are FU Yuwu, LAN Hailin, LEUNG Lincheong and WANG Susheng.