
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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 GRANT OF GENERAL MANDATE TO THE BOARD
TO ISSUE SHARES**
- (2) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD
TO ISSUE DEBT FINANCING INSTRUMENTS**
- (3) PROPOSED GRANT OF MANDATE TO THE BOARD TO HANDLE
MATTERS RELATING TO REPURCHASE OF RESTRICTED A SHARES**
- (4) PROPOSED UTILISATION OF THE REMAINING PROCEEDS OF
CERTAIN PEOCEED-FUNDED INVESTMENT PROJECTS RAISED FROM
NON-PUBLIC ISSUANCE OF A SHARES FOR PERMANENT
REPLENISHMENT OF WORKING CAPITAL**
- (5) NOTICE OF 2021 ANNUAL GENERAL MEETING
AND**
- (6) NOTICE OF 2022 FIRST CLASS MEETING FOR HOLDERS OF H SHARES**

A letter from the Board is set out on pages 4 to 11 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 Friday, 27 May 2022.

The AGM Notice containing the resolutions to be approved at the AGM is set out on pages 18 to 20 of this circular. The Notice of H Shareholders' Class Meeting containing the resolution to be approved at the H Shareholders' Class Meeting is set out on pages 21 to 22 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 Thursday, 26 May 2022) 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 and voting at the meetings should you so wish. However, in view of the current situation and requirements of pandemic prevention and control, the Company advises the Shareholders to appoint the chairman of the meetings to attend and vote at the meetings as far as possible.

22 April 2022

CONTENT

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
1. Introduction	5
2. Proposed Grant of General Mandate to the Board to Issue Shares	5
3. Proposed Grant of General Mandate to the Board to Issue Debt Financing Instruments	6
4. Proposed Grant of Mandate to the Board to Handle Matters Relating to Repurchase of Restricted A Shares	6
5. Proposed Utilisation of the Remaining Proceeds of Certain Proceed-Funded Investment Projects Raised from Non-Public Issuance of A Shares for Permanent Replenishment of Working Capital	8
6. Duty Report of the Independent Non-executive Directors	9
7. AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting	10
8. Recommendation	11
9. Responsibility Statement	11
10. General Information	11
APPENDIX I - PROPOSAL IN RELATION TO THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES	12
APPENDIX II - EXPLANATORY STATEMENT	14
NOTICE OF 2021 ANNUAL GENERAL MEETING	18
NOTICE OF 2022 FIRST CLASS MEETING FOR HOLDERS OF H SHARES	21

DEFINITIONS

In this circular (other than those set out in the AGM Notice and the Notice of H Shareholders' Class Meeting), 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 2022 first class meeting for holders of A Shares of the Company to be held on Friday, 27 May 2022 at 2:00 p.m. (to be held in the order of AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting) 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 resolution on mandate to be granted to the Board to handle matters relating to repurchase of Restricted A Shares
“AGM”	the 2021 annual general meeting of the Company to be held on Friday, 27 May 2022 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 22 April 2022 convening the AGM as set out on pages 18 to 20 of this circular
“Articles of Association”	the Articles of Association of Guangzhou Automobile Group Co., Ltd.
“Board”	the board of Directors of the Company
“Company”	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
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

DEFINITIONS

“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 2022 first class meeting for holders of H Shares of the Company to be held on Friday, 27 May 2022 at 2:00 p.m. (to be held in the order of AGM, A Shareholders’ Class Meeting and H Shareholders’ Class Meeting) 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 resolution on mandate to be granted to the Board to handle matters relating to repurchase of Restricted A Shares
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Incentive Scheme”	2020 A Share Option and Restricted Share Incentive Scheme of the Company
“Latest Practicable Date”	14 April 2022, 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
“Notice of H Shareholders’ Class Meeting”	the notice dated 22 April 2022 convening the H Shareholders’ Class Meeting as set out on pages 21 to 22 of this circular
“Participant(s)”	the Directors, senior management, other management personnel who has a direct impact on the Company’s operating performance and key core technical (business) personnel of the Company being granted the Restricted A Shares pursuant to the Incentive Scheme
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Restricted A Share(s)”	a certain number of A Shares granted to the Participants by the Company according to the conditions and price stipulated in the Incentive Scheme, which are subject to a locking period and can only be unlocked for trading when the unlocking conditions as stipulated in the Incentive Scheme are satisfied
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and/or H Share(s)

DEFINITIONS

“Shareholder(s)”	holders of the Company’s Shares
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

LETTER FROM THE BOARD



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

Chen Maoshan

Ding Hongxiang

Guan Dayuan

Liu Zhijun

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

22 April 2022

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD
TO ISSUE SHARES**
- (2) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD
TO ISSUE DEBT FINANCING INSTRUMENTS**
- (3) PROPOSED GRANT OF MANDATE TO THE BOARD TO HANDLE
MATTERS RELATING TO REPURCHASE OF RESTRICTED A SHARES**
- (4) PROPOSED UTILISATION OF THE REMAINING PROCEEDS OF
CERTAIN PROCEED-FUNDED INVESTMENT PROJECTS RAISED FROM
NON-PUBLIC ISSUANCE OF A SHARES FOR PERMANENT
REPLENISHMENT OF WORKING CAPITAL**
- (5) NOTICE OF 2021 ANNUAL GENERAL MEETING
AND**
- (6) NOTICE OF 2022 FIRST CLASS MEETING FOR HOLDERS OF H SHARES**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding (1) the proposed grant of general mandate to the Board to issue Shares; (2) the proposed grant of general mandate to the Board to issue debt financing instruments; (3) the proposed grant of mandate to the Board to handle matters relating to repurchase of Restricted A Shares; and (4) the proposed utilisation of the remaining proceeds of certain proceed-funded investment projects raised from non-public issuance of A Shares for permanent replenishment of working capital, and to issue the AGM Notice and the Notice of H Shareholders' Class Meeting, 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 GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES

In order to give discretion to the Board and maintain flexibility, the Company proposes to seek the Shareholders' approval to grant a general and unconditional mandate to the Board to separately or concurrently allot, issue and deal with, subject to compliance with relevant laws and regulations, A Shares or H Shares or securities convertible into such Shares not exceeding 20% of the respective number of A Shares or H Shares issued by the Company (based on the respective number of issued A Shares or H Shares on the date of the consideration and approval of the relevant resolution at the AGM).

Based on the 7,365,337,352 issued A Shares and 3,098,620,305 issued H Shares of the Company as at the Latest Practicable Date, a maximum of 1,473,067,470 A Shares and 619,724,061 H Shares may be issued pursuant to the general mandate to issue Shares.

The general mandate to issue Shares shall be effective from the date of passing the relevant resolution until the earliest of the following:

- (1) the date falling the expiration of 12 months following the passing of the special resolution at the AGM approving the general mandate to issue Shares;
- (2) the conclusion of the next annual general meeting of the Company; and
- (3) the date on which the Shareholders at any general meeting by way of special resolution revoke or amend the resolution approving the general mandate to issue Shares.

Pursuant to the prevailing PRC laws and regulations, in the event of issuing new A Shares or similar rights, the Company will still need to seek further approval from the Shareholders at a general meeting in respect of the specific details of each issuance of new A Shares even if the general mandate to issue Shares has been granted.

The above resolution has been considered and approved at the 12th meeting of the sixth session of the Board, and is subject to the approval by the Shareholders at the AGM by way of a special resolution.

Details of the general mandate to issue Shares are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE DEBT FINANCING INSTRUMENTS

For the purpose of a more flexible choice of financing instruments, timely fulfillment of funds requirements, improvement in debt structure and reduction in finance costs, pursuant to the relevant laws and regulations, the Articles of Association and the actual circumstances, the Company proposes to seek the Shareholders' approval to grant a general and unconditional mandate to the Board to decide, within the limit of the amount of the bonds issuable, the matters on the issuance of domestic and offshore debt financing instruments in domestic and offshore bond markets with an aggregate principal amount of not more than RMB20 billion or equivalent amount in foreign currencies within the validity period, including (but not limited to) determining the actual amount to be issued, the interest rate, the term, the target of issuance and the use of proceeds, the preparation, the signing and the disclosure of all necessary documents, and the handling of all other matters in relation to the issuance of debt financing instruments pursuant to this resolution. The relevant debt financing instruments include without limitation to short-term debentures, super-short-term debentures, medium-term notes, corporate bonds, convertible bonds of A Shares or H Shares, and other domestic and offshore debt financing instruments denominated in RMB or foreign currencies permitted by the regulatory authorities. If convertible bonds are to be issued, the principal amount of each single tranche shall not exceed RMB10 billion or equivalent amount in foreign currencies, and the new A Shares or H Shares to be issued upon conversion by the holders of convertible bonds may be issued pursuant to the general mandate to issue Shares considered and approved at the AGM.

According to the "Interim Management Measures for the Regulation of Corporate Bond Issuance of Guangzhou Municipal State-owned Assets Supervision and Administration Commission" (《廣州市國資委監管企業債券發行管理暫行辦法》), in the event of issuing medium and long-term bonds, notwithstanding the grant of the general mandate to the Board, specific matters on issuance of medium and long-term bonds are still required to be reported to the state-owned assets supervision and administration department for approval again.

The above resolution has been considered and approved at the 12th meeting of the sixth session of the Board, and is subject to the approval by the Shareholders at the AGM by way of a special resolution. The validity period of the above mandate will commence on the date on which the relevant resolution is passed until the conclusion of the 2022 annual general meeting of the Company.

4. PROPOSED GRANT OF MANDATE TO THE BOARD TO HANDLE MATTERS RELATING TO REPURCHASE OF RESTRICTED A SHARES

Reference is made to the Company's circular (the "**Circular**"), the notice of 2020 second extraordinary general meeting and the notices of 2020 first class meeting for holders of A Shares and H Shares (collectively, the "**Notices**") dated 22 October 2020 in relation to (i) the Incentive Scheme, (ii) the Appraisal Management Measures and (iii) the grant of mandate to the Board to deal with matters relating to the Incentive Scheme. Unless otherwise indicated herein, capitalised terms in this circular shall have the same meanings as those defined in the Circular and the Notices.

On 13 November 2020, the Company convened the 2020 second extraordinary general meeting and 2020 first class meeting for holders of A Shares and H shares at which the Incentive Scheme was considered and approved. The 56th meeting of the fifth session of the Board of the Company was held on 4 December

LETTER FROM THE BOARD

2020, at which “Resolution in respect of the Matters Related to the Grant under the 2020 A Share Option and Restricted Share Incentive Scheme” was approved, and the registration of grant was completed on 11 December 2020.

According to Article 1 (11) of Chapter 7 of the Incentive Scheme, “As authorised in the General Meetings, the Board of the Company is responsible for the implementation of matters such as the grants under the Incentive Scheme, the exercise and cancellation of the Share Options, as well as the unlocking, repurchase and cancellation of the Restricted Shares.” The “Resolution to Authorise the Board and Its Authorized Person to Deal with the Matters in relation to the 2020 A Share Option and Restricted Share Incentive Scheme with Full Authority” considered and approved at the 2020 second extraordinary general meeting and 2020 first class meeting for holders of A Shares and H shares did not authorise the Board to decide and implement the matters relating to repurchase and cancellation of Restricted A Shares.

According to the relevant provisions of Chapter 10 of the Incentive Scheme, “Generally, the Company repurchases and cancels the Restricted Shares pursuant to requirements of the Incentive Scheme in which the repurchase price shall be the Grant Price but in the event that, after completion of the registration of the Restricted Shares granted to the Participants, if any capitalisation issue, bonus issue, share subdivision, rights issue, share consolidation, dividend distribution and others occurs to the Company, adjustment to the repurchase price of the Restricted Shares yet to be unlocked shall be made by the Company accordingly.”

Considering that the triggering conditions and circumstances for the repurchase and cancellation of Restricted A Shares have been specified in the Incentive Scheme, in order to improve efficiency, a resolution will be proposed at the general meeting by the Board to authorise it to handle the following matters:

It will be proposed at the general meeting to authorise the Board to, in accordance with the relevant requirements under the Incentive Scheme, decide and handle the repurchase of Restricted A Shares and the corresponding changes in registered capital, amendments to the Articles of Association and other related matters within the validity period of the Incentive Scheme according to the provisions thereof.

The above resolution has been considered and approved at the 12th meeting of the sixth session of the Board, and is subject to the approval by the Shareholders at the AGM, A Shareholders at the A Shareholders’ Class Meeting and H Shareholders at the H Shareholders’ Class Meeting by way of a special resolution.

An explanatory statement required by the Listing Rules to be despatched to the Shareholders in connection with the proposed repurchase mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM and H Shareholders’ Class Meeting.

LETTER FROM THE BOARD

5. PROPOSED UTILISATION OF THE REMAINING PROCEEDS OF CERTAIN PROCEED-FUNDED INVESTMENT PROJECTS RAISED FROM NON-PUBLIC ISSUANCE OF A SHARES 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.

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 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

LETTER FROM THE BOARD

Project Type	No.	Name of Project	Total project investment	Amount of proceeds proposed to be used
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
	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
Key autoparts projects	10	P6 gearbox development project	20,646	15,000
		Total	1,988,661	1,500,000

As at 31 December 2021, the new energy vehicles and R&D of prospective technology project, the GAC proprietary brands vehicle models projects, the GAMC engine and gearbox project and the P6 gearbox development project had all been completed and were ready for use. The aforesaid projects utilised a total of approximately RMB7.7381657 billion of the proceeds raised. The unutilised proceeds of approximately RMB161.8343 million and net interest income of approximately RMB540.2248 million amounted to a total remaining proceeds of approximately RMB702.0591 million. The Company proposes to permanently replenish the working capital with such remaining proceeds.

The above resolution has been considered and approved at the 12th meeting of the sixth session of the Board, and is subject to the approval by the Shareholders at the AGM by way of an ordinary resolution.

6. DUTY REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the relevant laws and regulations of the Company Law, the Securities Law of the PRC, the Rules for Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, 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 2021 at the AGM. Such report will be presented at the AGM, but no Shareholders' approval is required.

LETTER FROM THE BOARD

The full text of the duty report of the independent Directors for 2021 was published on the website of the Stock Exchange (www.hkexnews.hk) in the form of an overseas regulatory announcement and the website of the Company (www.gac.com.cn) on 30 March 2022.

7. AGM, A SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

The AGM Notice and the Notice of H Shareholders' Class Meeting are set out on pages 18 to 20 and 21 to 22 respectively of this circular for consideration of the resolutions relating to, inter alia, (1) the proposed grant of general mandate to the Board to issue Shares; (2) the proposed grant of general mandate to the Board to issue debt financing instruments; (3) the proposed grant of mandate to the Board to handle matters relating to repurchase of Restricted A Shares; and (4) the proposed utilisation of the remaining proceeds of certain proceed-funded investment projects raised from non-public issuance of A Shares for permanent replenishment of working capital.

The AGM, the A Shareholders' Class Meeting 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 Friday, 27 May 2022. 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 Monday, 23 May 2022 to Friday, 27 May 2022 (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 54th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m. on Friday, 20 May 2022.

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 the 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 shall be returned to the Company's H Share registrar, Tricor Investor Services Limited, at least 24 hours before the time of holding of the AGM and the H Shareholders' Class Meeting (i.e. 2:00 p.m. on Thursday, 26 May 2022) 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 and voting at the meetings should you so wish. However, in view of the current situation and requirements of pandemic prevention and control, the Company advises the Shareholders to appoint the chairman of the meetings to attend and vote at the meetings as far as possible.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the adoption of (1) the proposed grant of general mandate to the Board to issue Shares; (2) the proposed grant of general mandate to the Board to issue debt financing instruments; (3) the proposed grant of mandate to the Board to handle matters relating to repurchase of Restricted A Shares; and (4) the proposed utilisation of the remaining proceeds of certain proceed-funded investment projects raised from non-public issuance of A Shares for permanent replenishment of working capital 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 Notice of H Shareholders' Class Meeting.

9. 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.

10. 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

APPENDIX I PROPOSAL IN RELATION TO THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES

Details in relation to the grant of general mandate to the Board to issue Shares are as follows:

- (1) Subject to paragraphs (3) and (4) and pursuant to the Company Law and the relevant regulations of the places where the Shares of the Company are listed (as amended from time to time), the Board is hereby granted an unconditional general mandate to exercise all powers of the Company to separately or concurrently allot, issue and deal with A Shares and/or H Shares, and to determine the terms and conditions for allotting, issuing and dealing with such new Shares, including but not limited to the following:
 - a. the class and number of new Shares to be issued;
 - b. the pricing mechanism and/or issue price of the new Shares to be issued (including price range);
 - c. the commencement and closing dates of issue;
 - d. the class and number of new Shares to be issued to existing Shareholders; and/or
 - e. the making or granting of proposals, agreements, options, convertible rights and other relevant rights for the purpose of exercising the power mentioned above.
- (2) The mandate mentioned in paragraph (1) shall authorise the Board to, within the Relevant Period (as defined below), make or grant any proposals, agreements and options which might be exercised after the expiry of the Relevant Period.
- (3) The number of new A Shares or new H Shares conditionally or unconditionally, separately or concurrently allotted, issued and dealt with (whether pursuant to a share option or otherwise) by the Board within the Relevant Period pursuant to the mandate mentioned in paragraph (1) (excluding Shares issued by way of conversion of capital reserve into Shares in accordance with the Company Law and the Articles of Association) shall not exceed 20% of the A Shares or H Shares of the Company respectively in issue at the time of passing this resolution at the AGM.
- (4) In exercising the power pursuant to paragraph (1) above, the Board shall:
 - a. comply with the Company Law, Measures for the Supervision and Administration of State-owned Equities of Listed Companies (No. 36 Order by SASAC, Minister of Finance and CSRC) and the relevant regulatory requirements (as amended from time to time) of the places where the Shares of the Company are listed; and
 - b. obtain approval from the CSRC, state-owned assets supervision authorities and other relevant PRC government departments.
- (5) For the purpose of this resolution, “Relevant Period” means the period from the date of passing this resolution at the AGM until the earliest of the following:

APPENDIX I PROPOSAL IN RELATION TO THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES

- a. the date falling the expiration of 12 months following the passing of the resolution at the AGM;
 - b. the conclusion of the next annual general meeting of the Company; and
 - c. the date on which the Shareholders at any general meeting by way of special resolution revoke or amend the mandate under this resolution.
- (6) The Board is hereby authorised to sign any necessary documents, complete any necessary formalities and procedures and take other necessary steps to complete the allotment, issuance and listing of the new Shares upon the exercise of the powers pursuant to paragraph (1) above, provided that the same does not violate the relevant laws, administrative regulations, the relevant regulatory requirements of the places where the Shares of the Company are listed, and the Articles of Association.
- (7) Subject to the approval of the relevant PRC authorities, the Board is hereby authorised to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issue of new Shares with reference to the method, class and number of new Shares of the Company allotted and issued and the shareholding structure of the Company at the time of completion of the allotment and issue of new Shares in order to reflect the alteration of the share capital structure and registered capital of the Company as a result of the exercise of this mandate.

The following is an explanatory statement in relation to the proposed A Shares repurchase mandate to be despatched to Shareholders under the Listing Rules.

1. PARTICULARS OF THE REPURCHASE AND CANCELLATION

(1) Reasons for the Repurchase and Cancellation

According to the relevant provisions of Chapter 9 of the Incentive Scheme:

- (1) if the performance appraisal conditions are not satisfied by the Company, the Restricted A Shares of the Participants which have been granted but not yet unlocked shall be repurchased and cancelled by the Company;
- (2) where the Participant is transferred out of the Company due to organisational arrangements and no longer works in the Company; dead; suffers from loss of civil capacity; has reached the legal retirement age and retires normally; or dismisses or terminates his/her labor relationship with the Company due to other objective reasons, the Restricted A Shares of the Participant which have reached the time for unlocking the sales restrictions and satisfied the performance appraisal conditions in the year can be unlocked from the sales restriction, while the Restricted A Shares that have not yet reached the time for unlocking the sales restriction and satisfied the performance appraisal conditions will be repurchased and cancelled by the Company;
- (3) all Restricted A Shares that have not been unlocked shall be repurchased and cancelled by the Company when the Participant becomes an independent Director or supervisor, or when the labor contract expires, the Company voluntarily requests not to renew the contract which is not due to any fault of the Participant;
- (4) where the Participant resigns; the Participant's performance appraisal fails to meet the standard or the labor contract is terminated due to his/her incompetency; when the labor contract expires, the Participant does not renew the contract or the employment relationship is terminated due to the Participant's other personal reasons, all Restricted A Shares that have not been unlocked will be repurchased and cancelled by the Company;
- (5) if the Participants have not performed their duties effectively or are involved in serious dereliction of duty; violate the laws and regulations or the provisions of the Articles of Association, including receiving bribes, engaging in bribery, corruption or embezzlement, disclosing trade and technical secrets of the Company, carrying out related party transactions, which has significant negative effects on the Company's interest, reputation and image and are subject to punishment; fail to perform or fail to perform duties correctly which has caused material asset losses and other serious adverse consequences to the Company; or violate the duty of loyalty and diligence, all Restricted A Shares that have not been unlocked will be repurchased and cancelled by the Company.

(2) Number and Price of A Shares under the Repurchase and Cancellation

The Company completed the registration of 102,101,330 Restricted A Shares to the grantees on 11 December 2020. During the validity period of the Incentive Scheme, where the above-mentioned repurchase and cancellation under the Incentive Scheme are involved, the Company will implement the repurchase and cancellation according to the actual situation subject to the provisions of the Incentive Scheme. The specific number of Shares to be repurchased will depend on the performance assessment objectives of the Incentive Scheme and the specific conditions of the Participants.

As at the Latest Practicable Date, the total number of issued Shares of the Company was 10,463,957,657 Shares, including 7,365,337,352 A Shares and 3,098,620,305 H Shares. The Directors will be authorized to repurchase up to 102,101,330 A Shares pursuant to the A Shares repurchase mandate, representing 1.39% of the total number of A Shares in issue.

The repurchase price will be subject to the relevant provisions under Chapters 9 and 10 of the Incentive Scheme, which states that “Generally, the Company repurchases and cancels the Restricted Shares pursuant to requirements of the Incentive Scheme in which the repurchase price shall be the Grant Price (RMB4.99 per share) but in the event that, after completion of the registration of the Restricted Shares granted to the Participants, if any capitalisation issue, bonus issue, share subdivision, rights issue, share consolidation, dividend distribution and others occurs to the Company, adjustment to the repurchase price of the Restricted Shares yet to be unlocked shall be made by the Company accordingly.”

(3) Source of Funds for the Repurchase

In repurchasing Restricted A Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and/or the applicable laws and regulations of the PRC (as the case may be). The source of the repurchase funds is the Company’s self-owned funds, which are derived from the corresponding subscription fees paid by the the Participants for the Restricted A Shares granted under the Incentive Scheme.

2. IMPACT OF REPURCHASE AND CANCELLATION ON THE COMPANY’S OPERATING RESULTS

The repurchase is carried out based on the provisions of the Incentive Scheme. The granted Restricted A Shares that do not satisfy the unlocking conditions will be repurchased at the price agreed in the Incentive Scheme, which will not have a material adverse impact on the Company’s working capital or gearing position.

3. GENERAL INFORMATION

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, neither the Directors nor any of their respective close associates (as defined in the Listing Rules) currently have any intention to sell any Shares to the Company subject to the Shareholders’ approval for the proposed grant of A Shares repurchase mandate.

The Company was not aware of any of its core connected persons (as defined in the Listing Rules) indicating their intention to sell any Shares to the Company subject to the Shareholders' approval for the proposed grant of the A Shares repurchase mandate, or undertaking not to sell any Shares it held to the Company in such case.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase A Shares pursuant to the A Shares repurchase mandate and in accordance with the Listing Rules and applicable laws and regulations of the PRC.

4. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the A Shares repurchase mandate, a Shareholder's interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged 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 the exercise of the A Shares repurchase mandate.

5. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase has been made by the Company of its Shares (whether on the Stock Exchange, other stock exchanges or otherwise) in the six months prior to the Latest Practicable Date.

6. A SHARE PRICES

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest closing prices at which the A Shares were traded on the SSE were as follows:

	A Shares	
	Lowest	Highest
	<i>RMB</i>	<i>RMB</i>
2021		
April	10.15	12.47
May	10.84	13.13
June	11.25	13.54
July	12.70	16.90
August	13.71	19.05
September	14.83	21.00
October	14.98	18.45
November	15.52	18.61
December	14.70	17.60
2022		
January	12.85	15.39
February	12.50	14.16
March	10.48	13.34
April (up to the Latest Practicable Date)	11.02	11.89

NOTICE OF 2021 ANNUAL GENERAL MEETING



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 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “AGM”) of Guangzhou Automobile Group Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, 27 May 2022 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:

ORDINARY RESOLUTIONS

1. The resolution on the annual report and its summary for the year 2021
2. The resolution on the work report of the board of directors for the year 2021
3. The resolution on the work report of the supervisory committee for the year 2021
4. The resolution on the financial report for the year 2021
5. The resolution on the proposal for profit distribution for the year 2021
6. The resolution on the appointment of auditors for the year 2022
7. The resolution on the appointment of internal control auditors for the year 2022
8. The resolution on the utilisation of the remaining proceeds of certain proceed-funded investment projects raised from non-public issuance of A shares for permanent replenishment of working capital

SPECIAL RESOLUTIONS

9. The resolution on the proposal to be submitted to the general meeting in relation to the grant of general mandate to the board of directors of the Company to issue shares
10. The resolution on the proposal to be submitted to the general meeting in relation to the grant of general mandate to the board of directors of the Company to issue debt financing instruments

NOTICE OF 2021 ANNUAL GENERAL MEETING

11. The resolution on the proposal to be submitted to the general meeting in relation to the grant of mandate to the board of directors of the Company to handle matters relating to repurchase of restricted A shares

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

Guangzhou, the PRC, 22 April 2022

Note:

1. Details of the above resolutions (8) to (11) are set out in the circular of the Company dated 22 April 2022.
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. The Shareholder’s form of proxy must be signed by the 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 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 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 54th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 24 hours before the time for holding the meeting (i.e. 2:00 p.m. on Thursday, 26 May 2022) or 24 hours before the time appointed for taking the poll.
4. In view of the current situation and requirements of pandemic prevention and control, the Company advises the Shareholders to appoint the chairman of the meetings to attend and vote at the meeting as far as possible.
5. Shareholders or their proxies shall present proofs of identities when attending the meeting.
6. The register of members of the Company will be closed from Monday, 23 May 2022 to Friday, 27 May 2022 (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 54th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong on or before 4:30 p.m. on Friday, 20 May 2022.
7. Shareholders or their proxies attending the AGM are responsible for their own transportation and accommodation expenses.
8. 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.
9. At the AGM, the independent non-executive directors of the Company will present the duty report of the independent directors for 2021. Such report will be presented at the annual general meeting, but no Shareholder’s approval is required.

NOTICE OF 2021 ANNUAL GENERAL MEETING

10. The book closure arrangement in relation to the final dividend in respect of the financial year ended 31 December 2021 will be separately announced.
11. 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>).
12. The contact person of the AGM is Mr. Liu Yong and his contact number is (86)-20-83151012/(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, CHEN Maoshan, DING Hongxiang, GUAN Dayuan and LIU Zhijun, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.

NOTICE OF 2022 FIRST CLASS MEETING FOR HOLDERS OF H SHARES



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 2022 FIRST CLASS MEETING FOR HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN that the 2022 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 2021 annual general meeting, the 2022 first class meeting for holders of A shares and the 2022 first class meeting for holders of H shares of the Company) on Friday, 27 May 2022 to consider and, if thought fit, approve the following resolution:

SPECIAL RESOLUTION

1. The resolution on the proposal to be submitted to the general meeting in relation to the grant of mandate to the board of directors of the Company to handle matters relating to repurchase of restricted A shares

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

Guangzhou, the PRC, 22 April 2022

Note:

1. Details of the above-mentioned resolution are set out in the circular of the Company dated 22 April 2022.
2. Any holder of H share of the Company (“**H Shareholder(s)**”) entitled to attend and vote at the 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 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 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 54th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 24 hours before the time for holding the meeting (i.e. 2:00 p.m. on Thursday, 26 May 2022) or 24 hours before the time appointed for taking the poll.

NOTICE OF 2022 FIRST CLASS MEETING FOR HOLDERS OF H SHARES

4. In view of the current situation and requirements of pandemic prevention and control, the Company advises the H Shareholders to appoint the chairman of the meetings to attend and vote at the meeting as far as possible.
5. H Shareholders or their proxies shall present proofs of identities when attending the meeting.
6. The register of members of the Company will be closed from Monday, 23 May 2022 to Friday, 27 May 2022 (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 H Shareholders' Class Meeting. In order to be eligible to attend and vote at the 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 54th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m. on Friday, 20 May 2022.
7. H Shareholders or their proxies attending the H Shareholders' Class Meeting are responsible for their own transportation and accommodation expenses.
8. 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 Listing Rules.
9. This notice of H Shareholders' Class Meeting is despatched to H Shareholders of the Company only.
10. The contact person of the H Shareholders' Class Meeting is Mr. Liu Yong and his contact number is (86)-20-83151012/ (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, CHEN Maoshan, DING Hongxiang, GUAN Dayuan and LIU Zhijun, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.