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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 AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
THE RULES OF PROCEDURES OF THE GENERAL MEETINGS, THE RULES OF  
PROCEDURES OF THE BOARD, THE RULES FOR THE INDEPENDENT  
DIRECTORS AND THE DECISION-MAKING MANAGEMENT RULES OF  
RELATED PARTY TRANSACTIONS**
- (2) PROPOSED ADOPTION OF THE FOURTH A SHARE  
OPTION INCENTIVE SCHEME**
- (3) NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING  
AND**
- (4) NOTICE OF 2023 FIRST H SHAREHOLDERS' CLASS MEETING**
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A letter from the Board is set out on pages 5 to 13 of this circular.

The EGM, A Shareholders' Class Meeting 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 9:30 a.m. on Friday, 20 January 2023.

The EGM Notice containing the resolutions to be approved at the EGM is set out on pages 103 to 105 of this circular. The H Shareholders' Class Meeting Notice containing the resolutions to be approved at the H Shareholders' Class Meeting is set out on pages 106 to 107 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 EGM 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. 9:30 a.m. on Thursday, 19 January 2023) 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 EGM and H Shareholders' Class Meeting 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.

4 January 2023



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## DEFINITIONS

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*In this circular (other than those set out in the EGM 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 nominal 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 2023 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 9:30 a.m. on Friday, 20 January 2023 (in the order of the EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting respectively)
“Announcement of the Drafted Fourth Scheme”	the announcement of the Company dated 13 December 2022 in relation to, among other things, the proposed adoption of the Fourth Scheme
“Administrative Measures”	the Administrative Measures on Share Option Incentives of Listed Companies (Zhong Guo Zheng Jian Hui Ling No. 148) (《上市公司股權激勵管理辦法》(中國證監會令第148號))
“Appraisal Management Measures”	Appraisal Management Measures for Implementation of the Fourth Share Option Incentive Scheme of the Company
“Amended Rules”	the amended Hong Kong Listing Rules set out in the “Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment” published by the Stock Exchange in July 2022
“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”	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 PRC
“Conditions of Exercise”	conditions to be fulfilled for a Participant to exercise a Share Option according to the Fourth Scheme



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## DEFINITIONS

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“Conditions of Grant”	conditions to be fulfilled for a Participant to be granted a Share Option according to the Fourth Scheme
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Date of Grant”	the date on which a Share Option is granted to a Participant by the Company, which must be a trading day
“Decision-making Management Rules of Related Party Transactions”	the Decision-making Management Rules of Related Party Transactions of Guangzhou Automobile Group Co., Ltd.
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 first extraordinary general meeting of the Company to be held on Friday, 20 January 2023 at 9:30 a.m. at Conference Room, 32/F, GAC Center, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC
“EGM Notice”	the notice dated 4 January 2023 convening the EGM as set out on pages 103 to 105 of this circular
“Exercisable Date”	the date on which a Participant is entitled to exercise the Share Option in accordance with the Fourth Scheme, which must be a trading day
“Exercise Price”	the price determined under the Fourth Scheme for a Participant to acquire Shares of the Company
“Existing Scheme”	the A-share option and restricted share incentive scheme of the Company adopted on 13 November 2020
“Fourth Scheme”	the Fourth A Share Option Incentive Scheme proposed to be adopted by the Company
“General Meetings”	the EGM and Class Meetings
“Group”	the Company and its subsidiaries
“H Share(s)”	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)



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## DEFINITIONS

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“H Shareholders’ Class Meeting”	the 2023 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 9:30 a.m. on Friday, 20 January 2023 (in the order of the EGM, A Shareholders’ Class Meeting and H Shareholders’ Class Meeting respectively)
“H Shareholders’ Class Meeting Notice”	the notice dated 4 January 2023 convening the H Shareholders’ Class Meeting as set out on pages 106 to 107 of this circular
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	3 January 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Municipal SASAC”	State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People’s Government
“Participant(s)”	persons to be granted Share Options under the Fourth Scheme
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Regulating Notice”	the Notice on Issues concerning Regulating the Implementation of the Share Incentive Schemes by State-Owned Listed Companies (Guo Zi Fa Fen Pei [2008] No. 171) (《關於規範國有控股上市公司實施股權激勵制度有關問題的通知》(國資發分配[2008]171號))
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the Board
“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.
“Rules of Procedures of the Board”	the Rules of Procedures of the Board of Guangzhou Automobile Group Co., Ltd.
“Rules of Procedures of the General Meetings”	the Rules of Procedures of the General Meetings of Guangzhou Automobile Group Co., Ltd.



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## DEFINITIONS

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“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Securities Law”	the Securities Law of the PRC
“Share(s)”	A Share(s) and/or H Share(s)
“Share Option(s)”, “Option(s)”	the right to be granted by the Company to a Participant to acquire certain number of A Shares at a pre-determined Exercise Price and Conditions of Exercise in a particular period of time
“Shareholder(s)”	holder(s) of the Company’s shares
“SSE”	Shanghai Stock Exchange
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the SSE
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“Trial Measures”	Trial Measures on Implementation of Share Incentive Schemes by State Controlled Listed Companies (Domestic) (Guo Zi Fa Fen Pei [2006] No. 175) (《國有控股上市公司(境內)實施股權激勵試行辦法》(國資發分配[2006]175號))
“Validity Period”	the period from the Date of Grant of a Share Option to the date on which the Share Option expires
“Vesting Period”	the period from the Date of Grant to the Exercisable Date of a Share Option
“Work Guidance”	the Notice on the Distribution of the Guidelines for the Implementation of Share Incentive Schemes by Central SOE-controlled Listed Companies (Guo Zi Kao Fen [2020] No. 178) (《關於印發〈中央企業控股上市公司實施股權激勵工作指引〉的通知》(國資考分[2020]178號))
“Work Notice”	the Notice on Further Improving the Implementation of Share Incentive Schemes by Central SOE-controlled Listed Companies (Guo Zi Fa Kao Fen Gui [2019] No. 102) (《關於進一步做好中央企業控股上市公司股權激勵工作有關事項的通知》(國資發考分規[2019]102號))
“%”	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

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

4 January 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
THE RULES OF PROCEDURES OF THE GENERAL MEETINGS, THE RULES OF  
PROCEDURES OF THE BOARD, THE RULES FOR THE INDEPENDENT  
DIRECTORS AND THE DECISION-MAKING MANAGEMENT RULES OF  
RELATED PARTY TRANSACTIONS**

**(2) PROPOSED ADOPTION OF THE FOURTH A SHARE  
OPTION INCENTIVE SCHEME**

**(3) NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING  
AND**

**(4) NOTICE OF 2023 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 amendments to the Articles of Association; (2) the proposed amendments to the Rules of Procedures of the General Meetings; (3) the proposed amendments to the Rules of Procedures of the Board; (4) the proposed amendments to the Rules for the Independent Directors; (5) the proposed amendments to the Decision-making Management Rules of Related Party Transactions; (6) the proposed adoption of the Fourth Scheme; (7) the proposed adoption of the Appraisal Management Measures; and (8) the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Scheme, and to issue the EGM Notice and the H Shareholders' Class Meeting Notice in order to seek your approval of the resolutions relating to the aforesaid matters at the EGM and the H Shareholders' Class Meeting.

### 2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 4 January 2023 in relation to, among other things, the proposed amendments to the Articles of Association.

In order to align with the core shareholder protection standards set out in Appendix 3 to the Hong Kong Listing Rules (revised on 1 January 2022), and in accordance with the Plan for Institutional Reform of the State Council (《國務院機構改革方案》), the Guidelines on the Articles of Association for Listed Companies (Revised in 2022) (《上市公司章程指引》(2022年修訂)) issued by the CSRC, the SSE Listing Rules (Revised in 2022) (《上海證券交易所股票上市規則》(2022年修訂)) etc. and the actual situation of the Company, the Company proposes to make corresponding amendments to the Articles of Association. The proposed amendments to the Articles of Association have been considered and approved at the 31<sup>st</sup> meeting of the sixth session of the Board, and are subject to the approval of the Shareholders at the EGM by way of a special resolution.

Details of the amendments to the Articles of Association are set out in Appendix I to this circular.

### 3. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE GENERAL MEETINGS

Reference is made to the announcement of the Company dated 4 January 2023 in relation to, among other things, the proposed amendments to the Rules of Procedures of the General Meetings.

In accordance with the Guidelines on the Articles of Association for Listed Companies (Revised in 2022) issued by the CSRC, the Hong Kong Listing Rules (revised on 1 January 2022) etc. and the actual situation of the Company, the Company proposes to make corresponding amendments to the Rules of Procedures of the General Meetings. The proposed amendments to the Rules of Procedures of the General Meetings have been considered and approved at the 31<sup>st</sup> meeting of the sixth session of the Board, and are subject to the approval of the Shareholders at the EGM by way of an ordinary resolution.

Details of the amendments to the Rules of Procedures of the General Meetings are set out in Appendix II to this circular.



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## LETTER FROM THE BOARD

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### **4. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD**

Reference is made to the announcement of the Company dated 4 January 2023 in relation to, among other things, the proposed amendments to the Rules of Procedures of the Board.

In accordance with the SSE Listing Rules (Revised in 2022), the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) etc. and the actual situation of the Company, the Company proposes to make corresponding amendments to the Rules of Procedures of the Board. The proposed amendments to the Rules of Procedures of the Board have been considered and approved at the 31<sup>st</sup> meeting of the sixth session of the Board, and are subject to the approval of the Shareholders at the EGM by way of an ordinary resolution.

Details of the amendments to the Rules of Procedures of the Board are set out in Appendix III to this circular.

### **5. PROPOSED AMENDMENTS TO THE RULES FOR THE INDEPENDENT DIRECTORS**

Reference is made to the announcement of the Company dated 4 January 2023 in relation to, among other things, the proposed amendments to the Rules for the Independent Directors.

In accordance with the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation, the Rules for Independent Directors of Listed Companies issued by CSRC etc. and the actual situation of the Company, the Company proposes to make corresponding amendments to the Rules for the Independent Directors. The proposed amendments to the Rules for the Independent Directors have been considered and approved at the 31<sup>st</sup> meeting of the sixth session of the Board, and are subject to the approval of the Shareholders at the EGM by way of an ordinary resolution.

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

### **6. PROPOSED AMENDMENTS TO THE DECISION-MAKING MANAGEMENT RULES OF RELATED PARTY TRANSACTIONS**

Reference is made to the announcement of the Company dated 4 January 2023 in relation to, among other things, the proposed amendments to the Decision-making Management Rules of Related Party Transactions.

In accordance with the SSE Listing Rules (Revised in 2022), the Rules for Independent Directors of Listed Companies (《上市公司獨立董事制度》) issued by CSRC etc. and the actual situation of the Company, the Company proposes to make corresponding amendments to the Decision-making Management Rules of Related Party Transactions. The proposed amendments to the Decision-making Management Rules of Related Party Transactions have been considered and approved at the 31<sup>st</sup> meeting of the sixth session of the Board, and are subject to the approval of the Shareholders at the EGM by way of an ordinary resolution.

Details of the amendments to the Decision-making Management Rules of Related Party Transactions are set out in Appendix V to this circular.



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## LETTER FROM THE BOARD

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### 7. PROPOSED ADOPTION OF THE FOURTH SCHEME

The Fourth Scheme is formulated to further establish and improve the long-term incentive mechanism of the Company, attract and retain talented individuals, fully mobilise the enthusiasm of 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, and effectively bind the interests of the Shareholders, the Company and individuals of core teams together, making all parties attend to the long-term development of the Company. The Incentive Scheme is made on the premise of fully protecting the interests of the Shareholders and on the principle of income equivalent to contribution, and in compliance with relevant requirements under the Company Law, the Securities Law, the Administrative Measures, the Trial Measures, the Regulating Notice, the Work Notice, the Work Guidance and other relevant laws, regulations and regulatory documents, as well as the provisions of the Articles of Association.

The Fourth Scheme is a share option incentive scheme. Share Option represents the right to be granted to a Participant by the Company to acquire certain number of Shares of the Company at a pre-determined price and conditions in a particular period of time. The source of the shares shall be the A Shares to be issued by the Company to the Participants.

The number of Share Options to be granted to the Participants under the Fourth Scheme shall not exceed 234,000,000, i.e. not exceeding approximately 2.23% of the Company's total issued Shares as at the Latest Practicable Date. The total number of A Shares of the Company involved pursuant to the Fourth Scheme and all other effective incentive schemes does not exceed 10% of the total issued A Shares and 10% of the total issued Shares of the Company at the time the Fourth Scheme is being submitted to the General Meetings. The number of A Shares granted under all effective option incentive schemes to any one of the Participants under the Fourth Scheme does not exceed 1% of the total issued A Shares and 1% of the total issued Shares.

There are no more than 3,200 Participants under the Fourth Scheme, including 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, but excluding independent directors, external directors, supervisors of the Company and the person in charge of the enterprise who is appointed and managed by the organisation in accordance with the regulatory requirements of SASAC.

The Company hereby announces that on 12 December 2022, the Board passed a resolution in relation to the proposed adoption of the Fourth Scheme and resolved that it will be proposed at the EGM and Class Meetings for the Shareholders to consider, and if thought fit, approve the adoption of the Fourth Scheme by way of special resolutions. The Fourth Scheme shall become effective upon review and approval by the Municipal SASAC, consideration and approval at the General Meetings, and the Appraisal Management Measures being formulated by the Remuneration and Assessment Committee under the authority of the Board. Details of the Appraisal Management Measures are set out in Appendix VII to this circular.

The summary of the principal terms of the Fourth Scheme is set out in Appendix VI to this circular. This is a summary of the terms of the Fourth Scheme and does not constitute the entire terms of the Fourth Scheme.



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## LETTER FROM THE BOARD

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According to the terms of the Fourth Scheme, the Participants, all of whom will be employee participants as defined in Rule 17.03A(1)(a) of the Amended Rules, shall exercise the corresponding Share Options within the relevant exercise period upon the expiration of the Vesting Period (up to 24, 36 and 48 months respectively from the Date of Grant) and subject to the satisfaction of certain performance appraisal conditions. In addition, the method of determining the Exercise Price of the Share Options is represented in the summary of principal terms of the Fourth Scheme, which is, in summary, the average trading price of A Shares on certain trading days prior to the Announcement of the Drafted Fourth Scheme. By setting the Vesting Period, the exercise period, the performance appraisal conditions and the Exercise Price, the Participant, as an employee participant, will be required to continue to take office in the Company, endeavor to achieve these standards, and strive for continuous improvement in the Company's performance and all aspects so as to reap the benefits brought about by the Shares upon exercise of the Share Options. In addition, a Participant will also become one of the Shareholders upon exercise of the Share Options granted whereby the Participants will be motivated to contribute to the success of the Company and in turn retain outstanding talents for the Company. In addition, the Fourth Scheme also has a clawback mechanism to guard against potential severe misfeasance of the Participants. Therefore, such terms and conditions are in line with and capable of achieving the purpose of the Fourth Scheme as mentioned above.

In the event of any (including but not limited to) serious negligence, violation of laws and regulations, committed crime(s), conducts causing material losses or serious adverse consequences to the Company or violation of duty of loyalty and diligence under law by a Participant, the Share Options granted under the Fourth Scheme to such Participant which have not been exercised will be cancelled by the Company. The Company shall also be entitled to recover all the gains received by the Participants from such Share Options. At the same time, a Participant can only have the corresponding Share Options exercised on the premise that the performance of the Participant meets the appraisal conditions, and the Share Options may not be fully exercised depending on the appraisal results. Details of the clawback mechanism under the Fourth Scheme are set out in the sections headed “**VII. CONDITIONS OF GRANT AND CONDITIONS OF EXERCISE OF THE FOURTH SCHEME**” and “**XI. HANDLING UNUSUAL CHANGES TO THE COMPANY AND PARTICIPANTS**” in Appendix VI to this circular.

No trustee has been or will be appointed for the administration of the Fourth Scheme.

The Existing Scheme was approved and adopted by the Company on 13 November 2020, of which all share options and restricted shares had been granted on 11 December 2020. On 12 December 2022, the A-share options and restricted A-shares, which have been granted under the Existing Scheme, have entered into the first exercise period and the first unlocking period respectively. Save and except for the Existing Scheme, all previous share option schemes of the Company have expired. The exercisability of the share options and the unlocking of the restricted shares under the second and third exercise periods/unlocking periods will depend on whether all the exercise and unlocking conditions pursuant to the terms of the Existing Scheme, including the appraisal requirements of the Company's performance and personal performance appraisal, can be fulfilled. Disclosures in relation to the Existing Scheme have complied with the Hong Kong Listing Rules and the terms of the Existing Scheme comply with the requirements under Chapter 17 of the Amended Rules.



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## LETTER FROM THE BOARD

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### 8. HONG KONG LISTING RULES IMPLICATIONS

#### The Fourth Scheme

The Fourth Scheme constitutes a share option scheme under Chapter 17 of the Amended Rules.

#### Note to Rule 17.03 (9) and Rule 17.03E of the Amended Rules

Under the terms of the Fourth Scheme, the Exercise Price of the Share Options shall not be lower than the nominal amount of the Shares, and shall not be lower than the higher of the following:

- (1) the average trading price of the A Shares on the trading day preceding the date of Announcement of the Drafted Fourth Scheme, i.e. RMB11.82;
- (2) the average trading price of the A Shares for one of the periods of 20 trading days, 60 trading days or 120 trading days preceding the date of Announcement of the Drafted Fourth Scheme, i.e. RMB11.99, RMB12.29 and RMB14.06, respectively.

According to the requirements of note to Rule 17.03(9) and Rule 17.03E of the Amended Rules, the exercise price shall be at least the higher of the following: (i) the closing price of the securities as quoted in the daily quotations sheet of the Stock Exchange on the date of grant; and (ii) the average closing price of the securities as quoted in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant.

However, since the Share Options proposed to be granted involve A Shares only, and the determination of the Exercise Price shall be in accordance with the relevant laws and regulations of the PRC, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with note to Rule 17.03(9) and Rule 17.03E of the Amended Rules. For details of the determination of the Exercise Price under the Fourth Scheme, please refer to the Appendix VI to this circular.

#### Rule 17.03(13) of the Amended Rules

According to Rule 17.03(13) of the Amended Rules, the scheme document must include a provision for adjustment of the exercise price or the number of securities subject to options already granted and to the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital.

In addition to the events where adjustment to the Exercise Price is required under Rule 17.03(13) of the Amended Rules, the Fourth Scheme also provides for the adjustment to the Exercise Price in the event of distribution of dividend under the Fourth Scheme (the “**Adjustment for Dividend Distribution**”).

Since the Share Options proposed to be granted involve A Shares only, and the Adjustment for Dividend Distribution shall be subject to and in accordance with the relevant laws and regulations of the PRC, including the Work Guidance, the Company has applied for, and the Stock Exchange has



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## LETTER FROM THE BOARD

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granted, a waiver from strict compliance with Rule 17.03(13) of the Amended Rules. For details of the adjustment of the Exercise Price under the Fourth Scheme, please refer to the Appendix VI to this circular.

Pursuant to Rule 14A.92(3)(a) of the Hong Kong Listing Rules, the grant of the Share Options to any Participants who are connected persons of the Company under the Fourth Scheme is exempted from reporting, announcement and independent Shareholder's approval requirement.

### **9. EGM AND H SHAREHOLDERS' CLASS MEETING**

The EGM Notice and the H Shareholders' Class Meeting Notice are set out on pages 103 to 105 and pages 106 to 107 of this circular respectively, for consideration of the resolutions relating to (1) the proposed amendments to the Articles of Association; (2) the proposed amendments to the Rules of Procedures of the General Meetings; (3) the proposed amendments to the Rules of Procedures of the Board; (4) the proposed amendments to the Decision-making Management Rules of Related Party Transactions; (5) the proposed amendments to the Rules for the Independent Directors; (6) the proposed adoption of the Fourth Scheme; (7) the proposed adoption of the Appraisal Management Measures; and (8) the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Scheme.

The EGM 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 9:30 a.m. on Friday, 20 January 2023 (in the order of the EGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting respectively). The forms of proxy for use at the EGM and the H Shareholders' Class Meeting are enclosed with this circular, respectively.

The record date and time for ascertaining the entitlement of the Shareholders to attend and vote at the EGM and the H Shareholders' Class Meeting is on Tuesday, 17 January 2023 at 4:30 p.m. In order to be eligible to attend and vote at the forthcoming EGM and 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, 17 January 2023.

Pursuant to Rule 13.39(4) of the Hong Kong 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 EGM 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 Hong Kong Listing Rules.

Whether or not you are able to attend the EGM 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 of the EGM 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. 9:30 a.m. on Thursday, 19 January 2023) 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 EGM and the H Shareholders' Class Meeting should you so



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## LETTER FROM THE BOARD

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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.

As at the Latest Practicable Date, to the best of the knowledge of the Directors after making all reasonable enquiries, Mr. Feng Xingya held 574,933 A Shares of the Company (accounting for approximately 0.0055% of the total issued share capital of the Company as at the Latest Practicable Date), Mr. Chen Maoshan held 684,868 A Shares of the Company (accounting for approximately 0.0065% of the Company's total issued share capital as at the Latest Practicable Date) and 111,274 H Shares (accounting for approximately 0.0011% of the total issued share capital of the Company as at the Latest Practicable Date), Ms. Wang Dan was deemed to hold 739,868 A Shares of the Company (accounting for approximately 0.0071% of the total issued share capital of the Company as at the Latest Practicable Date), Ms. Sui Li held 368,353 A Shares of the Company (accounting for approximately 0.0035% of the total issued share capital of the Company as at the Latest Practicable Date) and other Participants under the proposed grant holding Shares (collectively, the **"Abstaining Shareholders"**) and their respective associates will have significant interests in the resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting regarding the Fourth Scheme, the Appraisal Management Measures and the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Scheme. Therefore, they have to abstain from voting on the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and no other Shareholders have to abstain from voting on the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

As far as the Company was aware of, having made all reasonable enquiries, as at the Latest Practicable Date:

- (a) the Abstaining Shareholders and their respective associates controlled or were entitled to exercise control over the voting right in respect of their respective Shares;
- (b)
  - (i) there were no voting trusts or other agreements or arrangements or understanding (other than an outright sale) entered into by or binding upon any of the Abstaining Shareholders or their respective associates;
  - (ii) there were no obligations or entitlements of the Abstaining Shareholders or their respective associates, whereby they had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of their respective Shares to a third party, either generally or on a case-by-case basis; and
- (c) there is no discrepancy between the beneficial shareholding interest of the Abstaining Shareholders or their respective associates in the Company as disclosed in this circular and the number of Shares in respect of which they will control or will be entitled to exercise control over the voting rights at the EGM and the Class Meetings where relevant resolutions will be proposed to approve the Fourth Scheme, the Appraisal Management Measures and the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Scheme.



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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

The Board believes that the resolutions in relation to (1) the proposed amendments to the Articles of Association; (2) the proposed amendments to the Rules of Procedures of the General Meetings; (3) the proposed amendments to the Rules of Procedures of the Board; (4) the proposed amendments to the Decision-making Management Rules of Related Party Transactions; (5) the proposed amendments to the Rules for the Independent Directors; (6) the proposed adoption of the Fourth Scheme; (7) the proposed adoption of the Appraisal Management Measures; and (8) the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Scheme, are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolutions as set out in the EGM Notice and the H Shareholders' Class Meeting Notice.

As the Participants to be granted Share Options under the Fourth Scheme, the Directors, namely Mr. Feng Xingya and Mr. Chen Maoshan, are considered as having material interest in the Fourth Scheme, and accordingly each of them has abstained from voting on the resolutions at the relevant Board meetings. To avoid any conflict of interest, Mr. Feng Xingya and Mr. Chen Maoshan will abstain from voting on any resolutions in relation to any matters relating to the Fourth Scheme in the future. Besides, Mr. Feng Xingya and Mr. Chen Maoshan do not take part and have not taken part in the design and management of the Fourth Scheme and other effective share schemes of the Company under which they are grantees, including the Existing Scheme, and do not have any adverse effect on the formulation and implementation of such schemes.

### 11. RESPONSIBILITY STATEMENT

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

### 12. 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

## DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Proposed amendments to the Articles of Association are as follows:

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 2 Purpose and Scope of Operation</b>	<p><b>Article 14</b> The scope of operation of the Company shall be based on the items approved by the company registration authorities.</p> <p>The scope of operation of the Company includes:  <u>the investment of the Company's own funds;</u>  <u>the research and development of vehicular engineering technologies;</u>  information technology consultancy and services;  <u>the sales of automobiles;</u>  the wholesale and retailing of automobile parts and components;  conference and exhibition services,  <del>the import and export of goods (save for franchised and controlled commodities);</del>  <del>the import and export of technologies;</del>  and property management.</p>	<b>Chapter 2 Purpose and Scope of Operation</b>	<p><b>Article 14</b> The scope of operation of the Company shall be based on the items approved by the company registration authorities.</p> <p>The scope of operation of the Company includes:  <u>the engagement in investment activities with self-owned funds;</u>  <u>research and experimental development on engineering and technologies;</u>  information technology consultancy and services;  <u>the sales of new automobiles;</u>  <u>the distribution of used cars;</u>  the wholesale and retailing of automobile parts and components;  conference and exhibition services,  property management;  <u>non-residential property leasing;</u>  <u>and enterprise headquarters management.</u></p>
<b>Chapter 3 Shares and Registered Capital</b>	<p><b>Article 22</b></p> <p>.....</p> <p>From 2014 to <b>2018</b>, the Company has implemented the issuance of convertible corporate bonds, share option incentive scheme, non-public issuance of shares, and capital reserve capitalisation. The share capital structure as of <b>31 December 2018</b> were as follows: <b>10,232,497,472</b> ordinary shares, of which <b>7,133,877,167 shares</b> were <b>held by holders of</b> A Shares and 3,098,620,305 <b>shares</b> were <b>held by holders of</b> H Shares, representing <b>69.72%</b> and <b>30.28%</b> of the total number of ordinary shares, respectively.</p>	<b>Chapter 3 Shares and Registered Capital</b>	<p><b>Article 22</b></p> <p>.....</p> <p>From 2014 to <b>2022</b>, the Company has implemented the issuance of convertible corporate bonds, share option incentive scheme, non-public issuance of shares, and capital reserve capitalisation. The share capital structure as of <b>30 June 2022</b> were as follows: <b>10,463,957,657</b> ordinary shares, of which <b>7,365,337,352</b> were A Shares and 3,098,620,305 were H Shares, representing <b>70.39%</b> and <b>29.61%</b> of the total number of ordinary shares, respectively.</p>
<b>Chapter 3 Shares and Registered Capital</b>	<p><b>Article 25</b> The Company's registered capital is RMB<b>10,232,497,472</b>.</p>	<b>Chapter 3 Shares and Registered Capital</b>	<p><b>Article 25</b> The Company's registered capital is RMB<b>10,463,957,657</b>.</p>



# APPENDIX I

# DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
Chapter 3 Shares and Registered Capital	<p><b>Article 29</b> The Company may, in accordance with the procedures set out in the Articles of Association <del>and with the approval of the department as authorized by the State Council</del>, <u>repurchase its outstanding shares</u> under the following circumstances:</p> <p>.....</p>	Chapter 3 Shares and Registered Capital	<p><b>Article 29</b> The Company may, in accordance with the procedures set out in the Articles of Association, <u>repurchase its outstanding shares</u> under the following circumstances:</p> <p>.....</p>
Chapter 3 Shares and Registered Capital	<p><b>Article 30</b> The Company may, <del>with the approval of the examining and approval department authorized by the State Council for repurchasing its shares</del>, <u>conduct the repurchase</u> in one of the following manners:</p> <p>.....</p>	Chapter 3 Shares and Registered Capital	<p><b>Article 30</b> The Company may <u>conduct the repurchase</u> in one of the following manners:</p> <p>.....</p>
Chapter 3 Shares and Registered Capital	<p><b>Article 40</b> Any gains from sale of shares in the Company or other securities with an equity interest by any Directors, Supervisors, members of senior management or shareholders holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall be paid to the Company. The Board shall forfeit such gains from the abovementioned parties. However, if a securities firm holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, <u>the six (6) month limitation for selling the said shares shall not apply.</u></p> <p>.....</p>	Chapter 3 Shares and Registered Capital	<p><b>Article 40</b> Any gains from sale of shares in the Company or other securities with an equity interest by any Directors, Supervisors, members of senior management or shareholders holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall be paid to the Company. The Board shall forfeit such gains from the abovementioned parties. However, a securities firm <u>which</u> holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, <u>and other circumstances stipulated by the CSRC are excluded.</u></p> <p>.....</p>



Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 57</b> The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>.....</p> <p>(vi) copies of the latest annual application form submitted to <u>Administration for Industry and Commerce of the PRC</u> or other competent authority for registration;</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 57</b> The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>.....</p> <p>(vi) copies of the latest annual application form submitted to <u>the Administration for Market Regulation</u> or other competent authority for registration;</p>
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 66</b> The following guarantees provided to third parties by the Company are subject to review and approval at the general meeting:</p> <p>(1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;</p> <p>(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;</p> <p><u>(3) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;</u></p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 66</b> The following guarantees provided to third parties by the Company are subject to review and approval at the general meeting:</p> <p>(1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;</p> <p>(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;</p> <p><u>(3) any guarantee provided by the Company, the amount of which within one year exceeds 30% of its latest audited total assets;</u></p> <p><u>(4) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;</u></p>



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# DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
	<p>(4) a single guarantee the amount of which exceeds 10% of the Company's latest audited net assets;</p> <p>(5) any guarantee to be provided in favour of shareholders, de facto controllers and their related parties.</p>		<p>(5) a single guarantee the amount of which exceeds 10% of the Company's latest audited net assets;</p> <p>(6) any guarantee to be provided in favour of shareholders, de facto controllers and their related parties.</p>
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 70</b> When the Company convenes an annual general meeting, written notice shall be given to all shareholders <u>twenty (20) business days</u> prior to the convening of the meeting. When convening an extraordinary general meeting, written notice shall be given to all shareholders <del>ten (10) business days or</del> fifteen (15) days prior to the convening of the meeting, <del>whichever is longer</del>. The Company should inform all shareholders in the register of the matters to be considered in the meeting as well as the date and venue of the meeting. The venue of the general meeting shall be the Company's address or a place designated by the Board.</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 70</b> When the Company convenes an annual general meeting, written notice shall be given to all shareholders <u>twenty-one (21) days</u> prior to the convening of the meeting. When convening an extraordinary general meeting, written notice shall be given to all shareholders fifteen (15) days prior to the convening of the meeting. The Company should inform all shareholders in the register of the matters to be considered in the meeting as well as the date and venue of the meeting. The venue of the general meeting shall be the Company's address or a place designated by the Board.</p>
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 73</b> The notice of a general meeting shall meet the following criteria:</p> <p>.....</p> <p>(10) specifying the name and phone number of the regular contact person for the meeting.</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 73</b> The notice of a general meeting shall meet the following criteria:</p> <p>.....</p> <p>(10) specifying the name and phone number of the regular contact person for the meeting;</p> <p><u>(11) the time and procedure for voting online or through other means.</u></p>
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 77</b> Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 77</b> Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p>



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# DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
	<p>(1) the right of the shareholder to speak at the meeting;</p> <p><del>(2) the right to demand a poll alone or jointly with others;</del></p> <p><del>(3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</del></p> <p>.....</p>		<p>(1) the right of the shareholder to speak at the meeting;</p> <p><u>(2)</u> the right to exercise voting rights on a poll.</p> <p>.....</p>
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 88</b> Supervisory Committee or shareholders, if decided to convene general meetings on their own, shall inform the Board in writing and make filing with <u>the appointed organization of the CSRC in the locality of the Company</u> for record.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.</p> <p>The convening shareholder shall submit relevant supporting materials to <del>the appointed organization of CSRC in the locality of the Company and</del> the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 88</b> Supervisory Committee or shareholders, if decided to convene general meetings on their own, shall inform the Board in writing and make filing with <u>the stock exchange(s)</u> for record.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.</p> <p>The convening shareholder shall submit relevant supporting materials to the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.</p>
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 101</b> The following resolutions shall be adopted as special resolutions at a general meeting:</p> <p>(1) increase or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 101</b> The following resolutions shall be adopted as special resolutions at a general meeting:</p> <p>(1) increase or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;</p>



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## DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
	(2) division, merger, dissolution and liquidation or change in corporate form of the Company;  .....		(2) division, <b>spin-off</b> , merger, dissolution and liquidation or change in corporate form of the Company;  .....
<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 102</b> A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.</p> <p>When the shareholders' general meeting considers matters that could materially affect the interest of minority investors, the votes by minority investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.</p> <p>The shares held by the Company have no voting rights, and that part of the shareholding is not counted in the total number of shares with voting rights held by shareholders attending the meeting.</p> <p>The Board, independent Directors <b>and</b> the <b>shareholders</b> of the Company <b>satisfying relevant requirements</b> may publicly solicit voting rights of shareholders. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for shareholders' voting rights solicited is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<b>Chapter 6 Shareholders and General Meeting</b>	<p><b>Article 102</b> A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.</p> <p>When the shareholders' general meeting considers matters that could materially affect the interest of minority investors, the votes by minority investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.</p> <p>The shares held by the Company have no voting rights, and that part of the shareholding is not counted in the total number of shares with voting rights held by shareholders attending the meeting.</p> <p><b><u>If a shareholder buys voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six (36) months after the purchase, and shall not be counted in the total number of voting shares represented by shareholders attending the general meeting.</u></b></p> <p>The Board, independent Directors, the <b>shareholders</b> of the Company <b>holding 1% or more of the voting shares or investor protection institutions established pursuant to laws, administrative regulations or the provisions of CSRC</b> may publicly solicit voting</p>



## APPENDIX I

## DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
			rights of shareholders. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for shareholders' voting rights solicited is prohibited. <u>Except for statutory conditions</u> , the Company shall not impose any minimum shareholding limitation for soliciting voting rights.
Chapter 6 Shareholders and General Meeting	<p>Article 109 <del>At any general meeting, a resolution shall be decided on a show of hands unless a poll is required by the listing rules of the places where the shares of the Company are listed or a poll is demanded by the following persons before or after deciding on a show of hands:</del></p> <p><del>(1) the chairman of the meeting;</del></p> <p><del>(2) at least two (2) shareholders entitled to vote or their proxies; or</del></p> <p><del>(3) one (1) or more shareholders (including proxies) individually or jointly holding 10% or more of the voting shares represented by all shareholders present at the meeting.</del></p> <p><del>Unless otherwise required by the listing rules of the place(s) where the shares of the Company are listed or a poll is demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect recorded in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against such resolution at the meeting.</del></p> <p><del>The demand for a poll may be withdrawn by the person who makes such demand.</del></p>	Chapter 6 Shareholders and General Meeting	<p>Article 109 <u>Voting at general meetings shall be taken by way of registered poll.</u></p>



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Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
Chapter 6 Shareholders and General Meeting	<del>Article 110 A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.</del>	Chapter 6 Shareholders and General Meeting	<u>Deleted (numbering of subsequent chapters shall be adjusted accordingly)</u>
Chapter 6 Shareholders and General Meeting	Article 112 When the number of votes for and against a resolution is equal, <del>whether the vote is taken by raising hands or by poll</del> , the chairman of the meeting shall have one casting vote.	Chapter 6 Shareholders and General Meeting	<u>Article 111</u> When the number of votes for and against a resolution is equal, the chairman of the meeting shall have one casting vote.
Chapter 6 Shareholders and General Meeting	Article 113 Before voting on motions in the general meeting, two shareholder representatives shall be recommended to participate in vote counting and scrutiny. Should any shareholder <del>have interests in</del> the matters to be considered, the related shareholders and their proxies shall not participate in vote counting and scrutiny.	Chapter 6 Shareholders and General Meeting	<u>Article 112</u> Before voting on motions in the general meeting, two shareholder representatives shall be recommended to participate in vote counting and scrutiny. Should any shareholder <u>be related to</u> the matters to be considered, the related shareholders and their proxies shall not participate in vote counting and scrutiny.
Chapter 8 Board of Directors	Article 149 The Board shall report to the general meeting and exercise the following powers:  .....  (9) to decide on the Company's material external investments, sale and purchase of assets, pledge of assets, provision of external guarantees, loans, appointment of financial management, disposal of assets and connected transactions etc., excluding matters which have to be decided by the Company in general meeting pursuant to the laws, regulations, the Articles of Association and other constitutional documents;  .....	Chapter 8 Board of Directors	<u>Article 148</u> The Board shall report to the general meeting and exercise the following powers:  .....  (9) to decide on the Company's material external investments, sale and purchase of assets, pledge of assets, provision of external guarantees, loans, appointment of financial management, disposal of assets, connected transactions <u>and external donations</u> etc., excluding matters which have to be decided by the Company in general meeting pursuant to the laws, regulations, the Articles of Association and other constitutional documents;  .....



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# DETAILS OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
Chapter 9 General Manager and Other Members of Senior Management	Article 171 <u>The general manager and deputy general manager(s)</u> who are not Directors may attend Board meeting but shall have no voting rights.	Chapter 9 General Manager and Other Members of Senior Management	<u>Article 170 The senior management</u> who are not Directors may attend Board meeting but shall have no voting rights.
Chapter 9 General Manager and Other Members of Senior Management	Article 172 In exercising the duties, <u>the general manager, deputy general manager(s) and the chief financial officer</u> shall not alter the resolutions of the general meeting and the Board or act beyond their scope of authority.	Chapter 9 General Manager and Other Members of Senior Management	<u>Article 171</u> In exercising the duties, <u>the senior management</u> shall not alter the resolutions of the general meeting and the Board or act beyond their scope of authority.
Chapter 9 General Manager and Other Members of Senior Management	Article 173 <u>The general manager, deputy general manager(s) and the chief financial officer</u> in performing their functions, shall act honestly and diligently and in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.	Chapter 9 General Manager and Other Members of Senior Management	<u>Article 172 The senior management</u> in performing their functions, shall act honestly and diligently and in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.
Chapter 9 General Manager and Other Members of Senior Management	Article 174 The general manager, deputy general manager(s) and the chief financial officer who violate any of the laws, administrative regulations, departmental rules or the Articles of Association during the course of performing their duties and cause losses to the Company shall be liable for compensation to any loss caused to the Company.  Senior management of the Company shall not take up administration positions in the controlling shareholder other than director and supervisor.	Chapter 9 General Manager and Other Members of Senior Management	<u>Article 173</u> The general manager, deputy general manager(s) and the chief financial officer who violate any of the laws, administrative regulations, departmental rules or the Articles of Association during the course of performing their duties and cause losses to the Company shall be liable for compensation to any loss caused to the Company.  Senior management of the Company shall <u>neither</u> take up administration positions in the controlling shareholder other than director and supervisor, <u>nor be paid by the controlling shareholders on behalf of the Company.</u>
Chapter 12 Financial and Accounting System and Profit Distribution	Article 210 The Company shall submit an <u>annual financial</u> report to the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 4 months from the date of the end of each financial year; and shall submit <u>a half-year financial</u> report to the agency of the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 2 months from the date of the end of the first six months of <u>each</u> financial year; and shall <u>submit a quarterly financial report to the agency of the China Securities Regulatory Commission and the Hong Kong Stock Exchange</u> within one month from the date of the end of first three months and	Chapter 12 Financial and Accounting System and Profit Distribution	<u>Article 209</u> The Company shall submit <u>and disclose</u> an <u>annual</u> report to the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 4 months from the date of the end of each financial year; and shall submit <u>and disclose an interim</u> report to the agency of the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 2 months from the date of the end of the first six months of <u>each</u> financial year; and shall <u>disclose a quarterly report in accordance with the requirements of the Hong Kong Stock Exchange</u> within one month from the date of the end of first three months and



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**APPENDIX I****DETAILS OF THE AMENDMENTS TO THE  
ARTICLES OF ASSOCIATION**

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Original Articles		Amended Articles	
Chapter	Content	Corresponding Chapter	Content
	first nine months of each financial year respectively.  The <del>financial</del> reports mentioned above shall be prepared in accordance with relevant laws, administrative rules and regulations.		first nine months of each financial year respectively.  The reports mentioned above shall be prepared <u>and disclosed</u> in accordance with relevant laws, administrative rules and regulations.
<b>Chapter 12 Financial and Accounting System and Profit Distribution</b>	<b>Article 224</b> Any amount paid upon any shares before a call is made shall bear interest thereon. However, the shareholder is not entitled to any dividends of such pre-paid share capital declared subsequently. Any dividend unclaimed <u>upon expiry of the applicable relevant effective period</u> may be forfeited by the Company.	<b>Chapter 12 Financial and Accounting System and Profit Distribution</b>	<b>Article 223</b> Any amount paid upon any shares before a call is made shall bear interest thereon. However, the shareholder is not entitled to any dividends of such pre-paid share capital declared subsequently. Any dividend unclaimed <u>after the expiry of six (6) years from the dividend declaration date</u> may be forfeited by the Company.
<b>Chapter 18 Supplementary Provisions</b>	<b>Article 268</b> These Articles of Association are written in Chinese. In case of any discrepancy between versions in other languages or different versions of these Articles of Association, the latest Chinese version approved for registration with the <u>Guangzhou Municipal Administration for Industry and Commerce</u> shall prevail.	<b>Chapter 18 Supplementary Provisions</b>	<b>Article 267</b> These Articles of Association are written in Chinese. In case of any discrepancy between versions in other languages or different versions of these Articles of Association, the latest Chinese version approved for registration with the <u>Guangzhou Administration for Market Regulation</u> shall prevail.
<b>Chapter 18 Supplementary Provisions</b>	<u>Newly Added</u>	<b>Chapter 18 Supplementary Provisions</b>	<b>Article 271</b> <u>These Articles of Association shall be effective from the date of approval by the general meeting. The former Articles of Association of Guangzhou Automobile Group Co., Ltd. issued on 13 November 2020 shall be repealed simultaneously.</u>

*Note: Due to the addition of new articles in this amendment, the numbering of articles in the Articles of Association shall be adjusted accordingly. In the original Articles of Association, the cross-references to the article number among the articles shall also be amended accordingly.*



## APPENDIX II

## DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE GENERAL MEETINGS

Proposed amendments to the Rules of Procedures of the General Meetings are as follows:

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 2 Convening of General Meeting</b>	<p><b>Article 10</b> Where the Supervisory Committee or shareholders decide to call for a general meeting by themselves, they shall notify the Board in writing and file with <del>the local branch of the CSRC and</del> the stock exchange.</p> <p>Prior to the announcement of the resolutions of the general meeting, the shareholding of shareholders who called for the general meeting shall not be less than 10%.</p> <p>The Supervisory Committee and the shareholders calling for the general meeting shall, upon issuing a notice of general meeting and announcing the resolutions thereof, submit the relevant documentation to the <del>local branch of the CSRC and the Shanghai</del> Stock Exchange.</p>	<b>Chapter 2 Convening of General Meeting</b>	<p><b>Article 10</b> Where the Supervisory Committee or shareholders decide to call for a general meeting by themselves, they shall notify the Board in writing and file with the stock exchange.</p> <p>Prior to the announcement of the resolutions of the general meeting, the shareholding of shareholders who called for the general meeting shall not be less than 10%.</p> <p>The Supervisory Committee and the shareholders calling for the general meeting shall, upon issuing a notice of general meeting and announcing the resolutions thereof, submit the relevant documentation to the stock exchange.</p>
<b>Chapter 3 The Proposals and Notices of General Meetings</b>	<p><b>Article 15</b> When the Company or independent Directors, Supervisory Committee or shareholders convene an annual general meeting, a written notice shall be given to all shareholders <u>twenty (20) working days</u> prior to the convening of the meeting; and when they convene an extraordinary general meeting, a written notice shall be given to all shareholders <del>ten (10) working days or</del> fifteen (15) days <del>(whichever is longer)</del> prior to the convening of the meeting. The Company shall inform all shareholders in the register of the matters proposed to be considered at</p>	<b>Chapter 3 The Proposals and Notices of General Meetings</b>	<p><b>Article 15</b> When the Company or independent Directors, Supervisory Committee or shareholders convene an annual general meeting, a written notice shall be given to all shareholders <u>twenty-one (21) days</u> prior to the convening of the meeting; and when they convene an extraordinary general meeting, a written notice shall be given to all shareholders fifteen (15) days prior to the convening of the meeting. The Company shall inform all shareholders in the register of the matters proposed to be considered at</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>the meeting as well as the date and venue of the meeting.</p> <p>.....</p> <p>The Company shall arrange for the venue for a physical meeting to be held.</p> <p><del>The proposed resolutions that have not been set out in the notice of the general meeting or the supplementary notice or that are not in line with the preceding Article, shall not be voted or resolved on at the general meeting.</del></p>		<p>the meeting as well as the date and venue of the meeting.</p> <p>.....</p> <p>The Company shall arrange for the venue for a physical meeting to be held. <u>The Company shall also provide internet voting for the convenience of shareholders attending the general meeting. Shareholders attending a general meeting through the above means shall be deemed attending.</u></p>
<b>Chapter 3 The Proposals and Notices of General Meetings</b>	<p><b>Article 18</b> The notice of a general meeting shall include the following contents or meet the following requirements:</p> <p>(1) be in writing;</p> <p>.....</p> <p>(10) the names and telephone numbers of permanent contact persons for the affairs of the meeting.</p> <p>Where a general meeting is held online or by any other means, the notice of the general meeting shall specify the time and procedures of the voting online or by any other means.</p>	<b>Chapter 3 The Proposals and Notices of General Meetings</b>	<p><b>Article 18</b> The notice of a general meeting shall include the following contents or meet the following requirements:</p> <p>(1) be in writing;</p> <p>.....</p> <p>(10) the names and telephone numbers of permanent contact persons for the affairs of the meeting;</p> <p><u>(11) the time and procedures of the voting online or by any other means.</u></p> <p>Where a general meeting is held online or by any other means, the notice of the general meeting shall specify the time and procedures of the voting online or by any other means.</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 3 The Proposals and Notices of General Meetings</b>	<b>Article 20</b> In addition to direction of the court, the Company shall ensure that notice of every meeting of our shareholders or its creditors concerning the Company (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published by way of announcement in accordance with the requirements of the Listing Rules on the same date as it is sent to the person entitled to receive the notice. In addition, when the Company issues a notice to shareholders convening a general meeting to approve the transaction described in a circular, the circular must also be announced or (prior to the notice) despatched to shareholders. The Company shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the Directors' attention after the circular has been issued either in a supplementary circular or by way of an announcement in accordance with the Listing Rules not less than ten (10) <u>working days</u> before the date of the relevant general meeting.	<b>Chapter 3 The Proposals and Notices of General Meetings</b>	<b>Article 20</b> In addition to direction of the court, the Company shall ensure that notice of every meeting of our shareholders or its creditors concerning the Company (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published by way of announcement in accordance with the requirements of the Listing Rules on the same date as it is sent to the person entitled to receive the notice. In addition, when the Company issues a notice to shareholders convening a general meeting to approve the transaction described in a circular, the circular must also be announced or (prior to the notice) despatched to shareholders. The Company shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the Directors' attention after the circular has been issued either in a supplementary circular or by way of an announcement in accordance with the Listing Rules not less than ten (10) <u>business days</u> before the date of the relevant general meeting.
<b>Chapter 4 The Convening of General Meeting</b>	<b>Article 24</b> The Company shall convene the general meetings at its domicile or at the venues designated by the Board of Directors.  <del>A conference hall shall be arranged for the general meeting to be convened on site. The Company may use a safe, economical and convenient means to hold the meetings such as, through the internet, or any other means for its shareholder to</del>	<b>Chapter 4 The Convening of General Meeting</b>	<b>Article 24</b> The Company shall convene the general meetings at its domicile or at the venues designated by the Board of Directors.  A shareholder may attend a general meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.



## APPENDIX II

## DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE GENERAL MEETINGS

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>conveniently participate in such meetings. Shareholders participating in the general meetings by any aforesaid means shall be deemed to have attended the meetings.</del></p> <p>A shareholder may attend a general meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.</p> <p>Unless otherwise specified, the general meeting referred to herein shall refer to the onsite general meeting. Where the general meeting involves online voting, it shall comply with the relevant provisions of the China Securities Regulatory Commission, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited and the securities regulatory authorities in the overseas regions where the Company's shares are listed, and no specific provisions are made herein.</p>		<p>Unless otherwise specified, the general meeting referred to herein shall refer to the onsite general meeting. Where the general meeting involves online voting, it shall comply with the relevant provisions of the China Securities Regulatory Commission, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited and the securities regulatory authorities in the overseas regions where the Company's shares are listed, and no specific provisions are made herein.</p>
Chapter 4 The Convening of General Meeting	<del>Article 25 Where a general meeting is held online or by any other means, the notice of general meeting shall specify the time and procedures of the voting online or by any other means.</del>	Chapter 4 The Convening of General Meeting	<u>Deleted (numbering of subsequent chapters shall be adjusted accordingly)</u>
Chapter 4 The Convening of General Meeting	Article 29 Any shareholder entitled to attend and vote at the general meeting has the right to appoint one or more persons (who are not necessarily a shareholder) as his proxy(ies) to attend and vote on his behalf. The proxy(ies) so appointed shall, in accordance with the instructions given by the shareholder:	Chapter 4 The Convening of General Meeting	<u>Article 28</u> Any shareholder entitled to attend and vote at the general meeting has the right to appoint one or more persons (who are not necessarily a shareholder) as his proxy(ies) to attend and vote on his behalf. The proxy(ies) so appointed shall, in accordance with the instructions given by the shareholder:



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(1) have the same right as the shareholder to speak at the general meeting;</p> <p><del>(2) have the right to demand or jointly with others to demand a poll;</del></p> <p><del>(3) exercise the right to vote by show of hands or on a poll, but in the event of more than one proxy is appointed, such proxies can only vote on a poll.</del></p>		<p>(1) have the same right as the shareholder to speak at the general meeting;</p> <p><u>(2)</u> exercise the right to vote on a poll.</p>
<b>Chapter 4 The Convening of General Meeting</b>	<p><b>Article 32</b> Where the proxy form is signed by another person authorised by the principal, the power of attorney or other authorisation documents authorising that attorney to sign shall be notarised. The notarised power of attorney or other authorisation documents and the proxy form shall be kept at the domicile of the Company or at other places designated in the notice of the meeting.</p> <p>If the principal is a legal entity, its legal representative or such person as is authorised by resolution of its Board of Directors or other governing body to act as its representative may attend at any general meeting of the Company as the representative of the principal.</p> <p><del>If the chairman of a meeting and/or the Directors individually or collectively hold(s) proxies in respect of shares holding 5 percent or more of the total voting rights at the meeting, and if on a show of hands the poll results are contrary to that instructed</del></p>	<b>Chapter 4 The Convening of General Meeting</b>	<p><b>Article 31</b> Where the proxy form is signed by another person authorised by the principal, the power of attorney or other authorisation documents authorising that attorney to sign shall be notarised. The notarised power of attorney or other authorisation documents and the proxy form shall be kept at the domicile of the Company or at other places designated in the notice of the meeting.</p> <p>If the principal is a legal entity, its legal representative or such person as is authorised by resolution of its Board of Directors or other governing body to act as its representative may attend at any general meeting of the Company as the representative of the principal.</p>



## APPENDIX II

## DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE GENERAL MEETINGS

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<del>in those proxy forms, the chairman and/or the Directors and the chairman holding proxies as aforesaid collectively shall demand a poll, provided that if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then the Directors and/or the chairman shall not be required to demand a poll.</del>		
Chapter 4 The Convening of General Meeting	<del>Article 33 Any proxy form given by the Company's Board of Directors to shareholders for the purpose of appointing their proxies shall be such as to enable a shareholder to freely instruct his proxies to vote in favor of or against or abstain from voting on the relevant resolutions, and give separate instructions as regards to each of the matters to be voted on for each topic of the meeting. The proxy form shall contain a statement that, if no instruction is given, his proxies may vote as he may think fit.</del>	Chapter 4 The Convening of General Meeting	<u>Deleted (numbering of subsequent chapters shall be adjusted accordingly)</u>
Chapter 4 The Convening of General Meeting	Article 39 The general meeting shall be chaired by the Chairman or a Director entrusted by the Chairman. In the event the Chairman is unable to perform his duties or he does not perform his duties, <del>the vice chairman who has been elected by more than half of the Directors shall chair the meeting, and when the vice chairman is unable to perform his duties or he does not perform his duties,</del> a Director elected by more than half of the Directors shall chair the meeting.	Chapter 4 The Convening of General Meeting	<u>Article 37</u> The general meeting shall be chaired by the Chairman or a Director entrusted by the Chairman. In the event the Chairman is unable to perform his duties or he does not perform his duties, a Director elected by more than half of the Directors shall chair the meeting.



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 4 The Convening of General Meeting</b>	<p><b>Article 42</b> The chairperson of the meeting shall, before voting begins, announce the number of attending shareholders and proxies and the total number of their voting shares according to the register of the meeting. The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of:</p> <p><u>(1) the procedures for demanding a poll by shareholders before putting a resolution to the vote on a show of hands;</u></p> <p><u>(2) the detailed procedures for conducting a poll and then answering any questions from shareholders whenever voting by way of a poll is required.</u></p>	<b>Chapter 4 The Convening of General Meeting</b>	<p><b><u>Article 40</u></b> The chairperson of the meeting shall, before voting begins, announce the number of attending shareholders and proxies and the total number of their voting shares according to the register of the meeting. The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of:</p> <p><u>(1) the procedures for voting;</u></p> <p><u>(2) voting issues raised by shareholders.</u></p>
<b>Chapter 4 The Convening of General Meeting</b>	<p><b>Article 44</b> A shareholder shall abstain from voting for the matters to be considered at the general meeting with which he/she is connected and the number of voting shares represented by he/she shall be excluded from the total number of shares with voting rights at the general meeting. Where the meeting requires the connected shareholders to give explanations, the connected shareholders bear the duty and obligation to make truthful explanation at the meeting; The chairperson of the meeting shall, at the beginning of the meeting, announce that the connected shareholders shall refrain from and not participate in the voting of the connected transaction.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p>	<b>Chapter 4 The Convening of General Meeting</b>	<p><b><u>Article 42</u></b> A shareholder shall abstain from voting for the matters to be considered at the general meeting with which he/she is connected and the number of voting shares represented by he/she shall be excluded from the total number of shares with voting rights at the general meeting. Where the meeting requires the connected shareholders to give explanations, the connected shareholders bear the duty and obligation to make truthful explanation at the meeting; The chairperson of the meeting shall, at the beginning of the meeting, announce that the connected shareholders shall refrain from and not participate in the voting of the connected transaction.</p> <p><u>Where material matters affecting the interests of small-to-medium sized investors are being considered at a general meeting, each vote cast by the small-to-medium sized investors shall be counted separately. Results of</u></p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<p><u>votes counted separately shall be disclosed in a timely manner.</u></p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p> <p><u>If a shareholder buys shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six (36) months after the purchase, and shall not be counted in the total number of voting shares represented by shareholders attending the general meeting.</u></p>
Chapter 4 The Convening of General Meeting	<p>Article 46 When voting on the election of Directors and Supervisors, the general meeting may implement accumulative voting system according to the Articles of Association or the resolution of the general meeting.</p> <p>.....</p>	Chapter 4 The Convening of General Meeting	<p><u>Article 44</u> When voting on the election of Directors and Supervisors, the general meeting may implement accumulative voting system according to the Articles of Association or the resolution of the general meeting. <u>Cumulative voting system shall be adopted if a single shareholder and its parties in concert are interested in 30% and above of the shares of the Company.</u></p> <p>.....</p>
Chapter 4 The Convening of General Meeting	<p>Article 48 <del>At any general meeting, a resolution shall be decided on a show of hands unless a poll is demanded before or after voting by raising hands.</del></p>	Chapter 4 The Convening of General Meeting	<p><u>Article 46 Voting at general meetings shall be taken by way of registered poll.</u> The chairman of a general meeting should ensure disclosure in the Company's circulars to shareholders of the procedures for voting by poll.</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>(1) by the chairman of the meeting;</del></p> <p><del>(2) by at least two (2) shareholders having voting rights or proxies of shareholders having voting rights;</del></p> <p><del>(3) by one or several shareholder(s) (including their proxies) holding individually or jointly ten percent (10%) (inclusive) or more of the voting shares at the meeting.</del></p> <p>The chairman of a general meeting should ensure disclosure in the Company's circulars to shareholders of the procedures for <del>and the rights of shareholders to demand a poll in compliance with the requirements about</del> voting by poll <del>contained in the Listing Rules. In particular, pursuant to the obligations specified in the Listing Rules, the chairman of a meeting and/or Directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at a particular meeting shall demand a poll in certain circumstances where, on a show of hands, the poll results in the opposite manner to that instructed in those proxy forms. If a poll is required under such circumstances, the chairman of the meeting should disclose to the meeting the total number of votes represented by all proxies held by Directors indicating an opposite vote to the votes cast at the meeting on a show of hands.</del></p>		



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution. The Company should count all proxy votes and, except where a poll is required, the chairman of a meeting should indicate to the meeting the level of proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands. The Company should ensure that votes cast are properly counted and recorded.</del></p> <p><del>Any vote of shareholders taken at a general meeting to approve the following transactions or arrangement must be taken on a poll:</del></p> <p><del>(1) connected transactions pursuant to Chapter 14A of the Listing Rules;</del></p> <p><del>(2) transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;</del></p> <p><del>(3) granting of options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, as required under the Listing Rules; and</del></p>		



## APPENDIX II

## DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE GENERAL MEETINGS

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><del>(4) any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.</del></p> <p><del>The demand for a poll may be withdrawn by the person who demands the same.</del></p>		
Chapter 4 The Convening of General Meeting	<p><del>Article 49 If the matter required to be voted by way of a poll relates to election of chairman or adjournment of meeting, a poll shall be conducted immediately; in respect of other matters required to be voted by way of a poll, the chairman may decide the time of a poll, and the meeting may proceed to discuss other matters. The poll results shall still be deemed as resolutions passed at the said meeting.</del></p>	Chapter 4 The Convening of General Meeting	<p><u>Deleted (numbering of subsequent chapters shall be adjusted accordingly)</u></p>
Chapter 4 The Convening of General Meeting	<p><del>Article 50 If voting by poll is taken at a general meeting, the Listing Rules requires the Company to announce the results of the poll subsequent to a general meeting as soon as possible which contain, among other things, (i) the total number of shares entitling the holders thereof to attend and vote for or against the resolutions at the meeting; (ii) the total number of shares entitling the holders thereof to attend and vote only against the resolutions at the meeting; (iii) the number of shares represented by votes for and against the relevant resolution, but in any event at least thirty (30) minutes before the earlier of either the commencement of the</del></p>	Chapter 4 The Convening of General Meeting	<p><u>Article 47</u> The Listing Rules requires the Company to announce the results of the poll subsequent to a general meeting as soon as possible.</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<del>morning trading session or any pre-opening session on the business day after the meeting. The Company shall appoint its auditors, share registrar or external accountants who are qualified to serve as auditors as scrutineer for the vote-taking and state the identity of the scrutineer in the announcement. The Company must state in the announcement whether or not any parties that have stated their intention to vote against the relevant resolution or to abstain have done so at the general meeting.</del>		
<b>Chapter 4</b> <b>The Convening of General Meeting</b>	<p><b>Article 52</b> In the event of an equality of votes, <del>whether on a show of hands or on a poll</del>, the chairman of the meeting shall be entitled to an additional vote.</p> <p>The Board of Directors, independent Directors <u>and qualified shareholders</u> may collect votes from shareholders of the Company at a general meeting. <u>The collection of voting rights shall be conducted gratuitously, and the information shall be adequately disclosed to the shareholders from whom voting rights are being collected by way of public announcement.</u></p>	<b>Chapter 4</b> <b>The Convening of General Meeting</b>	<p><u><b>Article 49</b></u> In the event of an equality of votes, the chairman of the meeting shall be entitled to an additional vote.</p> <p>The Board of Directors, independent Directors, <u>and shareholders holding 1% or more of the voting shares or investor protection institutions established pursuant to laws, administrative regulations or the provisions of the CSRC</u> may collect votes from shareholders of the Company at a general meeting.</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<u>While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the collection of voting rights from shareholders. Except for statutory conditions, the Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights.</u>
<b>Chapter 6 Supplementary Provisions</b>	<b>Article 71</b> These Rules of Procedures shall be effective from the date of <del>listing of the A shares and H shares issued by the Company upon</del> approval by the general meeting.	<b>Chapter 6 Supplementary Provisions</b>	<b>Article 68</b> These Rules of Procedures shall be effective from the date of approval by the general meeting. <u>The former Rules of Procedures of the General Meetings of Guangzhou Automobile Group Co., Ltd. issued on 29 May 2020 shall be repealed simultaneously.</u>



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<b>APPENDIX III</b>	<b>DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD</b>	
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Proposed amendments to the Rules of Procedures of the Board are as follows:

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 1 General Provisions</b>	<p><b>Article 1 Objectives</b></p> <p>In order to further standardise the procedure and decision-making process of the Board of Directors of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as “the Company”) and to enable the Directors and the Board of Directors to effectively perform their duties and ensure the efficient operation and scientific decision-making ability of the Board of Directors, these Rules of Procedures are hereby formulated in accordance with the relevant provisions under the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, <u>the Model Rules of Proceeding for the Board of Listed Companies issued by the Shanghai Stock Exchange</u>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Articles of Association of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>	<b>Chapter 1 General Provisions</b>	<p><b>Article 1 Objectives</b></p> <p>In order to further standardise the procedure and decision-making process of the Board of Directors of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as “the Company”) and to enable the Directors and the Board of Directors to effectively perform their duties and ensure the efficient operation and scientific decision-making ability of the Board of Directors, these Rules of Procedures are hereby formulated in accordance with the relevant provisions under the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, <u>the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</u>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Articles of Association of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p> <p><u>The actual implementation of these Rules of Procedures shall comply with the regulatory rules of the place where the Company is listed.</u></p>
<b>Chapter 5 Implementation of Resolutions and Keeping of Meeting Archives</b>	<p><b>Article 31 Keeping of meeting archives</b></p> <p>Archives of Board meetings include meeting notices, meeting documents, attendance book, powers of attorney for proxy Directors, meeting recordings,</p>	<b>Chapter 5 Implementation of Resolutions and Keeping of Meeting Archives</b>	<p><b>Article 31 Keeping of meeting archives</b></p> <p>Archives of Board meetings include meeting notices, meeting documents, attendance book, powers of attorney for proxy Directors, meeting recordings,</p>



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APPENDIX III	DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD	
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Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>votes, meeting minutes signed by the attending Directors, resolutions, etc., <u>which shall be kept by the Secretary of the Board.</u></p> <p><u>Archives of Board meetings shall be kept for a period of not less than ten (10) years.</u></p>		<p>votes, meeting minutes signed by the attending Directors, resolutions, etc., <u>which shall be kept based on the Company's provisions regarding file management.</u></p>
<b>Chapter 6 Supplementary Provisions</b>	<p><b>Article 32</b> All “over” in these Rules include the relevant figure itself; “exceed” does not include the relevant figure itself.</p> <p>These Rules of Procedures shall be effective from the date of <u>listing of the A shares and H shares issued by the Company</u> upon approval by the general meeting.</p> <p><u>These Rules shall be subject to the interpretation by the Board of Directors.</u></p> <p><u>For any matters not contained herein, the provisions of the relevant laws, regulations of the state and the Articles of Association shall prevail.</u></p> <p><u>For any discrepancies between these Rules and the laws and regulations to be promulgated by the state in the future or the Articles of Association amended in accordance with legally valid procedures, the provisions of those laws and regulations of the state and the amended Articles of Association shall prevail.</u></p>	<b>Chapter 6 Supplementary Provisions</b>	<p><b>Article 32</b> All “over” in these Rules include the relevant figure itself; “exceed” does not include the relevant figure itself.</p>



# APPENDIX III

# DETAILS OF THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 6 Supplementary Provisions	<u>For the purpose of standardised format of the rules, the original Article 32 has been split.</u>	Chapter 6 Supplementary Provisions	<u>Article 33</u> These Rules of Procedures shall be effective from the date of approval by the general meeting. <u>The former Rules of Procedures of the Board of Guangzhou Automobile Group Co., Ltd. issued on 23 August 2017 shall be repealed simultaneously.</u>
Chapter 6 Supplementary Provisions	<u>For the purpose of standardised format of the rules, the original Article 32 has been split.</u>	Chapter 6 Supplementary Provisions	<u>Article 34</u> These Rules shall be subject to the interpretation by the Board of Directors.
Chapter 6 Supplementary Provisions	<u>For the purpose of standardised format of the rules, the original Article 32 has been split.</u>	Chapter 6 Supplementary Provisions	<u>Article 35</u> For any matters not contained herein, the provisions of the relevant laws, regulations of the state and the Articles of Association shall prevail.
Chapter 6 Supplementary Provisions	<u>For the purpose of standardised format of the rules, the original Article 32 has been split.</u>	Chapter 6 Supplementary Provisions	<u>Article 36</u> For any discrepancies between these Rules and the laws and regulations to be promulgated by the state in the future or the Articles of Association amended in accordance with legally valid procedures, the provisions of those laws and regulations of the state and the amended Articles of Association shall prevail.



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>	<b>Article 2</b> These Rules are provided in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), <del>the Guiding Opinions on the Establishment of Independent Director System of Listed Companies (hereinafter referred to as the "Guiding Opinions")</del> , 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"), 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>	<b>Article 2</b> 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"), <u>the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation</u> , 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").  <u>The actual implementation of these Rules shall comply with the regulatory rules of the place where the Company is listed.</u>
<b>Chapter 2 Qualifications of Independent Directors</b>	<b>Article 8</b> Independent Directors shall comply with the following basic conditions:  (1) Being qualified to act as a Director of a listed company under the laws, administrative regulations and other relevant provisions;	<b>Chapter 2 Qualifications of Independent Directors</b>	<b>Article 8</b> Independent Directors shall comply with the following basic conditions:  (1) Being qualified to act as a Director of a listed company under the laws, administrative regulations and other relevant provisions;



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(2) Demonstrating independence in a manner as required by the <b><u>Guiding Opinions</u></b>;</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 other areas necessary for performing the duties of an Independent Director;</p> <p>(5) Other requirements stipulated in the Articles of Association; and</p> <p>(6) Other requirements set forth in the Listing Rules.</p>		<p>(2) Demonstrating independence in a manner as required by the <b><u>Rules of Independent Directors</u></b>;</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 other areas necessary for performing the duties of an Independent Director;</p> <p>(5) Other requirements stipulated in the Articles of Association; and</p> <p>(6) Other requirements set forth in the Listing Rules.</p>
<b>Chapter 2 Qualifications of Independent Directors</b>	<p><b>Article 9</b> 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 of their spouses, spouses of their children, spouses of their siblings and siblings of their spouses;</p>	<b>Chapter 2 Qualifications of Independent Directors</b>	<p><b>Article 9</b> 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 of their spouses, spouses of their children, spouses of their siblings and siblings of their spouses;</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<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>(4) <del>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 or <u>its subsidiaries or holding positions in any firms providing such services;</u></p> <p>(6) any other persons as specified by the Articles of Association;</p> <p>(7) any other persons as prescribed by the China Securities Regulatory Commission and stock exchange.</p> <p>(8) 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</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>(4) <u>any persons who hold the position in the actual controller and subsidiaries of the Company;</u></p> <p>(5) any persons providing financial, legal and consulting services for the Company <u>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;</u></p> <p>(6) <u>any persons who serve as a Director, Supervisor or senior management in companies which have major business relationship with the Company and controlling shareholders or their respective subsidiaries or in the controlling shareholder of such companies;</u></p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	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><u>(7) any persons, within the latest one (1) year, falling under any of the circumstances outlined in the aforementioned six items;</u></p> <p><u>(8)</u> any other persons as specified by the Articles of Association;</p> <p><u>(9)</u> any other persons as prescribed by the China Securities Regulatory Commission and stock exchange;</p> <p><u>(10)</u> 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><u>The subsidiaries of the controlling shareholders and the de facto controllers of the Company under items (4), (5) and (6) of the preceding paragraph do not include those which do not constitute connected relationship with the Company under Rule 6.3.4 of the SSE Listing Rules.</u></p>
<b>Chapter 2 Qualifications of Independent Directors</b>	<b>Article 10</b> Independent Directors shall ensure enough time and energy to effectively perform their duties, <u>and shall not serve as a director of more than five (5) listed companies concurrently.</u>	<b>Chapter 2 Qualifications of Independent Directors</b>	<b>Article 10</b> Independent Directors shall ensure enough time and energy to effectively perform their duties, <u>and those who have served as an independent director in five (5) domestic or overseas listed</u>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<u>companies shall not be nominated as candidates for independent director in other listed companies.</u>
<b>Chapter 3</b> <b>Nomination, Election, Tenure and Replacement of Independent Directors</b>	<p><b>Article 12</b> <u>The Board of the Company shall submit the relevant documents concerning the all nominees to the CSRC, the dispatched office of SFC at the locality of the Company, and the stock exchange in which the Company's shares are listed at the time of the publication of the notice convening the general meeting for election of Independent Directors.</u> In the event that the Board of Directors of the Company has any objection to the relevant information of the nominee, the written opinion of the Board shall be submitted together. Nominees objected by the stock exchange <del>can be elected as Directors but may not be candidates for Independent Directors.</del></p> <p>At the general meeting for the election of Independent Directors, the Board of the Company shall declare whether the Independent Director candidates have been objected by the stock exchange.</p>	<b>Chapter 3</b> <b>Nomination, Election, Tenure and Replacement of Independent Directors</b>	<p><b>Article 12</b> <u>The Company shall submit the relevant documents concerning the candidates for Independent Directors to the SSE through the business management system of the Company no later than the time of the publication of the notice of the general meeting for election of Independent Directors.</u> In the event that the Board of Directors of the Company has any objection to the relevant information of the nominee, the written opinion of the Board shall be submitted together. Nominees objected by the stock exchange <b><u>shall not be proposed to the general meeting for election as Independent Directors.</u></b></p> <p>At the general meeting for the election of Independent Directors, the Board of the Company shall declare whether the Independent Director candidates have been objected by the stock exchange.</p>
<b>Chapter 4</b> <b>Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions</b>	<p><b>Article 17</b> 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:</p> <p>(1) Prior confirmation of material related party transactions (being defined as material related party transactions under <u>the SSE Listing Rules</u>; the related party transactions intended to be concluded</p>	<b>Chapter 4</b> <b>Duties and Special Powers of Independent Directors and Important Matters for Expressing Independent Opinions</b>	<p><b>Article 17</b> 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:</p> <p>(1) Prior confirmation of material related party transactions (being defined as material related party transactions under <u>the SSE Listing Rules</u>; the related party transactions intended to be concluded</p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>between the listed company and related parties with a total amount of more than RMB3 million <b>and</b> 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. For the connected transactions as defined in <b><u>the Listing Rules of the Stock Exchange of Hong Kong Limited</u></b>, 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>between the listed company and related parties with a total amount of more than RMB3 million <b>or</b> 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. For the connected transactions as defined in <b><u>the Hong Kong Listing Rules</u></b>, 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>



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><b><u>To exercise the above-mentioned powers, the Independent Directors shall obtain the consent of more than half of all the Independent Directors.</u></b></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>(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><b><u>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.</u></b></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>
<b>Chapter 5 Working Conditions that the Company Shall Provide to Independent Directors</b>	<p><b>Article 21</b> 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>.....</p>	<b>Chapter 5 Working Conditions that the Company Shall Provide to Independent Directors</b>	<p><b>Article 21</b> 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>.....</p>



**APPENDIX IV**

**DETAILS OF THE AMENDMENTS TO THE RULES  
FOR THE INDEPENDENT DIRECTORS**

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>(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 <b><u>for at least five (5) years.</u></b></p> <p>.....</p>		<p>(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 <b><u>according to the time limit stipulated in the Company's file management systems.</u></b></p> <p>.....</p>
<b>Chapter 7 Supplementary Provisions</b>	<p><b>Article 34</b> These Rules shall be drafted by the Board and take effect <del>from the date when dealings in the A and H shares of the Company commenced on the stock exchange</del> after approval by the general meeting.</p>	<b>Chapter 7 Supplementary Provisions</b>	<p><b>Article 34</b> These Rules shall be drafted by the Board and take effect after approval by the general meeting. <b><u>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.</u></b></p>



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**APPENDIX V**

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**DETAILS OF THE AMENDMENTS TO THE  
DECISION-MAKING MANAGEMENT RULES OF  
RELATED PARTY TRANSACTIONS**

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Proposed amendments to the Decision-making Management Rules of Related Party Transactions are as follows:

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
<b>Chapter 1 General Provisions</b>	<b>Article 1</b> In order to regulate the decision-making management and information disclosure for related party transactions of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as <b>“GAC” or the “Company”</b> ), ensure the fairness of the Company’s transactions and safeguard the interests of the Company and all of its shareholders, especially the public shareholders, these Rules are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, <del>Accounting Standard for Business Enterprises: Disclosure of Related Parties Relationships and Transactions</del> , other relevant laws, regulations, regulatory documents and requirements of the Articles of Association of Guangzhou Automobile Group Co., Ltd., and after taking into account the actual situation of the Company.	<b>Chapter 1 General Provisions</b>	<b>Article 1</b> In order to regulate the decision-making management and information disclosure for related party transactions of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as the <b>“Company”</b> ), ensure the fairness of the Company’s transactions and safeguard the interests of the Company and all of its shareholders, especially the public shareholders, these rules are hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, <u>the Self-regulatory Guidelines of Listed Companies on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions</u> , other relevant laws, regulations, regulatory documents and requirements of the Articles of Association of Guangzhou Automobile Group Co., Ltd., and after taking into account the actual situation of the Company.  <u>The actual implementation of these Rules shall comply with the regulatory rules of the place where the Company is listed.</u>
<b>Chapter 2 Related Party Transactions and Related Persons</b>	<b>Article 4</b> The related party transactions are the transfer of resources or obligations between the Company <u>and its</u> controlling subsidiaries and the	<b>Chapter 2 Related Party Transactions and Related Persons</b>	<b>Article 4</b> The related party transactions are the transfer of resources or obligations between the Company, controlling subsidiaries, <u>other controlled entities</u> and the related



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>related persons, including but not limited to the following:</p> <p>(1) acquisition or disposal of assets;</p> <p>(2) external investments (including entrusted financial management, <del>entrusted loans</del>, etc.);</p> <p>(3) provision of financial assistance;</p> <p>(4) provision of guarantees (<u>other than counter-guarantees</u>);</p> <p>(5) rent or lease of assets;</p> <p>(6) entrusting or being entrusted with assets and business management;</p> <p>(7) donating assets or receiving donated assets;</p> <p>(8) creditor's rights or debt restructuring;</p> <p>(9) entering into license agreements;</p> <p>(10) transfer or acceptance of research and development projects;</p> <p><u>(11)</u> purchase of raw materials, fuels and power;</p> <p><u>(12)</u> sale of products and commodities;</p> <p><u>(13)</u> provision or receipt of labour services;</p> <p><u>(14)</u> sales consignment or sales on commission;</p>		<p>persons, including but not limited to the following:</p> <p>(1) acquisition or disposal of assets;</p> <p>(2) external investments (including entrusted financial management, <u>investment in subsidiaries</u>, etc.);</p> <p>(3) provision of financial assistance (<u>including interest bearing or non-interest bearing loans and entrusted loans</u>);</p> <p>(4) provision of guarantees (<u>including those for the controlling subsidiaries</u>);</p> <p>(5) rent or lease of assets;</p> <p>(6) entrusting or being entrusted with assets and business management;</p> <p>(7) donating assets or receiving donated assets;</p> <p>(8) creditor's rights or debt restructuring;</p> <p>(9) entering into license agreements;</p> <p>(10) transfer or acceptance of research and development projects;</p> <p><u>(11) waiver of rights (including the right of first refusal and preemptive rights for subscription and capital contribution, etc.);</u></p> <p><u>(12)</u> purchase of raw materials, fuels and power;</p>



## APPENDIX V

## DETAILS OF THE AMENDMENTS TO THE DECISION-MAKING MANAGEMENT RULES OF RELATED PARTY TRANSACTIONS

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><u>(15)</u> co-investment with the related persons;</p> <p><del>(16) deposits and loans in financial companies of the related persons;</del></p> <p><u>(17)</u> such other matters that may cause the transfer of resources or obligations through agreements;</p> <p><u>(18)</u> other transactions considered as related party transactions by the CSRC, the Shanghai Stock Exchange (hereinafter referred to as the “SSE”).</p>		<p><u>(13)</u> sale of products and commodities;</p> <p><u>(14)</u> provision or receipt of labour services;</p> <p><u>(15)</u> sales consignment or sales on commission;</p> <p><u>(16) deposit and loan businesses;</u></p> <p><u>(17)</u> co-investment with the related persons;</p> <p><u>(18)</u> such other matters that may cause the transfer of resources or obligations through agreements;</p> <p><u>(19)</u> other transactions considered as related party transactions by the CSRC, the Shanghai Stock Exchange (hereinafter referred to as the “SSE”).</p>
<b>Chapter 2 Related Party Transactions and Related Persons</b>	<p><b>Article 6</b> A legal person under any of the following circumstances shall be a related legal person of the Company:</p> <p>(1) A legal person that directly or indirectly controls the Company;</p> <p>(2) Legal persons other than the Company and its controlling subsidiaries directly or indirectly controlled by the legal person listed in item (1) above;</p> <p>(3) Legal persons other than the Company <del>and its</del> controlling subsidiaries that are directly or indirectly controlled by the related natural persons <del>listed in Article 7</del>, or</p>	<b>Chapter 2 Related Party Transactions and Related Persons</b>	<p><b>Article 6</b> A legal person under any of the following circumstances shall be a related legal person of the Company:</p> <p>(1) A legal person that directly or indirectly controls the Company;</p> <p>(2) Legal persons other than the Company and its controlling subsidiaries <u>and other controlling entities</u> directly or indirectly controlled by the legal person listed in item (1) above;</p> <p>(3) Legal persons other than the Company, controlling subsidiaries <u>of the Company and other controlling entities</u> that are directly or indirectly</p>



## APPENDIX V

## DETAILS OF THE AMENDMENTS TO THE DECISION-MAKING MANAGEMENT RULES OF RELATED PARTY TRANSACTIONS

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p>where the related natural persons act as Directors or senior management officers;</p> <p>(4) Legal persons holding more than 5% of the shares of the Company;</p> <p>(5) Other legal persons identified by the CSRC, SSE or the Company according to the principle of substance over form that have a special relationship with the Company, which may cause the interests of the Company to be inclined to them.</p>		<p>controlled by the related natural persons, or where the related natural persons act as Directors <b><u>(excluding independent directors for both parties)</u></b> or senior management officers;</p> <p>(4) Legal persons <b><u>and their concerted parties</u></b> holding more than 5% of the shares of the Company;</p> <p>(5) Other legal persons identified by the CSRC, SSE or the Company according to the principle of substance over form that have a special relationship with the Company, which may cause the interests of the Company to be inclined to them.</p> <p><b><u>There shall be no related party relationship between the Company and legal persons (or other organizations) listed in item (2) of this Article if it constitutes the circumstances of that item due to the fact that they are controlled by the same state-owned asset management institution, except where the legal representatives, chairmen, general managers or one half or more of the directors of such legal persons concurrently serve as Directors, Supervisors or senior management of the Company.</u></b></p>



**APPENDIX V**

**DETAILS OF THE AMENDMENTS TO THE  
DECISION-MAKING MANAGEMENT RULES OF  
RELATED PARTY TRANSACTIONS**

Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 2 Related Party Transactions and Related Persons	<p>Article 8 <u>A legal or natural person shall be a related person of a listed company under any of the following circumstances:</u></p> <p>(1) <u>In accordance with the agreement signed or arrangement made with the Company's related persons, after the agreement or arrangement takes effect, or within the next twelve (12) months, one of the circumstances specified in Article 6 and Article 7 will occur;</u></p> <p>(2) <u>One of the circumstances specified in Article 6 or Article 7 occurred in the past twelve (12) months.</u></p>	Chapter 2 Related Party Transactions and Related Persons	<p>Article 8 <u>Within the past twelve (12) months or within twelve (12) months after the relevant agreement or arrangement has come into effect, a legal person (or other organizations) or natural person falling in one of the circumstances specified in Article 6 or Article 7 is a related person of the listed company.</u></p>
Chapter 2 Related Party Transactions and Related Persons	<p>Article 14 The Company shall take effective measures to prevent the controlling shareholders and other related parties from occupying or transferring the funds, assets and other resources of the Company in various forms.</p> <p><del>The Company shall not provide any guarantees for controlling shareholders, other related parties in which the Company holds less than 50% shares, any non legal entities or individuals.</del></p>	Chapter 2 Related Party Transactions and Related Persons	<p>Article 14 The Company shall take effective measures to prevent the controlling shareholders and other related parties from occupying or transferring the funds, assets and other resources of the Company in various forms.</p>
Chapter 3 Decision-making Authority of Related Party Transactions	<p>Article 15 The General Manager of the Company has the right to determine the related party transactions involving amounts reaching one of the following:</p>	Chapter 3 Decision-making Authority of Related Party Transactions	<p>Article 15 The General Manager of the Company has the right to determine the related party transactions <u>(other than provision of guarantees by the Company)</u> involving amounts reaching one of the following:</p>



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Chapter	Content	Corresponding Chapter	Content
	<p>(1) The Company intends to have a related party transaction with a related natural person with a transaction amount of less than RMB300,000;</p> <p>(2) The transaction amount between the Company and the related legal person is less than RMB3 million, accounting for less than 0.5% of the absolute value of the latest audited net assets of the Company.</p>		<p>(1) The Company intends to have a related party transaction with a related natural person with a transaction amount of less than RMB300,000;</p> <p>(2) The transaction amount between the Company and the related legal person is less than RMB3 million, accounting for less than 0.5% of the absolute value of the latest audited net assets of the Company.</p>
<b>Chapter 3 Decision-making Authority of Related Party Transactions</b>	<p><b>Article 16</b> The Board of the Company has the right to determine the related party transactions involving amounts reaching one of the following:</p> <p>(1) The Company intends to have a related party transaction with a related natural person with a transaction amount of more than RMB300,000;</p> <p>(2) The transaction amount between the Company and the related legal person is more than RMB3 million, accounting for less than 5% of the absolute value of the latest audited net assets of the Company.</p>	<b>Chapter 3 Decision-making Authority of Related Party Transactions</b>	<p><b>Article 16</b> The Board of the Company has the right to determine the related party transactions <u>(other than provision of guarantees by the Company)</u> involving amounts reaching one of the following:</p> <p>(1) The Company intends to have a related party transaction with a related natural person with a transaction amount of more than RMB300,000;</p> <p>(2) The transaction amount between the Company and the related legal person is more than RMB3 million, accounting for less than 5% of the absolute value of the latest audited net assets of the Company.</p>
<b>Chapter 3 Decision-making Authority of Related Party Transactions</b>	<u>Newly added (numbering of subsequent chapters shall be adjusted accordingly)</u>	<b>Chapter 3 Decision-making Authority of Related Party Transactions</b>	<u><b>Article 18</b> The Company shall not provide financial assistance to any related persons under these Rules, except for financial assistance provided to an affiliated joint stock company not controlled by the controlling shareholders and de facto controllers of the Company whose other shareholders will provide</u>



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			<p><u>financial assistance on the same conditions in proportion to their capital contributions.</u></p> <p><u>Where the Company provides financial assistance to the affiliated joint-stock company specified in the preceding paragraph, in addition to the consideration and approval by more than half of all non-related Directors, it is also subject to consideration and approval by more than two-thirds of the non-related Directors present at the Board meeting, and shall be submitted to the general meeting for consideration.</u></p>
Chapter 3 Decision-making Authority of Related Party Transactions	<u>Newly added (numbering of subsequent chapters shall be adjusted accordingly)</u>	Chapter 3 Decision-making Authority of Related Party Transactions	<p><u>Article 19 Where the Company provides guarantee to related persons, in addition to the consideration and approval by more than half of all non-related Directors, it is also subject to consideration, approval and resolution by more than two-thirds of the non-related Directors present at the Board meeting, and shall be submitted to the general meeting for consideration.</u></p> <p><u>Where the Company provides guarantees to the controlling shareholder, actual controller and their related persons, the controlling shareholder, actual controller and their related persons shall provide counter guarantee.</u></p>



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			<p><u>If the guaranteed party becomes a related person of the Company due to a transaction or related party transaction, the Company shall perform the corresponding consideration procedures and information disclosure obligations for the existing related guarantee while executing such transaction or related party transaction.</u></p> <p><u>If the related guarantee specified in the preceding paragraph fails to be approved at the Board meeting or the general meeting, the parties to the transaction shall take effective measures such as early termination of the guarantee.</u></p>
Chapter 3 Decision-making Authority of Related Party Transactions	<u>Newly added (numbering of subsequent chapters shall be adjusted accordingly)</u>	Chapter 3 Decision-making Authority of Related Party Transactions	<p><u>Article 20 Where the Company and the related persons establish a company in the manner of joint investment, the total amount contributed by the Company shall be deemed as the transaction amount and the provisions of Article 15, Article 16 and Article 17 shall apply.</u></p> <p><u>Where the Company and the related persons establish a company in the manner of joint investment, when the capital contribution amount of the listed company has reached the prescribed standard in Article 17 of these Rules, and if all contributing parties contribute the entire capital amount in cash, and the shareholding ratio of the respective parties in the company to be established is determined according to the ratio of</u></p>



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			<u>capital contribution, the requirement of approval by the general meeting may be waived.</u>
<b>Chapter 3 Decision-making Authority of Related Party Transactions</b>	<p><b>Article 19</b> Related party transactions proposed to be reached between the Company and related persons with a total amount of more than RMB3 million <del>and</del> more than 5% <del>of the absolute value</del> of the latest audited NAV of the Company should be submitted to the Board for discussion with the approval of more than one-half of Independent Directors.</p> <p>Before making a judgment, the Independent Directors can hire an agency at the expense of the Company to issue an independent financial advisor report as the basis for their judgment.</p>	<b>Chapter 3 Decision-making Authority of Related Party Transactions</b>	<p><b>Article 22</b> Related party transactions proposed to be reached between the Company and related persons with a total amount of more than RMB3 million <u>or</u> more than 5% of the latest audited NAV of the Company should be submitted to the Board for discussion with the <u>prior</u> approval of more than one-half of Independent Directors.</p> <p>Before making a judgment, the Independent Directors can hire an agency at the expense of the Company to issue an independent financial advisor report as the basis for their judgment.</p>
<b>Chapter 5 Withdrawal System</b>	<p><b>Article 29</b> When related party transactions are considered at the Company's general meeting of shareholders, related shareholders shall abstain from <del>and shall not participate in the</del> voting, <del>and the number of voting shares represented by them shall not be counted into the total number of valid votes.</del> The announcement of the resolutions at a general meeting of shareholders shall fully disclose the voting position of non-related shareholders.</p> <p>Related shareholders referred in the preceding paragraph include the following shareholders or any of the following shareholders when it:</p>	<b>Chapter 5 Withdrawal System</b>	<p><b>Article 32</b> When related party transactions are considered at the Company's general meeting of shareholders, related shareholders shall abstain from voting, <u>and shall not exercise any voting rights as a proxy of another shareholder.</u> The announcement of the resolutions at a general meeting of shareholders shall fully disclose the voting position of non-related shareholders.</p> <p>Related shareholders referred in the preceding paragraph include the following shareholders or any of the following shareholders when it:</p> <p>(1) is a counterparty of the transaction;</p>



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	<p>(1) is a counterparty of the transaction;</p> <p>(2) is a direct or indirect controller of a counterparty of the transaction;</p> <p>(3) is being directly or indirectly controlled by a counterparty of the transaction;</p> <p>(4) is directly or indirectly under the control of the same legal person or natural person with a counterparty;</p> <p>(5) is restricted and affected as to its voting power by virtue of any outstanding equity transfer agreement or any other agreement with a counterparty of the transaction or its related parties;</p> <p>(6) is a shareholder that is likely to gain more benefits from the Company as determined by the CSRC or the SSE.</p>		<p>(2) is a direct or indirect controller of a counterparty of the transaction;</p> <p>(3) is being directly or indirectly controlled by a counterparty of the transaction;</p> <p>(4) is directly or indirectly under the control of the same legal person <b><u>or other organizations</u></b> or natural person with a counterparty;</p> <p><b><u>(5) serves in a counterparty of the transaction, or in the legal person or other organization that can directly or indirectly control the counterparty, or in the legal person or other organization that is directly or indirectly controlled by the counterparty;</u></b></p> <p><b><u>(6) is a close family member of a counterparty of the transaction or its direct or indirect controller (see item (4) of Article 7 for the specific scope);</u></b></p> <p><b><u>(7)</u></b> is restricted and affected as to its voting power by virtue of any outstanding equity transfer agreement or any other agreement with a counterparty of the transaction or its related parties;</p> <p><b><u>(8)</u></b> is a shareholder that is likely to gain more benefits from the Company as determined by the CSRC or the SSE.</p>
<b>Chapter 6 Information Disclosure</b>	<b>Article 31</b> The related party transactions between the Company and the related natural persons in an amount over	<b>Chapter 6 Information Disclosure</b>	<b><u>Article 34</u></b> The related party transactions between the Company and the related natural persons in an amount over



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	<p>RMB300,000, shall be disclosed in a timely manner.</p> <p>The related party transactions between the Company and the related legal persons in an amount over RMB3 million and representing over 0.5% of the absolute value of the Company's latest audited net assets, shall be disclosed in a timely manner.</p> <p>For related party transactions <del>(save for the listed company's provision of guarantee and acceptance of donated cash assets)</del> between the Company and the related persons in an amount over RMB30 million and representing over 5% of the absolute value of the Company's latest audited net assets, the Company shall, in addition to making disclosure in a timely manner, engage an intermediary agency <u>qualified for securities and futures related businesses</u> to audit or assess the subject matter of the transaction, and submit the transaction to the general meeting of shareholders for consideration.</p> <p>Where the subject matter of the related party transaction under the preceding paragraph is equity, the Company shall engage an accounting firm <u>qualified for securities and futures related businesses</u> to audit the financial and accounting report of the subject matter of the transaction for the past year and past financial period, with the audit deadline not exceeding six (6) months</p>		<p>RMB300,000, shall be disclosed in a timely manner.</p> <p>The related party transactions between the Company and the related legal persons <u>(or other organizations)</u> in an amount over RMB3 million and representing over 0.5% of the absolute value of the Company's latest audited net assets, shall be disclosed in a timely manner.</p> <p>For related party transactions between the Company and the related persons in an amount over RMB30 million and representing over 5% of the absolute value of the Company's latest audited net assets, the Company shall, in addition to making disclosure in a timely manner, engage an intermediary agency <u>in compliance with the Securities Law</u> to audit or assess the subject matter of the transaction <u>with disclosure of audit report or appraisal report</u>, and submit the transaction to the general meeting of shareholders for consideration.</p> <p>Where the subject matter of the related party transaction under the preceding paragraph is equity, the Company shall engage an accounting firm <u>in compliance with the Securities Law</u> to audit the financial and accounting report of the subject matter of the transaction for the past year and past financial period. <u>The audit opinion issued by the accounting firm shall be a standard unqualified opinion</u></p>



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	<p>from <u>the date of signing the agreement</u>; where the subject matter of the transaction is non-cash assets other than equity, the Company shall engage an asset valuation firm <u>qualified for securities and futures related businesses</u> to assess the financial and accounting report of the subject matter of the transaction for the past year and past financial period, with the closing date of such audit practice being no more than one (1) year from <u>the date of signing the agreement</u>.</p> <p>.....</p>		<p>with the audit deadline not exceeding six (6) months from <u>the date of the general meeting of shareholders for considering the relevant transaction</u>; where the subject matter of the transaction is non-cash assets other than equity, the Company shall engage an asset valuation firm <u>in compliance with the Securities Law</u> to assess the financial and accounting report of the subject matter of the transaction for the past year and past financial period, with the closing date of such audit practice being no more than one (1) year from <u>the date of the general meeting of shareholders for considering the relevant transaction</u>.</p> <p>.....</p>
<b>Chapter 6 Information Disclosure</b>	<p><b>Article 34</b> If the related party transaction entered into between the Company and its related persons with the aggregate value falling within the range of RMB3 million to RMB30 million or accounting for 0.5% to 5% of the Company's latest audited net assets, the Company shall make an announcement in accordance with Article <b>33</b> within two (2) <u>working</u> days after the agreement is made and disclose details of the relevant transaction in its next <u>regular report</u>.</p>	<b>Chapter 6 Information Disclosure</b>	<p><u><b>Article 37</b></u> If the related party transaction entered into between the Company and its related persons with the aggregate value falling within the range of RMB3 million to RMB30 million or accounting for 0.5% to 5% of the Company's latest audited net assets, the Company shall make an announcement in accordance with Article <u>36</u> within two (2) <u>trading</u> days after the agreement is made and disclose details of the relevant transaction in its next <u>annual report or interim report</u>.</p>
<b>Chapter 6 Information Disclosure</b>	<p><b>Article 35</b> If the related party transaction proposed to be entered into between the Company and its related persons with the aggregate value of over RMB30 million and accounting for more than 5% of the Company's latest</p>	<b>Chapter 6 Information Disclosure</b>	<p><u><b>Article 38</b></u> If the related party transaction proposed to be entered into between the Company and its related persons with the aggregate value of over RMB30 million and accounting for more than 5% of the Company's latest</p>



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	<p>audited net assets, the Board of the Company shall report to the SSE and make an announcement within two (2) <u>working</u> days after the resolution is made. The content of the announcement shall comply with the provisions of Article <u>33</u>. <del>The related party transaction shall be implemented upon the approval of the Company's general meeting of shareholders, and any related person interested in the related party transaction shall abstain from voting on the resolution at the general meeting of shareholders. The Company shall specifically state in the announcement of the related party transaction that "the transaction is subject to the approval of the general meeting of shareholders and the related persons interested in the related party transaction abstain from voting on the resolution at the general meeting of shareholders"</del>.</p>		<p>audited net assets, the Board of the Company shall report to the SSE and make an announcement within two (2) <u>trading</u> days after the resolution is made. The content of the announcement shall comply with the provisions of Article <u>36</u>.</p>
Chapter 6 Information Disclosure	<p><u>Article 36 When a related party transaction involves matters such as the "provision of financial assistance", "entrusted wealth management" and others stipulated in Article 4, the amounts transacted shall be taken as the calculation standard for disclosure and shall be calculated cumulatively within twelve (12) consecutive months according to the types of transaction. If the cumulative amounts transacted reach the prescribed standards in Article 31, Article 34 or Article 35, the above articles shall respectively apply.</u></p>	Chapter 6 Information Disclosure	<p><u>Article 39 For entrusted wealth management between the listed company and its related persons, if it is difficult to perform the deliberation procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period may be reasonably estimated and, using the quota as the basis of calculation, the provisions of Article 15, Article 16 and Article 17 shall be applied.</u></p>



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	If the relevant obligations have been fulfilled in accordance with the provisions of Article <u>31</u> , Article <u>34</u> or Article <u>35</u> , they shall no longer be included in the relevant scope of cumulative calculation.		<p><u>The period for using the relevant quota shall not exceed twelve (12) months, during which the transaction amount at any point of time (including the relevant amount for reinvestment of the aforementioned investment gains) shall not exceed the investment quota.</u></p> <p>If the relevant obligations have been fulfilled in accordance with the provisions of Article <u>34</u>, Article <u>37</u> or Article <u>38</u>, they shall no longer be included in the relevant scope of cumulative calculation.</p>
Chapter 6 Information Disclosure	<p><u>Article 37 When the Company engages in related party transactions other than those stipulated in the preceding paragraphs, each relevant transaction under the same transaction category shall be, based on the principle of cumulative calculation within twelve (12) consecutive months, subject to the provisions of Article 31, Article 34 or Article 35.</u> If the relevant obligations have been fulfilled in accordance with the provisions of Article <u>31</u>, Article <u>34</u> or Article <u>35</u>, they shall no longer be included in the relevant scope of cumulative calculation.</p>	Chapter 6 Information Disclosure	<p><u>Article 40 The following related party transactions of the listed company made within twelve (12) consecutive months shall be subject to the provisions of Article 34, Article 37 or Article 38 according to the principle of cumulative calculation:</u></p> <p><u>(1) transactions with the same related person;</u></p> <p><u>(2) transactions with different related persons in relation to subject of the same transaction category.</u></p> <p><u>The aforementioned same related person includes other related persons that are controlled by the same entity or have a relationship of equity control with such related person.</u></p> <p>If the relevant obligations have been fulfilled in accordance with the provisions of Article <u>34</u>, Article <u>37</u> or</p>



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			Article <u>38</u> , they shall no longer be included in the relevant scope of cumulative calculation.



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
Chapter 6 Information Disclosure	<p><b>Article 38</b> When the Company <u>conducts</u> a related party transaction <u>related to its daily operations</u> with related persons as stated in items (11) to (14) of Article 4 <u>for the first time, the provisions of paragraphs 2 and 3 of Article 31, Article 34 and Article 35 shall be applied based on the actual amount of the related party transaction or the accrued total amount of related party transactions of the same kind throughout the current year predicted based on the relevant subject.</u></p> <p><u>If the Company continues to engage in the related party transaction mentioned in the preceding paragraph with the related person in subsequent years, it shall, at the latest when disclosing the annual report of the previous year, make a reasonable estimation of the total amount of the related party transactions of the same kind occurred throughout the year based on the relevant subject. If the estimated total transaction amount reaches the standards stipulated in item (2) of Article 31, it shall be disclosed in a timely manner upon estimation; if it is expected to reach the standards stipulated in item (3) of Article 31, in addition to timely disclosure, the estimate shall be submitted to the latest general meeting of shareholders for consideration as well.</u></p>	Chapter 6 Information Disclosure	<p><b>Article 41</b> When the Company <u>realizes</u> a <u>daily</u> related party transactions with related persons as stated in items (12) to (16) of Article 4 of <u>these Rules, it shall perform deliberation procedures and disclose such matter in accordance with the following provisions:</u></p> <p><u>(1) For daily related party transaction agreements that have been deliberated and approved by the general meeting of shareholders or the Board and are being implemented, if there is no significant change in the principal terms during implementation, the Company shall disclose the actual implementation of each agreement in the annual report and interim report as required, and explain whether it complies with the provisions of the agreement; if there is significant change in the principal terms of the agreement during implementation, or if the agreement needs to be renewed upon expiration, the Company shall, according to the total transaction amount involved in the agreement, submit the newly revised or renewed daily related party transaction agreement to the Board or general meeting of shareholders for consideration; if the agreement does not have a specific total transaction amount, it shall be submitted to the general meeting of shareholders for consideration;</u></p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
	<p><u>For related party transactions within the estimated total amount stipulated in the preceding paragraph, if there is no significant change in the pricing basis, transaction price, payment method and other principal transaction terms during the process of implementation, the Company may be exempted from implementing item (2) and (3) of Article 30, Article 34 and Article 35, provided that the implementation of such related party transactions shall be explained in the periodic report, and shall be compared with the disclosed estimation, indicating whether there is any difference, where the difference is and the reasons for the difference.</u></p> <p><u>If the related party transaction exceeds the estimated total amount, or there is significant change in the principal transaction terms even through it does not exceed the estimated total amount, the Company shall explain the reasons for exceeding the estimated total amount or the significant change, re-estimate the total amount of related-party transactions of the same kind that have occurred throughout the year, and perform disclosure obligations and relevant consideration procedures in accordance with the provisions of item (2) and (3) of Article 31, Article 34 and Article 35.</u></p>		<p><u>(2) For daily related party transactions occurred for the first time, the Company shall, according to the total transaction amount involved in the agreement, perform consideration procedures and disclose such matter in a timely manner; if the agreement does not have a specific total transaction amount, it shall be submitted to the general meeting of shareholders for consideration; if there is significant change in the principal terms of the agreement during implementation, or if the agreement needs to be renewed upon expiration, it shall be dealt with in accordance with the preceding provisions of this paragraph;</u></p> <p><u>(3) The Company may reasonably estimate the amount of daily related party transactions during the year according to the category, perform consideration procedures and disclose such matter; if the actual implementation exceeds the estimated amount, the Company shall, according to the amount exceeded, re-perform the consideration procedures and disclose such matter;</u></p> <p><u>(4) The Company shall disclose in the annual report and interim report the actual implementation of daily related party transactions in a classified summary;</u></p>



Before Amendments		After Amendments	
Chapter	Content	Corresponding Chapter	Content
			<u>(5) If the term of the daily related party transaction agreement entered into between the Company and its related persons exceeds three (3) years, the Company shall re-perform the relevant consideration procedures and disclosure obligations every three (3) years in accordance with the provisions of these Rules.</u>
<b>Chapter 6 Information Disclosure</b>	<p><b>Article 39</b> The <u>following related party transactions entered into</u> between the Company and the related persons may be exempted from <u>voting</u> and disclosure in the manner of related-party transactions:</p> <p>(1) One party subscribes in cash for stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(2) One party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(3) One party receives dividends, bonuses or remuneration pursuant to the resolution of the other party's general meeting of shareholders;</p> <p><u>(4) Related party transactions as a result of any party's participation in public bidding, public auction, etc.;</u></p>	<b>Chapter 6 Information Disclosure</b>	<p><b>Article 42</b> The <u>following</u> transactions <u>entered into</u> between the Company and the related persons may be exempted from <u>consideration</u> and disclosure in the manner of related-party transactions:</p> <p><u>(1) Transactions in which listed companies unilaterally harvest benefits without paying any consideration or having attached any obligations, including being granted cash assets, obtaining debt relief, accepting guarantees and financial assistance for free, etc.;</u></p> <p><u>(2) Provision of funds by related persons to listed companies at an interest rate not exceeding the interest rate quoted in the loan market, without needing listed companies to provide any guarantee;</u></p> <p>(3) One party subscribes in cash for stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p>



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	<p><u>(5) Other transactions as determined by the SSE.</u></p>		<p><u>(4) One party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</u></p> <p><u>(5) One party receives dividends, bonuses or remuneration pursuant to the resolution of the other party's general meeting of shareholders;</u></p> <p><u>(6) One party is involved in the other party's public bidding, auction, etc., except where the bidding or auction is unlikely to achieve a fair price;</u></p> <p><u>(7) Where a listed company provides products and services to related natural persons specified in items (2) to (4) of Article 7 on the same trading terms as non-related persons;</u></p> <p><u>(8) The pricing of related party transactions is stipulated by the state;</u></p> <p><u>(9) Other transactions as determined by the Exchange.</u></p>



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Chapter 7 Other Matters	Article 40 All “over” <del>and “under”</del> in these Rules include the relevant figure itself; “exceed”, “beyond” and “less than” do not include the relevant figure itself.	Chapter 7 Other Matters	<u>Article 43</u> All “over” in these Rules include the relevant figure itself; <del>“under”</del> , “exceed”, “beyond” and “less than” do not include the relevant figure itself.
Chapter 7 Other Matters	<u>Newly added (numbering of subsequent chapters shall be adjusted accordingly)</u>	Chapter 7 Other Matters	<u>Article 44 Related legal persons referred to in these Rules include legal persons and other organizations.</u>
Chapter 7 Other Matters	<u>Article 41</u> Decision records, resolutions and other documents in relation to related party transactions <del>shall be kept by the Secretary of the Board for a period of twenty (20) years.</del>	Chapter 7 Other Matters	<u>Article 45</u> Decision records, resolutions and other documents in relation to related party transactions <u>shall be kept in accordance with the Company’s archives management provisions.</u>
Chapter 7 Other Matters	Article 42 These Rules shall be formulated by the Board, and shall take effect <del>from the date when dealings in the A shares for initial public offering of the Company commenced on the stock exchange after approval by the general meeting of shareholders; upon the listing of H shares issued by the Company on the Hong Kong Stock Exchange, the Company shall also comply with the regulations therein in relation to related party transactions.</del>	Chapter 7 Other Matters	<u>Article 46</u> These Rules shall be formulated by the Board, and shall take effect after approval by the general meeting of shareholders. <u>The Decision-making Management Rules of Related Party Transactions of Guangzhou Automobile Group Co., Ltd., which has come into effect since the listing of A + H shares, shall be repealed simultaneously.</u>

*Note: Due to the addition of new articles in this amendment, the numbering of articles in the Decision-making Management Rules of Related Party Transactions shall be adjusted accordingly. In the original Decision-making Management Rules of Related Party Transactions, the cross-references to the article number among the articles shall also be amended accordingly.*



The principal content of the Fourth Scheme proposed are as follows:

### **I. PURPOSE OF THE FOURTH SCHEME**

The Fourth Scheme is formulated to further establish and improve the long-term incentive mechanism of the Company, attract and retain talented individuals, fully mobilise the enthusiasm of the 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, and effectively bind the interests of the Shareholders, the Company and individuals of core teams together, making all parties attend to the long-term development of the Company. The Fourth Scheme is made on the premise of fully protecting the interests of the Shareholders and on the principle of income equivalent to contribution, and in compliance with relevant requirements under the Company Law, the Securities Law, the Administrative Measures, the Trial Measures, the Regulating Notice, the Work Notice, the Work Guidance and other relevant laws, regulations and regulatory documents, as well as the provisions of the Articles of Association.

### **II. METHOD OF SHARE OPTION INCENTIVE AND SOURCE OF SHARES**

The Fourth Scheme is a share option incentive scheme. Share Option represents the right to be granted to a Participant by the Company to acquire certain number of Shares of the Company at a pre-determined price and conditions in a particular period of time. The source of the shares shall be the A Shares to be issued by the Company to the Participants.

### **III. NUMBER OF SHARE OPTIONS PROPOSED TO BE GRANTED UNDER THE FOURTH SCHEME**

The number of Share Options to be granted to the Participants under the Fourth Scheme shall not exceed 234,000,000, i.e. not exceeding approximately 2.23% of the Company's total issued Shares as at the Latest Practicable Date. The total number of A Shares that can be issued by the Company in respect of all options and awards to be granted under the Fourth Scheme and any other effective share schemes is 298,433,154 A Shares, representing approximately 2.85% of the total issued Shares and approximately 4.04% of the total issued A Shares of the Company at the time the Fourth Scheme is submitted to the General Meetings.

The total number of A Shares involved pursuant to the Share Options under the Fourth Scheme and other effective share schemes of the Company shall not exceed 10% of the total issued A Shares of the Company as at the date of approval of the Fourth Scheme at the General Meetings (Share Options or share awards that have lapsed under the terms of the Fourth Scheme and other effective share schemes of the Company will not be included in the calculation of this 10% limit).

It is expected that during the 12-month period up to and including the Date of Grant, the number of A Shares granted under all the effective share incentive schemes (including options or awards) to any one of the Participants under the Fourth Scheme does not exceed 1% of the total issued A Shares as of the Latest Practicable Date.



**IV. BASIS FOR DETERMINING, SCOPE OF, BASIS FOR ELIGIBILITY OF AND NUMBER OF  
SHARE OPTIONS GRANTED TO THE PARTICIPANTS UNDER THE FOURTH SCHEME**

Participants of the Fourth Scheme are determined in accordance with the Company Law, the Securities Law, the Administrative Measures, the Trial Measures, the Regulating Notice, the Work Notice, the Work Guidance and other relevant laws, regulations and regulatory documents, as well as provisions of the Articles of Association with reference to the actual situation of the Company.

There are no more than 3,200 Participants to be given grants under the Fourth Scheme, all of whom will be employee participants as defined in Rule 17.03A(1)(a) of the Amended Rules, including 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, but excluding independent directors, external directors, supervisors of the Company and the person in charge of the enterprise who is appointed and managed by the organisation in accordance with the regulatory requirements of the SASAC and excluding Shareholders and their spouses, parents and children who individually or collectively hold more than 5% of the Shares of the Company. All the Participants must hold positions in and enter into service contracts with the Company during the appraisal period of the Fourth Scheme (excluding those re-employed after retirement).

In accordance with the requirements in Article 8 of the Administrative Measures, none of the following events has occurred to the Participants:

- (1) has been determined by the stock exchange(s) as an ineligible person in the last 12 months;
- (2) has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- (3) has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
- (4) is prohibited from acting as a director or a member of the senior management of the Company as required by the Company Law;
- (5) is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations; or
- (6) is under other circumstances determined by the CSRC.

In accordance with the requirements in Article 35 of the Trial Measures, none of the following events has occurred to the Participants:

- (1) has violated relevant national laws and regulations and provisions of the articles of association of listed companies; or



- (2) committed conducts in violation of the laws and regulations during his term of office including receiving bribes, engaging in bribery, corruption or embezzlement, disclosing trade or technical secrets of listed companies, carrying out related party transactions, which had significant negative effects on the reputation and image of the listed companies and resulted in losses to the listed companies.

Subject to the fulfillment of the Conditions of Exercise, each Share Option granted entitles the Participant to acquire one (1) Share of the Company at the Exercise Price during the relevant exercise period. The Share Options granted to the Participants shall not be transferred, used for guarantee or repayment of debts.

The allocation of Share Options to be granted to Participants (i.e. the maximum entitlement for each Participant under the Fourth Scheme) is set out below:

Name	Position	Amount of options (0'000 Shares)	Proportion in the total share capital
Feng Xingya	General manager	50	0.0048%
Yan Zhuangli	Deputy general manager	45	0.0043%
Chen Maoshan	Chairman of labour union	42.5	0.0041%
Wang Dan	Person in charge of accounting function and chief accountant	45	0.0043%
Gao Rui	Deputy general manager	45	0.0043%
Jiang Xiuyun	Deputy general manager	45	0.0043%
Yu Jun	Deputy general manager	45	0.0043%
Zheng Heng	Deputy general manager	45	0.0043%
Xia Xianqing	Deputy general manager	45	0.0043%
Sui Li	Secretary to the Board	42.5	0.0041%
<b>Other eligible Participants (not exceeding 3,190 persons)</b>		22,950	2.19%
<b>Total (not exceeding 3,200 persons)</b>		23,400	2.23%



*Notes:*

1. The number of A Shares of the Company granted under all effective incentive schemes to any one of the abovementioned Participants does not exceed 1% of the total issued A Shares and 1% of the total issued Shares of the Company. The total number of A Shares involved in all effective incentive schemes of the Company does not exceed 10% of the total issued A Shares and 10% of the total issued Shares of the Company.
2. Any difference between the figures shown as total and the sum of the corresponding figures above is resulted from the rounding off of the above figures.
3. Save for certain directors of the Group, including Mr. Feng Xingya and Mr. Chen Maoshan who are directors of the Company, other Participants who will be granted Share Options are independent third parties to the Company and its connected persons, and other eligible Participants (not exceeding 3,190 persons) under the Fourth Scheme to be granted the 229,500,000 Shares have been specified by the Board as at the Latest Practicable Date.

**V. SCHEDULE OF THE FOURTH SCHEME****(1) Validity Period**

The Validity Period of the Fourth Scheme shall commence on the Date of Grant, and end on the date on which all the Share Options granted to the Participants have been exercised or cancelled, which shall not exceed 60 months, subject to certain circumstances involving the termination of the Fourth Scheme as set out in the section headed “***XI. HANDLING UNUSUAL CHANGES TO THE COMPANY AND PARTICIPANTS - (1) Handling Unusual Changes to the Company***” below.

**(2) Date of Grant**

The Date of Grant shall be determined by the Board after the Fourth Scheme is approved by the Municipal SASAC and considered and approved at the EGM and Class Meetings. The Date of Grant must be a trading day. The Company shall grant the Share Options and complete the announcement and registration procedures within 60 days from the date on which the Fourth Scheme is considered and approved at the EGM and the satisfaction of the Conditions of Grant. If the Company fails to complete the above work within 60 days, the implementation of the Fourth Scheme will be terminated and the Share Options which have not been granted will become invalid. Details of the Conditions of Grant are set out in the section headed “***VII. CONDITIONS OF GRANT AND CONDITIONS OF EXERCISE UNDER THE FOURTH SCHEME - (1) Conditions of Grant of the Share Options***” below.

No grant of any Share Options under the Fourth Scheme shall be made after inside information has come to the knowledge of the Board until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:



- (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Hong Kong Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year under the Hong Kong Listing Rules, or quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules);

and ending on the actual date of publication of the results announcement, and no Share Option may be granted during any period of delay in publishing a results announcement.

**(3) Vesting Period**

The Vesting Period shall be the time between the Date of Grant and the Exercisable Date. The Vesting Period granted under the Fourth Scheme shall be 24 months, 36 months, 48 months from the Date of Grant.

**(4) Exercisable Date**

The Exercisable Date must be a trading day and must not fall within any of the following periods:

1. within 60 days prior to the publication of annual reports of the Company or, if shorter, the period from the last day of the relevant accounting year up to the date of the announcement of the annual report, in the event of delay in the publication of the announcement due to special reasons, the calculation shall start from the originally estimated date of publication;
2. within 30 days prior to the publication of quarterly and interim reports of the Company or, if shorter, the period from the last day of the relevant quarter or half-year up to the date of the announcement, in the event of delay in the publication of the announcement due to special reasons, the calculation shall start from the originally estimated date of publication; the period commencing from 10 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
3. the period commencing from the date of occurrence of any material event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the date of publication in accordance with the laws;
4. other periods as stipulated by the CSRC, the SSE and the Stock Exchange.

The arrangements of exercise period and each period of exercise time for the Share Options granted under the Fourth Scheme are as follows:



Exercise period	Exercise time	Proportion of exercisable Share Options
First exercise period	Commencing from the first trading day after expiry of the 24-month period from the Date of Grant and ending on the last trading day of the 36-month period from the Date of Grant	20%
Second exercise period	Commencing from the first trading day after expiry of the 36-month period from the Date of Grant and ending on the last trading day of the 48-month period from the Date of Grant	40%
Third exercise period	Commencing from the first trading day after expiry of the 48-month period from the Date of Grant and ending on the last trading day of the 60-month period from the Date of Grant	40%

The Participants shall complete the exercise of the relevant Share Options within the Validity Period. If the Conditions of Exercise are not satisfied, the Share Options for the corresponding period shall not be exercised. If the Conditions of Exercise are satisfied but not all of the relevant Share Options for that period have been exercised, such portion of the Share Options shall lapse automatically and shall be cancelled by the Company.

#### (5) Locking requirements

The locking arrangement under the Fourth Scheme shall be implemented in accordance with the requirements of the Company Law, the Securities Law, the Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (《上市公司股東、董監高減持股份的若干規定》) and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior



Executives of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) and other relevant laws, regulations and regulatory documents as well as the Articles of Association, including but not limited to:

1. Where the Participant is a Director or a member of the senior management of the Company, the number of Shares of the Company which may be transferred by the Participant each year during his term of office shall not exceed 25% of the total number of the Shares of the Company held by him.
2. Where the Participant is a Director or senior management and resigns prior to the expiry of his term of office, the number of Shares that may be transferred by the Participant each year must not exceed 25% of the total number of Shares of the Company held by him during his term of office and within 6 months after the expiry of his term of office.
3. Where the Participant is a Director or senior management, he shall not transfer the Shares of the Company held by him within 6 months after his resignation.
4. Where the Participant is a Director or senior management, all gains made from the disposal of Shares of the Company within 6 months after acquisition or from the buy back of Shares within 6 months after disposal by the Participant shall be accounted to the Company, and the Board will collect all such gains.
5. If, during the Validity Period of the Fourth Scheme, there is any amendment to the relevant requirements regarding the transfer of Shares held by a Director and senior management of the Company under the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law, the Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (《上市公司股東、董監高減持股份的若干規定》) and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》), as well as the Articles of Association, the amended requirements of relevant laws, regulations, regulatory documents and the Articles of Association shall apply to the transfer of Shares of the Company held by such Participants.
6. The Vesting Period for no less than 20% of the total number of the Share Options granted to a Participant who is a Director or senior management shall be extended till the expiry of his term of office after the expiration of the restricted period after passing the examination, or after exercising the Share Options, hold not less than 20% of which the Share Options granted to a Participant who is a Director or senior management and not sell the same until passing the final assessment at the expiration of their respective terms of office.



**VI. EXERCISE PRICE AND THE BASIS OF DETERMINATION FOR THE EXERCISE PRICE  
OF THE FOURTH SCHEME****(1) Exercise Price**

The Exercise Price shall be RMB11.99 per Share, at which each Participant is entitled to acquire the A Shares newly issued to the Participants by the Company upon fulfillment of the Conditions of Exercise.

In the event of any capitalisation issue, bonus issue, share subdivision or share consolidation, rights issue or dividend distribution of the Company during the period from the date of announcement of the Fourth Scheme to the date on which the Participants complete the exercise of Share Options, the Exercise Price shall be adjusted accordingly, details of which are set out in the section headed “*VIII. METHODS AND PROCEDURES FOR ADJUSTMENT OF SHARE OPTIONS*” below.

**(2) Basis of determination for the Exercise Price**

The Exercise Price shall not be lower than the nominal amount of the A Shares, and shall not be lower than the higher of the following:

1. the average trading price of the A Shares on the trading day preceding the Announcement of the Drafted Fourth Scheme;
2. the average trading price of the Shares for 20 trading days, 60 trading days or 120 trading days preceding the Announcement of the Drafted Fourth Scheme.

**VII. CONDITIONS OF GRANT AND CONDITIONS OF EXERCISE OF THE FOURTH SCHEME****(1) Conditions of Grant of the Share Options**

Share Options may be granted to the Participants by the Company upon satisfaction of the following Conditions of Grant. In other words, Share Options cannot be granted to Participants if any of the following Conditions of Grant is not satisfied.

1. None of the following events has occurred to the Company:
  - (1) issue of an auditors’ report with adverse opinion or indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
  - (2) issue of an auditors’ report with adverse opinion or indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;



- (3) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- (4) prohibition from implementation of a share incentive scheme by laws and regulations;
- (5) other circumstances as determined by the CSRC.



2. The Company has satisfied the following conditions:
  - (1) the corporate governance structure of the Company is duly regulated, the organisation of general meeting, the Board, the Supervisory Committee and the management is sound with clear responsibilities, external directors (including independent directors, the same below) account for more than half of the number of the members of the Board;
  - (2) the Remuneration and Assessment Committee is composed of external directors and the system of the Remuneration and Assessment Committee is sound, with comprehensive rules of procedure and under regulated operation;
  - (3) the internal control system and performance appraisal system are sound, the basic management system is duly regulated, and the labour employment, remuneration and benefits system and performance appraisal system have complied with the requirements of the market economy and modern enterprise system;
  - (4) the development strategies are clear, asset quality and financial conditions are sound, operating results are stable; without any financial unlawful and non-compliance acts and records of improprieties during the latest 3 years;
  - (5) established restraint mechanisms such as economic responsibility review and audit, information disclosure, deferred payment, recourse and deduction etc.;
  - (6) other conditions as required by the securities regulatory authorities.
3. In accordance with the requirements in Article 8 of the Administrative Measures, none of the following events has occurred to the Participants:
  - (1) has been determined by the stock exchange(s) as an ineligible person in the last 12 months;
  - (2) has been determined by CSRC and its delegated agencies as an ineligible person in the last 12 months;
  - (3) has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
  - (4) is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;
  - (5) is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;



- (6) under other circumstances as determined by the CSRC.
- 4. In accordance with the requirements in Article 35 of the Trial Measures, none of the following events has occurred to the Participants:
  - (1) has violated relevant national laws and regulations and provisions of the articles of association of listed companies;
  - (2) committed conducts in violation of the laws and regulations during his term of office including receiving bribes, engaging in bribery, corruption or embezzlement, disclosing trade or technical secrets of listed companies, carrying out related party transactions, which had significant negative effects on the reputation and image of the listed companies and resulted in losses to the listed companies.

**(2) Conditions of Exercise of the Share Options**

During the exercise period, upon concurrent satisfaction of the following conditions, the Share Options granted to the Participants can be exercised:

- 1. None of the following events has occurred to the Company:
  - (1) issue of an auditors' report with adverse opinion or indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
  - (2) issue of an auditors' report with adverse opinion or indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
  - (3) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
  - (4) prohibition from implementation of a share incentive scheme by laws and regulations;
  - (5) other circumstances as determined by the CSRC.



2. The Company shall satisfy the following conditions:
  - (1) the corporate governance structure of the Company is duly regulated, the organisation of general meeting, the Board, the Supervisory Committee and the management is sound with clear responsibilities, external directors (including independent directors, the same below) account for more than half of the number of the members of the Board;
  - (2) the Remuneration and Assessment Committee is composed of external directors and the system of the Remuneration and Assessment Committee is sound, with comprehensive rules of procedures and under regulated operation;
  - (3) the internal control system and performance appraisal system are sound, the basic management system is duly regulated, and the labour employment, remuneration and benefits system and performance appraisal system have complied with the requirements of the market economy and modern enterprise system;
  - (4) the development strategies are clear, asset quality and financial conditions are sound, operating results are stable; without any financial unlawful and non-compliance acts and records of improprieties during the latest 3 years;
  - (5) established restraint mechanisms such as economic responsibility review and audit, information disclosure, deferred payment, recourse and deduction, etc.;
  - (6) other conditions as required by the securities regulatory authorities.
3. In accordance with the requirements in Article 8 of the Administrative Measures, none of the following events has occurred to the Participants:
  - (1) has been determined by the stock exchange(s) as an ineligible person in the last 12 months;
  - (2) has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
  - (3) has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting market access in the last 12 months due to material non-compliance of laws or regulations;
  - (4) is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;
  - (5) is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;



- (6) under other circumstances as determined by the CSRC.
4. In accordance with the requirements in Article 35 of the Trial Measures, none of the following events has occurred to the Participants:
- (1) has violated relevant national laws and regulations and provisions of the articles of association of listed companies;
  - (2) committed conducts in violation of the laws and regulations during his term of office including receiving bribes, engaging in bribery, corruption or embezzlement, disclosing trade or technical secrets of listed companies, carrying out related party transactions, which had significant negative effects on the reputation and image of the listed companies and resulted in losses to the listed companies.
5. Appraisal requirements of the Company's performance

The exercising appraisal period of the Fourth Scheme covers three accounting years from 2023 to 2025, and an appraisal will be carried out once every accounting year.

- (1) The performance appraisal of the Share Options granted under the Fourth Scheme is shown in the following table:

Exercise period	Performance appraisal targets
First exercise period	<p>(1) The net profits for 2023 shall increase by <math>\geq 15\%</math> as compared with 2021;</p> <p>(2) The return on net assets for 2023 shall be <math>\geq 7.0\%</math>;</p> <p>(3) The revenue from the principal business for 2023 shall increase by <math>\geq 30\%</math> as compared with 2021;</p> <p>The above three indicators shall not be lower than the 75th percentile of benchmarking enterprises in the same industry or the industry average.</p> <p>(4) The R&amp;D investment for 2023 shall account for <math>\geq 4\%</math> of operating revenue;</p>



	(5)	The turnover rate of accounts receivable for 2023 shall be $\geq 13$ times;
	(6)	The ratio of cash dividends for 2023 shall be $\geq 30\%$ .
Second exercise period	(1)	The net profits for 2024 shall increase by $\geq 25\%$ as compared with 2021;
	(2)	The return on net assets for 2024 shall be $\geq 7.2\%$ ;
	(3)	The revenue from the principal business for 2024 shall increase by $\geq 45\%$ as compared with 2021;
	The above three indicators shall not be lower than the 75th percentile of benchmarking enterprises in the same industry or the industry average.	
	(4)	The R&D investment for 2024 shall account for $\geq 4\%$ of operating revenue;
	(5)	The turnover rate of accounts receivable for 2024 shall be $\geq 13$ times;
	(6)	The ratio of cash dividends for 2024 shall be $\geq 30\%$ .
Third exercise period	(1)	The net profits for 2025 shall increase by $\geq 35\%$ as compared with 2021;
	(2)	The return on net assets for 2025 shall be $\geq 7.3\%$ ;
	(3)	The revenue from the principal business for 2025 shall increase by $\geq 60\%$ as compared with 2021;



The above three indicators shall not be lower than the 75th percentile of benchmarking enterprises in the same industry or the industry average.

- (4) The R&D investment for 2025 shall account for  $\geq 4\%$  of operating revenue;
- (5) The turnover rate of accounts receivable for 2025 shall be  $\geq 13$  times;
- (6) The ratio of cash dividends for 2025 shall be  $\geq 30\%$ .

*Notes:*

- a. The above-mentioned “net profits” represents: the net profits (net of non-recurring profits and losses) attributable to the shareholders of the listed company; “return on net assets” represents: the weighted average return on net assets attributable to the shareholders of the listed company (net of non-recurring profits and losses).
  - b. During the Validity Period of the Fourth Scheme, in case of additional issuance or rights issue and others that would result in a change in net assets of the Company, the change in net assets and the income arising therefrom (if the corresponding income cannot be accurately calculated, it can be calculated by multiplying the actual financing amount net of the financing cost by the interest rate of the national debts of the same term) shall be excluded when conducting the appraisal.
  - c. The incentive costs incurred in the Fourth Scheme will be charged to the Company’s administrative expenses.
  - d. The Company belongs to the “automobile manufacturing industry” under the industry classification of the CSRC. The reference to the “industry average” mentioned above means all domestic A-Share listed companies under the “automobile manufacturing industry” classification of the CSRC.
- (2) Selection of benchmarking companies in the same industry

In accordance with the principle of “comparable market, similar business, stable operation”, the Company selected 20 A-Share listed companies from the automobile manufacturing industry under the industry classification of the CSRC and the “SW automobile manufacturing” industry under the SWS Research sector categorisation as benchmarking companies in the same industry.



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<b>APPENDIX VI</b>	<b>SUMMARY OF PROPOSED PRINCIPAL TERMS OF THE FOURTH SHARE OPTION INCENTIVE SCHEME</b>
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No.	Stock Code	Stock abbreviation
1	000868.SZ	Ankai
2	600733.SH	BAIC Bluepark
3	002594.SZ	BYD
4	600006.SH	Dongfeng Motor
5	600166.SH	Foton Motors
6	000572.SZ	Haima Automobile
7	600418.SH	JAC
8	000550.SZ	JMC
9	600686.SH	King Long Motor
10	601777.SH	Lifan Technology
11	601127.SH	SERES
12	600104.SH	SAIC Motor
13	600213.SH	AsiaStar Bus
14	000800.SZ	FAW Jiefang
15	600066.SH	Yutong Bus
16	000625.SZ	Changan Automobile
17	601633.SH	Great Wall Motor
18	000951.SZ	Sinotruk
19	301039.SZ	Cimc Vehicles
20	000957.SZ	Zhongtong Bus

If there are significant changes in the principal businesses of the benchmarking companies, or extreme or abnormal values with significant deviation in the samples during the Validity Period of the Fourth Scheme, the Board can remove or replace the samples according to the actual conditions.

#### 6. Appraisal requirements of personal performance

In accordance with the Appraisal Management Measures, a Participant can only have the corresponding Share Options exercised on the premise that the performance of the Participant meets the appraisal conditions, and the specific exercise ratio is determined based on the results of the individual performance appraisal of the Participant, and the special circumstances in the performance appraisal are determined by the Board. Details are as follows:

Appraisal results (S)	Excellent	Good	Qualified	Basically-qualified	Not qualified
Exercise ratio	100%	100%	100%	70%	0%



Individual's actual exercise limit for the current year = individual's exercise ratio × individual's planned exercise amount for the current year.

7. If the Conditions of Exercise in the current period have not been fulfilled due to the failure in meeting the performance appraisal targets of the Company or the personal performance appraisal, the corresponding Share Options shall be cancelled by the Company and shall not be deferred to the next period for exercise.

**(3) Explanations on the scientificity and reasonableness of the appraisal indicators**

The appraisal indicators of the Fourth Scheme are categorised into two levels, performance appraisal at the Company's level and performance appraisal at the individual's level respectively.

1. Net profit (net of non-recurring profits and losses) growth rate, return on net assets, growth rate of revenue from principal businesses, percentage of R&D investment in operating revenue, turnover rate of accounts receivable and ratio of cash dividends are selected as performance appraisal indicators. These indicators are the Company's core financial and business indicators, which reflect the requirements on the Company's growth capabilities, profitability, income quality, operation quality, Shareholder returns etc.
2. When setting the target value of the above performance indicators, the industry conditions and the actual situation of the Company have been fully considered, and a relatively systematic and reasonable forecast and research analysis have been carried out.
3. In addition to the Company's performance appraisal, the Company has also set up a rigorous performance appraisal system for individuals, which can give a more accurate and comprehensive evaluation of the work performance of the Participants. The Company will determine the actual individual exercise ratio of a Participant based on the results of the performance appraisal.

In summary, the appraisal system of the Fourth Scheme is complete, comprehensive and operable. The target value of the appraisal indicators is set reasonably, and at the same time, challenging and has achieved the effect of incentives and restraints. It is expected to achieve the implementation objectives of the Fourth Scheme.

**VIII. METHODS AND PROCEDURES FOR ADJUSTMENT OF SHARE OPTIONS**

In the event of capitalisation issue, bonus issue, share subdivision, rights issue or share consolidation prior to any exercise, the number of Share Options shall be adjusted accordingly. The adjustment method is as follows:



**(1) Capitalisation issue, bonus issue and share subdivision**

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of Share Options before the adjustment;  $n$  represents the ratio of increase per share resulting from the capitalisation issue, bonus issue and share subdivision (i.e. the increase in number of shares per share upon capitalisation issue, bonus issue or share subdivision);  $Q$  represents the adjusted number of Share Options.

**(2) Rights issue**

$$Q = Q_0 \times P_1 \times (1 + n) / (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of Share Options before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $Q$  represents the adjusted number of Share Options.

**(3) Share consolidation**

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of Share Options before the adjustment;  $n$  represents the ratio of share consolidation (i.e. one share of the Company shall be consolidated into  $n$  shares);  $Q$  represents the adjusted number of Share Options.

**(4) New issue of Shares and dividend distribution**

Under the circumstances of additional issue of new Shares and dividend distribution by the Company, no adjustment will be made to the number of Share Options.

In the event of any dividend distribution, capitalisation issue, bonus issue, share subdivision, rights issue or share consolidation prior to any exercise, the Exercise Price shall be adjusted accordingly. The adjustment method is as follows:

**(1) Capitalisation issue, bonus issue and share subdivision**

$$P = P_0 \div (1 + n)$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $n$  represents the ratio of increase per share resulting from capitalisation issue, bonus issue and share subdivision;  $P$  represents the adjusted Exercise Price.



**(2) Rights issue**

$$P = P_0 \times (P_1 + P_2 \times n) / [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue);  $P$  represents the adjusted Exercise Price.

**(3) Share consolidation**

$$P = P_0 \div n$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $n$  represents the ratio of share consolidation;  $P$  represents the adjusted Exercise Price.

**(4) Dividend distribution**

$$P = P_0 - V$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $V$  represents the dividend rate per share;  $P$  represents the adjusted Exercise Price. After the adjustment,  $P$  shall be a positive number.

**(5) New issue of Shares**

Under the circumstances of additional issue of new Shares by the Company, no adjustment shall be made to the Exercise Price of the Share Options.

The above adjustment mechanisms, including the Adjustment for Dividend Distribution, have been formulated by the Company to ensure that the interest of the grantees of Share Options will be made in line with the interest of other Shareholders, and have been approved by the Board and advised by relevant legal advisers of the Company. Upon the occurrence of any of the aforesaid events, adjustments to the number of Share Options and the Exercise Price would be reconfirmed and made by the Board strictly pursuant to the adjustment mechanisms without amendment as stipulated under the terms of the Fourth Scheme.

**IX. IMPLEMENTATION PROCEDURES OF THE FOURTH SCHEME****(1) Procedures for the Fourth Scheme to take effect**

1. The Remuneration and Assessment Committee of the Board is responsible for preparing the draft of the Fourth Scheme to be submitted to the Board for consideration.



2. The Board shall consider the resolutions on the Fourth Scheme in accordance with the laws. When the Board considers the Fourth Scheme, any Director who is also a Participant or is a related party to a Participant shall abstain from voting.
3. The independent Directors and the Supervisory Committee shall issue opinions in respect of whether the Fourth Scheme is beneficial to the sustainable development of the Company and whether there is any situation which would noticeably prejudice the interests of the Company and the Shareholders as a whole.
4. The Company shall engage a law firm to issue legal opinions on the Fourth Scheme. An independent financial adviser shall issue professional opinions.
5. Before convening the General Meetings, the Company shall announce the list of Participants internally for not less than 10 days. The Supervisory Committee shall review the list of Participants and sufficiently consider public opinions. The Company shall disclose the explanation about the Supervisory Committee regarding the review of the list of Participants and the status of announcement within 5 days prior to the consideration of the Fourth Scheme at the General Meetings.
6. The Company shall carry out self-investigation on the trading of Shares of the Company by insiders within the 6 months prior to the date of the Announcement of the Drafted Fourth Scheme to examine whether any insider trading exists.
7. The Fourth Scheme shall be considered and approved by the Municipal SASAC.
8. The Company shall issue notices on the convening of the General Meetings.
9. When the General Meetings are convened to consider the Fourth Scheme, the independent Directors shall solicit proxy voting rights from all Shareholders regarding the relevant resolutions relating to the Fourth Scheme.
10. The Fourth Scheme shall be proposed and voted at the General Meetings of the Company and be approved by more than 2/3 of the voting rights held by the attending Shareholders. Except for the Directors, supervisors and senior management of the Company, as well as the Shareholders individually or collectively holding more than 5% of the listed company's Shares, the voting by other Shareholders shall be separately counted and disclosed.
11. As authorised in the General Meetings, the Board is responsible for the implementation of matters such as the grant, exercise and cancellation of the Fourth Scheme.

**(2) Procedures of grant under the Fourth Scheme**

1. The Fourth Scheme shall be considered and approved at the General Meetings.



2. Within 60 days after the Fourth Scheme is considered and approved at the General Meetings of the Company and upon the satisfaction of the Conditions of Grant, the Company shall convene a Board meeting to consider whether the Participants under the Fourth Scheme have satisfied the conditions of the grant prescribed therein and determine the Date of Grant, and the independent Directors shall issue clear opinions. Moreover, the Supervisory Committee shall verify the list of Participants and issue its opinions.
3. The Company shall engage a lawyer to issue legal opinions as to whether the Participants have satisfied the conditions of the grant. In case of discrepancies between the entitlements granted to the Participants by the Company and the arrangement under the Fourth Scheme, the independent Directors, the Supervisory Committee (in case of change of the Participants), the law firm and the independent financial adviser shall issue clear opinions at the same time.
4. The Company shall sign the “Agreement on the Grant of Share Options” with the Participants in order to determine their respective rights and obligations.
5. The Company shall keep a register for management of the Fourth Scheme with reference to the agreements signed by the Participants, and such register shall record the names of the Participants, number of grant, the Date of Grant etc.
6. The Company shall apply to the stock exchange(s) for the grant of Share Options to the Participants, and apply to the depository and clearing company for the registration and settlement matters after the confirmation by the stock exchange(s).

**(3) Procedures for the exercise of Share Options**

1. The Company shall confirm whether the Participants satisfy the Conditions of Exercise before the Exercisable Date. The Board shall consider and review whether the Conditions of Exercise as set out in the Fourth Scheme have been satisfied. The independent Directors and the Supervisory Committee shall both issue clear opinions. The law firm shall issue legal opinions on whether the Conditions of Exercise for Share Options have been satisfied by the Participants.
2. Before the Share Options are exercised, the Company shall tender exercise application to the SSE and issue the Shares to the Participants directly based on the number of Share Options to be exercised as set out in the application. After approval by the SSE, the depository and clearing company shall handle the matters in relation to registration and clearing.
3. The Company may provide a unified or autonomous method of exercise to the Participants according to the actual situation.



4. The Company shall carry out the procedures in relation to the registration of the change in business information with the industrial and commercial registration authority.

**(4) Procedures for amending and terminating the Fourth Scheme**

**1. *Procedures for amending the Fourth Scheme***

- (1) Any proposed amendment to the Fourth Scheme by the Company prior to consideration and approval of the Fourth Scheme at the General Meetings shall be subject to consideration and approval by the Board.
- (2) Any proposed amendment to the Fourth Scheme by the Company after approval of the Fourth Scheme at the General Meetings shall be subject to consideration and approval at the General Meetings, provided that such amendment shall not:
  - (i) accelerate exercise;
  - (ii) reduce the Exercise Price.

**2. *Procedures for terminating the Fourth Scheme***

- (1) Proposed termination of the Fourth Scheme by the Company prior to consideration and approval of the Fourth Scheme at the General Meetings shall be subject to consideration and approval by the Board.
- (2) Proposed termination of the Fourth Scheme by the Company after approval of the Fourth Scheme at the General Meetings shall be subject to consideration and approval at the General Meetings.
- (3) The law firm shall issue professional opinions as to whether the termination of the incentive scheme is in compliance with the Administrative Measures, the relevant laws, regulations and regulatory documents, and whether there is any situation which would noticeably prejudice the interests of the Company and the Shareholders as a whole.
- (4) When the Fourth Scheme is terminated, the Company shall cancel the unexercised Share Options and deal with them in accordance with relevant requirements of the Company Law.



**3. *Accounting treatment of termination of the Fourth Scheme***

Upon the termination of the Fourth Scheme, pursuant to the requirement of the Accounting Standards for Business Enterprises, for the unexercised Share Options (except for those cancelled due to failure to satisfy the performance conditions), the cancellation or settlement shall be treated as accelerated exercisable rights and the amount which should have been recognised during the remaining Vesting Period will be recognised immediately.

**X. RESPECTIVE RIGHTS AND OBLIGATIONS OF THE COMPANY AND PARTICIPANTS****(1) Rights and obligations of the Company**

1. The Company shall have the right to construe and execute the Fourth Scheme and shall appraise the performance of the Participants based on the requirements under the Fourth Scheme. If a Participant fails to fulfill the Conditions of Exercise of the Fourth Scheme, the Company will cancel unexercised Share Options, in accordance with the principles under the Fourth Scheme.
2. The Company undertakes not to provide loans and financial assistance in any other form, including providing guarantee for loans, to the Participants for acquiring the Share Options under the Fourth Scheme.
3. The Company shall discharge its obligations in a timely manner in relation to reporting and information disclosure of the share options incentive scheme in accordance with relevant requirements.
4. The Company shall actively support the Participants who have fulfilled the Conditions of Exercise to exercise the Options in accordance with relevant requirements of the Fourth Scheme, the CSRC, the stock exchange(s), the depository and clearing company. However, the Company disclaims any liability for losses incurred by the Participants who fail to exercise the Options at their own will due to reasons caused by the CSRC, the stock exchange(s) and the depository and clearing company.
5. Other relevant rights and obligations stipulated under the laws and regulations.

**(2) Rights and obligations of the Participants**

1. A Participant shall comply with the requirements of his position as stipulated by the Company, and shall work diligently and responsibly, strictly adhere to professional ethics, and contribute to the development of the Company.
2. A Participant can decide whether to exercise Share Options as well as the number of Share Options to be exercised, within the exercisable limit granted to him or her.
3. Source of funds of the Participants shall be self-raised funds of the Participants.



4. The Share Options granted to the Participants are not entitled with voting rights and decision making rights and will not involve in the distribution of bonus shares and dividends before being exercised. The Share Options granted to the Participants shall not be transferred, used for guarantee or repayment of debts during the Vesting Period. The Shares newly issued upon exercise of the Share Options shall comply with requirements of the current constitutional document of the Company, and shall be entitled to equal voting right, dividend right, transfer right and other legal rights in all respects proportionally, including the rights attaching to the Shares issued on the date of issue fully paid by the Participant, and rights arising from liquidation of the Company.
5. Any gains of the Participants generated from the Fourth Scheme are subject to individual income tax and other taxes according to PRC tax laws.
6. The Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with Conditions of Grant or arrangements for exercise of the entitlements, the Participants shall return to the Company all interests gained through the Fourth Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.
7. Upon consideration and approval of the Fourth Scheme at the General Meetings, the Company will sign the “Agreement on the Grant of Share Options” with each Participant in order to define their respective rights and obligations under the Fourth Scheme and other relevant matters.
8. Other relevant rights and obligations under the laws, regulations and the Fourth Scheme.

## **XI. HANDLING UNUSUAL CHANGES TO THE COMPANY AND PARTICIPANTS**

### **(1) Handling unusual changes to the Company**

1. The Fourth Scheme shall be terminated immediately if any of the following events occurs to the Company:
  - (1) issue of an auditors’ report with adverse opinion or indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
  - (2) issue of an auditors’ report with adverse opinion or indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;



- (3) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;
- (4) prohibition from implementation of a share incentive scheme by laws and regulations;
- (5) other circumstances under which the Fourth Scheme shall be terminated as determined by the CSRC.

Where any of the abovementioned circumstances occurs to the Company under which the Fourth Scheme shall be terminated, the Share Options of the Participants which have been granted but not yet exercised shall be cancelled by the Company.

- 2. The Fourth Scheme shall remain unchanged and the Company shall proceed to implement the Fourth Scheme as stipulated in the event that any of the following events occurs to the Company:

- (1) change in control of the Company;
- (2) merger or spin-off of the Company;

- 3. The Company has failed to meet the performance appraisal targets set out in the Fourth Scheme and the Share Options corresponding to the Participants which have been granted but not exercised shall not be exercised and shall be cancelled by the Company.
- 4. If the Company fails to meet the Conditions of Grant for rights or the exercise arrangement of rights due to false records, misleading statements or major omissions in the information disclosure documents, Share Options that have been granted but not exercised shall not be exercised and shall be cancelled by the Company. If the Share Options granted to the Participants have been exercised, all Participants shall return all the gains received under the Fourth Scheme. The Board shall recover the income of the Participants in accordance with the relevant arrangements of the Fourth Scheme.

**(2) Changes in personal situation of the Participants**

- 1. Within six months from the occurrence of any of the following situations, the Share Options of the Participants which have reached the relevant exercise period and satisfied the performance appraisal conditions in the current year can be exercised, while the Share Options that have not reached the relevant exercise period and satisfied the performance appraisal conditions shall be cancelled by the Company:
  - (1) Participant is transferred out of the Company due to organisational arrangements and no longer works in the Company;



- (2) Death of the Participant (the legal successor shall exercise the power according to regulations);
  - (3) Where the Participant suffers from loss of civil capacity;
  - (4) Participant has reached the legal retirement age and retires normally;
  - (5) The Participant dismisses or terminates his/her labour relationship with the Company due to other objective reasons.
2. In any of the following situations, all unexercised Share Options of the Participants shall be cancelled by the Company:
- (1) When the Participant becomes an independent Director or Supervisor;
  - (2) The labour contract expires without renewal;
  - (3) Participant resigns;
  - (4) Participant's performance appraisal fails to meet the standard or the labour contract is terminated due to his/her incompetency;
  - (5) The employment relationship is terminated due to the Participant's other personal reasons.
3. In any of the following situations, the Share Options of the Participant that have been granted but not exercised shall be cancelled by the Company. All the gains received under the Fourth Scheme shall be returned to the Company:
- (1) The economic responsibility review and audit results and others show that they have not performed their duties effectively or have seriously neglected their duties or are involved in dereliction of duty;
  - (2) Violation of relevant national laws and regulations, as well as the provisions of the articles of association of listed companies;
  - (3) Committed conducts in violation of the laws and regulations including receiving bribes, engaging in bribery, corruption or embezzlement, disclosing trade and technical secrets of listed companies, carrying out related party transactions, which had significant negative effects on listed companies' reputation and image and was subject to punishment;
  - (4) Failure to perform or failure to perform duties correctly has caused material asset losses and other serious adverse consequences to the Company (depending on the Company's assessment results);



(5) Violation of the duty of loyalty and diligence stipulated in the Company Law and the Articles of Association.

4. Other circumstances not stated above and the handling method thereof shall be determined by the Board.

**(3) Dispute resolution between the Company and the Participants**

Any dispute between the Company and the Participants shall be resolved in accordance with provisions of the Fourth Scheme and Agreement on the Grant of Share Options. Disputes not clearly covered by the provisions shall be resolved in accordance with PRC laws and on arm's length negotiation. Where the disputes cannot be settled through negotiations, they shall be referred to the People's Court with jurisdiction over the Company's place of domicile.

**XII. SUPPLEMENTARY PROVISIONS**

(1) In case of any conflict between the relevant provisions of the Fourth Scheme and the relevant laws, regulations, administrative rules and normative documents of the PRC, the relevant provisions of this Scheme shall be implemented or adjusted in accordance with the relevant laws, regulations, administrative rules and normative documents of the PRC. For any provisions not specified in this Fourth Scheme, such provisions shall be implemented or adjusted in accordance with relevant laws, regulations, administrative rules and normative documents of the PRC.

(2) Should any Participant sell the shares obtained through the Fourth Scheme in violation of the Fourth Scheme, the Articles of Association or the relevant laws, regulations, administrative rules and regulatory documents, the proceeds therefrom shall be restituted to the Company and shall be executed by the Board.

(3) The Fourth Scheme shall come into effect from the date of approval at the General Meetings of the Company upon the review and approval by the Municipal SASAC.

(4) The Board reserves the rights to interpret the Fourth Scheme.



**GUANGZHOU AUTOMOBILE GROUP CO., LTD.  
APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION OF  
THE FOURTH SHARE OPTION INCENTIVE SCHEME**

In order to ensure smooth implementation of the Fourth Share Option Incentive Scheme of Guangzhou Automobile Group Co., Ltd. (the “**Company**”), further refine the corporate governance structure of the Company, establish and improve the long-term incentive and restraint mechanism of the Company, motivate the senior management, core management, technical and business backbone personnel of the Company to work honestly and diligently so as to guarantee the steady improvement of the Company’s performance and the realisation of the Company’s development strategy and business objectives, these measures are hereby formulated in accordance with relevant requirements of the PRC and the actual circumstances of the Company.

**I. PURPOSE OF APPRAISAL**

The purpose of the appraisal is to further refine the corporate governance structure of the Company, establish and improve the incentive and restraint mechanism of the Company, ensure smooth implementation of the share option incentive scheme and maximise the benefits of the share incentives so as to ensure the realisation of the Company’s development strategy and operation objectives.

**II. PRINCIPLES OF APPRAISAL**

The principles of appraisal must be just, open and fair. The appraisal shall be conducted strictly in compliance with these measures and the performance of the appraised targets so as to closely link the incentive scheme with the work performance and contribution of the Participants, which in turn help improve the Company’s overall performance and maximise the interests of the Company and all Shareholders.

**III. SCOPE OF APPRAISAL**

These measures shall apply to all Participants under the Fourth Share Option Incentive Scheme of the Company.

**IV. APPRAISAL INSTITUTION**

The Remuneration and Assessment Committee shall be responsible for leading and organising the appraisal. Specific appraisal operation plan shall be implemented by the unit in which the Participant’s position belongs. The appraisal results shall be reported to the Remuneration and Assessment Committee for consideration.



**V. INDICATORS AND STANDARDS OF PERFORMANCE APPRAISAL**

The exercise limit of Share Options of a Participant for the current year shall be jointly determined by the appraisal results at the Company's level and the individual's level.

**(1) Appraisal requirements of the performance at the Company's level**

<b>Exercise period</b>	<b>Performance appraisal targets</b>
First exercise period	<p>(1) The net profit for 2023 shall increase by <math>\geq 15\%</math> as compared with 2021;</p> <p>(2) The return on net assets for 2023 shall be <math>\geq 7.0\%</math>;</p> <p>(3) The revenue from the principal business for 2023 shall increase by <math>\geq 30\%</math> as compared with 2021;</p> <p>The above three indicators shall not be lower than the 75th percentile of benchmarking enterprises in the same industry or the industry average.</p> <p>(4) The R&amp;D investment for 2023 shall account for <math>\geq 4\%</math> of operating revenue;</p> <p>(5) The turnover rate of accounts receivable for 2023 shall be <math>\geq 13</math> times;</p> <p>(6) The ratio of cash dividends for 2024 shall be <math>\geq 30\%</math>.</p>
Second exercise period	<p>(1) The net profits for 2024 shall increase by <math>\geq 25\%</math> as compared with 2021;</p> <p>(2) The return on net assets for 2024 shall be <math>\geq 7.2\%</math>;</p> <p>(3) The revenue from the principal business for 2024 shall increase by <math>\geq 45\%</math> as compared with 2021;</p> <p>The above three indicators shall not be lower than the 75th percentile of benchmarking enterprises in the same industry or the industry average.</p>



Exercise period	Performance appraisal targets
	<p>(4) The R&amp;D investment for 2024 shall account for <math>\geq 4\%</math> of operating revenue;</p> <p>(5) The turnover rate of accounts receivable for 2024 shall be <math>\geq 13</math> times;</p> <p>(6) The ratio of cash dividends for 2024 shall be <math>\geq 30\%</math>.</p>
Third exercise period	<p>(1) The net profits for 2025 shall increase by <math>\geq 35\%</math> as compared with 2021;</p> <p>(2) The return on net assets for 2025 shall be <math>\geq 7.3\%</math>;</p> <p>(3) The revenue from the principal business for 2025 shall increase by <math>\geq 60\%</math> as compared with 2021;</p> <p>The above three indicators shall not be lower than the 75th percentile of benchmarking enterprises in the same industry or the industry average.</p> <p>(4) The R&amp;D investment for 2025 shall account for <math>\geq 4\%</math> of operating revenue;</p> <p>(5) The turnover rate of accounts receivable for 2025 shall be <math>\geq 13</math> times;</p> <p>(6) The ratio of cash dividends for 2024 shall be <math>\geq 30\%</math>.</p>

*Notes:*

- a. The above-mentioned “net profits” represents: the net profits (net of non-recurring profits and losses) attributable to the Shareholders of the Listed Company; “return on net assets” represents: the weighted average return on net assets attributable to the Shareholders of the Listed Company (net of non-recurring profits and losses).
- b. During the Validity Period of the share option incentive scheme, in case of events such as additional issuance or rights issue resulting in a change in net assets of the Company, the change in net assets and the corresponding income arising therefrom (if the corresponding income cannot be accurately calculated, it can be calculated by multiplying the actual financing amount net of the financing cost by the interest rate of the national debts of the same term) shall be excluded when conducting the appraisal.
- c. The incentive costs incurred in the scheme will be charged to the Company’s administrative expenses.



- d. The Company belongs to the “automobile manufacturing industry” under the industry classification of the CSRC. The reference to the “industry average” mentioned above means all domestic A-Share listed companies under the “automobile manufacturing industry” classification of the CSRC.

In accordance with the principle of “comparable market, similar business, stable operation”, the Company has selected 20 A-Share listed companies from the automobile manufacturing industry under the industry classification of the CSRC and the “SW automobile manufacturing” industry under the SWS Research sector categorisation as benchmarking companies in the same industry.

<b>No.</b>	<b>Stock Code</b>	<b>Stock abbreviation</b>
1	000868.SZ	Ankai
2	600733.SH	BAIC Bluepark
3	002594.SZ	BYD
4	600006.SH	Dongfeng Motor
5	600166.SH	Foton Motors
6	000572.SZ	Haima Automobile
7	600418.SH	JAC
8	000550.SZ	JMC
9	600686.SH	King Long Motor
10	601777.SH	Lifan Technology
11	601127.SH	SERES
12	600104.SH	SAIC Motor
13	600213.SH	AsiaStar Bus
14	000800.SZ	FAW Jiefang
15	600066.SH	Yutong Bus
16	000625.SZ	Changan Automobile
17	601633.SH	Great Wall Motor
18	000951.SZ	Sinotruk
19	301039.SZ	Cimc Vehicles
20	000957.SZ	Zhongtong Bus

If there are significant changes in the principal business of the benchmarking companies, or extreme or abnormal values with significant deviation in the samples during the Validity Period of the incentive scheme, the Board can exclude or replace the samples according to the actual conditions.

## **(II) Appraisal requirements of performance at the individual’s level**

The corresponding Share Options can only be exercised on the premise that the Participant satisfies the performance appraisal conditions. The specific exercise ratio is determined based on the results of the individual performance appraisal of the Participant, and the special circumstances in the performance appraisal are determined by the Board. Details are as follows:



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**APPENDIX VII****APPRAISAL MANAGEMENT MEASURES FOR  
IMPLEMENTATION OF THE FOURTH SHARE  
OPTION INCENTIVE SCHEME**

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<b>Appraisal results (S)</b>	<b>Excellent</b>	<b>Good</b>	<b>Qualified</b>	<b>Basically qualified</b>	<b>Not qualified</b>
Exercise ratio	100%	100%	100%	70%	0%

If the conditions for exercise in the current exercise period have not been fulfilled due to the failure in meeting the performance appraisal targets of the Company or the individual performance appraisal, the corresponding Share Options shall be cancelled by the Company and shall not be deferred to the next period for exercise.

**VI. PERIOD AND FREQUENCY OF APPRAISAL**

The appraisal period of the incentive scheme covers three accounting years from 2023 to 2025, and an appraisal will be carried out once every accounting year.

**VII. PROCEDURES OF APPRAISAL**

The Human Resources Department of the unit in which a Participant belongs shall be responsible for the specific implementation of appraisal for such Participant. The appraisal results will be submitted to the Office of the Board of the Group for summarising, based on which the Office of the Board will prepare a performance appraisal report and submit it to the Remuneration and Assessment Committee for deliberation.

**VIII. MANAGEMENT OF APPRAISAL RESULTS****1. Feedback and complaints on appraisal results**

The appraisee shall have the right to be informed of his appraisal results. The direct supervisor of the employee shall inform the appraisee of his appraisal results within 15 working days from the completion of the appraisal.

In the event that an appraisee has objection to the appraisal results, he can communicate with his corresponding appraisal department to resolve it. If it cannot be resolved by communication, the appraisee can lodge a complaint to the Remuneration and Assessment Committee, which shall conduct verification and determine the final appraisal results within 10 working days.

**2. Filing of appraisal results**

After the appraisal, appraisal results shall be kept and filed as confidential information.

**IX. MISCELLANEOUS**

1. The Board shall be responsible for the formulation, interpretation and amendment of these measures.



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**APPENDIX VII****APPRAISAL MANAGEMENT MEASURES FOR  
IMPLEMENTATION OF THE FOURTH SHARE  
OPTION INCENTIVE SCHEME**

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2. These measures shall be implemented upon consideration and approval at the General Meetings of the Company and upon the Fourth Share Option Incentive Scheme being effective.

The Board of Directors  
**Guangzhou Automobile Group Co., Ltd.**



**PROPOSED GRANT OF MANDATE TO THE BOARD AND ITS AUTHORIZED  
PERSON TO DEAL WITH IN FULL DISCRETION ALL MATTERS RELATING  
TO THE FOURTH SHARE OPTION INCENTIVE SCHEME OF THE COMPANY**

Details for the resolution on the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Scheme at the EGM and the H Shareholders' Class Meeting are as follows:

To ensure the smooth implementation of the Fourth Scheme, it will be proposed at the EGM and the H Shareholders' Class Meeting to authorize the Board and its authorized person to deal with the matters below with full authority.

- (I) Proposing grant of mandate at the General Meetings to the Board and its authorized person to be responsible for the following matters in relation to the implementation of the Fourth Scheme with full authority:
  - 1. to determine the Date of Grant of the Fourth Scheme;
  - 2. to adjust the number of Share Options in accordance with the methods under the Fourth Scheme in case of capitalization issue, bonus issue, share subdivision or share consolidation and rights issue of the Company;
  - 3. to adjust the Exercise Price of Share Options in accordance with the methods under the Fourth Scheme in case of capitalization issue, bonus issue, share subdivision or share consolidation, rights issue and dividend distribution of the Company;
  - 4. to grant Share Options to the Participants when they meet the conditions and deal with all matters required for the grant, including but not limited to signing of the agreement in relation to share option incentive with the Participants and relevant documents, applying to the SSE for the grant and applying to the Shanghai Branch of China Securities Depository and Clearing Corporation Limited in relation to registration and clearing matters, etc.;
  - 5. to review and confirm the granting qualification, Conditions of Grant, number of grant, qualification for exercise of Share Options, Conditions of Exercise of Share Options and number of Share Options exercised, and approve the Board to delegate such right to the Remuneration and Assessment Committee;
  - 6. to grant the mandate to the Board to deal with the change in and termination of the Fourth Scheme according to the requirements of the Fourth Scheme, and to determine whether the Share Options can be granted to the Participants and whether the Participants can handle the matters relating to exercising Share Options, locking up and cancelling the Share Options not yet exercised by the Participants;



7. to deal with all matters required for exercise of Share Options for the Participants, including but not limited to making application to the SSE, making application to Shanghai Branch of the China Securities Depository and Clearing Corporation Limited in relation to registration and settlement, amending the Articles of Association, and registering the change in registered capital of the Company etc.;
  8. to determine whether to recover the gains of the Participants arising from exercising Share Options and deal with all necessary matters in accordance with the Fourth Scheme;
  9. to implement other matters as required by the Fourth Scheme, including but not limited to adjustments of the Fourth Scheme and related matters, except for the rights to be exclusively exercised by the general meeting of the Company as explicitly required under relevant documents.
- (II) To complete procedures with relevant governments departments and authorities in relation to the Fourth Scheme including review, registration, filing, approval and consent etc.; to sign, execute, amend and complete documents submitted to relevant government departments, authorities, organizations, and individuals; and to carry out all other actions necessary, appropriate, or expedient in relation to the Fourth Scheme, except for the rights to be exclusively exercised by the general meeting as explicitly required under relevant documents.
- (III) To align the term of the grant of mandate with the Validity Period of the Fourth Scheme.

Regarding the authorization and related matters mentioned above, except for matters that need to be passed by the resolutions of the Board as clearly stipulated by the laws, administrative regulations, regulations of the CSRC, regulatory documents, the Articles of Association and the Fourth Share Option Incentive Scheme (Draft), other matters may be exercised directly by the chairman of the Company or an appropriate person authorized by him on behalf of the Board.

The Board of Directors  
**Guangzhou Automobile Group Co., Ltd.**



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## NOTICE OF 2023 FIRST EXTRAORDINARY 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 FIRST EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2023 first extraordinary general meeting (the “EGM”) 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 9:30 a.m. on Friday, 20 January 2023 to consider and, if thought fit, approve the following resolutions:

1. The resolution in relation to the change of the Company’s registered capital and the amendments to the Articles of Association
2. The resolution in relation to the amendments to the Rules of Procedures of the General Meetings
3. The resolution in relation to the amendments to the Rules of Procedures of the Board
4. The resolution in relation to the amendments to the Rules for the Independent Directors
5. The resolution in relation to the amendments to the Decision-making Management Rules of Related Party Transactions
6. The resolution in relation to the adoption of the Fourth Share Option Incentive Scheme (Draft) and its summary
7. The resolution in relation to the Appraisal Management Measures for Implementation of the Fourth Share Option Incentive Scheme
8. The resolution in relation to the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Share Option Incentive Scheme of the Company



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## NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

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The above resolutions (1) and (6) to (8) will be considered and approved by way of special resolutions. The above resolutions (2) to (5) will be considered and approved by way of ordinary resolutions.

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

Guangzhou, the PRC, 4 January 2023

*Notes:*

1. Details of the above resolutions (1) to (8) are set out in the circular of the Company dated 4 January 2023.
2. Any shareholder of the Company (the “**Shareholder**”) 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. 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 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. 9:30 a.m. on Thursday, 19 January 2023) or 24 hours before the time designated 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 meeting 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 record date and time for ascertaining the entitlement of the Shareholders to attend and vote at the EGM and the H Shareholders’ Class Meeting is at 4:30 p.m. on Tuesday, 17 January 2023. In order to be eligible to attend and vote at the forthcoming EGM, 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, 17 January 2023.
7. Shareholders or their proxies attending the EGM 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 “**Hong Kong 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 EGM 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.
9. The notice of the EGM is despatched to holders of H shares of the Company only. The notice of the EGM 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>).
10. The contact person of the EGM is Mr. Liu Yong and his contact number is (86)-20-83151012 / (86)-20-83151139, Ext. 8104.



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## NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

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*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.*



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## NOTICE OF 2023 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 2023 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2023 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 9:30 a.m. on Friday, 20 January 2023 (in the order of the 2023 first extraordinary general meeting, the 2023 first class meeting for holders of A shares and the 2023 first H Shareholders’ Class Meeting of the Company) to consider and, if thought fit, approve the following resolutions:

### SPECIAL RESOLUTIONS

1. The resolution in relation to the adoption of the Fourth Share Option Incentive Scheme (Draft) and its summary
2. The resolution in relation to the Appraisal Management Measures for Implementation of the Fourth Share Option Incentive Scheme
3. The resolution in relation to the proposed grant of mandate to the Board and its authorized person to deal with in full discretion all matters relating to the Fourth Share Option Incentive Scheme of the Company

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

Guangzhou, the PRC, 4 January 2023

#### *Notes:*

1. Details of the resolutions (1) to (3) are set out in the circular of the Company dated 4 January 2023.
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.



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## NOTICE OF 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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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 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. 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. 9:30 a.m. on Thursday, 19 January 2023) or 24 hours before the time designated for taking the poll.
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 meeting 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 record date and time for ascertaining the entitlement of the Shareholders to attend and vote at the EGM and the H Shareholders' Class Meeting is at 4:30 p.m. on Tuesday, 17 January 2023. 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, 17 January 2023.
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 "**Hong Kong 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.
9. The notice of H Shareholders' Class Meeting is despatched to the 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.*