
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant 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 and the reply slip to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DISTRIBUTION OF INTERIM DIVIDEND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 1 to 3 of this circular.

A notice convening the EGM to be held at 10 a.m. on Wednesday, 20 October 2010 at Harbour View Ballroom II & III, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong is set out on pages 4 to 5 of this circular.

A reply slip and a form of proxy for use at the EGM are enclosed herewith and also published on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>). If you intend to appoint a proxy to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish. Shareholders who intend to attend the meeting in person or by proxy should complete and return the reply slip in accordance with the instructions printed thereon on or before 30 September 2010.

3 September 2010

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LETTER FROM THE BOARD



GUANGZHOU AUTOMOBILE GROUP CO., LTD.

廣州汽車集團股份有限公司

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

(Stock Code: 2238)

Executive Directors:

ZHANG Fangyou (*Chairman*)
ZENG Qinghong (*Vice Chairman*)
YUAN Zhongrong
LU Sa

Registered office:

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

Non-executive Directors:

FU Shoujie
LIU Huilian
WEI Xiaoqin
LI Tun
WANG Songlin
LI Pingyi

Principal place of business in Hong Kong:

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

Independent non-executive Directors:

WU Gaogui
MA Guohua
XIANG Bing
LAW Albert Yu Kwan
LI Zhengxi

3 September 2010

To the Shareholders

Dear Sir or Madam,

**DISTRIBUTION OF INTERIM DIVIDEND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular, to which this letter forms a part of, is to give you a notice of the extraordinary general meeting of the Company (the "EGM") to be held at 10 a.m. on Wednesday, 20 October 2010 at Harbour View Ballroom II & III, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution at the EGM.

At the EGM, an ordinary resolution will be proposed to approve the distribution of interim dividend for the six months ended 30 June 2010.

LETTER FROM THE BOARD

2. DISTRIBUTION OF INTERIM DIVIDEND

On 31 August 2010, pursuant to the Articles of Association of the Company and the relevant laws and regulations of the PRC, the board of directors of the Company recommended a payment of cash dividend of approximately RMB553,325,000 for the six months ended 30 June 2010 (the “**Interim Dividend**”) to the shareholders of the Company (the “**Shareholders**”). The Interim Dividend distribution will be made based on the Company’s entire issued share capital of 6,148,057,675 shares, representing an amount of RMB0.09 per share. The Interim Dividend is subject to consideration and approval by the Shareholders at the EGM.

The Interim Dividend will be paid to holders of H shares of the Company (the “**H Shares**”) whose names appear on the register of members on Wednesday, 20 October 2010. The share registrar for H Shares will be closed from Sunday, 19 September 2010 to Wednesday, 20 October 2010 (both days inclusive). In order to qualify for receiving the dividend, all transfer in respect of H Shares must be lodged at the Company’s share registrar for H Shares in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 17 September 2010.

Pursuant to the “Notice Regarding Questions on Withholding Enterprise Income Tax When PRC Resident Enterprises Distribute Dividend to Foreign Non-resident Enterprise Shareholders of H Shares” (Guo Shui Han 2008 No. 897) issued by the State Administration of Taxation of the PRC, the Company is required to withhold enterprise income tax at the rate of 10% before distributing the dividend to non-resident enterprises as holders of the H Shares. The withholding of enterprise income tax shall be applied to any H Shares registered in the name of non-resident enterprises including but not limited to HKSCC Nominees Limited, other non-resident nominees, trustees or other groups and organisations.

The Interim Dividend to be distributed will be denominated and declared in Renminbi and will be paid to holders of H Shares in Hong Kong dollars. The value of Interim Dividend payable in Hong Kong dollars shall be based on the average exchange rate of Renminbi and Hong Kong dollars announced by the People’s Bank of China in the five business days before 20 October 2010, being the date of the EGM. The Interim Dividend are expected to be paid no later than 20 December 2010 after it is approved at the EGM.

3. EGM

A notice convening the EGM to be held at 10 a.m. on Wednesday, 20 October 2010 at Harbour View Ballroom II & III, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong is set out on pages 4 to 5 of this circular. In order to determine the list of Shareholders who are entitled to attend the EGM, the register of members of the H Shares will be closed from Sunday, 19 September 2010 to Wednesday, 20 October 2010, both days inclusive, during which period no transfer of Shares will be effected. Holders of the Company’s H Shares whose names appear on the register of members of the H Shares on Wednesday, 20 October 2010 are entitled to attend the meeting.

In order to attend and vote at the meeting, holders of H Shares of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at or before 4:30 p.m. on Friday, 17 September 2010. The address of the transfer office of Tricor Investor Services Limited is 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed and is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.gagc.com.cn). Whether or not you are able to attend the EGM, you are requested to complete and return (i) the enclosed reply slip in accordance with the instructions printed thereon not later than Thursday, 30 September 2010; and (ii) the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person if you so wish.

4. RECOMMENDATION

The Directors believe that the proposed resolution mentioned above is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the eligible Shareholders should vote in favour of the resolution to be proposed at the EGM.

5. VOTING BY POLL

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions at the general meeting of the Company will be taken by way of poll.

Yours faithfully
By order of the board of
Guangzhou Automobile Group Co., Ltd.
Mr. Zhang Fangyou
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



GUANGZHOU AUTOMOBILE GROUP CO., LTD.

廣州汽車集團股份有限公司

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

(Stock Code: 2238)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Guangzhou Automobile Group Co., Ltd. (the “Company”) will be held at 10 a.m. on Wednesday, 20 October 2010 at Harbour View Ballroom II & III, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong for the purpose of considering, and, if thought fit, passing the ordinary resolution to consider and approve the distribution of interim dividend for the six months ended 30 June 2010.

By order of the board of
Guangzhou Automobile Group Co., Ltd.
Mr. Zhang Fangyou
Chairman

Guangzhou, the PRC, 3 September 2010

As at the date of this notice, the executive directors of the Company are ZHANG Fangyou, ZENG Qinghong, YUAN Zhongrong and LU Sa, the non-executive directors of the Company are FU Shoujie, LIU Huilian, WEI Xiaoqin, LI Tun, WANG Songlin and LI Pingyi and the independent non-executive directors of the Company are WU Gaogui, MA Guohua, XIANG Bing, LAW Albert Yu Kwan and LI Zhengxi.

Notes:

1. The voting at the EGM shall be conducted by way of poll.
2. The holders of domestic shares and H Shares will vote as one class of shareholders. The Company's register of members for the H Shares will be closed from Sunday, 19 September 2010 to Wednesday, 20 October 2010, both days inclusive, during which period no transfer of H Shares will be effected. The holders of H Shares whose names appear on the Company's register of members on Wednesday, 20 October 2010 are entitled to attend the EGM. In order to qualify for attending the EGM, the holders of H Shares whose transfers have not been registered must deposit transfer documents together with the relevant share certificates at the H share registrar of the Company, Tricor Investor Services Limited, not later than 4:30 p.m. on Friday, 17 September 2010. The address of Tricor Investor Services Limited is 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
3. Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Shareholder. Each Shareholder who wishes to appoint one or more proxies should first review this notice to the EGM.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised attorney(s). If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarized.
5. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) signed by the authorised person or notarially certified power of attorney must be deposited to Tricor Investor Services Limited for holders of H Shares at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he so wishes.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. Shareholders who intend to attend the EGM in person or by proxy should return the reply slip to Tricor Investor Services Limited for holders of H Shares on or before Thursday, 30 September 2010. The address of Tricor Investor Services Limited is 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
7. The EGM is expected to last for no more than half a day. Shareholders (or their proxies) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders (or their proxies) attending the meeting shall present identity certification.