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MUDAN AUTOMOBILE SHARES COMPANY LIMITED*

牡丹汽車股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8188)

**FURTHER POSTPONEMENT OF BOARD MEETING
AND
FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS
ANNOUNCEMENT AND DISPATCH OF 2011 ANNUAL REPORT**

Reference is made to the announcement of Mudan Automobile Shares Company Limited (the “**Company**”) dated 28 March 2012 in relation to the postponement of meeting of the board of directors (the “**Board**”) of the Company, delay in publication of the annual financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2011 (the “**Annual Results**”) and dispatch of the annual report of the Company for the year ended 31 December 2011 (the “**Annual Report**”).

FUTHER POSTPONEMENT OF BOARD MEETING

The Board hereby announces a further postponement of the meeting of the Board as additional time is required to gather further information for the Company’s auditors to complete the audit procedures in the audited consolidated financial statements of the Group for the year ended 31 December 2011. The meeting of the Board was originally scheduled to be held on 27 April 2012, for the purpose of considering and approving, among other matters, the Annual Results and the recommendation of the payment of dividends, if any.

The Company will publish a further announcement in due course to inform the shareholders of the Company (the “**Shareholders**”) on the date of the re-scheduled meeting of the Board.

FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS AND DISPATCH OF 2011 ANNUAL REPORT

As additional time is required to gather further information for the Company’s auditors to complete the audit procedures in the audited consolidated financial statements of the Group for the year ended 31 December 2011, the Board announces that the publication of the Annual Results announcement and the dispatch of the Annual Report will be further delayed. The Company will publish the Annual Results and dispatch the Annual Report as soon as practicable.

Pursuant the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), the Company must publish the Annual Results and dispatch

the Annual Report to the Shareholders not later than 3 months after the date upon which its financial year ended, that is, on or before 31 March 2012. Such delay thereby constitutes breaches of Rules 18.03 and 18.48A of the GEM Listing Rules.

SUSPENSION OF TRADING

Trading of the H-shares of the Company had been suspended from 2:30 p.m. on 29 March 2005.

Reference is made to the announcement made by the Company on 8 November 2011 setting out, inter alia, conditions to be fulfilled by the Company with regard to the resumption of trading of the H-shares. The Company is in the progress of fulfilling the conditions as set out by the Stock Exchange of Hong Kong Limited. The trading of the H-shares will remain to be suspended under further notice.

By order of the Board
Mudan Automobile Shares Company Limited*
LI Zi Hao
Chairman

Zhangjiagang City, Jiangsu Province, the PRC
27 April 2012

As at the date of this announcement, the Board comprises six (6) directors, of which two (2) are executive directors, namely Mr. LI Zi Hao (chairman of the Board) and Mr. CHEN Jianxin; one (1) is non-executive director, namely Mr. PAN Jin Rong and three (3) are independent non-executive directors, namely Mr. HUANG Chengye, Mr. LIANG Bo Qi and Mr. WU Bing Jian.

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

The announcement will remain on the website of the Growth Enterprise Market at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting and will be published on the website of the Company (<http://www.mudanauto.com>)

** For identification purpose only*