

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



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 DELAY IN DESPATCH OF CIRCULAR IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

As additional time is required to finalise certain information to be contained in the circular, including the letter from the Board and the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders setting out its opinion on the Vehicle Purchase Framework Agreements, the Vehicle Parts Purchase Framework Agreement and the Sale Framework Agreement and the related annual caps. An application has been made by the Company to the Stock Exchange for a waiver from strict compliance with Rule 20.49 of the GEM Listing Rules such that the despatch date of the circular is to be further postponed to on or before 9 April 2010.

Reference is made to the announcement of Mudan Automobile Shares Company Limited (the “Company”) dated 12 February 2010 (the “Announcement”) in relation to the Vehicle Purchase Framework Agreements, the Vehicle Parts Purchase Framework Agreement and the Sale Framework Agreement and the announcement of the Company dated 4 March 2010 (the “Delay Announcement”) in relation to the delay in despatch of the circular. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to Rule 20.49 of the GEM Listing Rules, the Company is required to despatch a circular to its shareholders within 21 days after publication of the Announcement, i.e. on or before 5 March 2010. As disclosed in the Delay Announcement, an application was made by the Company to the Stock Exchange for a waiver from strict compliance with Rule 20.49 of the GEM Listing Rules such that the date of despatch of the Circular was delayed to no later than 26 March 2010.

As additional time is required to finalise certain information to be contained in the circular, including the letter from the Board and the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders setting out its opinion on the Vehicle Purchase Framework Agreements, the Vehicle Parts Purchase Framework Agreement and the Sale Framework Agreement and the related annual caps. An application has been made by the Company to the Stock Exchange for a waiver from strict compliance with Rule 20.49 of the GEM Listing Rules such that the despatch of the circular is to be further postponed to on or before 9 April 2010.

On behalf of the Board
Mudan Automobile Shares Company Limited
LI Zi Hao
Chairman

Shunde, Foshan City, Guangdong Province, the PRC
26 March 2010

As at the date of this announcement, the Board comprises five (5) Directors, of which two (2) are executive Directors, namely Mr. LI Zi Hao (Chairman of the Board) and Ms. PAN Li Chan; one (1) is non-executive Director, namely Mr. CHAN Man and two (2) are independent non-executive Directors, namely Mr. HUANG Chengye and Mr. WANG Ruihua.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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