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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)**

**DECISION OF THE REVIEW HEARING OF  
THE GEM LISTING (REVIEW) COMMITTEE-  
CONDITIONAL APPROVAL FOR RESUMPTION OF  
TRADING OF H-SHARES**

**Financial adviser**



**WALLBANCK BROTHERS  
Securities (Hong Kong) Limited**

**THE GEM LISTING (REVIEW) COMMITTEE'S DECISION**

On 8th November 2011, the Stock Exchange informed the Company in the Decision Letter that the Company was granted an approval from the Review Committee to resume trading in its H-Shares in the Stock Exchange subject to, among other things, all conditions as set out in the Decision Letter have been complied with to the satisfaction of the Listing Division.

**UPDATE ON STATUS OF SUSPENSION ON TRADING OF THE SHARES**

According to the announcement of Mudan Automobile Shares Company Limited (the "**Company**") dated 15th July 2011, at the request of the Company, trading of the H-Shares of the Company had been suspended since 29th May 2005. The Company was notified by the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8th July 2011 that the GEM Listing Committee (the "**Listing Committee**") has considered that it is inappropriate to grant an extension of the deadline for submission of a resumption proposal and decided that the listing of the Company's H-Shares on the Stock Exchange be cancelled in accordance with Rule 9.14 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange. Thereafter, the Board had submitted an application to the Stock Exchange for a review from the GEM Listing (Review) Committee (the "**Review Committee**") on the said decision.

On 18th July 2011, the Review Committee informed the Company that an extension of the deadline for submission of a resumption proposal had been granted.

On 28th September 2011, the Company submitted an application together with a resumption proposal to the Review Committee to review the said decision of the Listing Committee.

On 1st November 2011, the Review Committee held a meeting to hear and consider the application from the Company for review of the decision of the Listing Committee.

## **THE GEM LISTING (REVIEW) COMMITTEE'S DECISION**

On 8th November 2011, the Stock Exchange informed the Company in writing (the “**Decision Letter**”) that it was granted an approval from the Review Committee to resume trading in its H-Shares in the Stock Exchange subject to, among other things, all conditions as set out in the Decision Letter have been complied with to the satisfaction of the Listing Division. A summary of the Decision Letter is shown as below:

### **Decision**

The Review Committee considered all the submissions (both written and oral) made by the Company and the Listing Division. The Review Committee decided to allow the Company to proceed with the resumption proposal set out in the Company's written submission to the Review Committee submitted on 28th September 2011 (the “**Resumption Proposal**”), subject to compliance with the following conditions to the satisfaction of the Listing Division:

1. the Company to have adhered to the Resumption Proposal;
2. the Company to have met the profit forecast, net cash used in operating activities and net assets in the 6-month period ending June 2012 as projected in the appendices to the Resumption Proposal;
3. the Company to have implemented and fulfilled all aspects on internal control and recommendations raised by SHINEWING Risk Services Limited (“**SHINEWING**”); and SHINEWING to have produced a written confirmation of full and satisfactory compliance;
4. the Company to have resolved audit qualification issues and produced an unqualified financial statement (save and except qualifications of technical nature acceptable to the Listing Division) for 6 months ending 30th June 2012 and before trading of the Company's H-shares on the Stock Exchange resumes; and
5. the Company to have complied with all rules and regulations of the PRC for H-shares companies before trading of the Company's H-shares on the Stock Exchange resumes.

Conditions 1 to 3 must be complied with to the satisfaction of the Listing Division by 30th June 2012 while conditions 4 and 5 must be complied with to the satisfaction of the Listing Division prior to trading of the Company's H-shares on the Stock Exchange resumes. The Listing Division may negotiate minor variations to the projected figures in relation to Condition 2 provided they do not materially weaken the intent of ensuring that the Company implements the essential features of the Resumption Proposal.

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

Zhangjiagang City, Jiangsu Province, the PRC  
9 November 2011

*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 issuer 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 issuer. The directors, 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