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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)

FORMATION OF NOMINATION COMMITTEE

The board of directors (the “**Board**”) of Mudan Automobile Shares Company Limited (the “**Company**”) is pleased to announce that a nomination committee (the “**Nomination Committee**”) has been established by the Board with written terms of reference with effect from 12 March 2012.

The members of the Nomination Committee shall comprise such directors of the Company appointed by the Board. The Board has appointed Mr. Wu Bing Jian, Mr. Huang Chengye and Mr. Liang Bo Qi as members of the Nomination Committee. Mr. Wu Bing Jian has been appointed as the chairman of the Nomination Committee.

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

Shunde, Foshan City, Guangdong Province, the People's Republic of China
12 March 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 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*