BAOXIN AUTO GROUP LIMITED
寶信汽車集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1293)

VOLUNTARY ANNOUNCEMENT UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

Reference is made to the joint announcement of Baoxin Auto Group Limited (the "**Company**"), CGA and the Offeror in relation to, among other things, a pre-conditional voluntary cash partial offer and option offer to acquire a maximum of 75% of the issued share capital of the Company from Qualifying Shareholders and to cancel a maximum of 75% of the outstanding Share Options dated December 11, 2015 (the "**Rule 3.5 Announcement**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as used in the Rule 3.5 Announcement.

In connection with the Offers, CGA has published a draft Chinese major asset restructuring report (重大資產購買報告書) (the "**SSE Report**") in accordance with the relevant rules and regulations on the website of the Shanghai Stock Exchange on the date of the Rule 3.5 Announcement which contains, among other things, unaudited financial information of the Group for the nine months ended September 30, 2015 (the "**Unaudited Financial**"). The Company, CGA and the Offeror have jointly published a draft Chinese SSE Report and an English translation of such report on the Stock Exchange on the same date. A final SSE Report will be published by CGA on the Shanghai Stock Exchange following review and comments by the Shanghai Stock Exchange, and at such time, a further announcement jointly issued by the Company, CGA and the Offeror will be published on the Stock Exchange enclosing a copy of such final Chinese SSE Report and an English translation of such report. The Unaudited Financial and the basis upon which it is prepared are set out in this announcement.

Pursuant to Rule 10 of the Takeovers Code, the unaudited consolidated gross profit, profit from operations, profit before tax, profit for the period comprising profit attributable to owners of the parent and non-controlling interests, total comprehensive income for the period and profit attributable to equity holders of the Company for the nine months ended September 30, 2015 constitute a profit forecast (the "**Profit Estimate**") and would need to be reported on by each of the financial advisers and auditors or accountants of the Company in accordance with note 1(c) to Rule 10.1 and 10.2 of the Takeovers Code. The Profit Estimate has been reported on by Somerley Capital Limited (the independent financial adviser to the Company) and Ernst & Young (the auditors of the Company) in accordance with Rule 10 of the Takeovers Code. The comfort letters issued by Somerley Capital Limited and Ernst & Young have been lodged with the Executive pursuant to Rule 10.4 of the Takeovers Code and the text of which are set out in the appendices to this announcement.

The Company currently does not intend to publish unaudited quarterly results of the Group in the future.

The Directors hereby presents the unaudited consolidated results of the Group for the nine months ended September 30, 2015 as follows:

SUMMARY OF THE UNAUDITED FINANCIAL

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the nine months ended September 30, 2015

	Notes	**Unaudited For the nine months ended September 30, 2015** *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
REVENUE	*4(a)*	**16,595,734**	22,065,216
Cost of sales and services provided	*5(b)*	**(15,101,295)**	(20,016,643)
Gross profit		**1,494,439**	2,048,573
Other income and gains, net	*4(b)*	**246,807**	354,242
Selling and distribution costs		**(644,002)**	(710,158)
Administrative expenses		**(471,068)**	(472,642)
Profit from operations		**626,176**	1,220,015
Finance costs	*6*	**(402,046)**	(422,325)
Share of profit of a joint venture		**4,372**	4,579
Share of loss of an associate		**(16,151)**	–
Profit before tax	*5*	**212,351**	802,269
Income tax expense	*7*	**(57,343)**	(243,459)
Profit for the period		**155,008**	558,810
Attributable to:			
Owners of the parent		**153,033**	549,458
Non-controlling interests		**1,975**	9,352
		155,008	558,810
Earnings per share attributable to ordinary equity holders of the parent			
Basic and diluted			
— For profit for the period (RMB)	*9*	**0.06**	0.21

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2015

	Unaudited For the nine months ended September 30, 2015 *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
Profit for the period	**155,008**	558,810
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements	**(163,040)**	(806)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(163,040)**	(806)
Other comprehensive income for the period, net of tax	**(163,040)**	(806)
Total comprehensive income for the period	**(8,032)**	558,004
Attributable to:		
Owners of the parent	**(10,007)**	548,652
Non-controlling interests	**1,975**	9,352
	(8,032)	558,004

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at September 30, 2015

	Notes	**Unaudited September 30, 2015 RMB'000**	Audited December 31, 2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**3,848,384**	3,788,537
Prepaid land lease payment		**646,778**	537,139
Intangible assets		**893,459**	922,189
Prepayments and deposits		**367,836**	498,084
Finance lease receivables		**20,081**	12,207
Goodwill		**100,725**	100,725
Investment in a joint venture		**49,388**	45,016
Available-for-sale investment		**16,573**	16,573
Deferred tax assets		**85,377**	74,229
Total non-current assets		**6,028,601**	5,994,699
CURRENT ASSETS			
Inventories	*11*	**2,582,274**	3,056,777
Trade receivables	*12*	**615,305**	393,155
Finance lease receivables		**26,318**	12,731
Prepayments, deposits and other receivables		**5,649,636**	5,503,515
Amounts due from related parties	*21(a)*	**51,431**	41,063
Pledged bank deposits		**1,315,438**	2,436,468
Cash in transit		**72,333**	134,987
Cash and cash equivalents		**3,194,421**	2,202,892
		13,507,156	13,781,588
Non-current asset classified as held for sale	*13*	**80,510**	–
Total current assets		**13,587,666**	13,781,588
CURRENT LIABILITIES			
Bank loans and other borrowings	*14*	**5,466,412**	5,107,438
Trade and bills payables	*15*	**4,402,948**	4,877,913
Other payables and accruals		**770,087**	779,516
Income tax payable		**509,617**	522,339
Dividends payable		**1,513**	–
Total current liabilities		**11,150,577**	11,287,206
Net current assets		**2,437,089**	2,494,382
Total assets less current liabilities		**8,465,690**	8,489,081

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at September 30, 2015

	Notes	Unaudited September 30, 2015 RMB'000	Audited December 31, 2014 RMB'000
NON-CURRENT LIABILITIES			
Bank loans	*14*	**2,669,866**	2,621,136
Bonds	*16*	**427,453**	396,095
Deferred tax liabilities		**328,847**	323,050
Total non-current liabilities		**3,426,166**	3,340,281
Net assets		**5,039,524**	5,148,800
EQUITY			
Equity attributable to owners of the parent			
Share capital	*17*	**20,836**	20,836
Reserves		**4,956,574**	5,067,825
		4,977,410	5,088,661
Non-controlling interests		**62,114**	60,139
Total equity		**5,039,524**	5,148,800

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended September 30, 2015

	Attributable to owners of the parent										
	Share capital	Share premium*	Share awards and option reserve*	Statutory reserve*	Merger reserve*	Exchange fluctuation reserve*	Retained profits*	Proposed final dividend	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2014	20,836	1,868,372	15,925	271,303	(58,327)	7,636	2,240,486	303,885	4,670,116	53,149	4,723,265
Profit for the period	–	–	–	–	–	–	549,458	–	549,458	9,352	558,810
Other comprehensive income for the period:											
Exchange differences on translation of financial statements	–	–	–	–	–	(806)	–	–	(806)	–	(806)
Total comprehensive income for the period	–	–	–	–	–	(806)	549,458	–	548,652	9,352	558,004
Equity-settled share-based transactions	–	–	15,745	–	–	–	–	–	15,745	–	15,745
Final 2013 dividend declared	–	–	–	–	–	–	–	(303,885)	(303,885)	–	(303,885)
At September 30, 2014 (Unaudited)	20,836	1,868,372	31,670	271,303	(58,327)	6,830	2,789,944	–	4,930,628	62,501	4,993,129
At January 1, 2015	**20,836**	**1,767,128**	**31,670**	**350,069**	**(58,327)**	**7,677**	**2,868,364**	**101,244**	**5,088,661**	**60,139**	**5,148,800**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**153,033**	**–**	**153,033**	**1,975**	**155,008**
Other comprehensive income for the period:											
Exchange differences on translation of financial statements	**–**	**–**	**–**	**–**	**–**	**(163,040)**	**–**	**–**	**(163,040)**	**–**	**(163,040)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**(163,040)**	**153,033**	**–**	**(10,007)**	**1,975**	**(8,032)**
Final 2014 dividend declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(101,244)**	**(101,244)**	**–**	**(101,244)**
At September30, 2015 (Unaudited)	**20,836**	**1,767,128**	**31,670**	**350,069**	**(58,327)**	**(155,363)**	**3,021,397**	**–**	**4,977,410**	**62,114**	**5,039,524**

* These reserve accounts comprise the consolidated reserves of RMB4,956,574,000 (2014: RMB4,966,581,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended September 30, 2015

	Notes	**Unaudited For the nine months ended September 30, 2015** **RMB'000**	Unaudited For the nine months ended September 30, 2014 RMB'000
Operating activities			
Profit before tax		**212,351**	802,269
Adjustments for:			
Share of profit of a joint venture		**(4,372)**	(4,579)
Share of loss of an associate company		**16,151**	–
Depreciation of property, plant and equipment	*5(c)*	**240,922**	216,062
Amortisation of prepaid land lease payments	*5(c)*	**5,818**	5,101
Amortisation of intangible assets	*5(c)*	**28,347**	29,938
Gain on disposal of subsidiaries	*4(b)*	**(16,016)**	–
Interest income	*4(b)*	**(20,887)**	(24,558)
Net gain on disposal of items of property, plant and equipment	*4(b)*	**(492)**	(2,196)
Net loss on disposal of items of intangible assets		**–**	715
Written-down of inventories to net realisable value		**–**	9,044
Finance costs	*6*	**402,046**	422,325
Equity-settled share option expense	*5(a)*	**–**	15,745
		863,868	1,469,866
Decrease in pledged bank deposits		**1,121,030**	389,266
Decrease/(increase)in cash in transit		**62,654**	(38,201)
(Increase)/decrease in trade receivables		**(222,150)**	83,340
Increase in prepayments, deposits and other receivables		**(100,584)**	(904,094)
Decrease/(increase)in inventories		**474,503**	(1,078,768)
(Decrease)/increase in trade and bills payables		**(474,965)**	634,065
(Decrease)/Increase in other payables and accruals		**(43,395)**	31,052
Increase of finance lease receivable		**(21,461)**	(1,964)
Cash generated from operations		**1,659,500**	584,562
Income tax paid		**(81,259)**	(119,728)
Net cash generated from operating activities		**1,578,241**	464,834

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the nine months ended September 30, 2015

	Notes	**Unaudited For the nine months ended September 30, 2015 *RMB'000***	Unaudited For the nine months ended September 30, 2014 *RMB'000*
Investing activities			
Purchase of items of property, plant and equipment		**(317,864)**	(576,269)
Proceeds from disposal of items of property, plant and equipment		**123,701**	38,076
Prepaid land lease payment		**(75,278)**	(197,275)
Purchase of intangible assets		**(129)**	(6,104)
Acquisition of subsidiaries net of cash paid		**–**	(66,118)
Deemed Disposal of subsidiaries	*19*	**(100,151)**	–
Interest received		**20,887**	24,558
Dividends paid		**(99,731)**	(300,485)
Net cash used in investing activities		**(448,565)**	(1,083,617)
Financing activities			
Proceeds from bank loans and other borrowings		**7,227,076**	9,809,611
Repayment of bank loans and other borrowings		**(6,913,623)**	(9,385,123)
Interest paid		**(398,791)**	(436,414)
Net cash used in financing activities		**(85,338)**	(11,926)
Net increase/(decrease) in cash and cash equivalents		**1,044,338**	(630,709)
Cash and cash equivalents at the beginning of each period		**2,202,892**	2,020,926
Effect of foreign exchange rate changes, net		**(52,809)**	9,449
Cash and cash equivalents at the end of each period		**3,194,421**	1,399,666

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on September 6, 2010. The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on December 14, 2011.

During the period, the Group was principally engaged in the sale and service of motor vehicles.

In the opinion of the Directors, the ultimate holding company of the Company is Baoxin Investment Management Ltd., which was incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The interim financial information for the nine-month period ended September 30, 2015 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial information was presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated. These interim financial information was approved for issue on December 9, 2015.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2014 except for the adoption of new and revised standards and interpretations effective as of January 1, 2015, noted below.

HKAS 19 Amendments	Amendments to HKAS 19 — *Defined Benefit Plans: Employee Contributions*[1]
Annual Improvements 2010–2012 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2011–2013 Cycle	Amendments to a number of HKFRSs[1]

[1] Effective for annual periods beginning on or after July 1, 2014

The adoption of these revised HKFRSs has had no significant financial effect on the interim financial information.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2. **BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements:

HKFRS 9	*Financial Instruments*[2]
HKFRS 10 and HKAS 28 (Revised) Amendments	Amendments to HKFRS 10 and HKAS 28 (Revised) — *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Revised) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 28 — *Investment Entities: Applying the Consolidation Exception*[1]
HKFRS 11 Amendments	Amendments to HKFRS 11 *Joint Arrangements — Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
HKAS 1 Amendments	Amendments to HKAS 1 — *Disclosure Initiative*[1]
HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 and HKAS 38 — *Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
HKAS 16 and HKAS 41 Amendments	Amendments to HKAS 16 and HKAS 41 — *Agriculture: Bearer Plants*[1]
HKAS 27 (Revised) Amendments	Amendments to HKAS 27 *Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after January 1, 2016
2 Effective for annual periods beginning on or after January 1, 2018
3 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after January 1, 2016 and therefore is not applicable to the Group

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. **SEGMENT INFORMATION**

The Group is principally engaged in the sale and service of motor vehicles. For management purposes, the Group operates in single business unit based on its products, and has one reportable segment which includes the sale of motor vehicles and the provision of related services.

No operating segments have been aggregated to form the above reportable operating segment.

Information about geographical area

Since nearly all of the Group's revenue was generated from the sale and service of motor vehicles in Mainland China and nearly all of the Group's non-current assets other than deferred tax assets were located in Mainland China, no geographical segment information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the nine months ended September 30, 2015, no major customers segment information is presented in accordance with HKFRS 8 *Operating Segments*.

4. REVENUE, OTHER INCOME AND GAINS, NET

	Unaudited For the nine months ended September 30, 2015 *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
(a) Revenue		
Revenue from the sale of motor vehicles	**14,512,686**	19,849,239
Finance leasing services	**4,407**	336
Others	**2,078,641**	2,215,641
	16,595,734	22,065,216
(b) Other income and gains, net		
Commission income	**190,727**	299,076
Advertisement support received from motor vehicle manufacturers	**5,768**	7,371
Rental income	**3,084**	2,705
Government grants	**4,816**	11,948
Interest income	**20,887**	24,558
Net gain on disposal of items of property, plant and equipment	**492**	2,196
Gain on deemed disposal of subsidiaries	**16,016**	–
Others	**5,017**	6,388
	246,807	354,242

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Unaudited For the nine months ended September 30, 2015 *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
(a) Employee benefit expense (including Directors' remuneration)		
Wages and salaries	**320,462**	337,254
Other welfare	**136,436**	131,154
Equity-settled share option expense	**–**	15,745
	456,898	484,153
(b) Cost of sales and services provided		
Cost of sales of motor vehicles	**13,981,951**	18,862,732
Others	**1,119,344**	1,153,911
	15,101,295	20,016,643
(c) Other items		
Depreciation of items of property, plant and equipment	**240,922**	216,062
Amortisation of prepaid land lease payments	**5,818**	5,101
Amortisation of intangible assets	**28,347**	29,938
Advertisement and business promotion expenses	**79,374**	117,636
Bank charges	**41,127**	42,967
Lease expenses	**123,494**	139,181
Logistics and gasoline expenses	**47,099**	45,575
Office expenses	**13,990**	18,997
Write-down of inventories to net realisable value	**–**	9,044
Foreign exchange difference, net	**27,721**	11,794

6. FINANCE COSTS

	Unaudited For the nine months ended September 30, 2015 *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
Interest expense on bank borrowings		
— Wholly repayable within five years	**395,709**	411,764
— Interest expense on other borrowings	**15,655**	19,135
Interest expense on bonds	**15,378**	19,113
Less: Interest capitalised	**(24,696)**	(27,687)
	402,046	422,325

7. INCOME TAX EXPENSE

	Unaudited For the nine months ended September 30, 2015 *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
Current:		
Mainland China corporate income tax	**68,537**	263,270
Deferred tax	**(11,194)**	(19,811)
Total tax charge for the period	**57,343**	243,459

Pursuant to Section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations.

The subsidiary incorporated in the British Virgin Islands ("BVI") is not subject to income tax as this subsidiary does not have a place of business (other than a registered office only) or carry on any business in the BVI.

The subsidiary incorporated in Hong Kong is subject to an income tax at the rate of 16.5% (nine months ended September 30, 2014: 16.5%) during the period. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period.

According to the Corporate Income Tax Law of the People's Republic of China, the income tax rate is 25% (nine months ended September 30, 2014: 25%).

8. DIVIDENDS

The Board of the Company has resolved not to declare interim dividend for the nine months ended September 30, 2015 (nine months ended September 30, 2014: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of shares in issue, during the nine months ended September 30, 2015 and 2014, respectively.

No adjustment has been made to the basic earnings per share amounts presented in the nine months ended September 30, 2015 and 2014 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	Unaudited For the nine months ended September 30, 2015	Unaudited For the nine months ended September 30, 2014
Earnings		
Profit attributable to ordinary equity holders of the parent *(RMB'000)*	**153,033**	549,458
Shares		
Weighted average number of ordinary shares in issue during the period	**2,557,311,429**	2,557,311,429
Earnings per share		
Basic and diluted *(RMB)*	**0.06**	0.21

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
September 30, 2015							
At December 31, 2014 and at January 1, 2015:							
Cost	2,089,468	407,834	235,938	220,894	743,310	900,485	4,597,929
Accumulated depreciation	(303,123)	(97,358)	(105,348)	(107,224)	(196,339)	–	(809,392)
Net carrying amount	1,786,345	310,476	130,590	113,670	546,971	900,485	3,788,537
At January 1, 2015, net of accumulated depreciation	1,786,345	310,476	130,590	113,670	546,971	900,485	3,788,537
Additions	3,608	–	–	–	–	443,239	446,847
Disposal of subsidiaries *(Note 19)*	–	(11,442)	(1,372)	(3,606)	–	(6,449)	(22,869)
Disposals	–	–	(519)	(167)	(122,523)	–	(123,209)
Depreciation provided during the period	(49,538)	(46,374)	(15,684)	(24,278)	(105,048)	–	(240,922)
Transfers	3,770	–	10,541	14,509	106,313	(135,133)	–
At September 30, 2015, net of accumulated depreciation	1,744,185	252,660	123,556	100,128	425,713	1,202,142	3,848,384
At September 30, 2015:							
Cost	2,096,846	396,198	242,591	230,836	639,405	1,202,142	4,808,018
Accumulated depreciation	(352,661)	(143,538)	(119,035)	(130,708)	(213,692)	–	(959,634)
Net carrying amount	1,744,185	252,660	123,556	100,128	425,713	1,202,142	3,848,384

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings *RMB'000*	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
December 31, 2014							
At December 31, 2013 and at January 1, 2014:							
Cost	1,855,142	388,379	203,914	169,830	636,227	654,483	3,907,975
Accumulated depreciation	(246,934)	(54,159)	(78,277)	(78,205)	(140,012)	–	(597,587)
Net carrying amount	1,608,208	334,220	125,637	91,625	496,215	654,483	3,310,388
At January 1, 2014, net of accumulated depreciation	1,608,208	334,220	125,637	91,625	496,215	654,483	3,310,388
Additions	113,990	10,130	–	–	–	853,538	977,658
Acquisition of a subsidiary	891	5,752	3,214	969	11,038	–	21,864
Disposals	(134)	(13,045)	(2,326)	(706)	(220,370)	–	(236,581)
Depreciation provided during the year	(56,612)	(50,217)	(25,847)	(28,340)	(123,776)	–	(284,792)
Transfers	120,002	23,636	29,912	50,122	383,864	(607,536)	–
At December 31, 2014, net of accumulated depreciation	1,786,345	310,476	130,590	113,670	546,971	900,485	3,788,537
At December 31, 2014:							
Cost	2,089,468	407,834	235,938	220,894	743,310	900,485	4,597,929
Accumulated depreciation	(303,123)	(97,358)	(105,348)	(107,224)	(196,339)	–	(809,392)
Net carrying amount	1,786,345	310,476	130,590	113,670	546,971	900,485	3,788,537

11. INVENTORIES

	Unaudited September 30, 2015 ***RMB'000***	Audited December 31, 2014 *RMB'000*
Motor vehicles	**2,296,955**	2,752,913
Spare parts and accessories	**285,319**	303,864
	2,582,274	3,056,777

As at September 30, 2015, the carrying amount of inventories carried at fair value less costs to sell was RMB225,265,000 (December 31, 2014: RMB105,237,000).

12. TRADE RECEIVABLES

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Trade receivables	**615,305**	393,155

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. The Group does not offer any credit to the Group's customers for automobile purchases or for out-of-warranty repairs that are not covered by insurance. However, the Group generally provides a credit term of two to three months to automobile manufacturers for the reimbursement of costs relating to the in-warranty repair services. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An aged analysis of the trade receivables as at each statement of financial position date (based on the invoice date, net of impairment) is as follows:

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Within 3 months	**539,262**	343,982
More than 3 months but less than 1 year	**62,388**	47,211
Over 1 year	**13,655**	1,962
	615,305	393,155

Trade receivables are non-interest-bearing.

13. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Unlisted equity investment in an associate	**80,510**	–

In the nine-month period ended September 30, 2015, Autostreets Development Limited ("Autostreets"), a former subsidiary of the Group, accepted capital injection from the Group and other independent third parties("Capital Injection"). As the result of the Capital Injection, the Group's equity interest in "Autostreets" decreased from 100% to 38%. The Group lost its control over "Autostreets" after the Capital Injection (the "Deemed Disposal").

13. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE (continued)

The Group had significant influence over "Autostreet" after the Deemed Disposal as the Group is able to appoint certain number of its directors to the board of directors of Autostreet. Its remaining equity interest in "Autostreet" was accounted for as investment in an associate until August 28, 2015. The Group and Orient Rich Investment Development Limited ("Orient Rich"), a wholly owned subsidiary of the contolling shareholder, entered into a sale and purchase agreement on August 28, 2015, pursuant to which the Group has agreed to sell and Orient Rich has agreed to purchase the entire issued share capital of Extensive Prosperous Investments Limited at consideration of RMB100 million. Extensive Prosperous Investments Limited, a wholly owned subsidiary of the Group, held 38% equity interest in "Autostreets". Upon completion of the transaction, the Group will have no equity interest in "Autostreets". Such transaction was not completed as at the report date. The investment was classified as a non-current asset classified as held for sale accordingly.

14. BANK LOANS AND OTHER BORROWINGS

	Unaudited As at September 30, 2015			Audited As at December 31, 2014		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans	**6.6**	**on demand**	**29,000**	6.6	on demand	29,000
	Libor+2.2	**on demand**	**311,904**	Hibor+2.2	on demand	299,433
	Hibor+2.7	**on demand**	**190,863**	Libor+2.7	on demand	184,869
	5.3-7.0	**2016**	**3,285,648**	6.2-6.8	2015	251,292
				Libor+2.2	2015	198,014
				5.6-6.7	2015	2,962,874
Current portion of long term bank loans	**Libor+3.0**	**2016**	**12,560**	6.8	2015	140,000
	Libor+3.5	**2016**	**627,970**	Libor+3.0	2015	11,901
	Libor+3.7	**2016**	**951,058**	Libor+3.5	2015	917,850
Other Borrowings	**8.5**	**2016**	**57,409**	7.7-9.1	2015	112,205
			5,466,412			5,107,438
Non-Current						
Bank loans	**Libor+3.5**	**2017**	**1,517,217**	Libor+3.5	2016	302,207
	Libor+3.7	**2018**	**1,152,649**	Libor+3.7	2016	1,028,116
				Libor+3.7	2017	1,290,813
			2,669,866			2,621,136
			8,136,278			7,728,574

15. TRADE AND BILLS PAYABLES

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Trade payables	**671,096**	125,299
Bills payable	**3,731,852**	4,752,614
Trade and bill payables	**4,402,948**	4,877,913

An aged analysis of the trade and bills payables as at the end of reporting period is as follows:

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Within 3 months	**4,015,520**	4,784,702
3 to 6 months	**380,164**	82,650
6 to 12 months	**1,369**	930
Over 12 months	**5,895**	9,631
	4,402,948	4,877,913

The trade and bills payables are non-interest-bearing.

16. BONDS

As at September30, 2015, outstanding bonds are summarised as follows:

	Face value *USD'000*	**Maturity**	**Fixed interest rate**	**Unaudited September 30, 2015** *RMB'000*	Audited December 31, 2014 *RMB'000*
Bonds	58,160	2017	5.65%	**427,453**	396,095

17. SHARE CAPITAL

	As at September 30, 2015 and December 31, 2014
Shares	
Authorised:	
Ordinary shares	5,000,000,000 shares of HK$0.01 each
Issued and fully paid	
Ordinary shares	2,557,311,429 shares of HK$0.01 each
Equivalent to RMB'000	20,836

18. SHARE OPTION SCHEME

On April 22, 2013, 13,150,000 share options (the "Option A") with an exercise price of HK$6.83 were granted to employees in respect of their service to the Group, under the share option schemes adopted by the Company on November 22, 2011 (the "Share Option Scheme"). All share options shall vest on a one-off basis on April 23, 2014. Any share option accepted but not exercised shall automatically lapse on April 22, 2016.

On January 10, 2014, 2,000,000 share options (the "Option B") with an exercise price of HK$6.74 were granted to employees in respect of their service to the Group, under the Share Option Scheme. All share options shall vest on a one-off basis on January 11, 2015. Any share option accepted but not exercised shall automatically lapse on January 10, 2017.

The Option A and Option B were modified with an exercise price of HK$5.724 and a revised condition on September 4, 2014, besides, 400,000 new share options (the "Option C"), with an exercise price of HK$5.724, were granted on September 4, 2014. All of above options were vested on a one-off basis immediately upon acceptance by the relevant grantees, and these share options are valid till the earlier of (i) the day on which the relevant grantees cease to be an employee of the Company and its subsidiaries, and (ii) September 4, 2016.

During the nine months ended September 30, 2015, no expense (nine months ended September 30, 2014: RMB15,745,000) was recognized in the statements of profit or loss for the Share Option Scheme, because all of them were fully expensed in September 2014.

19. DEEMED DISPOSAL OF SUBSIDIARIES

The Deemed Disposal on January 28, 2015, details refer to note 13.

The details of the net assets disposed of are as follows:

	January 28, 2015 *RMB'000*
Net assets disposed of	
Cash and cash equivalents	1,699
Property, plant and equipment	22,869
Intangible assets	512
Deferred tax assets	5,843
Prepayments, deposits and other receivables	2,056
Other payables and accruals	(47,157)
Due to related parties	(3,629)
	(17,807)
Capital injection by the Group*	98,452
Gain on deemed disposal of subsidiaries *(note 4(b))*	16,016
Investments in an associate	96,661
Satisfied by:	
Cash	–

An analysis of the cash flows of cash and cash equivalents in respect of the Deemed Disposal is as follows:

	Unaudited For the nine months ended September 30, 2015 *RMB'000*
Cash consideration	–
Less: cash and cash equivalents of "Auto streets" disposed of	(1,699)
Less: Capital injection by the Group*	(98,452)
Net outflows of cash and cash equivalents in respect of the Deemed Disposal	(100,151)

* As the result of the capital injections made by the Group and certain independent third parties on January 28, 2015, the Group's equity interest in "Autostreets" was diluted from 100% to 38% and the Group lost its control over "Autostreets". Please see more details about the Deemed Disposal of "Autostreets" in note 13.

20. COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments at the end of the reporting period:

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Contracted, but not provided for land use rights and buildings	**160,500**	212,500
Authorised, but not contracted for land use rights and buildings	**250,000**	270,000
	410,500	482,500

(b) Operating lease commitments

At the end of reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Unaudited At September 30, 2015			Audited At December 31, 2014		
	Properties *RMB'000*	**Land** *RMB'000*	**Vehicles** *RMB'000*	Properties *RMB'000*	Land *RMB'000*	Vehicles *RMB'000*
Within 1 year	**91,890**	**50,905**	**8,924**	111,742	65,307	9,090
After 1 year but within 5 years	**265,516**	**163,568**	**35,635**	322,807	229,553	35,721
After 5 years	**305,704**	**534,688**	**28,211**	373,137	523,619	35,666
	663,110	**749,161**	**72,770**	807,686	818,479	80,477

The Group is the lessee in respect of a number of properties, land and vehicles held under operating leases.

21. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Balances with related parties

The Group had the following significant balances with its related parties as at September 30, 2015:

Amounts due from related parties:

	Unaudited September 30, 2015 *RMB'000*	Audited December 31, 2014 *RMB'000*
Non-trade related:		
A jointly-controlled entity		
— Shenyang Xinbaohang Automobile Sales & Services Co., Ltd.	**40,835**	40,835
An associate entity		
— Autostreet	**10,596**	–
The Controlling Shareholder		
— Mr. Yang Aihua	**–**	228
	51,431	41,063

Balances with related parties were unsecured and non-interest-bearing, and had no fixed repayment terms.

(b) Compensation of key management personnel of the Group:

	Unaudited For the nine months ended September 30, 2015 *RMB'000*	Unaudited For the nine months ended September 30, 2014 *RMB'000*
Short term employee benefits	**12,048**	12,014
Equity-settled share option expense	**–**	1,730
Post-employee benefits	**476**	441
Total compensation paid to key management personnel	**12,524**	14,185

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Group

	Carrying amounts		Fair values	
	September 30, 2015	December 31, 2014	**September 30, 2015**	December 31, 2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial liabilities				
Bonds	**427,453**	396,095	**444,473**	418,646

Management has assessed that the fair values of cash and cash equivalents, cash in transit, pledged bank deposits, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, amounts due from related parties, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to related parties, dividends payable and current portion of bank loans and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

Management has assessed that the fair values of non-current portion of bank loans and other borrowings with floating interest rates approximate to their carrying amounts because the interest rates are adjusted periodically by reference to the fair market interest rates.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of bonds has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for bonds as at September 30, 2015 was assessed to be insignificant.

The fair values of unlisted available-for-sale equity investments cannot be measured reliably because they do not have quoted market prices in an active market and the range of reasonable fair value estimates is so significant.

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed:

Group

As at September 30, 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Bonds	**–**	**–**	**444,473**	**444,473**

As at December 31, 2014

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bonds	–	–	418,646	418,646

23. EVENT AFTER THE REPORTING PERIOD

There is no significant subsequent event undertaken by the Company or by the Group after September 30, 2015.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Unaudited Financial was not audited and was prepared in accordance with the Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The accounting policies used in the preparation of the Unaudited Financial is consistent with those used in the annual consolidated financial statements of the Group for the year ended December 31, 2014 except for the adoption of certain new and revised standards and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning January 1, 2015. The adoption of these new and revised standards and interpretations has had no significant financial effect on the Unaudited Financial.

The Group has not applied the new and revised standards and interpretations that have been issued by the HKICPA but are not yet effective. The Directors consider that these new and revised standards and interpretations are unlikely to have a significant impact on the Group's results of operations and financial position.

RULE 10 OF THE TAKEOVERS CODE

Pursuant to Rule 10 of the Takeovers Code, the Profit Estimate constitutes a profit forecast and must be reported on by the Company's financial advisers and its auditors or accountants, and such reports must be lodged with the Executive in accordance with Rule 10.4 of the Takeovers Code.

The Profit Estimate has been reported on by Ernst & Young ("**EY**"), the auditors of the Company, and Somerley Capital Limited ("**Somerley**"), the independent financial adviser to the Company. EY have reported that, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in this announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in its consolidated financial statements for the year ended December 31, 2014. EY have conducted their work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA.

Somerley have discussed with the Directors the bases of preparation of the Profit Estimate and is satisfied that the Profit Estimate, for which the Directors are solely responsible, has been made by the Directors with due care and consideration.

The comfort letters issued by Somerley and EY have been lodged with the Executive and the text of which are set out in the appendices to this announcement.

Each of Somerley and EY has given and has not withdrawn their consent to the issue of this announcement with the inclusion of its letter and references to use its name in the form and context in which they appear in this announcement.

CAUTION STATEMENT

The Board wishes to remind shareholders and potential investors of the Company that the Unaudited Financial is based on the Company's internal records and management accounts. The Unaudited Financial has been reported on in accordance with Rule 10 of the Takeovers Code and reviewed, but have not been audited, by EY. Shareholders and potential investors of the Company should exercise caution when dealing in shares or other securities of the Company and should exercise caution in placing reliance on the Unaudited Financial in assessing the merits and demerits of the Offers . Persons who are in doubt as to the action they should take should consult their professional advisers.

By order of the Board of
Baoxin Auto Group Limited
YANG Aihua
Chairman

The PRC, December 11, 2015

As at the date of this announcement, the executive Directors are Mr. YANG Aihua, Mr. YANG Hansong, Mr. YANG Zehua, Ms. HUA Xiuzhen and Mr. ZHAO Hongliang, the non-executive Director is Mr. LU Linkui, and the independent non-executive Directors are Mr. DIAO Jianshen, Mr. WANG Keyi and Mr. CHAN Wan Tsun Adrian Alan.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

APPENDIX I — COMFORT LETTER ISSUED BY ERNST & YOUNG

11 December 2015

The Board of Directors
Baoxin Auto Group Limited
P.O. Box 309, Ugland House,
Grand Cayman KY1-1104,
Cayman Islands

Dear Sirs,

Baoxin Auto Group Limited ("the Company")

Profit estimate for nine months ended 30 September 2015

We refer to the estimate of the unaudited consolidated gross profit, profit from operations, profit before tax, profit for the period comprising profit attributable to owners of the parent and non-controlling interests, total comprehensive income for the period and profit attributable to equity holders of the Company for the nine-month period ended 30 September 2015 ("the Profit Estimate") set forth in the announcement of the Company dated 11 December 2015 (the "Announcement") in relation to the unaudited results of the Group for the nine months ended 30 September 2015. The Profit Estimate is required to be reported on under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

Responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as "the Group") for the nine months ended 30 September 2015, based on the management accounts of the Group for the nine months ended 30 September 2015 prepared in accordance with the bases adopted by the directors as set out in the section headed "Basis of Preparation and Accounting Policies" of the Announcement.

The Company's directors are solely responsible for the Profit Estimate. It is our responsibility to form an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

Basis of opinion

We carried out our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases made by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the section "Basis of Preparation and Accounting Policies" in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in its consolidated financial statements for the year ended 31 December 2014.

Yours faithfully,

Certified Public Accountants
Hong Kong

Appendix II — Comfort Letter Issued by Somerley Capital Limited

11 December 2015

The board of directors
Baoxin Auto Group Limited
Unit 2205, 22/F
Bank of America Tower
12 Harcourt Road
Hong Kong

Dear Sirs,

We refer to unaudited consolidated gross profit, profit from operations, profit before tax, profit for the period comprising profit attributable to owners of the parent and non-controlling interests, total comprehensive income for the period and profit attributable to equity holders of Baoxin Auto Group Limited (the "**Company**") for the nine months ended 30 September 2015 (the "**Profit Estimate**") set forth in the announcement of the Company dated 11 December 2015 (the "**Announcement**") in relation to the unaudited results of the Group for the nine months ended 30 September 2015. The Profit Estimate is regarded as a profit forecast under the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") and therefore, is required to be reported on pursuant to Rule 10 of the Takeovers Code.

The Profit Estimate has been prepared by the directors of the Company (the "**Directors**") based on the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the nine months ended 30 September 2015, based on the management accounts of the Group for the nine months ended 30 September 2015.

We have discussed with you the bases upon which the Profit Estimate was prepared. We have also consider the letter on profit forecast dated 11 December 2015 issued by Ernst & Young, the auditor of the Company, to you, the text of which is set out in the appendices to the Announcement, which stated that, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly complied in accordance with the bases adopted by the Directors as set out in the section "Basis of Preparation and Accounting Policies" in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in its consolidated financial statements for the year ended 31 December 2014. The preparation of the Profit Estimate is the sole responsibility of, and has been approved by, the Directors.

Based on the above, we are satisfied that the Profit Estimate has been prepared by the Directors with due care and consideration.

Yours faithfully,
For and on behalf of
Somerley Capital Limited
Lyan Tam
Director