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**CHINA GRAND AUTOMOTIVE
SERVICES CO. LIMITED**

廣匯汽車服務股份有限公司

*(a joint stock limited company incorporated
in the People's Republic of China)
(SSE Stock Code: 600297)*

**CHINA GRAND AUTOMOTIVE
SERVICES (HONG KONG) LIMITED**
廣匯汽車服務（香港）有限公司

(incorporated in Hong Kong with limited liability)



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)*

JOINT ANNOUNCEMENT

**(1) PRE-CONDITIONAL VOLUNTARY CASH PARTIAL OFFER AND
OPTION OFFER BY CMB INTERNATIONAL ON BEHALF OF THE
OFFEROR TO ACQUIRE A MAXIMUM OF 75 PER CENT. OF
THE ISSUED SHARE CAPITAL OF BAOXIN AUTO GROUP LIMITED
FROM QUALIFYING SHAREHOLDERS AND TO CANCEL A MAXIMUM OF
75 PER CENT. OF THE OUTSTANDING SHARE OPTIONS**

**(2) COMMITMENT BY MR. YANG AIHUA, BAOXIN INVESTMENT AND
AUSPICIOUS SPLENDID TO ACCEPT THE PARTIAL OFFER UNDER THE
IRREVOCABLE UNDERTAKING**

AND

(3) RESUMPTION OF TRADING

Financial Adviser to the Offeror



This Announcement is made pursuant to Rule 3.5 of the Code, Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under Part XIVA of the SFO).

THE PARTIAL OFFER AND THE OPTION OFFER

CGA, the Offeror and the Company jointly announce that CMB International, on behalf of the Offeror, will, subject to the satisfaction or, where applicable, waiver of the Pre-Conditions, make a voluntary conditional cash partial offer to acquire a maximum of 1,917,983,571 Shares (representing 75% of the Shares in issue as at the date of this Announcement) or such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date) from Qualifying Shareholders at an offer price of HK\$5.99 per Share. The Offeror will extend an appropriate offer to Optionholders to cancel up to 11,662,500 outstanding Share Options (representing 75% of all the outstanding Share Options as at the date of this Announcement) pursuant to Rule 13 of the Code. Assuming full acceptance of the Partial Offer in respect of 1,917,983,571 Shares and the Option Offer in respect of 11,662,500 Share Options, the aggregate cash consideration payable by the Offeror under the Offers will amount to approximately HK\$11,491,823,815.29 (assuming no Share Options are exercised).

It is intended that following closing of the Partial Offer and the Option Offer, the Company will maintain its listing on the Stock Exchange.

Further details of the Partial Offer and the Option Offer are set out in Part A of this Announcement.

CONFIRMATION OF FINANCIAL RESOURCES

CMB International, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers as described above.

ENTITLEMENTS OF SHAREHOLDERS

Upon the Partial Offer becoming unconditional, each Shareholder:

- (a) will receive a payment of HK\$5.99 in cash for every Share in respect of which that Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and
- (b) will have the opportunity of retaining an interest in the Company going forward which it is intended will maintain its listing on the Stock Exchange.

COMMITMENT BY MR. YANG AIHUA, BAOXIN INVESTMENT AND AUSPICIOUS SPLENDID TO ACCEPT THE PARTIAL OFFER UNDER THE IRREVOCABLE UNDERTAKING AND UNDERTAKINGS UNDER DEED OF NON-COMPETITION

On 4 December 2015, CGA, the Offeror, Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid entered into the Irrevocable Undertaking, pursuant to which Mr. Yang Aihua has agreed to procure Baoxin Investment and Auspicious Splendid to accept, and Baoxin Investment has agreed to accept, the Partial Offer in respect of all of the 1,242,224,000 Shares owned by it (such shares representing approximately 48.58% of the issued share capital of the Company as at the date of this Announcement) and Auspicious Splendid has agreed to accept the Partial Offer in respect of all of the 127,920,000 Shares owned by it (such shares representing approximately 5.00% of the issued share capital of the Company as at the date of this Announcement).

On 4 December 2015, CGA, the Offeror, Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid entered into the Deed of Non-Competition, pursuant to which each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has undertaken to CGA and the Offeror, among other things, to not and procure their respective affiliates (excluding the Group) to not, be engaged or directly or indirectly interested in carrying on a business of operation of any automotive 4S (sales, spare parts, service and survey) physical dealership stores (excluding on-line stores) in the PRC and not to solicit any customers, officers, managers or employees of the Group, for a period of 12 months after the Final Closing Date, subject to certain limited exceptions.

Further details of the Irrevocable Undertaking and the Deed of Non-Competition are set out in Part B of this Announcement.

GENERAL

Composite Document

It is expected that the Composite Document containing, amongst other things, (i) the full terms and details of the Offers; (ii) the recommendation from the Independent Board Committee in respect of the Offers; (iii) the letter of advice from the Independent Financial Adviser in respect of the Offers; and (iv) the Forms of Acceptance, will be despatched to the Qualifying Shareholders and Optionholders within seven days after the satisfaction or, where applicable, waiver of the Pre-Conditions. The Offeror has applied to the Executive for its consent under Note 2 to Rule 8.2 of the Code to permit the Composite Document to be posted within the timeframe described above.

Independent Board Committee

The Independent Board Committee has been established for the purpose of making a recommendation to the Qualifying Shareholders and the Optionholders as to whether the Offers are fair and reasonable and as to acceptance. The Independent Board Committee comprises all the independent non-executive Directors and the non-executive Director.

Independent Financial Adviser

The Company has appointed Somerley as the Independent Financial Adviser to: (i) advise the Independent Board Committee in respect of the Offers and in particular as to whether the terms of the Offers are respectively fair and reasonable and as to acceptance pursuant to Rule 2.1 of the Code; and (ii) report on the unaudited financial results of the Group for the nine months ended 30 September 2015 to be published by the Company on the date of this Announcement pursuant to Rule 10.1, Note 1(c) to Rules 10.1 and 10.2 and Rule 10.4 of the Code. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The letter of advice from the Independent Financial Adviser in respect of the Offers will be included in the Composite Document.

Suspension and resumption of trading in the Shares

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 7 December 2015 pending the release of this Announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 14 December 2015.

WARNING: AS THE MAKING OF THE PARTIAL OFFER AND THE OPTION OFFER IS SUBJECT TO THE SATISFACTION OR, WHERE APPLICABLE, WAIVER OF THE PRE-CONDITIONS, THE PARTIAL OFFER AND THE OPTION OFFER ARE A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE. IT DEPENDS ON THE SATISFACTION OR, WHERE APPLICABLE, WAIVER OF THE PRE-CONDITIONS.

CLOSING OF THE PARTIAL OFFER AND THE OPTION OFFER IS SUBJECT TO THE CONDITION BEING FULFILLED AND THE OFFERS BECOMING UNCONDITIONAL. ACCORDINGLY, THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE PARTIAL OFFER AND THE OPTION OFFER WILL BECOME UNCONDITIONAL AND BE CLOSED.

SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

INTRODUCTION

This Announcement is made pursuant to Rule 3.5 of the Code, Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under Part XIVA of the SFO).

CGA, the Offeror and the Company jointly announce that CMB International, on behalf of the Offeror, will, subject to the satisfaction or, where applicable, waiver of the Pre-Conditions, make a voluntary conditional cash partial offer to acquire a maximum of 1,917,983,571 Shares (representing 75% of the Shares in issue as at the date of this Announcement) or such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date) from the Qualifying Shareholders.

As at the date of this Announcement, the Company has 2,557,311,429 issued Shares and 15,550,000 outstanding Share Options to subscribe up to 15,550,000 Shares granted under the Share Option Scheme. An appropriate offer will be made by the Offeror to the Optionholders to cancel up to 11,662,500 outstanding Share Options (representing 75% of all the outstanding Share Options as at the date of this Announcement) pursuant to Rule 13 of the Code.

Save as aforesaid, as at the date of this Announcement, the Company has no other shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

PART A: THE OFFERS

Partial Offer

The Partial Offer will be made on the following basis:

For each Share..... HK\$5.99 in cash

Option Offer

The Option Offer will be made on the following basis:

For cancellation of each Share Option..... HK\$0.266 in cash

As all the Share Options are in-the-money, the Option Offer Price represents the difference between the Offer Price and the exercise price of HK\$5.724 of the Share Options.

The Partial Offer and the Option Offer are made in compliance with the Code.

1. Pre-Conditions to the Partial Offer and Option Offer

The making of the Partial Offer and the Option Offer is subject to the satisfaction or, where applicable, waiver of the Pre-Conditions being:

- (a) a filing having been submitted to and formally accepted by MOFCOM made under the Anti-Monopoly Law of the PRC and the Offers having been cleared or, through the expiration of the relevant statutory time periods for review by MOFCOM, having been deemed to have been cleared by MOFCOM under the Anti-Monopoly Law of the PRC, with or without conditions, on terms satisfactory to the Offeror;
- (b) with respect to the Offeror, the obtaining of approvals or authorizations of, the making of the necessary filings and registrations with, and notifications to, the NDRC, Shanghai Municipal Commission of Commerce of the PRC or departments delegated by it, the Shanghai Stock Exchange and qualified banks approved by SAFE for foreign exchange in connection with the Offers, each on terms reasonably acceptable to the Offeror;
- (c) the shareholders of CGA passing resolutions at a general meeting to approve the Offers by a majority of not less than two-thirds of the votes cast by the shareholders of CGA present at such general meeting (in person or by proxy) in accordance with the “*Administrative Measures for the Major Asset Restructuring of Listed Companies*” (《上市公司重大資產重組管理辦法》) issued by the CSRC;
- (d) consents from the relevant lenders under the Facility Agreements for the change in the ultimate controlling shareholder(s) of the Company being obtained or waived or the waiver of any event of default, termination right or similar provision relating to a change of the ultimate controlling shareholder(s) or senior management of the Company under the Facility Agreements, in each case, on terms acceptable to the Offeror and such consents or waivers, as applicable, remaining in full force and effect without material variation;
- (e) consent from the Executive in respect of the Partial Offer and the Option Offer pursuant to Rule 28.1 of the Code being obtained and such consent remaining in full force and effect;
- (f) the Company having delivered a certificate to the Offeror certifying that there has been no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the financial position or operations of the Group taken as a whole since 30 September 2015 up to and including the time when the last of the Pre-Conditions set out in (a) to (e) above is satisfied, or where applicable, waived, provided that in no event shall any change, fact, event, or circumstance, individually or in the aggregate, constitute or be taken into account in determining the occurrence of a material adverse effect if such material adverse effect relates to (i) changes in general or economic conditions in Hong Kong, the PRC or jurisdictions relevant to the business of the Group, (ii) changes in the credit, debt, financial or capital markets or changes in interest or exchange rates, in each case, in Hong Kong, the PRC or jurisdiction relevant to the business of the Group, (iii) changes in conditions generally affecting the industry in which any member of the Group operates, (iv) any outbreak or escalation of any military

conflict, declared or undeclared war, armed hostilities, or acts of foreign or domestic terrorism, and (v) any hurricane, flood, tornado, earthquake or other unusual disaster; and

- (g) all warranties given by Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid in the Irrevocable Undertaking remaining true and accurate in all material respects and not misleading in any material respect up to and including the time when the last of the Pre-Conditions set out in (a) to (f) above is satisfied or, where applicable, waived, or if there has been a material breach of the warranties given by Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid in the Irrevocable Undertaking such breach having been remedied by Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid within 30 days of the Offeror first notifying them of such breach.

The Offeror reserves the right to waive Pre-Conditions (d), (f) and (g) above (either in whole or in part). Pre-Conditions (a), (b), (c) and (e) cannot be waived by the Offeror. If the Pre-Conditions are not satisfied or, where applicable, waived, on or before the Long Stop Date, the Offers will not be made. The Offeror will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied or, where applicable, waived.

With respect to Pre-Condition (c) above, pursuant to the Guanghui Irrevocable Undertaking, Guanghui Group, being the controlling shareholder of CGA, has irrevocably undertaken to the Company to vote in favour of the resolutions in respect of the Offers at the relevant general meeting of CGA. As at the date of this Announcement, Guanghui Group holds approximately 37.26% of the issued share capital of CGA.

WARNING: The Pre-Conditions must be satisfied or, where applicable, waived before the making of the Offers. The making of the Offers is therefore a possibility only. Accordingly, Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their professional advisers.

2. Condition of the Offers

The Partial Offer will be conditional upon valid acceptances of the Partial Offer being received in respect of a minimum of 1,286,430,716 Shares (representing 50% of the issued share capital of the Company on an as converted basis as at the date of this Announcement (assuming that all Share Options of the Company are exercised) plus one Share) by 4:00 p.m. on or prior to the First Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve), provided that the Offeror shall purchase as many Shares as are tendered by the Qualifying Shareholders up to a maximum of 1,917,983,571 Shares (representing 75% of the Shares in issue as at the date of this Announcement) or such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date) from the Qualifying Shareholders.

The Option Offer will only become unconditional if the Partial Offer becomes or is being declared unconditional in all respects. The condition to the Partial Offer and the Option Offer cannot be waived by the Offeror.

In the event that valid acceptances are received:

- for less than 1,286,430,716 Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the Code, the Offers will not proceed and will lapse immediately;
- for not less than 1,286,430,716 Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

The Option Offer will only be declared unconditional when the Partial Offer is declared unconditional in all respects.

Pursuant to Rule 15.3 of the Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 7th day after the posting of the Composite Document, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the 7th day after the posting of the Composite Document, then the Final Closing Date would be at least 14 days after the date of such declaration.

Pursuant to Rule 28.4 of the Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Under Rule 28.5 of the Code, a partial offer which could result in the offeror holding 30% or more of the voting rights of a company must normally be conditional on the approval by shareholders holding over 50% of the voting rights not held by the offeror and parties acting in concert with it by means of signifying their approval on a separate box on the form of acceptance.

The Offeror has applied for, and the Executive has indicated that it will grant, a waiver from this requirement on the basis that Baoxin Investment and Auspicious Splendid (being both ultimately controlled by Mr. Yang Aihua), holding in aggregate greater than 50% of the voting rights of the Company, indicate their approval under Rule 28.5 in writing to the Executive (which has been done as at the date of this Announcement); and (ii) each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid confirms that it is not acting in concert with the Offeror and parties acting in concert with it in writing to the Executive (which has been done as at the date of this Announcement). Accordingly, the Partial Offer is not conditional upon satisfaction of the requirement under Rule 28.5 of the Code.

WARNING: The Partial Offer and the Option Offer may or may not become unconditional and will lapse if it does not become unconditional. Closing of the Partial Offer and the Option Offer is therefore a possibility only. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

3. Offer Price

The Offer Price of HK\$5.99 per Share under the Partial Offer represents:

- (a) a premium of approximately 132.17% over the closing price of HK\$2.58 per Share as quoted on the Stock Exchange on 11 September 2015, being the last trading day prior to the suspension of trading in Shares immediately prior to the announcement of 15 September 2015 issued by the Company pursuant to Rule 3.7 of the Code;
- (b) a premium of approximately 63.66% over the average closing price of HK\$3.66 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Date;
- (c) a premium of approximately 80.97% over the average closing price of HK\$3.31 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Date;
- (d) a premium of approximately 80.97% over the average closing price of HK\$3.31 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Date;
- (e) a premium of approximately 76.18% over the average closing price of HK\$3.40 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 70.66% over the average closing price of HK\$3.51 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Date;
- (g) a premium of approximately 62.77% over the average closing price of HK\$3.68 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Date; and
- (h) a premium of approximately 44.34% to the closing price of HK\$4.15 per Share as quoted on the Stock Exchange on the Last Trading Date.

4. Highest and lowest closing prices of the Shares

During the period commencing six months preceding 15 September 2015 (being the commencement of the Offer Period) and ending on the date of this Announcement, the highest closing price of Shares as quoted on the Stock Exchange was HK\$6.97 per Share on 22 May 2015, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$2.14 per Share on 1 September 2015.

5. Total consideration for the Offers

As at the date of this Announcement, the Company has 2,557,311,429 issued Shares and 15,550,000 outstanding Share Options to subscribe up to 15,550,000 Shares. The Partial Offer, based on the Offer Price of HK\$5.99 per Share, is valued at: (i) approximately HK\$7,705,719,988.84 assuming valid acceptances of the Partial Offer are received in respect of 1,286,430,716 Shares (representing 50% of the issued share capital of the Company on an as converted basis as at the date of this Announcement (assuming that all Share Options of the Company are exercised) plus one Share); (ii) approximately HK\$11,488,721,590.29 assuming valid acceptances of the Partial Offer are received in respect of 1,917,983,571 Shares (representing 75% of the Shares in issue as at the date of this Announcement and assuming that no Share Options are exercised); and (iii) approximately HK\$11,558,579,965.29 assuming valid acceptances of the Partial Offer are received in respect of 1,929,646,071 Shares (representing 75% of the Shares in issue and assuming that all the Share Options are exercised) respectively.

On the basis of the Offer Price of HK\$5.99 per Share and 2,557,311,429 issued Shares as at the date of this Announcement, the entire issued share capital of the Company is valued at approximately HK\$15,318,295,459.71 (assuming that no Share Options are exercised) and HK\$15,411,439,959.71 (assuming that all the Share Options are exercised) respectively.

The Option Offer, based on the Option Offer Price of HK\$0.266 for cancellation of each Share Option and 15,550,000 outstanding Share Options as at the date of this Announcement, is valued at approximately HK\$3,102,225 assuming valid acceptances of the Option Offer are received in respect of 11,662,500 Share Options.

Based on the foregoing, the aggregate cash consideration payable by the Offeror under the Offers (assuming no Share Options are exercised and full acceptances under the Offers) will be approximately HK\$11,491,823,815.29.

6. Confirmation of financial resources

The funds required by the Offeror to satisfy the consideration for the Offers will be financed by a combination of external debt financing and the internal resources of the Offeror.

CMB International, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy full acceptances of the Offers as described above.

7. Information on CGA and the Offeror

The Offeror is an investment holding company incorporated in Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of CGA, a company established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (SSE Stock Code: 600297). The controlling shareholder of CGA is Guanghai Group, which is ultimately controlled by Mr. Sun Guangxin. As at the date of this Announcement, Guanghai Group has a registered capital of RMB3,555,700,360.

CGA is a leading passenger vehicle dealership and automobile service group and a leading passenger vehicle finance leasing provider in the PRC primarily engaged in automobile sales and the whole life cycle after sales services such as sale of automobiles, passenger vehicle finance leasing, maintenance and service, commission agent services (including insurance and financing agent, agent for extension of automobile insurance, pre-owned automobile trading brokering services), etc. As of 30 June 2015, the CGA Group operated a network of 503 outlets, consisting of 454 4S (sales, spare parts, service and survey) stores including 52 high-end brand 4S stores and 376 mid-range brand 4S stores, covering 24 provinces, municipalities and autonomous regions in the PRC.

As at the date of this announcement, CGA has a market capitalization of approximately RMB64,024,663,892 (equivalent to approximately HK\$77,713,038,492). CGA recorded audited consolidated profits attributable to shareholders (on a pro forma basis) of approximately RMB1,605,902,546 (equivalent to approximately HK\$1,949,242,039) for the financial year ended 31 December 2014. Its audited consolidated net asset value as at 31 December 2014 was approximately RMB16,213,546,966 (equivalent to approximately HK\$19,679,978,353).

To the best knowledge of the Board, the Offeror, CGA, Guanghai Group and its ultimate controlling shareholder are third parties independent of the Company and its connected persons.

The Offers constitute a major asset restructuring of CGA

Assuming full acceptance of the Partial Offer in respect of 1,917,983,571 Shares and the Option Offer in respect of 11,662,500 Share Options, the aggregate cash consideration payable by the Offeror under the Offers will amount to approximately HK\$11,491,823,815.29 (assuming no Share Options are exercised), which accounts for over 50% of the net assets value of CGA as shown in its audited consolidated financial statements for the year ended 31 December 2014 and exceeds RMB50 million, and pursuant to the “*Administrative Measures for the Major Asset Restructuring of Listed Companies*” (《上市公司重大資產重組管理辦法》) issued by the CSRC and the relevant rules and regulations of the CSRC and the Shanghai Stock Exchange, the Offers will constitute a major asset restructuring (重大資產重組) of CGA and CGA is required to publish a draft Chinese major asset restructuring report (重大資產購買報告書) (the “**SSE Report**”) in accordance with such rules and regulations on the date this Announcement is published on the Stock Exchange. A copy of such draft SSE Report and an English translation of such report will also be published on the Stock Exchange on the date of this Announcement.

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 CGA, the Offeror and the Company will be published on the Stock Exchange enclosing a copy of such final Chinese SSE Report and an English translation of such report.

8. Offeror's reasons for the Offers

CGA and the Offeror are of the view that the Company is a leading luxury and ultra-luxury automotive sales and services group in the PRC and that the investment in the Company through the Offers represents an important opportunity to diversify its brand portfolio and expand its geographical presence in an increasingly competitive PRC dealership market. The CGA Group's current brand portfolio consists of nearly 50 brands, including high-end brands such as FAW Audi, Mercedes-Benz, Shanghai General Motors Cadillac, imported Volkswagen and Volvo, and mid-range brands such as Beijing Hyundai, Changan Ford, Dongfeng Nissan, FAW Toyota, Guangqi Honda, Shanghai General Motors Buick, Shanghai General Motors Chevrolet and Shanghai Volkswagen. The Group currently owns and operates dealerships with brands that the CGA Group does not operate, including Ferrari, Maserati, BMW, Mini, Land Rover, Porsche and Jaguar, which will enhance the CGA Group's portfolio of luxury and ultra-luxury automobile brands. Also, the CGA Group's dealership network is mainly located in central and western regions (including Xinjiang, Gansu, Chongqing, Guangxi, Qinghai and Ningxia), whereas the Group's dealership network is mainly located in the Yangtze River Delta region, Northeastern China, Eastern China and Northern China, which will complement the geographical presence of the CGA Group's dealership network.

Closing of the Offers will enhance the CGA Group's scale and platform, broaden its revenue and customer base, and provide both the CGA Group and the Group with an attractive platform for strong future growth and development. Closing of the Offers and potential synergies with integrating the Group within the CGA Group will also allow the CGA Group to further consolidate its market position as a leading automobile dealership and service group in the PRC expanding the number of vehicle brands in its dealerships.

9. Intentions of the Offeror with regard to the Company

If the Offers become unconditional and are closed, the Offeror intends that the Company will continue to carry on its existing businesses. There is a strong commitment to build on the Company's current brand and business model. The Offeror has no plans, if the Offers are closed, to: (i) make any major disposal or redeployment of assets of the Group; or (ii) discontinue the employment of the employees of the Group (other than in the ordinary course of business).

After closing of the Offers, CGA and the Offeror will further review the businesses of the Company, and determine what changes, if any, would be necessary, appropriate or desirable, long term and short term, in order to best organise the businesses and operations of the Company and to integrate the same within the CGA Group.

Proposed changes to the board composition of the Company

It is expected that there will be changes in the board composition of the Company at or after the earliest time permitted under the Code or by the SFC. Any such changes will only take effect in accordance with the applicable laws and regulations including the Code and the Listing Rules and in compliance with any requirements of any relevant authorities.

Pursuant to the Irrevocable Undertaking, Mr. Yang Aihua will resign from his office as the Chairman and a Director of the Company with effect from the First Closing Date in accordance with Rule 7 of the Code. Mr. Yang Zehua and Mr. Yan Hansong will also resign as a Director with effect from the First Closing Date in accordance with Rule 7 of the Code.

Maintaining the listing status of the Company

The Offeror intends to maintain the listing status of the Company following closing of the Offers and expects the Company to continue to be subject to supervision and guidance from the SFC and the Stock Exchange.

The Offeror's undertaking with regard to the Employees of the Group

The Offeror has committed that for a period of 12 months from the Final Closing Date, the Company will: (i) not terminate the employment of any Employees save where (a) the Company has grounds to dismiss an Employee without notice pursuant to Section 9 of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) or the equivalent applicable law; (b) an Employee is in material breach of any term of his or her employment contract with the Company; or (c) an Employee is terminated by reason of retirement; (ii) ensure that employee benefits for all Employees (whether or not they form part of the terms of the Employees' employment) will, in material respects, continue to be no less favourable to the Employees than they were immediately prior to the Final Closing Date in general; and (iii) honour the terms of each Employee's employment contract, including any extensions of employment contracts which have been entered into between the Company and any Employee before the date of the Irrevocable Undertaking, even where that Employee has passed normal retirement age.

Subject to the statements relating to employees as set out above, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Company's businesses and operations to generate maximum synergy and optimize the businesses and operations of the Company and to best integrate the same within the CGA Group.

Public float

The Offeror intends to maintain the listing status of the Company following closing of the Offers. Upon closing of the Offers, the Company may continue to have one or more substantial shareholders (in addition to the Offeror), depending on the extent to which the Partial Offer is accepted by the substantial shareholders of the Company. Since substantial shareholders of the Company are core connected persons of the Company under the Listing Rules, their Shares will not be regarded as part of the public float for the purposes of the Company's compliance with the public float requirement under Rule

8.08 of the Listing Rules. In other words, if after Mr. Yang Aihua ceases to be a substantial shareholder and a core connected person of the Company after closing of the Partial Offer pursuant to the Irrevocable Undertaking (as disclosed in the section headed “Listing status of the Company” of Part B of this Announcement), the number of Shares held by the public after closing of the Offers still represents less than 25% of the Shares, the Offeror will, after closing of the Offers, take appropriate steps to ensure that not less than 25% of the Shares will be held by the public in compliance with the Listing Rules, which may include the Offeror or another core connected person of the Company selling some of its Shares.

If less than 25% of the Shares are held by the public or if the Stock Exchange believes (i) that a false market exists or may exist in the trading of Shares or (ii) that there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend trading in Shares.

10. Other terms of the Partial Offer and the Option Offer

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for 1,917,983,571 Shares or such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date) or fewer Shares, all Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than 1,917,983,571 Shares or more than such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date), the total number of Shares to be taken up by the Offeror from each Qualifying Shareholder will be determined in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = 1,917,983,571 Shares or such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date) (being the maximum number of Shares for which the Partial Offer is made)

B = the total number of Shares tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

As a result, it is possible that if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Qualifying Shareholders can, however, be assured that, in the event the Partial Offer becomes unconditional in all respects, a minimum of 75% of the Shares tendered for acceptance under the Partial Offer will be taken up.

Fractions of Shares will not be taken up under the Partial Offer and, accordingly, the number of Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

Share Options that are not tendered for acceptance under the Option Offer will not be deemed to have lapsed after the Final Closing Date.

Optionholders may accept the Option Offer in respect of some or all of the Share Options held by them. Subject to the Option Offer becoming unconditional in all respects: (i) if valid acceptances are received for 11,662,500 Share Options or fewer Share Options, all Share Options validly accepted will be taken up and cancelled; and (ii) if valid acceptances are received for more than 11,662,500 Share Options, the total number of Share Options to be taken up by the Offeror from each Optionholder and cancelled will be determined in accordance with the following formula:

$$\frac{X}{Y} \times Z$$

X = 11,662,500 Share Options (being the maximum number of Share Options for which the Option Offer is made)

Y = the total number of Share Options tendered by all the Optionholders under the Option Offer

Z = the number of Share Options tendered by the relevant individual Optionholder under the Option Offer

The full terms and conditions of the Partial Offer and the Option Offer will be set out in the Composite Document and the accompanying Forms of Acceptance. The Partial Offer and the Option Offer will be made in compliance with the Code.

11. Effect of accepting the Partial Offer and the Option Offer

By validly accepting the Partial Offer, Qualifying Shareholders will sell to the Offeror their tendered Shares which are finally taken up by the Offeror in accordance with the above formula free from all encumbrances and together with all rights and benefits at any time accruing and attaching thereto including all rights to any dividends or other distributions declared, made or paid on or after the Final Closing Date. The Offeror will not be entitled to any dividends or other distributions declared, made or paid before the Final Closing Date in respect of the Shares which are taken up by the Offeror under the Partial Offer. Any such dividends or other distributions will be paid to the Shareholders who are qualified for such dividends or distributions.

By validly accepting the Option Offer, Optionholders will tender Share Options which are finally taken up by the Offeror in accordance with the above formula to the Offeror and the tendered and finally taken up Share Options will be cancelled on the Final Closing Date.

12. Irrevocable undertakings

As at the date of this Announcement, the Offeror has received an irrevocable undertaking from each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid to tender, or procure the tender of, all of the Shares held directly or indirectly by it (being 1,370,144,000 Shares (representing 53.58% of the Shares in issue as at the date of this Announcement)) for acceptance under the Partial Offer.

Further information on the Irrevocable Undertaking is set out in Part B of this Announcement.

As at the date of this Announcement, apart from the Irrevocable Undertaking, neither the Offeror nor any person acting in concert with it has received any indication or irrevocable commitment from any Shareholder to accept or reject the Partial Offer or from any Optionholder to accept or reject the Option Offer.

13. Earnest Money Agreement

On 13 September 2015, CGA and the Company entered into the Earnest Money Agreement, pursuant to which CGA is required to pay the Earnest Money to the Company by 15 September 2015. The Earnest Money was received by the Company on 14 September 2015. If the Partial Offer is made by the Offeror and becomes unconditional and closed, the Earnest Money shall be returned to CGA within five business days after the Final Closing Date. Otherwise, the Earnest Money shall be returned to CGA on 30 June 2016.

14. Hong Kong stamp duty

Seller's ad valorem stamp duty at the rate of 0.1% of the value of the consideration arising on acceptance of the Partial Offer will be payable by the Qualifying Shareholders who accept the Partial Offer. The relevant amount of stamp duty payable by the Qualifying Shareholders will be deducted from the consideration payable to the Qualifying Shareholders under the Partial Offer. The Offeror will bear its own portion

of buyer's ad valorem stamp duty at the rate of 0.1% of the consideration payable in respect of acceptances of the Partial Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Partial Offer.

No stamp duty is payable in connection with the acceptances of the Option Offer.

15. Overseas shareholders

The making of the Offers to Qualifying Shareholders and Optionholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Qualifying Shareholders or Optionholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Qualifying Shareholder or Optionholder who wishes to accept the Partial Offer or Option Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Qualifying Shareholder in such relevant jurisdictions.

Any acceptance by any Qualifying Shareholder or Optionholder will be deemed to constitute a representation and warranty from such Qualifying Shareholder or Optionholder to the Offeror and the Company that all local laws and requirements have been complied with and that the Partial Offer and Option Offer can be accepted by such Qualifying Shareholder or Optionholder lawfully under the laws of the relevant jurisdiction. Qualifying Shareholders and Optionholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to overseas Qualifying Shareholders or Optionholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waivers, the Composite Document will not be despatched to such overseas Qualifying Shareholders or Optionholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Code at such time.

16. Settlement of consideration

Settlement of the consideration under the Partial Offer and the Option Offer will be made as soon as possible, but in any event within seven business days (as defined in the Code) of the Final Closing Date.

17. Odd lots

Qualifying Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, it is intended that a designated broker will be appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a reasonable time period following the closing of the Partial Offer to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangement will be disclosed in the Composite Document.

18. Interests in Shares and derivatives

As at the date of this Announcement:

- (i) there is no existing holding of voting rights and rights over Shares which the Offeror owns or over which it has control or direction;
- (ii) there is no existing holding of voting rights and rights over Shares which is owned or controlled or directed by any person acting in concert with the Offeror;
- (iii) there is no existing holding of voting rights and rights over Shares in respect of which the Offeror or any person acting in concert with it holds convertible securities, warrants or options;
- (iv) there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any person acting in concert with it;
- (v) save for the Irrevocable Undertaking and the Guanghai Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Partial Offer and the Option Offer;
- (vi) save for the Irrevocable Undertaking, there is no agreement or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke the Pre-Conditions or a Condition; and
- (vii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

Neither the Offeror nor any person acting in concert with it has acquired any voting rights or rights over Shares during the six months prior to the commencement of the Offer Period, that is, prior to 15 September 2015, being the date of the first announcement made by the Company pursuant to Rule 3.7 of the Code and up to the date of this Announcement.

19. Effect of the partial offer and the option offer on the shareholding structure of the company

Assuming that no Share Options are exercised

Set out below is the shareholding structure of the Company as at the date of this Announcement and immediately upon closing of the Partial Offer and the Option Offer assuming: (i) that only Shares subject to the Irrevocable Undertaking (being 1,370,144,000 Shares) are tendered for acceptance under the Partial Offer and that **no** Share Options are exercised; (ii) that all Qualifying Shareholders tender all of their Shares for acceptance under the Partial Offer and that **no** Share Options are exercised; and (iii) no additional Shares will be issued or repurchased by the Company from the date of this Announcement up to and including the date of closing of the Offers:

	As at the date of this Announcement		Upon the closing of the Offers (assuming only Shares subject to the Irrevocable Undertaking are tendered for acceptance)		Upon the closing of the Offers (assuming all Qualifying Shareholders tender all of their Shares for acceptance)	
	Number of Approx. Shares	%	Number of Approx. Shares	%	Number of Approx. Shares	%
Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid (Note 1, 3)	1,370,144,000	53.58	—	—	342,536,000	13.39
Jumbo Create Investment Development Limited (Note 4)	155,278,000	6.07	155,278,000	6.07	38,819,500	1.52
Wilfred Speedy Investment Development Limited (Note 5)	155,278,000	6.07	155,278,000	6.07	38,819,500	1.52
The Offeror, CGA and parties acting in concert with either of them	—	—	1,370,144,000	53.58	1,917,983,571	75
Zhao Hongliang (Note 2)	18,000,000	0.70	18,000,000	0.70	4,500,000	0.18
Hua Xiuzhen (Note 2)	18,000,000	0.70	18,000,000	0.70	4,500,000	0.18
Schroders Plc	133,750,061	5.23	133,750,061	5.23	33,437,515	1.30
Public (as defined in the Listing Rules)	706,861,368	27.65	706,861,368	27.65	176,715,343	6.91
Total	2,557,311,429	100.00	2,557,311,429	100.00	2,557,311,429	100.00

Assuming that all Share Options are exercised

Set out below is the shareholding structure of the Company as at the date of this Announcement and immediately upon closing of the Partial Offer and the Option Offer assuming: (i) that only Shares subject to the Irrevocable Undertaking (being 1,370,144,000 Shares) are tendered for acceptance under the Partial Offer and that **all** Share Options are exercised following the date of this Announcement; (ii) that all Qualifying Shareholders tender all of their Shares for acceptance under the Partial Offer and that **all** Share Options are exercised; and (iii) no additional Shares will be issued or repurchased by the Company from the date of this Announcement up to and including the date of closing of the Offers:

	As at the date of this Announcement		Upon the closing of the Offers (assuming only Shares subject to the Irrevocable Undertaking are tendered for acceptance)		Upon the closing of the Offers (assuming all Qualifying Shareholders tender all of their Shares for acceptance)	
	Number of Approx. Shares	%	Number of Approx. Shares	%	Number of Approx. Shares	%
Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid (Note 1, 3)	1,370,144,000	53.58	—	—	342,536,000	13.31
Jumbo Create Investment Development Limited (Note 4)	155,278,000	6.07	155,278,000	6.04	38,819,500	1.51
Wilfred Speedy Investment Development Limited (Note 5)	155,278,000	6.07	155,278,000	6.04	38,819,500	1.51
The Offeror and parties acting in concert with either of them	—	—	1,370,144,000	53.25	1,929,646,071	75
Zhao Hongliang (Note 2)	18,000,000	0.70	18,000,000	0.70	4,500,000	0.17
Hua Xiuzhen (Note 2)	18,000,000	0.70	18,000,000	0.70	4,500,000	0.17
Schroders Plc	133,750,061	5.23	133,750,061	5.20	33,437,515	1.30
Public (as defined in the Listing Rules)	706,861,368	27.65	722,411,368	28.07	180,602,843	7.03
Total	2,557,311,429	100.00	2,572,861,429	100.00	2,572,861,429	100.00

Notes:

- (1) Referring to the shareholding in the Company to which Mr. Yang Aihua is beneficially interested in. Baoxin Investment is wholly owned by the trustee of a discretionary trust of which Mr. Yang Aihua, together with his children and further issue are beneficiaries. Under such trust, certain discretions of the trustee are only exercisable by the trustee with the consent of the protector, being Mr. Yang Aihua, and such discretions include: (i) determining the date of termination of the trust; (ii) changing the proper law of the trust; (iii) paying or application of income to beneficiaries; (iv) holding capital and income on trust for the beneficiaries on termination of the trust; (v) general powers of appointment and advancement; (vi) exclusion of beneficiaries; (vii) addition of beneficiaries; and (viii) variation of the trust powers and provisions of the trust. For so long as there is a protector, being Mr. Yang Aihua in office, the trustee shall not have any investment or asset management powers, including powers to interfere in the management of the business of Baoxin Investment and the voting rights attached to its shares. The investment and asset management powers are vested solely in the protector. The protector also has the power to appoint or remove trustees. Auspicious Splendid is wholly owned by Ms. Yang Chu Yu, a daughter of Mr.

Yang Aihua as the trustee of a discretionary trust of which Mr. Yang Aihua, and Mr. Yang Zehua, together with their respective children and further issue are beneficiaries. The trustee shall hold the capital and income of the trust fund on trust for the beneficiaries in such shares as the protector, Mr. Yang Aihua, directs. The protector also has the power to (i) add or remove beneficiaries; (ii) exclude any person to be a beneficiary; and (iii) remove a trustee and appoint a successor trustee. For so long as there is a protector, being Mr. Yang Aihua in office, the trustee shall not have any investment or asset management powers, including powers to interfere in the management of the business of Auspicious Splendid and the voting rights attached to its shares. The investment and asset management powers are vested solely in the protector. Pursuant to the above arrangement, Mr. Yang Aihua solely controls the voting rights attached to the IU Shares.

- (2) Mr. Zhao Hongliang and Ms. Hua Xiuzhen are executive Directors as at the date of this Announcement.
- (3) Pursuant to the Irrevocable Undertaking, Mr. Yang Aihua will resign from his office as the Chairman and a Director of the Company with effect from the First Closing Date in accordance with Rule 7 of the Code. Upon closing of the Partial Offer, Mr. Yang Aihua (through his interests in Baoxin Investment and Auspicious Splendid) may maintain a shareholding in the Company of not more than approximately 13.39% or may cease to hold any Shares. If Mr. Yang Aihua were to remain a core connected person of the Company (through his interests in Baoxin Investment and Auspicious Splendid), his Shares would not be regarded as part of the public float for the purposes of the Company's compliance with the public float requirement under Rule 8.08 of the Listing Rules. Pursuant to the Irrevocable Undertaking, if Mr. Yang Aihua continues to be a substantial shareholder of the Company by virtue of the remaining Shares held by Mr. Yang Aihua or his close associates (as defined in Chapter 1 of the Listing Rules), or is otherwise deemed to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company, within three months after the Final Closing Date, Mr. Yang Aihua has undertaken to procure Baoxin Investment and Auspicious Splendid to reduce, and Baoxin Investment and Auspicious Splendid have agreed to reduce, the residual shareholding of Baoxin Investment and Auspicious Splendid in the Company by a placing of its Shares or by the taking of such other steps as may be satisfactory to the Stock Exchange so that Mr. Yang Aihua will cease to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company for the purpose of the Company's compliance with the public float requirement under Rule 8.08 of the Listing Rules.
- (4) Jumbo Create Investment Development Limited is controlled by Mr. Yang Zehua, a brother of Mr. Yang Aihua and Mr. Yang Hansong and an executive Director as at the date of this Announcement. Mr. Yang Zehua will resign as a Director with effect from the First Closing Date in accordance with Rule 7 of the Code. Following his resignation, Mr. Yang Zehua and Jumbo Create Investment Development Limited will each cease to be a core connected person of the Company and the shareholding of Jumbo Create Investment Development Limited will be counted towards public float of the Company.
- (5) Wilfred Speedy Investment Development Limited is controlled by Mr. Yang Hansong, a brother of Mr. Yang Aihua and Mr. Yang Zehua and an executive Director as at the date of this Announcement. Mr. Yang Hansong will resign as a Director with effect from the First Closing Date in accordance with Rule 7 of the Code. Following his resignation, Mr. Yang Hansong and Wilfred Speedy Investment Development Limited will each cease to be a core connected person of the Company and the shareholding of Wilfred Speedy Investment Development Limited will be counted towards public float of the Company.

20. Composite Document

It is expected that the Composite Document containing, among other things, (i) the full terms and details of the Offers; (ii) the recommendation from the Independent Board Committee in respect of the Offers; (iii) the letter of advice from the Independent Financial Adviser in respect of the Offers; and (iv) the Forms of Acceptance will be despatched to the Qualifying Shareholders and Optionholders within seven days after the satisfaction or, where applicable, waiver of the Pre-Conditions. The Offeror has applied to the Executive for its consent under Note 2 to Rule 8.2 of the Code to permit the Composite Document to be posted within the timeframe described above.

PART B: COMMITMENT BY MR. YANG AIHUA, BAOXIN INVESTMENT AND AUSPICIOUS SPLENDID TO ACCEPT THE PARTIAL OFFER UNDER THE IRREVOCABLE UNDERTAKING AND UNDERTAKINGS UNDER THE DEED OF NON-COMPETITION

1. Principal Terms of the Irrevocable Undertaking

Date: 4 December 2015

Parties: (1) CGA; (2) Offeror; (3) Mr. Yang Aihua; (4) Baoxin Investment; and (5) Auspicious Splendid.

Irrevocable undertaking to accept the Partial Offer:

On 4 December 2015, Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid entered into the Irrevocable Undertaking with CGA and the Offeror, pursuant to which, among other things, each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid have irrevocably undertaken, jointly and severally, to CGA and the Offeror that the Partial Offer will be accepted by Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid in respect of all of the IU Shares as soon as possible and in any event by 4:00 p.m. on the third business day after the Despatch Date and that Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid will each not withdraw such acceptance.

Consideration:

Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid have each irrevocably undertaken to CGA and the Offeror that the Partial Offer will be accepted by each of them, in respect of their respective IU Shares at the Offer Price of HK\$5.99 per IU Share. Such acceptance shall not be withdrawn.

If the Partial Offer becomes unconditional in all respects, Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid will, pursuant to the Irrevocable Undertaking, sell at least 1,027,608,000 Shares (being 75% of the IU Shares) and up to 1,370,144,000 Shares (being all of the IU Shares), depending on the overall acceptances of the Partial Offer. The total consideration for such sale will accordingly be not less than approximately HK\$6,155,371,920 and up to approximately HK\$8,207,162,560.

Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid will receive payment under the Offers on the same date as all other Shareholders accepting the Offers.

No withdrawal:

Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid have each irrevocably undertaken that it will not withdraw any acceptance of the Partial Offer in respect of its IU Shares.

Withholding pursuant to Announcement 7:

Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has agreed that the Offeror shall have the right to withhold from: (i) Baoxin Investment an aggregate amount of HK\$362,673,000 and (ii) Auspicious Splendid an aggregate amount of HK\$37,327,000, each such amount representing the estimated amount of PRC taxes payable by Baoxin Investment and Auspicious Splendid, respectively, arising from a sale of its IU Shares contemplated under the Irrevocable Undertaking pursuant to Announcement 7. Such aggregate amounts of HK\$400,000,000 shall be remitted to an escrow account on the Final Closing Date (or such later date as all other Shareholders accepting the Offers will receive payment).

Other withholdings:

Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has further agreed that the Offeror shall have the right to withhold from: (i) Baoxin Investment an aggregate amount of HK\$219,671,000 and (ii) Auspicious Splendid an aggregate amount of HK\$22,609,000, which amounts may be used to satisfy any losses arising from a breach of any warranty claim that CGA or the Offeror may have in accordance with the terms of the Irrevocable Undertaking. Such aggregate amounts of HK\$242,280,000 shall be remitted to an escrow account on the Final Closing Date (or such later date as all other Shareholders accepting the Offers will receive payment), and the remaining balance of such amounts shall be released and returned to Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid if there are no further claims under the Irrevocable Undertaking after 24 months of the Final Closing Date.

Deductions:

Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has further agreed that the Offeror shall have the right to deduct from: (i) Baoxin Investment an aggregate amount of HK\$1,098,354,000 and (ii) Auspicious Splendid an aggregate amount of HK\$113,046,000 on the Final Closing Date (or such later date as all other Shareholders accepting the Offers will receive payment), if at the time when all the Pre-Conditions are satisfied or, where applicable, waived, the Company has failed to provide evidence reasonably satisfactory to CGA and the Offeror of the collection and payment of at least 30% of the outstanding receivables as shown in the Company's unaudited financial statements for the nine months ended 30 September 2015.

Bonds:

In the event that a holder of the Bonds exercises the right of redemption attached to the Bonds (or any part thereof) and that the Company is required to pay 103% of the principal amount of the Bonds (or any part thereof) plus accrued interests in accordance with the terms and conditions of the Bonds, each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has agreed to jointly and severally pay on demand within ten business days to the Company of the Offeror giving notice in writing to Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid requiring such payment to be made, an aggregate amount in cash equal to 3% of the principal amount of the Bonds.

Restrictive covenants:

Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has undertaken to procure, among others, that until the Final Closing Date:

- (i) the Group will carry on business in the ordinary course of business; and
- (ii) no member of the Group shall do, undertake or engage in certain restricted activities, other than (a) in connection with the Offers; (b) as required under laws, the Listing Rules or regulations or by any regulatory body; or (c) as have been notified to the Offeror in writing on or prior to the date of the Irrevocable Undertaking. As at the date of the Irrevocable Undertaking, no such restricted activity has been notified to CGA and the Offeror pursuant to paragraph (c) above.

Termination:

The Irrevocable Undertaking will terminate and the parties' obligations thereunder will cease on the earlier of any of the following occurring:

- (i) if the Partial Offer lapses or is withdrawn in circumstances permitted under the Code; and
- (ii) if the Pre-Conditions have not been fulfilled by the Long Stop Date.

2. Principal Terms of the Deed of Non-Competition

Date: 4 December 2015

Parties: (1) CGA; (2) Offeror; (3) Mr. Yang Aihua; (4) Baoxin Investment; and (5) Auspicious Splendid.

Non-compete and other undertakings:

Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has undertaken to CGA and the Offeror (in respect of itself and its affiliates (excluding the Group)), among other things, not to be engaged or directly or indirectly interested in carrying on a business of operation of any 4S (sales, spare parts, service and survey) physical dealership stores (excluding on-line stores) in the PRC and not to solicit any customers, officers, managers or employees of the Group, for a period of 12 months after the Final Closing Date, subject to certain limited exceptions.

3. Listing status of the Company

The Offeror intends to maintain the listing status of the Company following closing of the Offers.

The number of Shares held by Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid which will be taken up by the Offeror upon closing of the Partial Offer will not be less than 75%, and up to 100%, of the IU Shares depending on the acceptance level of the other Qualifying Shareholders.

Pursuant to the Irrevocable Undertaking, Mr. Yang Aihua will resign from his office as the Chairman and a Director of the Company with effect from the First Closing Date in accordance with Rule 7 of the Code. Upon closing of the Partial Offer, Mr. Yang Aihua (through his interests in Baoxin Investment and Auspicious Splendid) may maintain a shareholding in the Company of not more than approximately 13.39% or may cease to hold any Shares. If Mr. Yang Aihua were to remain a core connected person of the Company (through his interests in Baoxin Investment and Auspicious Splendid), his Shares would not be regarded as part of the public float for the purposes of the Company's compliance with the public float requirement under Rule 8.08 of the Listing Rules. Pursuant to the Irrevocable Undertaking, if Mr. Yang Aihua continues to be a substantial shareholder of the Company by virtue of the remaining Shares held by Mr. Yang Aihua or his close associates (as defined in Chapter 1 of the Listing Rules), or is otherwise deemed to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company, within three months after the Final Closing Date, Mr. Yang Aihua has undertaken to procure Baoxin Investment and Auspicious Splendid to reduce, and Baoxin Investment and Auspicious Splendid have agreed to reduce, the residual shareholding of Baoxin Investment and Auspicious Splendid in the Company by a placing of its Shares or by the taking of such other steps as may be satisfactory to the Stock Exchange so that Mr. Yang Aihua will cease to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company for the purpose of the Company's compliance with the public float requirement under Rule 8.08 of the Listing Rules.

Mr. Yang Zehua will resign as a Director with effect from the First Closing Date in accordance with Rule 7 of the Code. Following his resignation, Mr. Yang Zehua and Jumbo Create Investment Development Limited will cease to be a core connected person of the Company and the shareholding of Jumbo Create Investment Development Limited will be counted towards public float of the Company.

Mr. Yang Hansong will resign as a Director with effect from the First Closing Date in accordance with Rule 7 of the Code. Following his resignation, Mr. Yang Hansong and Wilfred Speedy Investment Development Limited will cease to be a core connected person of the Company and the shareholding of Wilfred Speedy Investment Development Limited will be counted towards public float of the Company.

PART C: GENERAL

1. Independent Board Committee

Pursuant to Rule 2.1 of the Code, the Independent Board Committee has been established for the purpose of making a recommendation to the Qualifying Shareholders and the Optionholders as to whether the Partial Offer and the Option Offer are fair and reasonable and as to acceptance. The Independent Board Committee comprises all the independent non-executive Directors and the non-executive Director.

2. Independent Financial Adviser

The Company has appointed Somerley as the Independent Financial Adviser to: (i) advise the Independent Board Committee in respect of the Offers and in particular as to whether the terms of the Offers are respectively fair and reasonable and as to acceptance pursuant to Rule 2.1 of the Code; and (ii) report on the unaudited financial results of the Group for the nine months ended 30 September 2015 to be published by the Company on the date of this Announcement pursuant to Rule 10.1, Note 1(c) to Rules 10.1 and 10.2 and Rule 10.4 of the Code. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The letter of advice from the Independent Financial Adviser in respect of the Offers will be included in the Composite Document.

3. Information on the Group

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which have been listed on the Main Board of the Stock Exchange since 14 December 2011.

The Group is a leading luxury 4S (sales, spare parts, service and survey) dealership group in the PRC and is principally engaged in the sale and service of automobiles.

4. Bonds

The Company issued the Bonds on 31 December 2012. The Bonds are redeemable in cash at the option of the bondholders at any time by notice in writing to the Company, following the occurrence of a change of control of the Company at 103% of the principal amount plus accrued interests. "Change of Control" is defined in the terms of the Bonds as meaning: (a) any person who does not own or control more than 30% of the voting rights in the capital of the Company at the first issue date coming to own or control more than 30% of the voting rights in the capital of the Company; or (b) any person who owns or controls more than 30% of the voting rights in the capital of the Company at the first issue date ceasing to own or control more than 30% of the voting rights in the capital of the Company. Therefore, the Bonds will be redeemable at the

option of the bondholders upon the First Closing Date in accordance with the terms and conditions of the Bonds. As at the date of this Announcement, the principal outstanding amount of the Bonds is US\$58,160,000.

5. Suspension and resumption of trading in the Shares

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 7 December 2015 pending the release of this Announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 14 December 2015.

6. Dealings disclosure

In accordance with Rule 3.8 of the Code, associates (including persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 to the Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in Shares pursuant to the requirements of the Code.

In accordance with Rule 3.8 of the Code, reproduced below is the full text of Note 11 to Rule 22 of the Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: AS THE MAKING OF THE PARTIAL OFFER AND THE OPTION OFFER IS SUBJECT TO THE SATISFACTION OR, WHERE APPLICABLE, WAIVER OF THE PRE-CONDITIONS, THE PARTIAL OFFER AND THE OPTION OFFER ARE A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE. IT DEPENDS ON THE SATISFACTION OR, WHERE APPLICABLE, WAIVER OF THE PRE-CONDITIONS.

CLOSING OF THE PARTIAL OFFER AND THE OPTION OFFER IS SUBJECT TO THE CONDITION BEING FULFILLED AND THE OFFERS BECOMING UNCONDITIONAL. ACCORDINGLY, THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE PARTIAL OFFER AND THE OPTION OFFER WILL BECOME UNCONDITIONAL AND BE CLOSED.

SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

DEFINITIONS

In this Announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Code;
“Announcement”	means this announcement dated 11 December 2015;
“Announcement 7”	means the Notice Regarding Certain Enterprise Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises (Public Notice [2015] No. 7) issued by the State Administration of Taxation of the PRC (國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公 告), effective as of 3 February 2015 (including subsequent amending provisions, if any);
“associate(s)”	has the meaning ascribed thereto under the Code;
“Auspicious Splendid”	means Auspicious Splendid Global Investments Limited, a company incorporated in the British Virgin Islands, that is ultimately controlled by Mr. Yang Aihua;
“Baoxin Investment”	means Baoxin Investment Management Limited, a company incorporated in the British Virgin Islands, that is ultimately controlled by Mr. Yang Aihua;
“Board”	means the board of directors of the Company;
“Bonds”	means the unsecured pay-in-kind bonds issued by the Company on 31 December 2012 maturing on 30 December 2017, with an aggregate principal amount of US\$58,160,000 at a fixed interest rate of 5.65% per annum;
“CGA”	means China Grand Automotive Services, Co., Ltd (廣匯汽車服務股份公司), a company established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (SSE Stock Code: 600297);

“CGA Group”	means CGA and its subsidiaries as of the date of this Announcement;
“close associate”	has the meaning ascribed thereto under the Listing Rules;
“CMB International”	means CMB International Capital Limited, a corporation licensed by the SFC to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in relation to the Offers;
“Code”	means the Hong Kong Code on Takeovers and Mergers;
“Company”	means Baoxin Auto Group Limited (寶信汽車集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange with Stock Code 1293;
“Composite Document”	means the composite offer and response document to be issued, subject to the satisfaction or, where applicable, waiver of the Pre-Conditions, by or on behalf of the Offeror and the Company to all Qualifying Shareholders and Optionholders in accordance with the Code containing, among other things, details of the Offers and the acceptance and transfer forms in respect of the Offers, as may be revised or supplemented as appropriate;
“Condition”	means the condition of the Partial Offer and the Option Offer, as set out under the section headed “Condition of the Offers” in Part A of this Announcement;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“core connected person”	has the meaning ascribed thereto under the Listing Rules;
“CSRC”	means the China Securities Regulatory Commission;
“Deed of Non-Competition”	means the deed of non-competition dated 4 December 2015 between CGA, the Offeror, Mr. Yang Aihua, Baoxin Investment, Auspicious Splendid as described in Part B of this Announcement;
“Despatch Date”	means the date of despatch of the Composite Document to the Shareholders as required by the Code;
“Director(s)”	means the director(s) of the Company;

“Earnest Money”	means the refundable earnest money of HK\$50 million paid by CGA to the Company pursuant to the Earnest Money Agreement;
“Earnest Money Agreement”	means the letter agreement dated 13 September 2015 entered into between CGA and the Company, pursuant to which CGA paid the refundable Earnest Money to the Company on 14 September 2015;
“Employees”	means any persons who are employees of the Group as at the Final Closing Date;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director;
“Facility Agreements”	means, collectively, (i) the facility agreement in respect of a US\$120,000,000 term loan facility dated 22 June 2015 between the Company (as borrower), Xiangsong Auto Company Limited, Kailong Investments Management Limited, NCGA Holdings Limited and Yan Jun Auto Co. Limited (as guarantors) and Standard Chartered Bank (Hong Kong) Limited as the global coordinator; (ii) the facility agreement in respect of a US\$216,000,000 term loan facility dated 21 August 2014 between the Company (as borrower), Xiangsong Auto Company Limited, Kailong Investments Management Limited, NCGA Holdings Limited and Yan Jun Auto Co. Limited (as guarantors) and Standard Chartered Bank (Hong Kong) Limited as the global coordinator; and (iii) the facility agreement in respect of a US\$170,000,000 term loan facility dated 5 September 2013 between the Company (as borrower), Xiangsong Auto Company Limited, Kailong Investments Management Limited, NCGA Holdings Limited and Yan Jun Auto Co. Limited (as guarantors) and Morgan Stanley Asia Limited and Standard Chartered Bank (Hong Kong) Limited as the global coordinators;
“Final Closing Date”	means the date which is the 14th day after (i) the date on which the Partial Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the earlier, provided that the Partial Offer will be open for acceptance for at least 21 days following the Despatch Date;
“First Closing Date”	means the date to be stated in the Composite Document as the first closing day of the Partial Offer, which shall be at least 21 days following the date on which the Composite Document is posted, or such later date as may be extended by the Offeror in accordance with the Code;

“Forms of Acceptance”	means the forms of acceptance and transfer in respect of the Partial Offer and the Option Offer accompanying the Composite Document;
“Group”	means the Company and its subsidiaries;
“Guanghui Group”	means Xinjiang Guanghui Industry Investment Group Co., Ltd.* (新疆廣匯實業投資(集團)有限責任公司), a company established under the laws of the PRC and the controlling shareholder of CGA;
“Guanghui Irrevocable Undertaking”	means the irrevocable undertaking dated 4 December 2015 between Guanghui Group and the Company, pursuant to which Guanghui Group has irrevocably undertaken to the Company to, among others, vote in favour of the resolutions at the relevant general meeting of CGA in respect of the Offers;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	means the independent committee of the Board (comprising Mr. Diao Jianshen, Mr. Wang Keyi and Mr. Chan Wan Tsun Adrian Alan, being all the independent non-executive Directors and the non-executive Director, Mr. Lu Linkui) formed for the purpose of making a recommendation to the Qualifying Shareholders and to the Optionholders as to whether the Offers are respectively fair and reasonable and as to acceptance;
“Independent Financial Adviser”	means Somerley appointed by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in respect of the Offers and in particular as to whether the terms of the Offers are respectively fair and reasonable and as to acceptance;
“Irrevocable Undertaking”	means the irrevocable undertaking dated 4 December 2015 between CGA, the Offeror, Mr. Yang Aihua, Baoxin Investment, Auspicious Splendid as described in Part B of this Announcement;
“IU Shares”	means the aggregate of 1,370,144,000 Shares held by Baoxin Investment and Auspicious Splendid, representing their entire aggregate interest in the Company and 53.58% of the issued share capital of the Company as at the date of this Announcement;

“Last Trading Date”	means 4 December 2015, being the last trading day prior to the suspension of trading in Shares pending the publication of this Announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	means 11 August 2016, being the date falling 8 months after the date of this Announcement, or such other date as the parties to the Irrevocable Undertaking may agree in writing;
“MOFCOM”	means the Ministry of Commerce of the PRC or its authorised local agency, as applicable;
“Mr. Yang Aihua”	means Mr. Yang Aihua, an executive Director and Chairman of the Company;
“NDRC”	means the National Development and Reform Commission of the PRC or its authorised local agency, as applicable;
“Offeror”	means China Grand Automotive Services (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of CGA;
“Offer Period”	has the meaning ascribed thereto under the Code;
“Offer Price”	means HK\$5.99 per Share;
“Offers”	means the Partial Offer and the Option Offer;
“Optionholders”	means the holder(s) of the Share Options;
“Option Offer”	means the appropriate offer to be made by the Offeror to the Optionholders to cancel up to 11,662,500 outstanding Share Options pursuant to Rule 13 of the Code;
“Option Offer Price”	HK\$0.266 for cancellation of each Share Option;

“Partial Offer”	means the pre-conditional voluntary cash partial offer by CMB International on behalf of the Offeror to the Qualifying Shareholders to acquire a maximum of 1,917,983,571 Shares (representing 75% of the Shares in issue as at the date of this Announcement) or such higher number of Shares (representing 75% of the Shares in issue (including any Shares for which a valid notice of exercise has been delivered in respect of a Share Option on or after the date of this Announcement and on or before the Final Closing Date) as at the Final Closing Date) from Qualifying Shareholders at the Offer Price and any subsequent revision or extension of such offer;
“PRC”	means the People’s Republic of China which, for the purpose of this Announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Pre-Conditions”	means the pre-conditions to the making of the Partial Offer, as set out under the section headed “Pre-Conditions to the Partial Offer and the Option Offer” in Part A of this Announcement;
“Qualifying Shareholders”	means Shareholders other than the Offeror and parties acting in concert with it;
“RMB”	means Renminbi, the lawful currency of the PRC;
“SAFE”	means the State Administration of Foreign Exchange of the PRC or its authorised local agency, as applicable;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	means registered holders of Shares;
“Share Options”	means outstanding options over Shares granted pursuant to the Share Option Scheme, where one Share Option represents the right to subscribe for one Share with an exercise price of HK\$5.724 for each Share;

“Share Option Scheme”	means the share option scheme adopted by the Company on 22 November 2011;
“Shares”	means the ordinary shares of HK\$0.01 each in the capital of the Company;
“Somerley”	means Somerley Capital Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules; and
“%”	means per cent.

By order of the board of
**China Grand Automotive
Services Co., Ltd**
LI Jianping
Chairman

By order of the board of
**China Grand Automotive
Services (Hong Kong) Limited**
WANG Ben
Director

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

The PRC, 11 December 2015

As at the date of this Announcement, the director of the Offeror is Mr. WANG Ben.

As at the date of this Announcement, the directors of CGA are Mr. LI Jianping, Mr. MENG Zhipeng, Mr. TANG Yongqi, Mr. KONG Lingjiang, Mr. XUE Weidong and Mr. SHANG Yong, and the independent directors of CGA are Mr. SHEN Jinjun, Mr. CHENG Xiaoming and Mr. JIN Qinglu.

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 of the Offeror and CGA jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than information relating to the Group or any of its associates or any parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than opinions expressed by the Directors) 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than information relating to the CGA Group, the Offeror or any of their associates or any parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than opinions expressed by the directors of CGA and the Offeror) 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.

Unless otherwise specified in this Announcement, amounts denominated in RMB have been converted, for illustration purpose only, into HK\$ at an exchange rate of RMB0.82386 = HK\$1. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate and any other rate or at all.

** For identification purposes only*