

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
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The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets of the Group have been prepared in accordance with Rule 4.29 of the Listing Rules is for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on our combined net tangible assets as of June 30, 2011 as if it had taken place on June 30, 2011.

The unaudited pro forma adjusted combined net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of our Group had the Global Offering been completed as of June 30, 2011 or any future date. It is prepared based on our combined net assets as of June 30, 2011 as set out in the Accountants' Report as set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Combined net tangible assets attributable to owners of the Company as of June 30, 2011	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted combined net tangible assets	Unaudited pro forma adjusted combined net tangible assets per Share	
	RMB'000 <i>(Note 1)</i>	RMB'000 <i>(Note 2)</i>	RMB'000 <i>(Note 3)</i>	RMB <i>(Note 4)</i>	(HK\$ equivalent) <i>(Note 5)</i>
Based on an offer price of HK\$8.50 per Share	461,540	2,128,949	2,590,489	1.02	1.25
Based on an offer price of HK\$10.80 per Share	461,540	2,720,909	3,182,449	1.26	1.54

Notes:

1. The combined net tangible assets of the Group attributable to owners of the Company as of June 30, 2011 is extracted from the Accountants' Report as set out in Appendix I to this prospectus, which is based on the audited combined equity attributable to owners of the Company as of June 30, 2011 of RMB463,804,000 less intangible assets as of June 30, 2011 of RMB2,264,000.
2. The estimated net proceeds from the Global Offering are based on estimated offer prices of HK\$8.50 or HK\$10.80 per Share after deduction of the underwriting fees and other related expenses payable by our Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of the options granted under the Share Option Scheme.

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3. Details of the valuations of the Group's properties as of October 31, 2011 are set out in "Appendix IV—Property Valuation". The revaluation surplus or deficit of properties included in buildings held for own use, construction in progress, land use rights and properties under development was not incorporated in the Group's combined financial statements for the six months ended June 30, 2011. If the revaluation surplus was recorded in the Group's combined financial statements, the annual depreciation expense would increase by approximately RMB0.2 million.
4. The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 2,528,740,000 Shares are in issue assuming that the Global Offering has been completed on June 30, 2011 and an Offer Price of HK\$8.50 per Share, being the low end of the Offer Price range, and 2,528,740,000 Shares are in issue assuming that the Global Offering has been completed on June 30, 2011 and an Offer Price of HK\$10.80 per Share, being the high end of the Offer Price range, excluding Shares which may be issued upon the exercise of the Over-allotment Option and Shares which may be issued upon the exercise of the options granted under the Share Option Scheme.
5. The unaudited pro forma adjusted combined net tangible assets per Share is converted into Hong Kong dollars at an exchange rate of HK\$1.00 to RMB0.8156, the prevailing rate quoted by the PBOC on November 24, 2011.
6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2011.

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B. UNAUDITED PRO FORMA ESTIMATED EARNINGS PER SHARE

The following unaudited pro forma forecasted earnings per Share for the financial year ending December 31, 2011 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on January 1, 2011. It has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the financial results of the Group following the Global Offering.

	<u>For the year ending December 31, 2011</u>
Consolidated forecast profit attributable to owners of the Company ⁽¹⁾⁽²⁾	Not less than RMB600.0 million (approximately HK\$735.7 million)
Unaudited pro forma forecast earnings per Share ⁽³⁾	Not less than RMB0.237 (approximately HK\$0.291)

Notes:

- (1) The bases and assumptions on which the above profit forecast for the year ending December 31, 2011 have been prepared are summarized in Appendix III to this prospectus.
- (2) The consolidated forecast profit attributable to owners of the Company for the year ending December 31, 2011 prepared by our Directors is based on the audited combined results of our Group for the six months ended June 30, 2011 and the unaudited consolidated results of our Group for the three months ended September 30, 2011 and a forecast of the consolidated results of our Group for the remaining three months ending December 31, 2011 on the basis that the current group structure had been in existence throughout the whole financial year ending December 31, 2011. The forecast has been prepared on the basis of the accounting policies being consistent in all material aspects with those currently adopted by our Group as set out in the Accountants' Report in Appendix I to this prospectus.
- (3) The unaudited pro forma forecasted earnings per Share is calculated by dividing the consolidated forecast profit attributable to owners of the Company for the year ending December 31, 2011 by a total of 2,528,740,000 Shares in issue, assuming that the Global Offering has been completed on January 1, 2011 (without taking into account the Over-allotment Option).

C. LETTER FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong for the purpose of incorporation in this prospectus.



18th Floor
Two International Finance Center
8 Finance Street
Central, Hong Kong

December 2, 2011

The Directors
Baixin Auto Group Limited
Morgan Stanley Asia Limited
J.P. Morgan Securities (Asia Pacific) Limited

Dear Sirs,

We report on the unaudited pro forma adjusted combined net tangible assets and unaudited pro forma forecast earnings per share (the “Unaudited Pro Forma Financial Information”) of Baixin Auto Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which have been prepared by the directors of the Company (the “Directors”) for illustrative purposes only, to provide information about how the global offering of 379,320,000 shares of HK\$0.01 each in the capital of the Company might have affected the financial information presented, for inclusion in Appendix II to the prospectus of the Company dated December 2, 2011 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND REPORTING ACCOUNTANTS

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial

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information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the bases stated, that such bases are consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Our work has not been carried out in accordance with the auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at June 30, 2011 or any future dates; or
- the forecast earnings per share of the Group for the year ending December 31, 2011 or any future periods.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the bases stated;
- (b) such bases are consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
ERNST & YOUNG
Certified Public Accountants
Hong Kong