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BAOXIN AUTO GROUP LIMITED

寶信汽車集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1293)

VOLUNTARY ANNOUNCEMENT PROPOSED NOTES ISSUE OF SENIOR NOTES BY THE COMPANY

Further to the announcement of the Company dated May 2, 2012 in respect of the Proposed Notes Issue, the Board of Directors of the Company announces that in view of current market conditions, the Company has decided to postpone the Proposed Notes Issue.

This announcement is made by Baoxin Auto Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated May 2, 2012 in respect of the Proposed Notes Issue (the “**Announcement**”). Unless otherwise defined, all terms and expressions in this announcement shall have the meaning ascribed to them in the Announcement.

The Board announces that in view of current market conditions, the Company has decided to postpone the Proposed Notes Issue. The Proposed Notes Issue was intended to take advantages of the favorable interest rate environment to raise funds for repayment of short-term bank loans, for expansion and for general corporate and working capital purposes. However, in view of the current market conditions which have made notes offering less attractive at the moment, the Company has decided to postpone the Proposed Notes Issue.

The Board considers that the postponement of the Proposed Notes Issue shall have no material adverse impact on the financial and operational position of the Company.

By Order of the Board of
Baoxin Auto Group Limited
Yang Aihua
Chairman

Hong Kong, May 16, 2012

As of the date of this document, 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. ZHANG Yang, and the independent non-executive Directors are Mr. DIAO Jianshen, Mr. WANG Keyi and Mr. CHAN Wan Tsun Adrian Alan.