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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Baoxin Auto Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**PROPOSALS FOR GRANT OF  
GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Baoxin Auto Group Limited to be held at No. 3998 Hongxin Road, Minhang District, Shanghai, the People's Republic of China on Thursday, June 16, 2016 at 10:30 a.m., at which the above proposals will be considered, is set out on pages 13 to 17 of this circular.

A form of proxy for your use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.klbaoxin.com](http://www.klbaoxin.com)). Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

*The translation into Chinese language of this circular is for reference only. In case of inconsistency, the English version shall prevail.*

April 29, 2016

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
Introduction .....	3
Proposed General Mandate to Issue Shares .....	4
Proposed General Mandate to Repurchase Shares .....	4
Re-election of Retiring Directors .....	4
Annual General Meeting and Proxy Arrangement .....	5
Voting by Way of Poll .....	5
Responsibility Statement .....	5
General Information .....	6
Recommendation .....	6
<b>APPENDIX I — EXPLANATORY STATEMENT ON THE                     PROPOSED REPURCHASE MANDATE</b> .....	7
<b>APPENDIX II — PARTICULARS OF THE RETIRING DIRECTORS                     PROPOSED TO BE RE-ELECTED AT                     THE ANNUAL GENERAL MEETING</b> .....	10
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	13

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	an annual general meeting of the Company to be held at No. 3998 Hongxin Road, Minhang District, Shanghai, the People’s Republic of China on Thursday, June 16, 2016 at 10:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 17 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors of the Company
“Close associate(s)”	has the meaning set out in Chapter 1 of the Listing Rules
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Baoxin Auto Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Core connected person(s)”	has the meaning set out in Chapter 1 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	April 22, 2016, being the latest practicable date prior to the printing of this circular for purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China and for the sole purpose of this circular shall exclude Hong Kong, Macau Special Administrative Region and Taiwan

## DEFINITIONS

“Proposed Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Proposed Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Proposed General Mandate
“Proposed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with new Shares for up to a maximum of 20% of the aggregate number of issued Shares of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase the Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong (as amended from time to time)
“%”	per cent



**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)**

*Executive Directors:*

Mr. YANG Aihua (*Chairman*)

Mr. YANG Hansong

*(Vice Chairman and Chief Executive Officer)*

Mr. YANG Zehua (*Vice President*)

Ms. HUA Xiuzhen

Mr. ZHAO Hongliang (*Vice President*)

*Non-executive Director:*

Mr. LU Linkui

*Independent Non-executive Directors:*

Mr. DIAO Jianshen

Mr. WANG Keyi

Mr. CHAN Wan Tsun Adrian Alan

*Registered Office:*

P.O. Box 309, Uglan House  
Grand Cayman KY1-1104  
Cayman Islands

*Principal Place of Business and  
Head Office in the PRC:*

No. 3998 Hongxin Road  
Minhang District  
Shanghai, PRC

*Principal Place of Business  
in Hong Kong:*

Unit 2205, 22/F  
Bank of America Tower  
12 Harcourt Road  
Hong Kong

April 29, 2016

*To the Shareholders*

Dear Sir or Madam

**PROPOSALS FOR GRANT OF  
GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with: (i) details of the Proposed General Mandate, the Proposed Repurchase Mandate and the Proposed Extension Mandate; (ii) details of the re-election of the retiring Directors; and (iii) the notice of the Annual General Meeting.

## **LETTER FROM THE BOARD**

### **PROPOSED GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Proposed General Mandate to the Directors to exercise all powers of the Company to allot, issue and deal with new Shares in the share capital of the Company up to 20% of the aggregate number of issued Shares of the Company as at the date of passing of the resolution in relation to such general mandate. In addition, subject to approval of the ordinary resolutions in relation to the Proposed General Mandate and the Proposed Repurchase Mandate, the number of Shares repurchased by the Company under the Proposed Repurchase Mandate will also be added to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted under the Proposed General Mandate.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Proposed General Mandate.

### **PROPOSED GENERAL MANDATE TO REPURCHASE SHARES**

In addition, an ordinary resolution will be proposed to approve the grant of the Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the total number of issued Shares of the Company as at the date of passing of the resolution in relation to such general mandate. On the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 255,731,142 Shares which are fully paid-up.

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Proposed Repurchase Mandate.

An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix I to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### **RE-ELECTION OF RETIRING DIRECTORS**

By virtue of Article 16.18 of the Articles of Association, at least one third of the Directors shall retire and being eligible, offer themselves for re-election at the Annual General Meeting. In this connection, Mr. Diao Jianshen, Mr. Wang Keyi and Mr. Chan Wan Tsun Adrian Alan will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

The particulars of the retiring Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

## **LETTER FROM THE BOARD**

### **ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the Proposed General Mandate, the Proposed Repurchase Mandate, the Proposed Extension Mandate and the re-election of the retiring Directors, is set out on pages 13 to 17 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.klbaoxin.com](http://www.klbaoxin.com)). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish.

### **VOTING BY WAY OF POLL**

Pursuant to Article 13.6 of the Articles of Association, a resolution put to the vote of a general meeting shall be decided by way of a poll. It is also the requirement under Rule 13.39(4) of the Listing Rules that any vote of Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the meeting will demand a poll for every resolution put to the vote at the Annual General Meeting except where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. To the best of the knowledge, information and belief of the Directors, none of the Shareholders is required to abstain from voting on any of the resolutions to be proposed at the Annual General Meeting. The Company will announce the results of the poll after the Annual General Meeting in the manner prescribed under Rule 13.95(5) of the Listing Rules.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## LETTER FROM THE BOARD

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Proposed Repurchase Mandate) and Appendix II (Particulars of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting) to this circular.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the grant to the Directors of the Proposed General Mandate, the Proposed Repurchase Mandate and the Proposed Extension Mandate, and the re-election of the retiring Directors are in the best interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

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



*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in connection with the grant of the Proposed Repurchase Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,557,311,429 Shares of nominal value of HK\$0.01 each.

Subject to the passing of the ordinary resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 255,731,142 Shares, which are fully paid-up and represent 10% of the total issued Shares of the Company as at the Annual General Meeting, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in a general meeting.

**REASONS FOR SHARE REPURCHASES**

The Directors believe that the grant of the Proposed Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share, and/or its earnings per Share, and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

**FUNDING OF REPURCHASES**

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Company's Articles of Association, the Listing Rules, the Companies Law and/or any other applicable laws, as the case may be.

**IMPACT OF REPURCHASES**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended December 31, 2015) in the event that the Proposed Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Proposed Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares pursuant to the Proposed Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the controlling Shareholder (as defined in the Listing Rules) of the Company, namely Baoxin Investment Management Ltd., Auspicious Splendid Global Investments Limited and Mr. Yang Aihua (collectively the "**Controlling Shareholders**"), together held 1,370,144,000 Shares representing approximately 53.38% of the total issued share capital of the Company.

On December 11, 2015, China Grand Automotive Services Co. Limited provided a pre-conditional voluntary cash partial offer to acquire a maximum of 75% of the total issued share capital of the Company (the "**Proposed Acquisition**"). As at the Latest Practicable Date, the Proposed Acquisition has not yet completed.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Proposed Repurchase Mandate and prior to the completion of the Proposed Acquisition, the percentage of voting rights at a general meeting of the Company held by the Controlling Shareholders would increase to approximately 59.53% of the total issued share capital of the Company (if the Controlling Shareholders do not participate in such repurchase). Save as the aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase of shares pursuant to the Proposed Repurchase Mandate. In any event, the Directors also have no intention to exercise the Proposed Repurchase Mandate to such extent that would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The exercise in full of the Proposed Repurchase Mandate will not result in the Controlling Shareholders becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code, and the Directors have no present intention to exercise the Proposed Repurchase Mandate (whether in full or otherwise) to such an extent that would result in the public shareholding falling below 25% of total issued share capital of the Company being the prescribed minimum percentage held by the public as required by Rule 8.08(1)(a) of the Listing Rules.

**MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the twelve months immediately preceding the Latest Practicable Date were as follows:

<b>Year</b>	<b>Month</b>	<b>Highest traded Prices HK\$</b>	<b>Lowest traded Prices HK\$</b>	
<b>2015</b>	April	6.26	3.92	
	May	7.28	5.40	
	June	6.70	4.67	
	July	5.20	3.16	
	August	3.92	2.45	
	September	3.66	2.10	
	October	3.75	2.66	
	November	3.60	3.06	
	December	5.20	3.19	
	<b>2016</b>	January	4.85	4.34
		February	4.90	4.31
		March	4.99	4.80
April ( <i>up to and including the Latest Practicable Date</i> )		4.90	4.65	

**SHARE REPURCHASE MADE BY THE COMPANY**

During the 12 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

**GENERAL**

To the best of the knowledge of the Directors and having made all reasonable enquiries, none of the Directors or any of their Close associates currently has present intention to sell any Shares to the Company in the event that the grant of the Proposed Repurchase Mandate is approved by the Shareholders and the Proposed Repurchase Mandate is exercised.

No Core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the grant of the Proposed Repurchase Mandate is approved by the Shareholders and the Proposed Repurchase Mandate is exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

*The following are biographical details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.*

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### (1) Mr. DIAO Jianshen (刁建申)

**Mr. DIAO Jianshen (刁建申)**, aged 62, is an independent non-executive Director, the chairman of each of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Group. Mr. DIAO has been a vice president of the China Automobile Dealers Association since 2008. He was a director and executive deputy general manager of 華星新世界汽車服務有限公司 (Huaxing New World Auto Service Company Limited) from 2002 to 2008. From 1998 to 2002, he was a general manager of 中國汽車貿易華北公司 (China Automobile Trading (North China) Corporation). He graduated from 中共北京市委黨校 (CPC Beijing Municipal Party School) with a major in economic management in 1988 and from the Chinese Academy of Social Sciences with a major in business economics in 1998. Mr. DIAO was appointed as an independent non-executive Director of the Company on November 22, 2011.

Save as disclosed above, Mr. DIAO (i) has not held any other position in the Company or its subsidiaries nor does he have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries; (ii) did not hold any other directorships in any other public companies the securities of which are listed in Hong Kong or overseas in the last three years nor does he have any interest in the Shares within the meaning of Part XV of the SFO; and (iii) does not have other major appointments and professional qualifications.

Mr. DIAO has an appointment letter with the Company regarding his appointment as an independent non-executive Director commencing on December 14, 2011 for one year, subject to renewal, and he is also subject to retirement by rotation and re-election at the Company's general meeting in accordance with the Articles of Association of the Company. According to the appointment letter of Mr. DIAO, he is entitled to an annual director's fee of HK\$300,000 (or RMB equivalent), and a discretionary bonus based on the recommendations of the remuneration committee of the Company with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Save for the information disclosed above, there is no information of Mr. DIAO which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. DIAO that need to be brought to the attention of the Shareholders.

**(2) Mr. WANG Keyi (汪克夷)**

**Mr. WANG Keyi (汪克夷)**, aged 71, is an independent non-executive Director, the chairman of the Nomination Committee and a member of both the Audit Committee and Remuneration Committee of the Group. Since 1982, Mr. WANG has been a lecturer and professor at Dalian University of Technology. From 1992 to 1996, Mr. WANG was an assistant to the principal of Dalian University of Technology and was responsible for business management affairs. Mr. WANG was an independent director of 瓦房店軸承股份有限公司 (Wa Fang Dian Zhou Cheng Stock Company Limited) (Stock Code: 200706), a company whose shares are listed on the Shenzhen Stock Exchange, from 2009 to 2013. He was also an independent director of 遼寧紅陽能源投資股份有限公司 (Liaoning Hongyang Energy Resource Invest Co., Ltd.) (Stock Code: 600758), a company whose shares are listed on the Shanghai Stock Exchange, from 2005 to 2011. Mr. WANG graduated with an undergraduate degree in automotive control from the Dalian University of Technology in 1966. He obtained a Master's degree in systems engineering from Dalian University of Technology in 1982 and then a PhD degree in systems engineering from the same university in 1988. Mr. WANG was appointed as an independent non-executive Director of the Company on November 22, 2011.

Save as disclosed above, Mr. WANG (i) has not held any other position in the Company or its subsidiaries nor does he have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries; (ii) did not hold any other directorships in any other public companies the securities of which are listed in Hong Kong or overseas in the last three years nor does he have any interest in the Shares within the meaning of Part XV of the SFO; and (iii) does not have other major appointments and professional qualifications.

Mr. WANG has an appointment letter with the Company regarding his appointment as an independent non-executive Director commencing on December 14, 2011 for one year, subject to renewal, and he is also subject to retirement by rotation and re-election at the Company's general meeting in accordance with the Articles of Association of the Company. According to the appointment letter of Mr. WANG, he is entitled to an annual director's fee of HK\$300,000 (or RMB equivalent), and a discretionary bonus based on the recommendations of the remuneration committee of the Company with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Save for the information disclosed above, there is no information of Mr. WANG which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. WANG that need to be brought to the attention of the Shareholders.

**(3) Mr. CHAN Wan Tsun Adrian Alan (陳弘俊)**

**Mr. CHAN Wan Tsun Adrian Alan (陳弘俊)**, aged 37, is an independent non-executive Director and a member of the Audit Committee of the Group. Mr. CHAN has been the chief financial officer of Sun Ray Capital Investment Corporation since July 2015. From 2009 to June 2015, he was the chief financial officer of Enviro Energy International Holdings Limited (stock code: 1102), a company whose shares are listed on the Stock Exchange. He has over 13 years of experience in corporate finance. He was an associate director of UOB Asia (Hong Kong) Limited from 2005 to 2009, mainly responsible for the execution of financial advisory, initial public offering, merger and acquisitions, privatisation and other equity capital market transactions in the Greater China Region and Southeast Asia. He has also previously worked for the equity capital markets department of DBS Asia Capital Limited from 2002 to 2005, the corporate finance department of DBS Vickers Securities (formerly known as Vickers Ballas Holdings Limited) from 2000 to 2001, and as auditor for a top-tier international accounting firm. Mr. CHAN graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Finance in 2000. He is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants, respectively. Mr. CHAN was appointed as an independent non-executive Director of the Company on November 22, 2011.

Save as disclosed above, Mr. CHAN (i) has not held any other position in the Company or its subsidiaries nor does he have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries; (ii) did not hold any other directorships in any other public companies the securities of which are listed in Hong Kong or overseas in the last three years nor does he have any interest in the Shares within the meaning of Part XV of the SFO; and (iii) does not have other major appointments and professional qualifications.

Mr. CHAN has an appointment letter with the Company regarding his appointment as an independent non-executive Director commencing on December 14, 2011 for one year, subject to renewal, and he is also subject to retirement by rotation and re-election at the Company's general meeting in accordance with the Articles of Association of the Company. According to the appointment letter of Mr. CHAN, he is entitled to an annual director's fee of HK\$300,000 (or RMB equivalent), and a discretionary bonus based on the recommendations of the remuneration committee of the Company with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Save for the information disclosed above, there is no information of Mr. CHAN which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. CHAN that need to be brought to the attention of the Shareholders.

**NOTICE OF ANNUAL GENERAL MEETING**



**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)**

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting of Baoxin Auto Group Limited (the “**Company**”) will be held at No. 3998 Hongxin Road, Minhang District, Shanghai, the People’s Republic of China on Thursday, June 16, 2016 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended December 31, 2015.
2. (a) To re-elect the following retiring directors:
  - (i) Mr. DIAO Jianshen as an independent non-executive director
  - (ii) Mr. WANG Keyi as an independent non-executive director
  - (iii) Mr. CHAN Wan Tsun Adrian Alan as an independent non-executive director
- (b) To authorize the board of directors of the Company to fix the respective directors’ remuneration.
3. To re-appoint Ernst & Young as the Company’s auditors and to authorize the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph 4(c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including securities convertible into shares of the Company) which would or might require the exercise of such power during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph 4(a) above shall authorize the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options (including securities convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph 4(a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”



## NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph 5(b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which the directors of the Company are authorized to repurchase pursuant to the approval in paragraph 5(a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the resolutions nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the total number of issued shares of the Company as at the date of this resolution.”

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

Hong Kong, April 29, 2016

*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (who must be individual(s)) to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. Where there are joint registered holders of any share, any one of such persons may vote at the above meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant joint holding.
4. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be completed and lodged at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof, and in such event, the relevant form of proxy shall be deemed revoked.
5. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, June 14, 2016 to Thursday, June 16, 2016, both days inclusive, during such period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the Annual General Meeting, all duly stamped share transfer documents accompanied by the relevant

## NOTICE OF ANNUAL GENERAL MEETING

share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, June 13, 2016.

6. A circular containing further details concerning items nos. 2, 4, 5 and 6 as set out in the above notice will be sent to all shareholders of the Company together with the 2015 Annual Report.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

*As at the date of this circular, 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.*