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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)

ANNOUNCEMENT

RESTORATION OF PUBLIC FLOAT AND RESUMPTION OF TRADING

Reference is made to (i) the announcement jointly issued by CGA, the Offeror and the Company dated 21 June 2016 in relation to, among other things, close of the Offers and level of acceptances, public float and suspension of trading; and (ii) the announcement of the Company dated 11 July 2016 in relation to, among other things, the waiver from strict compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules for a period of three months from 21 June 2016 to 21 September 2016 (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise defined.

RESTORATION OF PUBLIC FLOAT

The Company has been notified by Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid that they have reduced their respective residual shareholding in the Company by selling down a total of 80,000,000 Shares to independent third parties who are not connected with the Company or its connected person on 20 September 2016 (the “**Sell-down**”). Immediately after the completion of the Sell-down, Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid held 252,754,130 Shares (representing approximately 9.88% of the issued share capital of the Company) and therefore ceased to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company. As disclosed in the announcement of the Company dated 29 July 2016, Mr. Zhao Hongliang resigned as a Director of the Company with effect from 29 July 2016 (the “**Resignation**”) and therefore ceased to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company. Accordingly, the public float of the Company has been restored to 25% of the issued share capital of the Company, thereby fulfilling the requirement under Rule 8.08(1)(a) of the Listing Rules.

Set out below is the shareholding structure of the Company (i) immediately upon close of the Offers but prior to completion of the Sell-down and the Resignation; and (ii) immediately after completion of the Sell-down and the Resignation:

Shareholders	Immediately upon close of the Offers but prior to completion of the Sell-down and the Resignation		Immediately after completion of the Sell-down and the Resignation	
	Number of approximate Shares held by the Shareholders	Approximate percentage of the issued share capital of the Company %	Number of approximate Shares held by the Shareholders	Approximate percentage of the issued share capital of the Company %
1. The Offeror and CGA	1,917,983,571	75	1,917,983,571	75
2. Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid (<i>Note 1</i>)	332,754,130	13.01	252,754,130	9.88
3. Mr. Zhao Hongliang (<i>Note 2</i>)	4,128,631	0.16	4,128,631	0.16
4. Other Public (as defined in the Listing Rules) Shareholders	<u>302,445,097</u>	<u>11.83</u>	<u>382,445,097</u>	<u>14.96</u>
Total	<u><u>2,557,311,429</u></u>	<u><u>100.00</u></u>	<u><u>2,557,311,429</u></u>	<u><u>100.00</u></u>

Notes:

1. Upon completion of the Sell-down, Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid held 252,754,130 Shares (representing approximately 9.88% of the issued share capital of the Company) and therefore ceased to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company and their shareholding will be counted towards the public float.
2. Mr. Zhao Hongliang resigned as a Director of the Company with effect from 29 July 2016. After the Resignation, Mr. Zhao Hongliang ceased to be a core connected person (as defined in Chapter 1 of the Listing Rules) of the Company and his shareholding will be counted towards the public float.

RESUMPTION OF TRADING

An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 September 2016 following the publication of this announcement.

By Order of the Board
Baoxin Auto Group Limited
Mr. Li Jianping
Chairman

The PRC, 20 September 2016

As at the date of this announcement, the executive Directors are Mr. LI Jianping, Mr. WANG Xinming, Mr. LU Ao and Mr. QI Junjie, the non-executive Directors are Mr. ZHOU Yu and Mr. LU Linkui, and the independent non-executive Directors are Mr. DIAO Jianshen, Mr. WANG Keyi and Mr. CHAN Wan Tsun Adrian Alan.