

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of CGA, the Offeror or the Company.



**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)



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)

**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)

JOINT ANNOUNCEMENT

**THE 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**

**CLOSE OF THE OFFERS
AND
SUSPENSION OF TRADING**

Financial Adviser to the Offeror



INTRODUCTION

Reference is made to (i) the joint announcement dated 11 December 2015 issued by CGA, the Offeror and the Company in relation to, among other things, the pre-conditional voluntary cash Partial Offer and Option Offer by CMB International on behalf of the Offeror to acquire a maximum of 75% of the issued share capital of Baoxin Auto Group Limited from Qualifying Shareholders and to cancel a maximum of 75% of the outstanding Share Options; (ii) the voluntary announcement dated 11 December 2015 issued by the Company in relation to, among other things, the unaudited consolidated results of the Group for the nine months ended 30 September 2015; (iii) the joint announcement dated 11 December 2015 issued by CGA, the Offeror and the Company enclosing the draft SSE Report; (iv) the joint announcement dated 22 December 2015 issued by CGA, the Offeror and the Company enclosing the final SSE Report; (v) the joint announcement dated 28 December 2015 issued by CGA, the Offeror and the Company in relation to the satisfaction of Pre-Condition (c) as set out in the Announcement; (vi) the joint announcement dated 25 February 2016 in relation to an update on the satisfaction of the Pre-Conditions as set out in the Announcement; (vii) the joint announcement dated 2 March 2016 in relation to the commitment by certain Shareholders to accept the Partial Offer under the Additional Irrevocable Undertakings; (viii) the joint announcement dated 18 March 2016 in relation to the commitment by certain Shareholders to accept the Partial Offer under the Second Round Additional Irrevocable Undertakings; (ix) the joint announcement dated 24 March 2016 in relation to an update on the satisfaction of the Pre-Conditions as set out in the Announcement; (x) the joint announcement dated 26 May 2016 in relation to the Supplemental Agreement to the Irrevocable Undertaking and satisfaction of the Pre-Conditions; (xi) the composite document dated 31 May 2016 jointly issued by CGA, the Offeror and the Company (the “**Composite Document**”); (xii) the joint announcement dated 31 May 2016 in relation to the despatch of the Composite Document; and (xiii) the joint announcement dated 2 June 2016 in relation to the Offers becoming unconditional in all respects. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those used in the Composite Document.

CLOSE OF THE OFFERS AND LEVEL OF ACCEPTANCES

The Offers closed on 21 June 2016, being the Final Closing Date.

As at 4:00 p.m. on 21 June 2016 (being the latest time and date for acceptance of the Offers), the Offeror had received: (i) valid acceptances from Qualifying Shareholders in respect of a total of 2,533,197,761 Shares, representing approximately 99.06% of the issued share capital of the Company as at the date of this announcement; and (ii) valid acceptances of 15,450,000 Share Options under the Option Offer.

No valid notice of exercise has been delivered in respect of a Share Option on or after the date of the Announcement and on or before the Final Closing Date.

BASIS OF PRO RATA ENTITLEMENT UNDER THE OFFERS

Partial Offer:

Pursuant to the terms of the Partial Offer, (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 the 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 the 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 (being the maximum number of Shares for which the Partial Offer is made) (as no valid notice of exercise has been delivered in respect of a Share Option on or after the date of the Announcement and on or before the Final Closing Date)

B = 2,533,197,761 Shares, being 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/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up. Qualifying Shareholders can, however, be assured that 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.

Option Offer:

Pursuant to the terms of the Option Offer, (i) if valid acceptances are received for 11,662,500 Share Options or such number of outstanding Share Options (representing 75% of all the outstanding Share Options (after deducting such number of Share Options in respect of which a valid notice of exercise has been delivered on or after the date of the Announcement and on or before the Final Closing Date) as at the Final Closing Date) 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 or such number of outstanding Share Options (representing 75% of all the outstanding Share Options

(after deducting such number of Share Options in respect of which a valid notice of exercise has been delivered on or after the date of the Announcement and on or before the Final Closing Date) as at the Final Closing Date), 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) (as no valid notice of exercise has been delivered in respect of a Share Option on or after the date of the Announcement and on or before the Final Closing Date)

Y = 15,450,000 Share Options, being 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

Based on the formula above and as a result of rounding, a total number of 11,662,464 Share Options will be taken up by the Offeror and cancelled, and a total amount of HK\$3,102,215.48 will be paid by the Offeror under the Option Offer. The remaining 3,887,536 Share Options not taken up by the Offeror will not be deemed to have lapsed after the date of this announcement.

SETTLEMENT OF THE OFFERS AND RETURN OF SHARE CERTIFICATES

Partial Offer:

Remittances in respect of the Shares tendered for acceptance and taken up by the Offeror under the Partial Offer (after deducting the seller's ad valorem stamp duty arising therefrom and, if applicable, the fees payable to the Registrar in respect of lost or unavailable Share certificates) together with, if applicable, any Share certificate(s) for Shares not taken up by the Offeror will be posted to the relevant Qualifying Shareholders by ordinary post at their own risk as soon as possible, but in any event on or before Thursday, 30 June 2016.

Option Offer:

Remittances in respect of the Share Options tendered for acceptance and taken up by the Offeror under the Option Offer will be posted to the relevant Optionholders by ordinary post at their own risk as soon as possible, but in any event on or before Thursday, 30 June 2016.

ODD LOTS ARRANGEMENT

As set out in the Composite Document, Computershare Hong Kong Investor Services Limited whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (contact person: Ms. Siu Ying Yuet; telephone number: +852 2862 8555) has been appointed as the designated broker to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks **from 9:00 am on Wednesday, 22 June 2016**

to 4:00 p.m. on Wednesday, 3 August 2016 to enable Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots of 500 Shares. Qualifying Shareholders should note that the matching of odd lots is not guaranteed.

An accepting Optionholder may, as a result of accepting the Option Offer, hold Share Options entitling him/her/it to subscribe for odd lots of the Shares. Pursuant to the terms of the Share Option Scheme, Share Options are not transferable and no matching sales or purchases of the resultant odd lot holdings of the Share Options will be arranged.

INTERESTS OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT IN THE SHARES

Before the Offer Period commenced on 15 September 2015, none of the Shares or any rights over Shares were held, controlled or directed by the Offeror or parties acting in concert with it.

Upon close of the Offers, the Offeror will acquire and become the owner of 1,917,983,571 Shares, representing 75% of the shareholding of the Company.

Save for the Shares to be acquired under the Offers, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any Shares and rights over Shares during the Offer Period from 15 September 2015 and up to and including the date of this announcement.

Neither the Offeror nor any parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company from 15 September 2015 up to and including the date of this announcement.

Shareholders, Optionholders and potential investors of the Company should note that since the Offeror will be interested in more than 50% of the voting rights of the Company upon close of the Offers, the Offeror will be free to acquire further Shares without incurring any obligation to make a general offer (subject to the restriction of acquisition of voting rights of the Company by the Offeror and parties acting in concert with the Offeror during the 12-month period immediately following the end of the Offer Period under Rule 28.3 of the Code).

PUBLIC FLOAT AND SUSPENSION OF TRADING

Upon settlement of the Partial Offer on or before 30 June 2016, the Offeror will acquire a total of 1,917,983,571 Shares (representing 75% of the issued share capital of the Company). Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid will hold 332,754,136 Shares (representing approximately 13.01% of the issued share capital of the Company) and will therefore continue to be a substantial shareholder and connected person (as defined in Chapter 1 of the Listing Rules) of the Company. As a result, the public float of the Company is expected to fall to approximately 11.99% immediately following settlement of the Partial Offer, which is below the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. An application will be made to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1)(a) of the Listing rules.

As disclosed in the Composite Document, 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. If, after Mr. Yang Aihua ceases to be a substantial shareholder and a core connected person of the Company after closing of the Offers, 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 connected person of the Company selling some of its Shares.

At the request of the Company, trading in the Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on 22 June 2016.

LOCK-UP UNDERTAKING

As set out in the Composite Document, subject to compliance with the Listing Rules, each of CGA and the Offeror undertakes to the Company that it will not transfer any Shares acquired from the Offers for a period of 12 months from the date of this announcement.

All references to times and dates contained in this announcement are to Hong Kong times and dates.

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**

LI Jianping
Chairman

The PRC, 21 June 2016

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. WANG Xinming, 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. LIANG Yongming.

As at the date of this announcement, the executive Directors are Mr. LI Jianpin, Mr. WANG Xinming, Mr. LU Ao and Mr. ZHAO Hongliang, 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.

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.