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**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)

**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)



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)

JOINT ANNOUNCEMENT

**DESPATCH OF THE COMPOSITE DOCUMENT RELATING TO
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**

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 (the “**Rule 3.5 Announcement**”); (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 Rule 3.5 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 Rule 3.5 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 Rule 3.5 Announcement; (x) the joint announcement dated 26 May 2016 issued by CGA, the Offeror and the Company in relation to the Supplemental Agreement to the Irrevocable Undertaking and satisfaction of the Pre-Conditions; and (xi) the composite document dated 31 May 2016 jointly issued by CGA, the Offeror and the Company (the “**Composite Document**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those used in the Composite Document.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, details of the terms and conditions of the voluntary conditional cash partial offer by CMB International on behalf of the Offeror to the Qualifying Shareholders to acquire a maximum of 1,917,983,571 Shares (representing 75% of the Shares in issue as at the date of the Announcement) 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) from Qualifying Shareholders at the Offer Price of HK\$5.99 per Share and the appropriate offer to Optionholders to cancel up to 11,662,500 outstanding Share Options (representing 75% of all the outstanding Share Options as at the date of the Announcement) 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) pursuant to Rule 13 of the Code (the “**Offers**”), a letter from CMB International, a letter from the Board, a letter from the Independent Board Committee, a letter from Somerley, together with the forms of acceptance (“**Forms of Acceptance**”) were despatched by CGA, the Offeror and the Company jointly to Qualifying Shareholders and Optionholders on 31 May 2016.

Qualifying Shareholders and Optionholders are advised to read the Composite Document and the Forms of Acceptance carefully, including the advice from the Independent Board Committee and the advice of Somerley, the Independent Financial Adviser, before deciding whether or not to accept the Offers.

EXPECTED TIMETABLE

The timetable set out below assumes that the Partial Offer will become or be declared unconditional in all respects on or before the 7th day after the Despatch Date and therefore the Final Closing Date will be on the First Closing Date. The timetable is indicative only and any changes to the timetable will be jointly announced by CGA, the Offeror and the Company.

Despatch Date Tuesday, 31 May 2016

Partial Offer open for acceptance..... Tuesday, 31 May 2016

Acceptances of the Partial Offer by Mr. Yang Aihua,
Baoxin Investment and Auspicious Splendid under
the Irrevocable Undertaking, the Accepting Shareholders
(other than SIMHKL and SIMSL) (*Note 1A*) under the
Additional Irrevocable Undertakings and
the Second Round Accepting Shareholders under
the Second Round Additional Irrevocable Undertakings (*Note 1*) by Friday,
3 June 2016

First Closing Date and Final Closing Date assuming that
the Partial Offer is declared unconditional in all respects
on the date of the acceptances by Mr. Yang Aihua,
Baoxin Investment, Auspicious Splendid, the Accepting
Shareholders (other than SIMHKL and SIMSL) and
the Second Round Accepting Shareholders
of the Partial Offer (*Note 2*) Tuesday,
21 June 2016

Announcement of the results of the Offers as at the First
Closing Date and Final Closing Date (assuming that
the Partial Offer is declared unconditional in all respects
on the date of the acceptances by Mr. Yang Aihua,
Baoxin Investment, Auspicious Splendid, the Accepting
Shareholders (other than SIMHKL and SIMSL)
and the Second Round Accepting Shareholders
of the Partial Offer) to be posted on the website
of the Stock Exchange (*Note 3*) no later than 7:00 p.m.
on Tuesday, 21 June 2016

Latest date for posting of remittances for amounts due
under the Partial Offer and the Option Offer (*Note 4*)..... Thursday, 30 June 2016

Notes:

- 1A. As disclosed in 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, the Schroders IU will terminate automatically on 1 May 2016 (being sixty (60) days from the date of such Additional Irrevocable Undertaking). As such, the Schroders IU was terminated as at the date of this announcement and SIMHKL and SIMSL are not obligated to accept the Partial Offer by 4:00 p.m. on the third business day (as defined in the Code) after the Despatch Date.
1. Each of Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid has irrevocably undertaken, jointly and severally, to CGA and the Offeror that the Partial Offer will be accepted by Baoxin Investment and Auspicious Splendid in respect of all of the IU Shares as soon as possible and in any event by 4:00 p.m. on the third business day (as defined in the Code) after the Despatch Date and that Mr. Yang Aihua, Baoxin Investment and Auspicious Splendid will each not withdraw such acceptance. If the Partial Offer becomes unconditional in all respects, Baoxin Investment and Auspicious Splendid will, pursuant to the Irrevocable Undertaking, sell at least 1,027,608,000 Shares (being 75% of the IU Shares) and up to 1,370,144,000 Shares (being all of the IU Shares) to the Offeror, depending on the overall acceptances of the Partial Offer and the extent to which the Share Options are exercised before the Final Closing Date. Each of the Accepting Shareholders (other than SIMHKL and SIMSL) has irrevocably undertaken to CGA and the Offeror that the Partial Offer will be accepted by each of them, in respect of their respective Shares as soon as possible and in any event by 4:00 p.m. on the third business day (as defined in the Code) after the Despatch Date and that each of the Accepting Shareholders (other than SIMHKL and SIMSL) will not withdraw such acceptance. If the Partial Offer becomes unconditional in all respects, the Accepting Shareholders (other than SIMHKL and SIMSL) will, pursuant to the relevant Additional Irrevocable Undertakings, sell an aggregate of at least 328,164,000 Shares (being 75% of the aggregate number of Shares held by the Accepting Shareholders (other than SIMHKL and SIMSL)) and up to 437,552,000 Shares (being the aggregate number of Shares held by the Accepting Shareholders (other than SIMHKL and SIMSL)), depending on the overall acceptances of the Partial Offer and the extent to which the Share Options are exercised before the Final Closing Date. Each Second Round Accepting Shareholder has respectively agreed to accept the Partial Offer in respect of all the Shares owned by it as soon as possible and in any event by 4:00 p.m. on the third business day (as defined in the Code) after the Despatch Date and that each of the Second Round Accepting Shareholders will not withdraw such acceptance. If the Partial Offer becomes unconditional in all respects, the Second Round Accepting Shareholders will, pursuant to the relevant Second Round Additional Irrevocable Undertakings, sell an aggregate of at least 73,850,625 Shares (being 75% of the aggregate number of Shares held by the Second Round Accepting Shareholders) and up to 98,467,500 Shares (being the aggregate number of Shares held by the Second Round Accepting Shareholders), depending on the overall acceptances of the Partial Offer and the extent to which the Share Options are exercised before the Final Closing Date. The percentage of the issued share capital of the Company made up by all of the IU Shares, the Shares owned by the Accepting Shareholders (other than SIMHKL and SIMSL) and the Shares owned by the Second Round Accepting Shareholders is 74.54%. Therefore, once Baoxin Investment and Auspicious Splendid tender the acceptances of the Partial Offer in respect of all of the IU Shares under the Irrevocable Undertaking, the Accepting Shareholders (other than SIMHKL and SIMSL) tender the acceptances of the Partial Offer in respect of all of the Shares owned by them under the Additional Irrevocable Undertakings and the Second Round Accepting Shareholders tender the acceptances of the Partial Offer in respect of all of the Shares owned by them under the Second Round Additional Irrevocable Undertakings, the Condition set out at paragraph 1 of the letter from CMB International will have been met. The Partial Offer is therefore expected to become unconditional prior to the 7th day after the Despatch Date.

2. In order to accept the Offers, Qualifying Shareholders and Optionholders are required to submit the duly completed Forms of Acceptance to the Registrar and to the Company respectively on or before 4:00 p.m. on Tuesday, 21 June 2016, being the First Closing Date, or such other time and/or date as the Offeror may decide and announce and the Executive may approve. Pursuant to Rule 15.3 of the Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date, being 21 days after the Despatch Date.

Pursuant to Rule 28.4 of the Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to the Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

3. The announcement of the results of the Offers will be jointly issued by CGA, the Offeror and the Company and posted on the Stock Exchange's website by 7:00 p.m. on the Final Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Code and will include, among other things, the results of the Partial Offer and the Option Offer and details of the way in which each accepting Shareholder's and each accepting Optionholder's pro rata entitlement was determined.
4. 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) will be posted to the relevant Qualifying Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven business days (as defined in the Code) following the Final Closing Date. 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 within seven business days (as defined in the Code) following the Final Closing Date.
5. The latest time and date by which the Partial Offer and the Option Offer can be declared unconditional as to acceptances is 7:00 p.m. on Tuesday, 21 June 2016.

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**

YANG Aihua
Chairman

The PRC, 31 May 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. 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. 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.

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.