

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THESE EXCHANGE OFFERS (AS DEFINED BELOW AND IN THE EXCHANGE OFFER MEMORANDUM) ARE AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN THE EXCHANGE OFFER MEMORANDUM) AND ARE OUTSIDE THE UNITED STATES.

THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT, MAKES NO REPRESENTATION AS TO THE CORRECTNESS OF ANY OF THE STATEMENTS OR OPINIONS MADE OR REPORTS CONTAINED IN THIS ANNOUNCEMENT.

BAOXIN AUTO FINANCE I LIMITED AND CHINA GRAND AUTOMOTIVE SERVICES GROUP CO., LTD. ANNOUNCE EXCHANGE OFFERS

October 9, 2019

NOTICE IS HEREBY GIVEN that China Grand Automotive Services Group Co., Ltd. (廣匯汽車服務集團股份有限公司)(the "**Company**") is offering to exchange (the "**Exchange Offers**") up to the relevant Exchange Caps (as defined below) of the following securities:

Description of Debt Securities	Outstanding Principal Amount	ISIN / Common Code	Upper Limit to Exchange Amount, Subject to Increase, Decrease or Waiver (the "Exchange Caps")
US\$400,000,000 8.75% Senior Perpetual Securities issued by the Existing Securities Issuer (as defined below) (" Existing Perpetual Securities ")	US\$400,000,000	XS1519630484 / 151963048	US\$225,000,000
US\$300,000,000 7.90% Senior Notes due 2020 issued by the Existing Securities Issuer (" Existing Notes ", together with the Existing Perpetual Securities, the " Existing Securities ")	US\$300,000,000	XS1833291203 / 183329120	US\$200,000,000

for the relevant exchange consideration (the "**Exchange Consideration**"):

- for each US\$1,000 in principal amount of Existing Perpetual Securities validly tendered prior to the Exchange Expiration Deadline, not validly withdrawn at or prior to the Withdrawal Deadline and accepted by the Company consisting of the following, (i) to-be-announced principal amount (the "**Existing Perpetual Securities Exchange Price**") of U.S. dollar-denominated senior notes due 2022 to be issued by China Grand Automotive Services Limited (the "**New Notes Issuer**") and guaranteed by the Company (the "**New April 2019 Notes**") (which will be consolidated and form a single class with the US\$175,000,000 8.625% Senior Notes due 2022 issued pursuant to an indenture dated April 8, 2019 (Permanent ISIN: XS1973586537 / Permanent Common Code: 197358653) following the SAFE Completion Event (as defined in the Exchange Offer Memorandum (as defined below)), (ii) any Existing Perpetual Securities Accrued Interest (as defined below), and (iii) cash in lieu of any fractional amount of New April 2019 Notes; and
- for Existing Notes validly tendered prior to the Exchange Expiration Deadline, not validly withdrawn at or prior to the Withdrawal Deadline and accepted by the Company consisting of the following, (i) a cash consideration of 3.5% of the aggregate principal amount of such Existing Notes to be deemed to redeem an equal principal amount of such Existing Notes (the "**Existing Notes Cash Paydown**"), (ii) for each US\$1,000 in principal amount of such Existing Notes that are deemed to remain after the Existing Notes Cash Paydown (the "**Remaining Existing Notes**"), U.S. dollar-denominated senior notes due 2021 to be issued by the New Notes Issuer and guaranteed by the Company (the "**New 2021 Notes**," and together with the New April 2019 Notes, the "**New Notes**") of principal amount equal to 105.0% of the principal amount of the Remaining Existing Notes, (iii) any Existing Notes Accrued Interest (as defined below), (iv) cash in lieu of any fractional amount of New 2021 Notes.

The Exchange Offers are being made on the terms and subject to the conditions set out in an exchange offer memorandum dated October 9, 2019 (the "**Exchange Offer Memorandum**"), which is available to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/ChinaGrandAuto>. Capitalized terms used and not

otherwise defined in this announcement have the meaning given in the Exchange Offer Memorandum.

ACCRUED INTEREST

Accrued and unpaid distribution on any Existing Perpetual Securities validly tendered by Eligible Holders (as defined in the Exchange Offer Memorandum) and accepted for exchange, after deducting and partially offset by the accrued interest on the New April 2019 Notes from and including October 8, 2019, will be payable either in cash or in the form of New April 2019 Notes rather than cash (such accrued and unpaid distribution, the "**Existing Perpetual Securities Accrued Interest**"). Accrued and unpaid interest on any Existing Notes validly tendered by Eligible Holders and accepted for exchange will be payable in cash or in the form of New 2021 Notes rather than cash (such accrued and unpaid interest, the "**Existing Notes Accrued Interest**," together with the Existing Perpetual Securities Accrued Interest, the "**Accrued Interest**"). For the avoidance of doubt, the Existing Notes Cash Paydown will not affect the amount of Existing Notes Accrued Interest.

EXCHANGE CAPS

The Exchange Offers are subject to a limit of an aggregate principal amount of the Existing Securities. The Exchange Cap for the Existing Perpetual Securities is US\$225,000,000, and the Exchange Cap for the Existing Notes is US\$200,000,000, in each case subject to increase, decrease and waiver at the Company's discretion.

The Company reserves the right, but is not obligated, to increase, decrease or waive the Exchange Caps in its sole discretion without extending the Exchange Expiration Deadline.

PRORATION

If the aggregate principal amount of all Existing Securities of any series validly tendered for exchange by Eligible Holders pursuant to the Exchange Offers prior to the Exchange Expiration Deadline pursuant to the procedures described herein exceeds the relevant Exchange Cap, we will accept for exchange all such Existing Securities validly tendered prior to the Exchange Expiration Deadline on a pro rata basis, such that the aggregate principal amount of such Existing Securities accepted for exchange does not exceed the relevant Exchange Cap. In the event that after proration, the principal amount of Existing Notes either accepted by the Company from an Eligible Holder or returned back to an Eligible Holder would be less than US\$200,000, the Company may elect to accept or reject such Instructions in full in its sole discretion.

EXPECTED TIMETABLE OF EVENTS

The following summarizes the current schedule for the Exchange Offers. Please note that the expiration of the Exchange Offers, the settlement of the New Notes, as well as the other events listed below, may be earlier or later than indicated below. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information in the Exchange Offer Memorandum.

In relation to the times and dates indicated below, Eligible Holders should note the particular practices and policies of the relevant Clearing System regarding their communications deadlines, which will determine the latest time at which tenders of the Existing Securities for exchange may be delivered to the relevant Clearing System (which may be earlier than the deadlines set forth below) so that they are received by the Information and Exchange Agent within the deadlines set forth below.

All notices to Eligible Holders will be released through delivery to the Clearing Systems for communication to direct participants. All notices and documents will be made available on the Exchange Offers Website maintained by the Information and Exchange Agent at: <https://sites.dfkingltd.com/ChinaGrandAuto>.

<u>Date</u>	<u>Event</u>
October 9, 2019.....	<i>Commencement of the Exchange Offers and announcement through the Clearing Systems and via the Exchange Offers Website and SGX-ST</i> The Exchange Offer Memorandum to be delivered to Eligible Holders who are non-U.S. persons outside the United States. Notice of the Exchange Offers published on the SGX-ST.
At or prior to October 15, 2019,	<i>Announcement of (i) the Existing Perpetual Securities Exchange</i>

Date	Event
9:00 a.m. London time	<i>Price; (ii) the minimum yields of the New Notes; and (iii) details regarding Accrued Interest</i>
October 17, 2019 at 4:00 pm London time	<i>Withdrawal Deadline</i> This being the last date and time at which Instructions may be revoked, except in the limited circumstances described in "Description of the Exchange Offers – Revocation Rights."
October 21, 2019 at 4:00 pm London time	<i>Exchange Expiration Deadline</i> This being the last date and time at which Eligible Holders of the Existing Securities who validly submit Instructions are eligible (subject to the Exchange Caps) to receive the Exchange Consideration.
As soon as practicable after the Exchange Expiration Deadline	<i>Announcement of Existing Securities tendered pursuant to the Exchange Offers</i> Announcement of the amount of valid tenders for exchange received prior to the Exchange Expiration Deadline.
As soon as practicable after the Exchange Expiration Deadline	<i>Pricing of Concurrent New Money Issuance, if any, subject to market conditions; announcement of pricing of New Notes in relation to the Exchange Offers and Concurrent New Money Issuance and Exchange Offers results</i> Announcement of (i) the determination of the final interest rate of the New 2021 Notes, (ii) pricing of the Concurrent New Money Issuance (if any), (iii) the final aggregate principal amount of Existing Securities accepted for exchange, (iv) the final aggregate principal amount of the New Notes to be issued to investors in exchange for the Existing Securities validly tendered, accepted and exchanged and (v) any cash amount payable in respect of Accrued Interest (if any) and fractional amounts of New Notes.
On or about October 25, 2019.....	<i>Exchange Settlement Date</i> Settlement and issuance of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Securities have been validly tendered and accepted for exchange.
On or about October 29, 2019.....	<i>Listing of New Notes on SGX-ST</i>

All references to times are to London time, unless stated otherwise.

The Company reserves the right to extend the Exchange Expiration Deadline in the Company's sole discretion. In such a case, the date on which the subsequent announcement relating to the Exchange Offers will be delivered and the Exchange Settlement Date will be adjusted accordingly. Eligible Holders should inform themselves of any earlier deadlines that may be imposed by the Clearing Systems and/or any intermediaries, which may affect the timing of the submission of an Instruction.

The Exchange Offers in respect of the Existing Perpetual Securities and the Existing Notes are independent transactions and not contingent upon the occurrence or consummation of the other. The Company may, at its discretion, apply different timetables (including but not limited to different expiration deadlines and settlement dates) to the Exchange Offers in respect of the Existing Perpetual Securities and the Existing Notes.

PARTICIPATION IN THE EXCHANGE OFFERS

Holders are advised to read carefully the Exchange Offer Memorandum for full details of, and information, the

procedures for participating in the Exchange Offers.

At or prior to the Withdrawal Deadline, Instructions may be revoked. After the Withdrawal Deadline, Eligible Holders may not withdraw instructions at any time except in the limited circumstances described in the Exchange Offer Memorandum.

The Eligible Holders of the Existing Securities who validly tender Existing Securities in the Exchange Offers will, upon acceptance by us and receipt of the relevant Exchange Consideration,, waive any and all rights with respect to such Existing Securities (other than the right to receive the Exchange Consideration) and will release and discharge us from any and all claims such holders may have, now or in the future, arising out of or related to such Existing Securities, including any and all accrued and unpaid distribution or interest thereon.

A separate Instruction needs to be submitted per each beneficial owner of the Existing Securities held through the relevant Clearing System due to potential proration.

The Exchange Offers are subject to conditions as described in the Exchange Offer Memorandum. If those conditions are not satisfied or waived, the Company and the Existing Securities Issuer will need to explore other options with respect to any redemption of the Existing Securities.

To the extent that it is legally permitted so to do, the Company expressly reserve the absolute right, in its sole discretion, to (i) waive any condition to the Exchange Offers; (ii) increase, decrease or waive the Exchange Caps; (iii) amend any of the terms of the Exchange Offers; and (iv) modify the consideration offered in respect to any or of the Existing Securities.

Additionally, the Company expressly reserves the right, in our absolute discretion, to extend, abandon, or terminate the Exchange Offers at any time and from time to time whether or not the conditions to the Exchange Offers are met prior to the Exchange Expiration Deadline. The Company has the right, in its sole discretion, to extend the Exchange Expiration Deadline or the Exchange Settlement Date.

CONCURRENT NEW MONEY ISSUANCE

The Company is concurrently conducting an offering of additional New Notes (the "**Concurrent New Money Issuance**"). The Concurrent New Money Issuance is not a part of the Exchange Offers and is being conducted pursuant to a separate offering memorandum.

FOR FURTHER INFORMATION

The Company has retained China International Capital Corporation Hong Kong Securities Limited and Morgan Stanley & Co. International plc to act as the dealer managers for the Exchange Offers.

The Company has retained D.F. King as the Information and Exchange Agent. D.F. King may be contacted by phone in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7231, or via email at ChinaGrandAuto@dfkingltd.com.

The Exchange Offer Memorandum will be distributed in electronic format to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/ChinaGrandAuto>. Any requests for additional copies of the Exchange Offer Memorandum should be directed to D.F. King at the above points of contact.

GENERAL

No offer or invitation to acquire or exchange any securities is being made pursuant to this announcement. This announcement and the Exchange Offer Memorandum contain important information, which must be read carefully before any decision is made with respect to the Exchange Offers. If any Holder is in any doubt as to the action it should take, it is recommended to seek its own legal, tax and financial advice, including as to any tax consequences, from its stock broker, bank manager, solicitor, accountant or other independent financial adviser.

This announcement and the Exchange Offer Memorandum do not constitute an offer to sell or buy or the solicitation of an offer to sell or buy the Existing Securities and/or New Notes, as applicable, (and offers of Existing Securities for exchange pursuant to the Exchange Offers will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful.

PLEASE NOTE: The Exchange Offers are available only to investors who are non-U.S. persons outside the United States. U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING SECURITIES IN THE EXCHANGE OFFERS.

Prohibition of sales to EEA retail investors – The securities described in this document are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the securities described in this document to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities described in this document (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of the Company's obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the securities described in this document are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).