
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 **Grand Baoxin Auto Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



GRAND BAOXIN AUTO GROUP LIMITED

廣匯寶信汽車集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1293)

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND CONTINUOUS APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS;
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Grand Baoxin Auto Group Limited to be held at No. 3998 Hongxin Road, Minhang District, Shanghai, The People's Republic of China on Friday, 11 June 2021 at 10:30 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting 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 but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10:30 a.m. on Wednesday, 9 June 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.klbaoxin.com>).

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

References to time and dates in this circular are to Hong Kong time and dates.

28 April 2021

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction.....	3
2. Proposed Re-election of Retiring Directors and Continuous Appointment of Independent Non-executive Directors who have served for more than nine years	4
3. Proposed Granting of General Mandate to Repurchase Shares.....	5
4. Proposed Granting of General Mandate to Issue Shares	5
5. Annual General Meeting and Proxy Arrangement.....	6
6. Recommendation	6
 Appendix I — Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	7
 Appendix II — Explanatory Statement on the Share Repurchase Mandate	14
 Notice of Annual General Meeting	17

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at No. 3998 Hongxin Road, Minhang District, Shanghai, The People’s Republic of China on Friday, 11 June 2021 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 17 to 21 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
“Company”	Grand 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
“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
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting
“Latest Practicable Date”	21 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information 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 sole purpose of this circular shall exclude Hong Kong and Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of nominal value HK\$0.10 each in the issued capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



GRAND BAOXIN AUTO GROUP LIMITED

廣匯寶信汽車集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1293)

Executive Directors:

Mr. Lu Wei (*Chairman*)

Mr. Wang Xinming (*President*)

Mr. Lu Ao

Ms. Xu Xing

Registered Office:

P.O. Box 309, Uglund House

Grand Cayman KY1-1104

Cayman Islands

Independent Non-executive Directors:

Mr. Diao Jianshen

Ms. Liu Yangfang

Mr. Chan Wan Tsun Adrian Alan

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:

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

28 April 2021

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND CONTINUOUS APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS;
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 11 June 2021.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO HAVE SERVED FOR MORE THAN NINE YEARS

In accordance with Article 16.18 of the Articles of Association, Mr. Wang Xinming, Mr. Lu Ao and Ms. Xu Xing shall retire at the Annual General Meeting. Mr. Lu Wei who has been appointed by the Board on 28 August 2020 shall hold office until the Annual General Meeting pursuant to Article 16.2 of the Articles of Association. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

According to code provision A.4.3 of the CG Code, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the shareholders. Mr. Diao Jianshen and Mr. Chan Wan Tsun Adrian Alan have been appointed as the independent non-executive Directors for more than nine years. The Company has received from Mr. Diao and Mr. Chan their confirmations of independence according to Rule 3.13 of the Listing Rules. Mr. Chan has been holding 3 listed company directorships including the directorship as an independent non-executive Director of the Company. Both Mr. Diao and Mr. Chan attended all the meetings of the Board and the Board committees held in the past years and the current financial year. Details of the attendance records are set out in the Corporate Governance Report. The relevant Board papers and materials were provided to the Directors for review and consider prior to the meetings. Both Mr. Diao and Mr. Chan have remained responsible for their performance functions and discharged their duties to the Company through active participation on the Board and by bringing balance of views as well as knowledge, experience and expertise.

Mr. Diao and Mr. Chan has not engaged in any executive management of the Group. Taking into consideration of their independent scope of work in the past years, the Directors consider Mr. Diao and Mr. Chan to be independent under the Listing Rules despite the fact that they have served the Company for more than nine years. Mr. Diao and Mr. Chan have confirmed that they will continue to devote sufficient time for the discharge of their functions and responsibilities as independent non-executive Directors. With their respective backgrounds and experience, Mr. Diao and Mr. Chan are fully aware of the responsibilities and expected time involvements in the Company. Based on the foregoing, the Board believes that Mr. Diao's and Mr. Chan's position outside the Company will not affect them in maintaining their current roles in, and their functions and responsibilities for, the Company.

The Nomination Committee of the Company has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee of the Company has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Directors, Mr. Diao and Mr. Chan, who are due to retire at the

LETTER FROM THE BOARD

Annual General Meeting. The Company considers that Mr. Diao and Mr. Chan are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 12 June 2020, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (i.e. a total of 283,751,142 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 12 June 2020, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 567,502,285 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

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

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 17 to 21 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

For the purpose of ascertaining Shareholders who are entitled to attend and vote at the Annual General Meeting or any adjournment thereof, the register of members of the Company will be closed from Tuesday, 8 June 2021 to Friday, 11 June 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 7 June 2021.

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 (<http://www.hkexnews.hk>) and the Company (<http://www.klbaoxin.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited 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, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 10:30 a.m. on Wednesday, 9 June 2021 (Hong Kong time) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Share Repurchase Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Grand Baoxin Auto Group Limited
LU Wei
Chairman

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

(1) Mr. Lu Wei (陸偉)

Mr. Lu, aged 56, has been appointed as the Chairman, an executive Director of the Company and a member of each of the Nomination Committee and the Remuneration Committee since 28 August 2020. He has over fifteen years of experience in senior management and is currently serving as the director and vice president of Xinjiang Guanghui Industrial Investment (Group) Company Limited (新疆廣匯實業投資(集團)有限責任公司), and the director of China Grand Automotive Services Group Company Limited (廣匯汽車服務集團股份公司), a company listed on Shanghai Stock Exchange (SSE Stock Code: 600297) (“CGA”). From April 2001 to August 2005, he served as the deputy general manager, general manager and chairman of Xinjiang Yazhong Logistics Business Network Co., Ltd.* (新疆亞中物流商務網絡有限責任公司). From May 2005 to December 2016, he served as the director and general manager of Guanghui Energy Co.,Ltd. (廣匯能源股份有限公司), a company listed on Shanghai Stock Exchange (SSE Stock Code: 600256). From August 2005 to October 2012, he served as the chairman of Xinjiang Guanghui Liquefied Natural Gas Development Co., Ltd.* (新疆廣匯液化天然氣發展有限責任公司) and from August 2004 to October 2007, he served as the chairman of Xinjiang Guanghui Chemical Building Materials Company Limited* (新疆廣匯化工建材有限責任公司).

Save as disclosed above, Mr. Lu did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Lu does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Lu has entered into a service contract with the Company for an initial term of three years commenced on 28 August 2020 and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. According to the service contract, Mr. Lu is entitled to an annual remuneration of RMB1,000,000 and a discretionary bonus based on the recommendation of the Remuneration Committee of the Company. All of the above remunerations were determined with reference to the duties and responsibilities of Mr. Lu with the Company, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Lu did not have any interest in Shares or underlying shares of the Company pursuant to Part XV of the SFO.

There is no information which is discloseable nor is Mr. Lu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Lu that need to be brought to the attention of the Shareholders of the Company.

* For identification purpose only

(2) Mr. WANG Xinming (王新明)

Mr. Wang Xinming (王新明), aged 48, has been appointed as an executive Director and the President of the Company since 21 June 2016. Mr. Wang has been a director of CGA since June 2016, and a president of CGA since May 2016. Mr. Wang served as a vice president of CGA from July 2015 to May 2016. From December 2013 to July 2015, Mr. Wang was the assistant to the president of China Grand Automotive Service Co., Ltd. (廣匯汽車服務有限責任公司) (“**CGA Limited**”) and its predecessor. Mr. Wang served successively as a deputy store manager, vice general manager of operations, executive vice general manager of operations and general manager of Hebei region, general manager of the north China region and general manager of the greater north China region of CGA from November 2008 to November 2013. Mr. Wang served successively as the store manager and general manager for store operations of Shijiazhuang Tianhe Automobile Dealership Co., Ltd. (石家莊天河汽車貿易有限公司) from January 2002 to November 2008. Mr. Wang obtained a bachelor’s degree in administrative management from Hebei University of Economics and Business (河北經貿大學) in July 1994.

Save as disclosed above, Mr. Wang did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Wang does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Wang has entered into a service contract with the Company for an initial term of three years commenced on 14 June 2019 and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. According to the service contract, Mr. Wang is entitled to an annual remuneration of RMB800,000 and a discretionary bonus based on the recommendation of the Remuneration Committee of the Company. All of the above remunerations were determined with reference to the duties and responsibilities of Mr. Wang with the Company, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wang was deemed to be interested in 3,600,000 underlying Shares in respect of share options granted by the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is Mr. Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (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 of the Company.

(3) Mr. Lu Ao (盧翱)

Mr. Lu Ao (盧翱), aged 48, has been appointed as an executive Director of the Company since 21 June 2016. Mr. Lu has been the vice president and chief financial officer of CGA since July 2015 and he has been a director of CGA since September 2020. Mr. Lu served as the chief business development officer, vice president and chief financial officer of CGA Limited and its predecessor from January 2007 until July 2015. Mr. Lu served as a manager of the corporate development department of the Asia Pacific region of Danone from August 2005 to September 2006, and a manager of the corporate investment and M&A strategic consulting department of PricewaterhouseCoopers from January 2004 to August 2005. Mr. Lu obtained a bachelor's degree in economics from Southwest University of Finance & Economics (西南財經大學) in July 1995, and obtained an MBA degree from Fordham University in the Beijing International MBA program at Peking University in February 2004. Mr. Lu was admitted as a certified public accountant of PRC by Chinese Institute of Certified Public Accountants in August 1998.

Save as disclosed above, Mr. Lu did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Lu does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Lu has entered into a service contract with the Company for an initial term of three years commenced on 14 June 2019 and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. According to the service contract, Mr. Lu is entitled to an annual remuneration of RMB800,000 and a discretionary bonus based on the recommendation of the Remuneration Committee of the Company. All of the above remunerations were determined with reference to the duties and responsibilities of Mr. Lu with the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Lu was deemed to be interested in 1,800,000 underlying Shares in respect of share options granted by the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is Mr. Lu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Lu that need to be brought to the attention of the Shareholders of the Company.

(4) Ms. XU Xing (許星)

Ms. XU Xing (許星), aged 43, Ms. Xu has been the executive director of the Company since 8 June 2018 and was the non-executive Director of the Company from October 2017 to June 2018. She was also appointed as a joint company secretary of the Company on 20 November 2018. Ms. Xu is primarily responsible for the corporate governance and capital market related matters of the Company and therefore has extensive experience in matters concerning the board and the corporate governance of the Company. Ms. Xu was also appointed as the Vice President of the Company in May 2017. Ms. Xu is the director and secretary of the board and Vice President of the Company's holding company, CGA and was the assistant to the president of CGA from October 2016 to June 2018. Prior to joining CGA, Ms. Xu was the executive president of Shanghai Yanhua Smartech Group Co., Ltd (上海延華智能科技(集團)股份有限公司) ("SYSG"), a company listed on Shenzhen Stock Exchange (SHE: 002178) from January 2014 to October 2016. Ms. Xu was also the deputy general manager and secretary of the board of SYSG from December 2009 to August 2014. From November 2007 to May 2009, Ms. Xu was a senior consultant in Han Consulting (China) Ltd. (漢普管理諮詢(中國)有限公司). Ms. Xu has over 10 years of experience in senior management. Ms. Xu obtained a master's degree from University of Portsmouth, United Kingdom in 2006 and an MBA from Shanghai University of Finance and Economics (上海財經大學) in 2007. Ms. Xu also obtained a EMBA from China Europe International Business School (中歐國際工商學院) and the Certificate of Secretary of the Board (董事會秘書資格證書) issued by the Shenzhen Stock Exchange in 2009.

Save as disclosed above, Ms. Xu did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Xu does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Ms. Xu has entered into a service contract with the Company for an initial term of three years commenced on 14 June 2019 and shall hold office only until Annual General Meeting and be eligible for re-election in accordance with the Articles of Association. She is also subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. According to the service contract, Ms. Xu is entitled to receive a director's fee of RMB500,000 per annum which is determined by the Remuneration Committee of the Company with reference to the duties and responsibilities of Ms. Xu as well as the prevailing market conditions.

As at the Latest Practicable Date, Ms. Xu was deemed to be interested in 1,800,000 underlying Shares in respect of share options granted by the Company within the meaning of Part XV of the SFO.

There is no information which is disclosable nor is Ms. Xu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters concerning Ms. Xu that need to be brought to the attention of the Shareholders of the Company.

(5) Mr. DIAO Jianshen (刁建申)

Mr. DIAO Jianshen (刁建申), aged 67, is an independent non-executive director of the Company, the chairman of each of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Company. 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 22 November 2011.

Save as disclosed above, Mr. Diao did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Diao does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Diao has entered into an appointment letter with the Company for an initial term of one year commenced on 14 December 2011, subject to renewal. He is also subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. Mr. Diao is entitled to an annual director's fee of HK\$300,000 (or RMB equivalent) and a discretionary bonus based on the recommendation of the Remuneration Committee of the Company. All of the above remunerations were determined with reference to the duties and responsibilities of Mr. Diao with the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Diao did not have any interest in Shares or underlying shares of the Company pursuant to Part XV of the SFO.

There is no information which is discloseable nor is Mr. Diao involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (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 of the Company.

(6) Mr. CHAN Wan Tsun Adrian Alan (陳弘俊)

Mr. CHAN Wan Tsun Adrian Alan (陳弘俊), aged 42, is an independent non-executive director and a member of the Audit Committee of the Company. Mr. Chan has been the chief financial officer of Sun Ray Capital Investment Corporation since July 2015. He has been the chief financial officer of LabyRx Immunologic Therapeutics Limited since July 2018 and has been the chief financial officer of Lifepans Limited since August 2018. Since 21 October 2019, Mr. Chan has been appointed as an independent non-executive director of Best Linking Group Holdings Limited (stock code: 8617), the shares of which are listed on GEM of the Stock Exchange. Mr. Chan has also been appointed as an independent non-executive director of Cheerwin Group Limited (stock code: 6601) since 19 February 2021 and he was also the chief financial officer of Enviro Energy International Holdings Limited (stock code: 1102) from 2009 to June 2015, two companies whose shares are listed on the Main Board of the Stock Exchange. He has over 15 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 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 22 November 2011.

Save as disclosed above, Mr. Chan did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Chan does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Chan has entered into an appointment letter with the Company for an initial term of one year commenced on 14 December 2011, subject to renewal. He is also subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. Mr. Chan is entitled to an annual director's fee of HK\$300,000 (or RMB equivalent) and a discretionary bonus based on the recommendation of the Remuneration Committee of the Company. All of the above remunerations were determined with reference to the duties and responsibilities of Mr. Chan with the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Chan did not have any interest in Shares or underlying shares of the Company pursuant to Part XV of the SFO.

There is no information which is discloseable nor is Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (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 of the Company.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders 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 relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,837,511,429 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 2,837,511,429 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 283,751,142 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The company may only apply funds legally available for share repurchase in accordance with its Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

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 accounts contained in the annual report of the Company for the year ended 31 December 2020) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share 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.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months (from April 2020 up to and including the Latest Practicable Date) were as follows:

Year	Month	Highest HK\$	Lowest HK\$
2020	April	1.40	0.91
	May	0.98	0.77
	June	1.37	0.88
	July	1.62	1.12
	August	1.51	1.15
	September	1.29	1.01
	October	1.26	0.94
	November	1.15	0.86
	December	1.05	0.81
	2021	January	1.04
February		1.30	0.77
March		0.93	0.75
April (<i>up to the Latest Practicable Date</i>)		0.87	0.77

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share 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 the Takeovers Code. Accordingly, a Shareholder or a 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 thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, China Grand Automotive Services (Hong Kong) Limited, the controlling shareholder of the Company (as defined in the Listing Rules), together control the exercise of voting rights of 1,921,117,571 Shares representing approximately 67.70% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the aggregate shareholding of China Grand Automotive Services (Hong Kong) Limited would be increased to approximately 75.23% of the issued share capital of the Company.

In the opinion of the Directors, such increase would not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code but will result in the amount of Shares held by the public being reduced to less than 25%. The Directors have no present intention to exercise the Share Repurchase Mandate to such extent so as to result in triggering takeover obligation or the public holding of Shares would be reduced below 25% of the issued share capital of the Company.

Save as the aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of an exercise of the Share Repurchase Mandate.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



GRAND BAOXIN AUTO GROUP LIMITED

廣匯寶信汽車集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1293)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Grand Baoxin Auto Group Limited (the “**Company**”) will be held at No. 3998 Hongxin Road, Minhang District, Shanghai, The People’s Republic of China on Friday, 11 June 2021 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 for the year ended 31 December 2020.
- 2(a). To re-elect Mr. Lu Wei as an executive Director;
- 2(b). To re-elect Mr. Wang Xinming as an executive Director;
- 2(c). To re-elect Mr. Lu Ao as an executive Director;
- 2(d). To re-elect Ms. Xu Xing as an executive Director;
- 2(e). To re-elect Mr. Diao Jianshen, who has served the Company for more than nine years, as an independent non-executive Director;
- 2(f). To re-elect Mr. Chan Wan Tsun Adrian Alan, who has served the Company for more than nine years, as an independent non-executive Director; and
- 2(g). To authorize the board of directors of the Company to fix the respective directors’ remuneration.
3. To re-appoint Ernst & Young as auditors of the Company and to authorize the board of directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes 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.”

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

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes 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.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors 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 exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

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

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

By Order of the Board
Grand Baoxin Auto Group Limited
LU Wei
Chairman

Hong Kong, 28 April 2021

Notes:

1. In light of the recent development of Coronavirus Disease 2019, shareholders may consider appointing the chairman of the Annual General Meeting as his/her proxy to vote on the resolutions, instead of attending this meeting in person.
2. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). 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.
3. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
4. 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.

NOTICE OF ANNUAL GENERAL MEETING

5. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited 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, Hong Kong not less than 48 hours before the time appointed for the above meeting (i.e. not later than 10:30 a.m. on Wednesday, 9 June 2021 (Hong Kong time) or the adjourned meeting (as the case may be)). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Tuesday, 8 June 2021 to Friday, 11 June 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investors Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 7 June 2021.
7. A circular containing further details concerning items 2, 4, 5 and 6 set out in the above notice will be sent to all shareholders of the Company together with the 2020 Annual Report.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
9. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Company's executive Directors are Mr. LU Wei, Mr. WANG Xinming, Mr. LU Ao, and Ms. XU Xing; and the independent non-executive Directors are Mr. DIAO Jianshen, Ms. LIU Yangfang and Mr. CHAN Wan Tsun Adrian Alan.