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## **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)**

### **ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES**

This announcement is made by Grand Baoxin Auto Group Limited (the “**Company**” together with its subsidiaries as, the “**Group**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company announces that, on 4 March 2022, the Company (as borrower) entered into a facility agreement (the “**Facility Agreement**”) with (among others) Standard Chartered Bank (Hong Kong) Limited (渣打銀行(香港)有限公司) (“**SCBHK**”) as global coordinator, SCBHK and China Everbright Bank Company Limited, Shanghai Branch as mandated lead arranger and bookrunners, China Citic Bank Corporation Limited Suzhou Branch and China Guangfa Bank Co., Ltd. Shanghai Branch as lead arrangers, Industrial Bank Co., Ltd, Shanghai Branch as arranger, a syndicate of banks as original lenders, SCBHK as facility agent and SCBHK as security agent for a term loan facility in the aggregate amount of US\$130,000,000, while the aggregate amount may be increased by the Company in accordance with the Facility Agreement by an aggregate amount of not more than US\$150,000,000 (the “**Facilities**”). The Facilities are available for drawdown for a period of 7 months from the date of the Facility Agreement and the loans made under the Facility Agreement shall be fully repaid within 36 months from the first utilisation date of such loans. China Grand Automotive Services Group Co. Ltd. (廣匯汽車服務集團股份有限公司) (“**CGA**” together with its subsidiaries as “**CGA Group**”) (the shares of which are listed on the Shanghai Stock Exchange (SSE Stock Code: 600297)) will provide joint and several liability guarantee for the Facilities. The purpose of the Facilities is (among others) to refinance the existing indebtedness of the Company and for general corporate purposes of the Group.

Pursuant to the Facility Agreement, upon the occurrence of a “Change of Control”, no lender under the Facility Agreement is obliged to fund any utilization and any lender under the Facility Agreement may, subject to SCBHK (as facility agent) giving not less than 15 days’ notice to the Company, cancel any or all of its commitments and declare its participation in the loans together with accrued interest, and all other amounts accrued or outstanding under the finance documents immediately due and payable.

A “Change of Control” is defined under the Facilities Agreement to include, among others:

- (i) CGA, directly or indirectly, ceases to be the single largest shareholder of the Company or ceases to control the Company;
- (ii) the Company ceases to be consolidated in the audited and consolidated financial statements of CGA;
- (iii) CGA ceases to beneficially own, directly or indirectly, 100% of the equity interests in China Grand Automotive Services LLC. (廣匯汽車服務有限責任公司) (“**CGA LLC**”) or ceases to control CGA LLC;
- (iv) CGA ceases to beneficially own, directly or indirectly, 100% of the equity interests in China Grand Automotive Services (Hong Kong) Limited (廣匯汽車服務(香港)有限公司) (“**CGA HK**”) or ceases to control CGA HK;
- (v) CGA ceases to beneficially own, directly or indirectly, at least 75% of the equity interests in Shanghai Dexin Automotive Services Co., Ltd. (上海德新汽車服務有限公司) (“**Shanghai Dexin**”) or (following any consolidation by merger with any member of CGA Group) the merged entity of Shanghai Dexin and the applicable member of CGA Group (the “**Shanghai Dexin Merged Entity**”) or ceases to control Shanghai Dexin or (if applicable) Shanghai Dexin Merged Entity, unless any reduction below such minimum shareholding percentage is due to any strategic investment in Shanghai Dexin or (if applicable) Shanghai Dexin Merged Entity in accordance with the Facility Agreement; or
- (vi) CGA ceases to beneficially own, directly or indirectly, at least 75% of the equity interests in Huitong Xincheng Leasing Co., Ltd. (匯通信誠租賃有限公司) (“**HTXC Leasing**”) or ceases to control HTXC Leasing, unless any reduction below such minimum shareholding percentage is due to the listing of HTXC Leasing or any strategic investment in HTXC Leasing in accordance with the Facility Agreement.

As at the date of this announcement, CGA HK (a wholly-owned subsidiary of CGA) directly holds 67.70% of the issued share capital of the Company. Accordingly, CGA is a controlling shareholder of the Company.

The Company shall continue to make relevant disclosure in the subsequent interim and annual reports of the Company pursuant to Rule 13.21 of the Listing Rules for as long as circumstances giving rise to the obligation under Rule 13.18 of the Listing Rules continue to exist.

By order of the Board  
**Grand Baoxin Auto Group Limited**  
**Mr. Lu Wei**  
*Chairman*

The PRC, 4 March 2022

*As at the date of this announcement, 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 Ms. LIU Wenji, Ms. LIU Yangfang and Mr. HO Hung Tim Chester.*