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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)

CHANGE OF AUDITORS

This announcement is made by Grand Baoxin Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that as the Company and the Company’s auditor, Ernst & Young (“**EY**”), have not been able to reach an agreement on the audit fee for the financial year ending 31 December 2024, and as a result EY has resigned as the auditor of the Company with effect from 8 November 2024.

EY has confirmed in its letter of resignation dated 8 November 2024 that there are no matters in connection with its resignation that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”). The Board and the audit committee of the Company (the “**Audit Committee**”) have also confirmed that there are no other disagreements or unresolved matters between the Company and EY or other circumstances in respect of the above resignation that need to be brought to the attention of the Shareholders and creditors of the Company.

The Company is in the course of identifying a suitable replacement to fill the vacancy following the resignation of EY and further announcement in relation to the appointment of new auditor will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Board further confirmed that EY has not yet commenced any audit work on the financial statements of the Group for the year ending 31 December 2024. It is therefore expected that the change of auditor will not have any significant impact on the annual audit of the Group for the year ending 31 December 2024 (the “**2024 Audit**”).

The Board would like to express its sincere gratitude to EY for its professional and quality services rendered to the Group during the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the Audit Committee, CL Partners CPA Limited (“CL”) has been appointed as the auditor of the Company with effect from 8 November 2024 to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. The Board has the power to fill any casual vacancy in the office of auditor and to fix the remuneration of the auditor so appointed. Accordingly, no extraordinary general meeting will be held for such purpose.

The Audit Committee has considered a number of factors including but not limited to (i) the audit proposal of CL; (ii) its experience, knowledge and technical competence in handling audit work for companies listed on the Stock Exchange; (iii) its independence from the Group and objectivity; (iv) its market reputation and track record; (v) its resources and capabilities; and (vi) the guidelines issued by the Accounting and Financial Reporting Council. Based on the above, the Audit Committee has assessed and considered that CL is eligible and suitable to act as the auditor for the 2024 Audit. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost effectiveness of the Company’s audit and is in the interest of the Company and its Shareholders as a whole.

The Board would like to take this opportunity to extend its welcome to CL as the new auditor.

By Order of the Board
Grand Baoxin Auto Group Limited
Ma Fujiang
Chairman

The PRC, 8 November 2024

As at the date of this announcement, the Company’s executive Directors are Mr. MA Fujiang, Mr. WANG Sheng, Mr. DING Yu, and Ms. XU Xing; and the independent non-executive Directors are Ms. LIU Wenji, Ms. LIU Yangfang and Mr. HO Hung Tim Chester.