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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)

INSIDE INFORMATION COMPREHENSIVE ENTRUSTMENT STRATEGIC COOPERATION AGREEMENT ENTERED INTO BY CONTROLLING SHAREHOLDERS

This announcement is made by Grand Baoxin Auto Group Limited (the “**Company**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

COMPREHENSIVE ENTRUSTMENT STRATEGIC COOPERATION AGREEMENT

The Company was informed by the Controlling Shareholders (as defined below) that, on 28 March 2025, Xinjiang Guanghui Industry Investment Group Co., Ltd.* (新疆廣匯實業投資(集團)有限責任公司) (“**Xinjiang Guanghui**”) and China Grand Automotive Services Group Company Limited (廣匯汽車服務集團股份公司) (“**CGA**”), the controlling shareholders of the Company (the “**Controlling Shareholders**”), had entered into a comprehensive entrustment strategic cooperation agreement (the “**Comprehensive Entrustment Agreement**”) with National Digital Energy Technology (Beijing) Co., Ltd.* (民族數科能源科技(北京)有限公司) (“**National Digital**”).

Pursuant to the Comprehensive Entrustment Agreement, it is intended that National Digital shall be entrusted to fully manage and operate the automobile distribution outlets of CGA. National Digital will alleviate CGA’s operational cash flow pressures and reduce operating costs through diversified means such as capital injection, introducing operational systems, empowering energy transition, optimizing the supply chain, innovating automobile exports, and automotive financial services. This is expected to enhance the overall profitability of CGA’s existing stores, strengthen market competitiveness, and ensure the healthy development of CGA’s existing stores. In return, National Digital will charge a certain percentage of the management service fee in a fixed plus variable manner.

The cooperation period under the Comprehensive Entrustment Agreement is three years and is automatically renewed if there are no dispute between the parties.

The Comprehensive Entrustment Agreement serves as a guiding document for cooperation among the parties. The parties agree to sign specific cooperation agreements to implement the Comprehensive Entrustment Agreement as soon as possible. It is estimated that completion of part or all of the entrustment of CGA's stores will take place in about 12 months.

INFORMATION OF NATIONAL DIGITAL

National Digital is a high-tech enterprise established by China National Economic Development Co., Ltd., and is committed to promoting economic development in minority regions. Its business encompasses areas such as modern equipment intelligent manufacturing, green energy, digital logistics, artificial intelligence, and automobile distribution and services. Its ultimate beneficial owner is the Internal Service Centre of the National Ethnic Affairs Commission (Service Bureau of the National Ethnic Affairs Commission)* (國家民族事務委員會機關服務中心(國家民族事務委員會機關服務局)). To the best knowledge of the directors of the Company after making all reasonable enquiries, National Digital and its ultimate beneficial owners are independent third parties of CGA and the Group.

GENERAL

The signing of the Comprehensive Entrustment Agreement is conducive to further clarifying the CGA's future strategic development direction, improving operating conditions, enhancing risk resistance capabilities, and increasing industry competitiveness. It aligns with CGA's strategic development needs and positively promotes sustainable development of CGA and the Group.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 28 March 2025

As at the date of this announcement, the Company's executive directors are Mr. MA Fujiang, Mr. WANG Sheng, and Mr. DING Yu and the independent non-executive directors are Ms. LIU Wenji, Ms. LIU Yangfang and Mr. Huang Kai.

* *for identification purposes only*