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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

BUSINESS UPDATE

This announcement is made by Grand Baoxin Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 20 March 2025, the Group was informed by BMW Brilliance Automotive Ltd. and BMW China Automotive Trading Ltd. (collectively, “**BMW**”), the Group’s upstream suppliers, that due to the failure of the 10 BMW dealership outlets of the Company to meet certain commercial terms of the BMW brand dealership agreement entered into with BMW, BMW will revoke the authorisation for the aforesaid 10 dealership outlets to sell the BMW automobiles (the “**Revocation**”) with the effect from 31 March 2025. The authorisation may be reapplied for and reinstated upon meeting the relevant terms. These 10 dealership outlets are mainly located in Jiangsu, Zhejiang and Shanghai. Following the notification, the Company has been making continuous efforts to coordinate and communicate with BMW, but negotiations have been unsuccessful as of the date of this announcement. After the Revocation, the Group still had 27 remaining dealership outlets selling BMW automobile.

The Board is of the view that the Revocation will bring certain impact to the operation and financial position of the Group. However, the Group will endeavour to maintain its existing automotive brand authorization. At the same time, in accordance with the development needs and trends of the passenger vehicle market, a strategic transformation will be undertaken to adjust the brand structure which aligns with the Company’s situation and development trends, with the aim to ensure stability in the Group’s financial performance.

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

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

The PRC, 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.