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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)

DISCLOSEABLE TRANSACTIONS IN RELATION TO THE ASSETS TRANSFER AGREEMENT AND THE YANBAO LEASE AGREEMENT

THE ASSETS TRANSFER AGREEMENT

The Board announces that, on 24 April 2025 (after trading hours), Beijing Chendebao, an indirect wholly-owned subsidiary of the Company, entered into the Assets Transfer Agreement with Beijing BetterLife Group, pursuant to which Beijing Chendebao agreed to sell and Beijing BetterLife Group agreed to purchase the Target Assets.

THE YANBAO LEASE AGREEMENT

The Board announces that on the same date as the Assets Transfer Agreement, i.e. 24 April 2025 (after trading hours), Beijing Yanbao, an indirect wholly-owned subsidiary of the Company, entered into the Yanbao Lease Agreement with Beijing BetterLife Group, pursuant to which Beijing BetterLife Group agreed to lease the Yanbao 4S Dealership Store.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions shall be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. Therefore, the transaction contemplated under the Yanbao Lease Agreement and the Assets Transfer Agreement shall be aggregated.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the transactions contemplated under the Yanbao Lease Agreement and the Assets Transfer Agreement, when aggregated, exceeds 5% but is less than 25%, the Assets Transfer Agreement, the Yanbao Lease Agreement and transactions contemplated thereunder, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that, on 24 April 2025 (after trading hours), Beijing Chendebao, an indirect wholly-owned subsidiary of the Company, entered into the Assets Transfer Agreement with Beijing BetterLife Group, pursuant to which Beijing Chendebao agreed to sell and Beijing BetterLife Group agreed to purchase the Target Assets.

The Board announces that on the same date as the Assets Transfer Agreement, i.e. 24 April 2025 (after trading hours), Beijing Yanbao, an indirect wholly-owned subsidiary of the Company, entered into the Yanbao Lease Agreement with Beijing BetterLife Group, pursuant to which Beijing BetterLife Group agreed to lease the Yanbao 4S Dealership Store.

THE ASSETS TRANSFER AGREEMENT

The principal terms of the Assets Transfer Agreement are set out below:

- Date : 24 April 2025 (after trading hours)
- Parties : (1) Beijing Chendebao, an indirect wholly-owned subsidiary of the Company, as the seller; and
(2) Beijing BetterLife Group as the purchaser.
- Conditions precedent : The effectiveness of the agreement shall be conditional upon duly execution of the agreement by both parties.
- Target Assets : The Target Assets consist of machinery and equipment, office equipment, self-built buildings on rented land, renovations and alterations relating to the operation of the Chendebao 4S Dealership Store located at No. 1001, C Zone, Jin Gang Auto Park, Dongwei Road, Chaoyang District, Beijing, the PRC.
- Conditions to closing : The closing of the transfer of the Target Assets is conditional upon the satisfaction, or waiver by relevant party, of the following conditions:
- (1) all representations and warranties prior to the closing made by each party in the Assets Transfer Agreement shall continue to be true, accurate, complete and not misleading in all material aspects;
 - (2) all commitments and obligation made by each party in the Assets Transfer Agreement prior to the closing shall be complied with;
 - (3) no actions or proceedings, whether pending or threatened against either party (including but not limited to the antitrust and/or competition review of the transaction by the Antimonopoly Bureau of the State Administration for Market Supervision and Administration of the PRC), to restrict or prohibit the Assets Transfer Agreement and the transaction contemplated thereunder;

- (4) no prohibition from any applicable laws on either party to sell or purchase the Target Assets;
- (5) all necessary consents or approvals from the seller and any third parties required for the completion of the transaction have been obtained, including, but not limited to, the authorization or notification procedures (if applicable) for the purchaser and its project company to obtain authorisation from the BMW-branded automobile suppliers to operate automobile dealership store at the location of the Chendebao 4S Dealership Store;
- (6) all of the Target Assets have been delivered to the purchaser or its project company, and a letter of confirmation for asset delivery has been executed by both parties;
- (7) the purchaser or its project company has executed a lease agreement with the landlord of premises where the Target Assets are located, i.e., Beijing Golden Harbor Exhibition Co., Ltd.* (北京金港展覽展示有限公司), which is a party independent of the seller and the purchaser;
- (8) the purchaser has set up a project company at the abovementioned premises and the project company has obtained the administrative approvals, licenses and qualifications necessary for the operation of the automobile dealership business; and
- (9) both parties have confirmed in writing that all the above conditions have been fulfilled.

If the purchaser waives any of the above conditions, the conditions so waived shall automatically become post-closing obligations of the seller under the Assets Transfer Agreement and shall be completed within a reasonable timeframe to be confirmed by both parties.

Consideration : The consideration is tentatively set at RMB18,003,800 (tax inclusive) (the “**Tentative Consideration**”), based on the unaudited book value of the Target Assets as at 31 March 2025 of approximately RMB16.44 million, and shall be the maximum consideration under the Assets Transfer Agreement.

The final consideration (the “**Final Consideration**”), not exceeding the Tentative Consideration, will be further determined through negotiation and mutual confirmation between the parties after completing the inventory and value confirmation of the Target Assets in accordance with the Assets Transfer Agreement, relevant supporting documents and the prevailing PRC accounting standards.

- Payment : (1) Performance deposit: within five business days of execution of the Assets Transfer Agreement, the purchaser shall pay 5% of the Tentative Consideration, being approximately RMB0.9 million;
- (2) Second instalment: within five business days after the establishment of the project company and the execution of an authorization agreement by and between the project company and the BMW-branded automobile suppliers, the purchaser shall pay 25% of the Tentative Consideration, being approximately RMB4.5 million;
- (3) Third instalment: within three business days after the completion of inventory and value confirmation of the Target Assets, the determination of the Final Consideration, and the seller obtains necessary approval from its shareholders' meeting, the performance deposit shall be automatically converted into part of the Final Consideration. At that time, all the instalments, along with Deductible Amounts (as defined below), shall in aggregate amount to 80% of the Final Consideration, the maximum of which being approximately RMB14.4 million.

The purchaser or the project company is entitled to deduct any of the following from the third instalment (the "**Deductible Amounts**");

- a. any outstanding liabilities related to the Target Assets (including but not limited to employee payroll debts, debts to automobile suppliers, tax debts, etc.);
- b. any outstanding advance received by the seller from its customers (including but not limited to deposits for vehicles or after-sale services), unless the parties confirm that such advance has been handed over to the purchaser for processing and settling;
- c. any outstanding rents for the properties where the seller's 4S dealership store is located; and
- d. any sums incurred by the purchaser as a result of a breach by the seller of its representations, warranties or undertakings under the Assets Transfer Agreement.

If the third instalment is insufficient to offset the abovementioned Deductible Amounts, the purchaser shall have the right to continue deducting the rest from the total Final Consideration payable to the seller.

- (4) Fourth instalment: within three business days after the parties having obtained the antitrust approval for the transaction, completion of the closing, execution of the letter of confirmation for asset delivery, and the purchaser or the project company having received an invoice from the seller (the amount of the invoice shall be 90% of the total Final Consideration), the purchaser shall pay 10% of the Final Consideration, the maximum of which being approximately RMB1.8 million; and
- (5) Final instalment: after both parties have confirmed in writing that all the above Deductible Amounts have been properly settled, and that there are no circumstances affecting the use and normal operation of the Target Assets, the purchaser or the project company shall pay the remaining consideration, i.e., 10% of the Final Consideration, the maximum of which being approximately RMB1.8 million, within three business days after receiving an invoice from the seller.

If the purchaser or project company advances any liability or obligation that should be borne by the seller, the purchaser may deduct the amount from the annual rent payable to the seller or its affiliates. If the deduction is insufficient, the seller must compensate the purchaser for the remaining loss within three days of receiving the purchaser's notice.

Closing : After all conditions to closing have been fulfilled or waived, the inventory and value confirmation of the Target Assets has been completed, and the Final Consideration determined, the parties shall execute the letter of confirmation for asset delivery in accordance with the Assets Transfer Agreement.

The seller shall provide a list of Target Assets confirmed by both parties, transfer all physical assets, legal title and other relevant interests in the Target Assets, along with all relevant documents, files, and information, to the purchaser or the project company.

Breach of contract : If either party breaches its representations, warranties, undertakings or obligations under the Assets Transfer Agreement and such breach is not resolved or cannot be resolved after notice by the non-breaching party, the non-breaching party shall have the right to unilaterally terminate the Assets Transfer Agreement upon notice to the breaching party.

If either party materially breaches the Assets Transfer Agreement or the purpose of the transaction thereunder cannot be realized due to any cause attributable to either party, the breaching party shall compensate the non-breaching party for all losses as abovementioned:

- (1) if the breaching party is the purchaser, the performance deposit paid by the purchaser shall not be returned, and the prepayment and other sums paid by the purchaser shall be returned within five business days; and
- (2) if the breaching party is the seller, the seller shall double the performance deposit, return the prepayment and other sums paid by the purchaser in full within five business days, and compensate the purchaser for all losses.

INFORMATION ON THE TARGET ASSETS

Set out below are the details of the Target Assets:

The Target Assets consist of machinery and equipment, office equipment, self-built buildings on rented land, renovations and alterations, relating to the operation of the Chendebao 4S Dealership Store located at No. 1001, C Zone, Jin Gang Auto Park, Dongwei Road, Chaoyang District, Beijing, the PRC.

The unaudited book value of the Target Assets as at 31 March 2025 was approximately RMB16.44 million.

THE YANBAO LEASE AGREEMENT

The principal terms of the Yanbao Lease Agreement are set out below:

Date	:	24 April 2025 (after trading hours)
Parties	:	(1) Beijing Yanbao, an indirect wholly-owned subsidiary of the Company, as the landlord; and (2) Beijing BetterLife Group as the tenant.
Conditions precedent	:	The effectiveness of the agreement shall be conditional upon the due execution of the agreement by the parties and the completion of Beijing BetterLife Group's procurement of, among other things, new automobiles and spare parts (the " Procurement ").
Premises	:	The Yanbao 4S Dealership Store is located at No. 26, Hongda North Road, Beijing Economic-Technological Development Area, Beijing, the PRC, including the building, premises, equipment (including office equipment/electronic equipment/general equipment/specialized equipment for the operation of the BMW 4S store), alterations, renovations and decorations, with a building area of 6,313 square meters and a land area of 12,255 square meters.
Usage	:	Office operations, automobile sales and after-sales services, the business scope listed on Beijing BetterLife Group's business license, company registration, operation of the BMW brand (Beijing BetterLife Group may adjust the brands according to its actual needs and business conditions), automobile 4S dealership stores and other automotive aftermarket-related businesses.
Lease term	:	The term under the Yanbao Lease Agreement shall be ten years from 10 May 2025 to 9 May 2035. Upon expiration of the lease, Beijing BetterLife Group may renew the lease with one-month prior notice, and parties shall sign a supplementary agreement to extend the term.

Rent : The annual rental for the period from 10 May 2025 to 9 May 2030 shall be RMB6.4 million (tax inclusive), and the annual rental for the period from 10 May 2030 to 9 May 2035 shall be RMB4.0 million (tax inclusive), which were determined after arm's length negotiation among the parties.

A rent-free period of one month starting from 10 May 2025 has been granted by Beijing Yanbao to Beijing BetterLife Group.

All the costs and expenses to be incurred during the use of the properties under the lease, including but not limited to water, electricity, gas, television, telephone, internet, heating, security, landscaping, pipeline and equipment maintenance, if any, shall be borne by Beijing BetterLife Group.

Performance deposit : The performance deposit of RMB533,333 shall be paid together with the first rental payment. Upon expiration of the lease and within 30 days after the delivery of the leased property, Beijing Yanbao shall return the remaining performance deposit to Beijing BetterLife Group without interest, after deducting any rent, damages, and other expenses.

Payment : From 10 May 2025 to 9 May 2028: the rent shall be paid by Beijing BetterLife Group semi-annually, within five business days after receipt of an invoice from Beijing Yanbao, except that the first rent shall be paid after receiving an invoice from Beijing Yanbao, on the date of payment of consideration for the Procurement.

On or after 10 May 2028: the rent shall be paid by Beijing BetterLife Group quarterly, within five business days after receipt of an invoice from Beijing Yanbao.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSETS TRANSFER AGREEMENT AND THE YANBAO LEASE AGREEMENT

In order to further optimise the production and operation layout of the Group and coordinate the use of its resources, the Group intends to lease the Yanbao 4S Dealership Store and sell the Target Assets to Beijing BetterLife Group. The disposal of the Target Assets and the lease of the Yanbao 4S Dealership Store will be conducive to the effective use and further realization of the Group's resources. The terms of the Assets Transfer Agreement and the Yanbao Lease Agreement and the consideration and rents as stipulated thereunder were arrived at after arm's length negotiations between the parties. The Tentative Consideration under the Assets Transfer Agreement is determined based on the book value of the Target Assets as at 31 March 2025, the Final Consideration under the Assets Transfer Agreement may be further determined and adjusted according to the inventory and value confirmation completed by the parties and not exceeding RMB18,003,800.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Assets Transfer Agreement and the Yanbao Lease Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is a leading dealership group of luxury brands automobiles in the PRC and is principally engaged in the automobile sales and after-sales services business. The Group's business mainly concentrates in the eastern part of the PRC, which acts as the axis for expanding into the southern, central and northern parts of the PRC and also the northeast and northwest regions, thus, covering the majority of the mainstream market for luxury and ultra-luxury automobiles in the PRC as of now.

Beijing Chendebao is a limited liability company established in the PRC and principally engaged in sale and service of motor vehicles in the PRC. Beijing Chendebao is an indirectly wholly-owned subsidiary of the Company.

Beijing Yanbao is a limited liability company established in the PRC and principally engaged in maintenance of small vehicles, insurance agency business, automobile and motorcycle display, vehicle cleaning and interior modification services in the PRC. Beijing Yanbao is an indirectly wholly-owned subsidiary of the Company.

Beijing BetterLife Group

Beijing BetterLife Group is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of BetterLife Holding Limited, a company listed on the Main Board of the Stock Exchange with stock code of 6909. It is principally engaged in sale and service of motor vehicles.

To the best of knowledge, information and belief of the Directors after making all reasonable enquiries and based on the public information available to the Company, Beijing BetterLife Group and its ultimate beneficial owners, are third parties independent of the Company and its connected persons.

FINANCIAL EFFECT AND USE OF PROCEEDS

The net proceeds from the disposal of the Target Assets (“**Disposal**”) will be used to supplement the working capital of the Company.

Upon completion of the Disposal, the Group is expected record a gain of approximately RMB1.56 million, being the difference between (i) the Tentative Consideration of RMB18,003,800; and (ii) the book value of the Target Assets as at 31 March 2025 of approximately RMB16.44 million. The actual gain or loss resulting from the Disposal expected to be recognized in the income statement of the Company will be further adjusted subject to the audits of the Company and the final consideration of the Disposal.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions shall be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. Therefore, the transaction contemplated under the Yanbao Lease Agreement and the Assets Transfer Agreement shall be aggregated.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the transactions contemplated under the Yanbao Lease Agreement and the Assets Transfer Agreement, when aggregated, exceeds 5% but is less than 25%, the Assets Transfer Agreement, the Yanbao Lease Agreement and transactions contemplated thereunder, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REMEDIAL ACTIONS

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the transactions contemplated under the Yanbao Lease Agreement and the Assets Transfer Agreement as and when such obligation arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its unintentional oversight. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the shareholders of the transactions contemplated under the Yanbao Lease Agreement and the Assets Transfer Agreement. To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following internal control procedures with immediate effect:

1. the Company will circulate specific guidelines on notifiable and connected transactions under the Listing Rules and provide more regular trainings to remind its officers, senior management and Directors to enhance and consolidate their current understanding of notifiable and connected transactions, highlight the importance of complying with the Listing Rules and their ability to identify potential issues at an early stage;
2. the Company will consult with professional advisers as appropriate and necessary before entering into any potential notifiable transaction, and if necessary, the Company may also consult with the Stock Exchange on the obligations of the proposed transaction; and
3. the executive Directors and members of the senior management team will continuously monitor the internal control measures of the Group and will report findings and make appropriate recommendations to the Board on a regular basis.

DEFINITIONS

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

“Assets Transfer Agreement”	the assets transfer agreement entered into between Beijing BetterLife Group and Beijing Chendebao dated 24 April 2025 (after trading hours)
“Beijing BetterLife Group”	Beijing BetterLife Automobile Import and Export Group Co., Ltd.* (北京百得利汽車進出口集團有限公司), a PRC limited liability company
“Beijing Chendebao”	Beijing Chendebao Auto Sales and Services Co., Ltd.* (北京晨德寶汽車銷售服務有限公司), a PRC limited liability company and an indirect wholly-owned subsidiary of the Company
“Beijing Yanbao”	Beijing Yanbao Auto Services Co., Ltd.* (北京燕寶汽車服務有限公司), a PRC limited liability company and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“business day”	any calendar day (other than a Saturday, a Sunday, or a statutory public holiday) on which banks in the PRC are open for business, and interbank deposit and payment transactions can be conducted
“Chendebao 4S Dealership Store”	a BMW branded 4S dealership store located at No. 1001, C Zone, Jin Gang Auto Park, Dongwei Road, Chaoyang District, Beijing, the PRC
“Company”	Grand Baoxin Auto Group Limited (廣匯寶信汽車集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1293)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Shareholders”	the shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Assets”	machinery and equipment, office equipment, self-built buildings on rented land, renovations and alterations in relation to the operation of the Chendebao 4S Dealership Store located at No. 1001, C Zone, Jin Gang Auto Park, Dongwei Road, Chaoyang District, Beijing, the PRC
“Yanbao Lease Agreement”	the lease agreement entered into between Beijing BetterLife Group and Beijing Yanbao dated 24 April 2025 (after trading hours)
“Yanbao 4S Dealership Store”	a BMW branded 4S dealership store located at No. 26, Hongda North Road, Beijing Economic-Technological Development Area, Beijing, the PRC
“%”	per cent

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

Hong Kong, 30 April 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 and Mr. HUANG Kai.