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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 TRANSACTION IN RELATION TO THE YANBAO ASSETS TRANSFER AGREEMENT

THE YANBAO ASSETS TRANSFER AGREEMENT

The Board announces that, on 29 April 2025 (after trading hours), Beijing Yanbao, an indirect wholly-owned subsidiary of the Company, entered into the Yanbao Assets Transfer Agreement with Beijing BetterLife Group, pursuant to which Beijing Yanbao agreed to sell and Beijing BetterLife Group agreed to purchase the Target Assets.

LISTING RULES IMPLICATIONS

Reference is made to the Previous Announcement. 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 Assets Transfer Agreement shall be aggregated with the Previous Agreements since the counterparty to these transactions is same.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the transactions contemplated under the Yanbao Assets Transfer Agreement, when aggregated with the Previous Agreements, exceeds 5% but is less than 25%, the Yanbao Assets Transfer Agreement and transactions contemplated thereunder constitute a discloseable transaction 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 29 April 2025 (after trading hours), Beijing Yanbao, an indirect wholly-owned subsidiary of the Company, entered into the Yanbao Assets Transfer Agreement with Beijing BetterLife Group, pursuant to which Beijing Yanbao agreed to sell and Beijing BetterLife Group agreed to purchase the Target Assets.

THE YANBAO ASSETS TRANSFER AGREEMENT

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

- Date : 29 April 2025 (after trading hours)
- Parties : (1) Beijing Yanbao, 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 due execution of the agreement by both parties.
- Target Assets : The Target Assets consist of machinery and equipment and office equipment of the Yanbao 4S Dealership Store located at No. 26, Hongda North Road, Beijing Economic-Technological Development Area, 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 Yanbao 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 Yanbao 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 Yanbao 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 Yanbao 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 seller;
- (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 Yanbao Assets Transfer Agreement and shall be completed within a reasonable timeframe to be confirmed by both parties.

Consideration : The consideration is tentatively set at RMB3.29 million (tax inclusive) (the “**Tentative Consideration**”), based on the unaudited book value of the Target Assets as at 31 March 2025 of approximately RMB3.02 million, and shall be the maximum consideration under the Yanbao 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 Yanbao Assets Transfer Agreement, relevant supporting documents and the prevailing PRC accounting standards.

- Payment : (1) Performance deposit: within five business days of execution of the Yanbao Assets Transfer Agreement, the purchaser shall pay 5% of the Tentative Consideration, being approximately RMB0.16 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 RMB0.82 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 RMB2.63 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 Yanbao 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 RMB0.33 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 RMB0.33 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 Yanbao Assets Transfer Agreement.

The seller shall provide a list of the 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 Yanbao 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 Yanbao Assets Transfer Agreement upon notice to the breaching party.

If either party materially breaches the Yanbao 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 and office equipment of the Yanbao 4S Dealership Store located at No. 26, Hongda North Road, Beijing Economic-Technological Development Area, Beijing, the PRC.

The unaudited book value of the Target Assets as at 31 March 2025 was approximately RMB3.02 million. There is no identifiable income attributable to the Target Assets.

REASONS FOR AND BENEFITS OF ENTERING INTO THE YANBAO ASSETS TRANSFER 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 sell the Target Assets to Beijing BetterLife Group. The disposal of the Target Assets will be conducive to the effective use and further realization of the Group's resources. The terms of the Yanbao Assets Transfer Agreement and the consideration as stipulated thereunder were arrived at after arm's length negotiations between the parties. The Tentative Consideration under the Yanbao 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 RMB3.29 million.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Yanbao Assets Transfer 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 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 RMB0.27 million, being the difference between (i) the Tentative Consideration of RMB3.29 million; (ii) the book value of the Target Assets as at 31 March 2025 of approximately RMB3.02 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.

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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 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 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:

“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 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
“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
“Previous Agreements”	the assets transfer agreement entered into between Beijing Chendebao Auto Sales and Services Co., Ltd.* (北京晨德寶汽車銷售服務有限公司) and Beijing BetterLife Group dated 24 April 2025 and the lease agreement entered into between Beijing Yanbao and Beijing BetterLife Group dated 24 April 2025, details of which were disclosed in the Previous Announcement
“Previous Announcement”	the announcement of the Company dated 30 April 2025 in relation to the entering into the Previous Agreements

“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 and office equipment of the Yanbao 4S Dealership Store located at No. 26, Hongda North Road, Beijing Economic-Technological Development Area, Beijing, the PRC
“Yanbao Asset Transfer Agreement”	the assets transfer agreement entered into between Beijing Yanbao and Beijing BetterLife Group dated 29 April 2025 (after trading hours)
“%”	per cent

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

Hong Kong, 2 May 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.