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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).

Recently, the Group was informed by BMW Brilliance Automotive Ltd. and BMW China Automotive Trading Ltd. (collectively, “**BMW**”), the Group’s upstream suppliers, as most of the BMW dealership outlets of the Company had not been able to meet certain commercial terms of the BMW brand dealership agreement entered into with BMW, BMW will gradually revoke the authorisation for the dealership outlets of the Group to sell the BMW automobiles (the “**Revocation**”) with effect from around mid-August 2025. The authorisation may be reapplied for and reinstated upon meeting the relevant terms. 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.

Based on the financial information of the Group for the year ended 31 December 2023 and the unaudited financial information of the Group for the six months ended 30 June 2024, the total revenue attributable to the BMW dealership outlets accounted for 40% and 43% of the total revenue of the Group for the year ended 31 December 2023 and the six months ended 30 June 2024, respectively.

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 authorisation. 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.

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, 12 August 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 Mr. HUANG Kai, Ms. LI Wenjun and Mr. CHEN Yuhang.