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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 DISPOSAL OF ENTIRE INTEREST IN THE TARGET COMPANY

THE DISPOSAL

The Board announces that, on 30 September 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, has entered into the Agreement with the Purchaser, an Independent Third Party, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of approximately RMB33.4 million.

Following Completion, the Company shall no longer have any interest in the Target Company and the Target Company shall cease to be a subsidiary of the Company. The financial position and operating results of the Target Company shall no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the Agreement exceeds 5% but is less than 25%, the 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 30 September 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, has entered into the Agreement with the Purchaser, an Independent Third Party, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of approximately RMB33.4 million.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are set out below:

- Date : 30 September 2025 (after trading hours)
- Vendor : Suzhou Baoxin Automotive Distribution Services Co., Ltd. (蘇州寶信汽車銷售服務有限公司), a PRC limited liability company and an indirect wholly-owned subsidiary of the Company.
- Purchaser : Xinjiang Feiyade New Energy Technology Co., Ltd. (新疆菲亞德新能源科技有限公司), a PRC limited liability company.

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Purchasers and its ultimate beneficial owner are Independent Third Parties.

- Target Company : Ningbo Tianhua Lujie Automobile Sales Service Co., Ltd. (寧波天華路捷汽車銷售服務有限公司), a PRC limited liability company and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

- Subject matter : Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares.

- Consideration : The Consideration of approximately RMB33.4 million was determined between the Purchaser and the Vendor after arm's length negotiations on normal commercial terms with reference to, among others, (i) valuation (the "**Valuation**") of the entire equity interest of the Target Company of RMB33.4 million as at 31 May 2025 (the "**Valuation Date**") as appraised by the Valuer (an Independent Third Party) using the asset-based approach (details of which are set out below); and (ii) the reasons and benefits of the Equity Transfer as stated under the paragraph headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT" in this announcement.

The Consideration shall be settled by the Purchaser in cash at the time of Completion.

- Completion : Completion shall take place within five business days after the date of the Agreement, where the Vendor and the Purchaser shall file the equity change registration to the relevant market supervision and management department.

Upon Completion, the Group shall no longer have any interest in the Target Company and the Target Company shall cease to be a subsidiary of the Company. The financial position and operating results of the Target Company shall no longer be consolidated into the financial statements of the Group.

THE VALUATION

The Valuation benchmark date is 31 May 2025. According to the Valuation Report, the Valuer, after carrying out the Valuation procedures including data collection and on-site inspection, determined the appraised value of the Sale Shares based on the asset-based approach.

Valuation Methodology

In selecting the appropriate valuation methodology, the Valuer considered the applicability of the income approach, the market approach and the asset-based approach. The income approach was not adopted as the development plan and investment amount of the 4S store of the Target Company is uncertain and thus there is a lack of reasonable basis to assess the expected income of the Target Company. The market approach was considered not applicable due to the limited availability of information in the current market in the PRC and the lack of comparable listed companies or transaction precedents.

The Valuer was of the view that the assets and liabilities of the Target Company could be reasonably identified and appropriately valued based on their characteristics, and therefore the asset-based approach was considered the most appropriate valuation approach.

Major Assumptions

The Valuation is based on the premise that the Target Company will continue to operate as it is currently operating. The major principal assumptions adopted in this appraisal are:

- Target Company will continue to operate in accordance with its business objectives under the external environment in which it is situated and is able to earn appropriate profits to sustain its ongoing operations;
- the assets to be assessed are currently in use, and it is also assumed that these assets will continue to be used in the future;
- there will be no major changes in the macro-economic environment, financial conditions and industry policies in the country;
- there will be no significant changes in the social and economic environment in which the Target Company operates, as well as in the policies regarding taxes, tax burdens, and tax rates;
- the valuation of each asset in the Valuation is based on the actual stock as of the valuation reference date, with the current market price of the relevant assets being based on the domestic effective price on the valuation reference date;
- the basic information and financial information provided to the Valuer are complete, accurate and reliable;
- there are no assets and liabilities other than those stated in the lists provided to the Valuer; and
- the Valuation does not consider the impact of inflation.

Key Inputs and Computation Process of the Valuation

Financial information of the Target Company

Set out below is the financial information of the Target Company as at 31 May 2025:

	As at 31 May 2025	
	Book Value	Appraised Value
	<i>RMB'000</i>	<i>RMB'000</i>
Current assets	1,154.2	1,154.2
Non-current assets	36,313.6	66,447.4
– Fix assets	11,279.6	11,590.4
– Construction in progress	0.0	0.0
– Intangible assets	22,892.1	54,856.9
– Long-term deferred expenses	2,141.9	0
Total assets	37,467.8	67,601.6
Current liabilities	16,136.9	16,136.9
Non-current liabilities	18,031.2	18,031.2
Total liabilities	34,168.1	34,168.1
Total Equity (net assets)	3,299.7	33,433.5

Total Assets

As at 31 May 2025, the book value of the total assets of the Target Company was approximately RMB37.5 million, while the appraised value of the assets was approximately RMB67.6 million. The difference was mainly attributable to an increase in the appraised net value of intangible assets of approximately RMB30.1 million. The increase in appraised valuer was due to the appreciation of the Target Company's land use rights.

Total liabilities

As at 31 May 2025, the book value and the appraised value of the total liabilities of the Target Company were approximately the same, at approximately RMB34.2 million.

Total Equity

According to the valuation report, based on the asset-based approach described above, the appraised value of the Target Company as at 31 May 2025 was RMB33.4 million.

The Board's View on the Fairness and Reasonableness of the Valuation

The Board has reviewed the Valuation Report, focusing on the methodology adopted, its key assumptions and the financial information of the Valuer. After consideration that (i) the Valuer has the necessary professional qualifications and relevant experience to perform the valuation of the valuer; (ii) the scope of work carried out by the Valuer is appropriate for the relevant assessments; and (iii) the valuation assumptions and methodology adopted by the Valuer for the relevant assessments are fair and reasonable, the Board is of the view that the Valuation that formed the basis of the Consideration is fair and reasonable.

INFORMATION ON THE TARGET COMPANY

The Target Company is a PRC limited liability company established on 19 November 2013 and an indirect wholly-owned subsidiary of the Company. The Target Company is principally engaged in automobile retail and wholesale, and automobile after-sales consulting services in the PRC.

Set out below is the unaudited financial information of the Target Company for the year ended 31 December 2023 and the audited financial information of the Target Company for the year ended 31 December 2024:

	For the year ended	
	31 December	
	2023	2024
	(RMB'000)	(RMB'000)
	(unaudited)	(audited)
Net loss (before taxation)	1,497	1,140
Net loss (after taxation)	1,497	1,140

The audited net asset of the Target Company as at 31 December 2024 was approximately HK\$51.3 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Directors have been continuously evaluating the current business strategies of the Group with an aim to achieve the best use of its resources and improve its overall performance.

In order to further optimize the production and operation layout of the Group and coordinate the use of its resources, the Group believes the Disposal represents a good opportunity for the Company to improve the financial position of the Group and streamline its operation. The terms of the Agreement and the consideration as stipulated thereunder were arrived at after arm's length negotiations between the parties.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the 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 Vendor and the Group

The Vendor is a PRC limited liability company and an indirect wholly-owned subsidiary of the Company. The Group is a prominent 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.

The Purchaser

The Purchaser is a limited liability company established in the PRC and principally engaged in the sales of battery swap equipment for new energy vehicles, sales of charging piles, sales of new energy vehicle electrical accessories, and battery sales. The Purchaser is ultimately owned as to 40%, 30% and 30% by Ms. Li Xiuying, Ms. Zeng Dan and Ms. Jiang Yan, respectively.

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, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

FINANCIAL EFFECT AND USE OF PROCEEDS

The net proceeds from the Disposal will be used to supplement working capital.

Upon completion of the Disposal, the Group will record a loss of approximately RMB19.6 million, being the difference between (i) unaudited carrying value of the net assets of Target Company of approximately RMB53.0 million as at 31 December 2024; and (ii) the Consideration of approximately RMB33.4 million. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to book value of the Target Company accounted for in the financial statements of the Group upon completion of the Disposal, and may therefore be different from the above amount.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) for the transactions contemplated under the Agreement exceeds 5% but is less than 25%, the 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.

DEFINITIONS

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

“Agreement”	the equity transfer agreement dated 30 September 2025 entered into between the Vendor and the Purchasers in relation to the Disposal
“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)

“Completion”	the completion of the Disposal
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	approximately RMB33.4 million, being the total consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Main Board Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“Purchaser”	新疆菲亞德新能源科技有限公司(in English for identification purpose only, Xinjiang Feiyade New Energy Technology Co., Ltd.), a PRC limited liability company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100% of the registered capital of the Target Company
“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 Company”	寧波天華路捷汽車銷售服務有限公司(in English for identification purpose only, Ningbo Tianhua Lujie Automobile Sales Service Co., Ltd.), a PRC limited liability company and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Valuation Report”	The valuation report on the Valuation prepared in accordance with China’s Asset Valuation Standards issued by the Valuer
“Valuer”	Zhongshenghua Asset Appraisal Co., Ltd. (中盛華資產評估有限公司), an independent valuer with asset valuation qualifications in the PRC
“Vendor”	Suzhou Baoxin Automotive Distribution Services Co., Ltd. (蘇州寶信汽車銷售服務有限公司), a PRC limited liability company and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 30 September 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.

For ease of reference, the names of the PRC Company and the Property have been included in this announcement in both Chinese and English languages and their English names are either English translation of their respective official Chinese names or English tradenames used by them. In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version except any inconsistency between the English names and their respective official Chinese names, the official Chinese names shall prevail.