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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 DISPOSAL OF ENTIRE INTEREST IN THE TARGET COMPANIES

THE DISPOSAL

The Board announces that, on 15 May 2026 (after trading hours), (i) Urumqi Yanbao, an indirect non-wholly owned subsidiary of the Company, has entered into the Yanbao Agreement with the Purchaser, an Independent Third Party, pursuant to which Urumqi Yanbao has agreed to sell, and the Purchaser has agreed to acquire the entire issued share capital of the Karamay Yanbao, at the consideration of approximately RMB24.36 million; and (ii) Beijing Dongbao, an indirect non-wholly owned subsidiary of the Company, has entered into the Xindebao Agreement with the Purchaser, pursuant to which Beijing Dongbao has agreed to sell, and the Purchaser has agreed to acquire the entire issued share capital of the Karamay Xindebao, at the consideration of RMB1 million.

Following Completion, the Company shall no longer have any interest in the Target Companies, and the Target Companies shall cease to be subsidiaries of the Company. The financial position and operating results of the Target Companies 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 Agreements exceeds 5% but is less than 25%, the Agreements 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 15 May 2026 (after trading hours), (i) Urumqi Yanbao, an indirect non-wholly owned subsidiary of the Company, has entered into the Yanbao Agreement with the Purchaser, an Independent Third Party, pursuant to which Urumqi Yanbao has agreed to sell, and the Purchaser has agreed to acquire the entire issued share capital of the Karamay Yanbao, at the consideration of approximately RMB24.36 million; and (ii) Beijing Dongbao, an indirect non-wholly owned subsidiary of the Company, has entered into the Xindebao Agreement with the Purchaser, pursuant to which Beijing Dongbao has agreed to sell, and the Purchaser has agreed to acquire the entire issued share capital of the Karamay Xindebao, at the consideration of RMB1 million.

PRINCIPAL TERMS OF THE AGREEMENTS

(1) Yanbao Agreement

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

Date	:	15 May 2026 (after trading hours)
Vendor	:	Urumqi Yanbao Automobile Sales and Service Co., Ltd. (烏魯木齊燕寶汽車銷售服務有限公司), a PRC limited liability company and an indirect non-wholly owned subsidiary of the Company.
Purchaser	:	Guangxi Jincai New Materials Technology Co., Ltd. (廣西進彩新材料科技有限公司), 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, the Purchaser and its ultimate beneficial owner are Independent Third Parties.
Target Company:		Karamay Yanbao Automobile Sales and Service Co., Ltd. (克拉瑪依燕寶汽車銷售服務有限公司), a PRC limited liability company and an indirect non-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 Urumqi Yanbao has agreed to sell the entire issued share capital of the Karamay Yanbao.

Consideration : The consideration of approximately RMB24.36 million was determined between the Purchaser and Urumqi Yanbao after arm's length negotiations on normal commercial terms with reference to, among others, (i) the audited equity interest attributable to the shareholder of Karamay Yanbao as at 31 October 2025 of approximately RMB16.54 million; and (ii) the reasons and benefits of the disposal as stated under the paragraph headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS" in this announcement.

The consideration shall be settled by the Purchaser in cash in the following manner:

(i) a deposit of RMB2.5 million shall be paid by the Purchase to the designated account of Urumqi Yanbao within three business days from the date of the Yanbao Agreement; and

(ii) the remaining consideration of RMB21.86 million shall be paid by the Purchaser to the designated account of Urumqi Yanbao on the date of completion of the Yanbao Disposal.

Completion : Completion of the Yanbao Disposal shall take place on the date when Urumqi Yanbao provided to the Purchaser the requisite documents for the equity change registration in accordance with the requirements of the business registration authority.

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

(2) Xindebao Agreement

The principal terms of the Xindebao Agreement are set out below:

Date : 15 May 2026 (after trading hours)

Vendor : Beijing Dongbao Jinlong Economic and Trade Development Co., Ltd. (北京東寶金龍經貿發展有限公司), a PRC limited liability company and an indirect non-wholly owned subsidiary of the Company.

Purchaser : Guangxi Jincai New Materials Technology Co., Ltd. (廣西進彩新材料科技有限公司), a PRC limited liability company.

Target Company: Karamay Xindebao Economic and Trade Development Co., Ltd. (克拉瑪依鑫德寶經貿發展有限公司), a PRC limited liability company and an indirect non-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 Beijing Dongbao has agreed to sell the entire issued share capital of the Karamay Xindebao.

Consideration : The consideration of RMB1 million was determined between the Purchaser and Beijing Dongbao after arm's length negotiations on normal commercial terms with reference to, among others, (i) the audited equity loss attributable to the shareholder of Karamay Xindebao as at 31 October 2025 of approximately RMB2.94 million; and (ii) the reasons and benefits of the disposal as stated under the paragraph headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS" in this announcement.

The consideration shall be settled by the Purchaser in cash in the following manner:

(i) a deposit of RMB500,000 shall be paid by the Purchase to the designated account of Beijing Dongbao within three business days from the date of the Xindebao Agreement; and

(ii) the remaining consideration of RMB500,000 shall be paid by the Purchaser to the designated account of Beijing Dongbao on the date of completion of the Xindebao Disposal.

Completion : Completion of the Xindebao Disposal shall take place on the date when Beijing Dongbao provided to the Purchaser the requisite documents for the equity change registration in accordance with the requirements of the business registration authority.

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

INFORMATION ON THE TARGET COMPANIES

(1) Karamay Yanbao

Karamay Yanbao is a PRC limited liability company established on 12 May 2011 and an indirect wholly-owned subsidiary of the Company. Karamay Yanbao is principally engaged in automobile retail and wholesale, and automobile after-sales consulting services in the PRC.

Set out below is the audited financial information of Karamay Yanbao for the years ended 31 December 2024 and 2025:

	For the year ended 31 December	
	2024	**2025**
	(RMB)	*(RMB)*
	(audited)	*(audited)*
Net loss (before taxation)	2,685,690	7,608,623
Net loss (after taxation)	2,803,891	7,614,661

The audited net asset of Karamay Yanbao as at 31 December 2025 was approximately RMB16.54 million.

(2) Karamay Xindebao

Set out below is the audited financial information of Karamay Xindebao for the years ended 31 December 2024 and 2025:

	For the year ended 31 December	
	2024	**2025**
	(RMB)	*(RMB)*
	(audited)	*(audited)*
Net profit/(loss) (before taxation)	26,986	(3,573,057)
Net profit/(loss) (after taxation)	25,636	(3,573,057)

The audited net liability of Karamay Xindebao as at 31 December 2025 was approximately RMB2.94 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

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 Disposals represent a good opportunity for the Company to improve the financial position of the Group and streamline its operation. The terms of the Agreements 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 Agreements 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

Urumqi Yanbao, Beijing Dongbao and the Group

The Group is one of the major dealership groups of luxury brands automobiles in the PRC and is principally engaged in the automobile sales and after-sales services business.

Each of Urumqi Yanbao and Beijing Dongbao is a PRC limited liability company and an indirect non-wholly owned subsidiary of the Company.

The Purchaser

The Purchaser is a limited liability company established in the PRC and principally engaged in sales of coating and chemicals, technical services and new materials technology research and development. The Purchaser is ultimately owned by Sun Liqiang (孫立強).

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 it ultimate beneficial owner are Independent Third Parties.

FINANCIAL EFFECT AND USE OF PROCEEDS

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

Upon completion of the Disposals, the Group will record a gain of approximately RMB11.85 million, being the difference between (i) unaudited carrying value of the net assets of Target Companies of approximately RMB13.51 million as at 31 December 2025; and (ii) the total consideration of the Disposals of approximately RMB25.36 million. The actual gain or loss as a result of the Disposals to be recorded by the Group is subject to book value of the Target Companies 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 Agreements exceeds 5% but is less than 25%, the Agreements 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.

DEFINITIONS

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

"Agreements"	collectively, the Yanbao Agreement and the Xindebao Agreement
"Beijing Dongbao"	Beijing Dongbao Jinlong Economic and Trade Development Co., Ltd. (北京東寶金龍經貿發展有限公司), a PRC limited liability company and an indirect non-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
"Disposals"	collectively, the Yanbao Disposal and the Xindebao Disposal
"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
"Karamay Xindebao"	Karamay Xindebao Economic and Trade Development Co., Ltd. (克拉瑪依鑫德寶經貿發展有限公司), a PRC limited liability company and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement

"Karamay Yanbao"	Karamay Yanbao Automobile Sales and Service Co., Ltd. (克拉瑪依燕寶汽車銷售服務有限公司), a PRC limited liability company and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China
"Purchaser"	Guangxi Jincai New Materials Technology Co., Ltd. (廣西進彩新材料科技有限公司), a PRC limited liability company
"RMB"	Renminbi, the lawful currency of the 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 Companies"	collectively, Karamay Yanbao and Karamay Xindebao
"Urumqi Yanbao"	Urumqi Yanbao Automobile Sales and Service Co., Ltd. (烏魯木齊燕寶汽車銷售服務有限公司), a PRC limited liability company and an indirect non-wholly-owned subsidiary of the Company
"Xindebao Agreement"	the equity transfer agreement dated 15 May 2026 entered into between the Beijing Dongbao and the Purchaser in relation to the Xindebao Disposal
"Xindebao Disposal"	the disposal of the entire issued share capital of Karamay Xindebao by the Beijing Dongbao to the Purchaser pursuant to the terms of the Xindebao Agreement
"Yanbao Agreement"	the equity transfer agreement dated 15 May 2026 entered into between the Urumqi Yanbao and the Purchaser in relation to the Yanbao Disposal
"Yanbao Disposal"	the disposal of the entire issued share capital of Karamay Yanbao by the Urumqi Yanbao to the Purchaser pursuant to the terms of the Yanbao Agreement
"%"	per cent

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

Hong Kong, 15 May 2026

As at the date of this announcement, the Company's executive directors are Mr. MA Fujiang and Mr. WANG Sheng and the independent non-executive directors are Mr. HUANG Kai, Ms. LI Wenjun and Mr. CHEN Yuhang.