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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)

FURTHER INFORMATION ON DISCLOSEABLE TRANSACTIONS

Reference is made to the announcement of Grand Baoxin Auto Group Limited (the "**Company**") dated 15 May 2026 (the "**Announcement**") in relation to the disposal of entire interest in the Target Companies. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to provide supplement information in relation to the Disposals as follows.

Karamay Xindebao is a PRC limited liability company established on 8 April 2011 and an indirect wholly-owned subsidiary of the Company. Karamay Xindebao is principally engaged in the provision of property leasing and property management service to Karamay Yanbao in relation to a property located in Karamay, Xinjiang ("**Property**"). The Property is the principal asset of Karamay Xindebao.

As disclosed in the Announcement, 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 sale of the entire equity interest in the Target Companies is a loss-mitigation and optimization measure taken by the Group based on its strategic development plan and prudent business judgment. Karamay Yanbao, a BMW dealership outlet of the Group prior to the Disposals, has suffered continuous losses over the past three financial years due to fierce regional competition, declining customer traffic, compressed profit margins, and high fixed operating costs. Given the persistent market pressures and the low probability of a near-term turnaround, the business of Karamay Xindebao has become an operational burden to the Group. The Disposal allows the Group to decisively divest this loss-making dealership, thereby reducing its financial weight and optimizing its business layout. Having considered that Karamay Xindebao and Karamay Yanbao are highly interdependent as the dealership store of Karamay Yanbao operates entirely on properties owned by Karamay Yanbao, the Company decided to dispose Karamay Xindebao together with Karamay Yanbao. Following the Disposals, the Target Companies will no longer be consolidated from the Group's financial statements, immediately relieving the Group from providing any further financial assistance or bearing operational risks of the Target Companies.

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

Hong Kong, 10 June 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.