

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Grand Baoxin Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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).

Reference is made to the announcements of the Company dated 28 March 2025, 31 March 2025, 29 April 2025, 18 June 2025, 30 June 2025, 14 July 2025, 19 August 2025, 3 October 2025, 31 December 2025, 31 March 2026 and 30 June 2026 regarding, among other things, the delay in publication of the 2024 Annual Results and the suspension of trading in the shares of the Company on the Stock Exchange from 9:00 a.m. on 1 April 2025, the resumption guidance for the resumption of trading in the shares of the Company and the quarterly update on resumption progress (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

QUARTERLY UPDATE

In accordance with Rule 13.24A of the Listing Rules, the Company is required to provide quarterly updates on its developments, including, among other relevant matters, its business operations, resumption plan, progress in implementing the resumption plan, and any material changes to the resumption plan. The Company will continue to issue further announcements as appropriate to keep shareholders and potential investors informed of significant developments.

The Board hereby provides the following update on the developments and progress made by the Company as of the date of this announcement.

Business Operations

As at the date of this announcement, except for a few after-sales service outlets, the Group no longer operated any dealership outlets. Since second half of 2025, the Company has been disposing the underperforming dealership outlets in order to optimize the production and operation layout of the Group and coordinate the use of its resources. Following the disposal of Karamay Xindebao Economic and Trade Development Co., Ltd. and Karamay Yanbao Automobile Sales and Service Co., Ltd. (details of which are disclosed in the announcements of the Company dated 15 May 2026 and 10 June 2026), the Group ceased to operate any automobile dealership outlets.

Following the close-down of all dealership outlets, the Company is currently principally engaged in the leasing of properties and provision of after-sales repair services. The Company will closely monitor the outlook of the automotive dealership industry, proactively adjust its operating strategy, and, based on its current nationwide self-owned store assets, explore future paths for developing its core business.

Resumption Plan and Progress

Outstanding Audit Procedures and Matters of 2024 Annual Results

Reference is made to the announcements of the Company dated 6 November 2025 and 18 November 2025 in relation to the change of auditors of the Company.

Following the resignation of Rongcheng (Hong Kong) CPA Limited and the appointment of Beijing Xinghua Caplegend CPA Limited (“**Beijing Xinghua**”) as the new auditor of the Company, the Company is closely working with Beijing Xinghua on the completion of the audit of the 2024 Annual Results as soon as possible. Over the past year, the authorisation for dealership outlets of the Group had been revoked and all the dealership stores were closed as at the date of this announcement, which has led to frequent departures and replacements of key personnel and slowed necessary audit procedures such as confirmation requests and authorization for corporate credit reports.

Following the termination of the dealership license, the automobile OEM will terminate the dealer’s access to its operating system, rendering the dealer unable to retrieve relevant financial and operational data therefrom. The dealer coordinates the post-termination financial reconciliation process with the OEM through various channels, including but not limited to emails, telephone conferences, and on-site meetings. Upon completion of the process, the OEM will notify the dealer of the financial outcomes. The final financial results of the dealership outlets (including any debt liabilities) can only be conclusively determined after the completion of this process. This post-termination arrangement is implemented by the automobile OEM, and thus is substantially not within the Company’s ambit of control. After the termination of the dealership license, the Company has been actively communicating with the OEM regarding post-termination reconciliation.

The deauthorized outlets require impairment test, so the Company has to engage external valuation firms to perform professional appraisals. Since the cancellation of brand authorizations across various management regions and dealership brands continued to evolve, the number of affected stores and the subsequent financial impact have progressively expanded over time. Because these dynamic variations exert a highly significant and material influence on the underlying appraisal assumptions, the valuer has been unable to form a definitive and reasonable valuation opinion at this stage, and the finalized valuation fee remains under discussion between the valuer and the Company. The outstanding matters primarily involve the verification of asset inventory lists, for which certain operational stores currently only possess electronic records while the physical, signed versions remain outstanding.

Moreover, subsidiaries of the Group are geographically dispersed and many closed stores’ land and buildings have been leased to third parties, and some leased-and-built sites have been vacated or reclaimed by lessors, all of which increase the difficulty of on-site inventory and asset valuation. For these reasons, the related impairment tests are not yet finalized, and definitive audited financial figures cannot be produced.

Current Status and Progress of the Audit for the 2024 Annual Results

As at the date of this announcement, the Company is still in the process of completing the above-mentioned outstanding audit procedures. The Company would like to emphasize despite the Company has acted promptly to provide requisite information and documents to Beijing Xinghua as requested, substantial part of the information and documents require collaborations from the external stakeholders of the Company, and the Company has been and is in the course of actively liaising with these stakeholders to respond to the auditors' outstanding requests.

The Plan and Expected Timeline to Complete the Outstanding Audit Procedures

Based on the current audit work status and barring any unforeseen circumstances after the date of this announcement, it is expected that the necessary audit procedures such as obtaining bank confirmations and authorisations for corporate credit reports and the impairment tests will be completed by 31 December 2026.

The Company is working closely with Beijing Xinghua with a view to resolving outstanding matters and completing the audit of the 2024 Annual Results as soon as practicable. As at the date of this announcement, according to the current development of the audit progress, subject to completion of all audit work as agreed with Beijing Xinghua, the Company estimates that the 2024 Annual Results Announcement, the 2024 Annual Report, the 2025 Interim Results Announcement, the 2025 Interim Report, the 2025 Annual Report and the 2026 Interim Report will be published on or before 31 December 2026.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025, pending the publication of the 2024 Annual Results and 2025 Annual Results.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

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

Hong Kong, 30 September 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.