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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)**

### **PROFIT WARNING**

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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year**”) and the information currently available to the Board, it is expected that the Company will record a loss attributable to owners of the parent of not more than RMB700 million for the Year as compared to the profit attributable to owners of the parent of RMB552 million for the year ended 31 December 2021. The turnaround from profit to loss is mainly because the normal operation of 4S stores of the Group were substantially affected in stages by the severe impact arising from the pandemic and various local prevention and control policies in 2022, which resulted in a significant decrease in the sales income of new vehicles and after-sales service income of the Group in 2022 compared with 2021, in particular, the continuous impact arising from sporadic outbreak of the pandemic in business outlets located in Northwest, North China, Southwest and Northeast regions covered by the Group during the second half of 2022, and the impact of different lockdown policies in each region.

As the Company is still in the process of preparing and finalizing the consolidated financial statements of the Group for the year ended 31 December 2022, the information contained in this announcement is only based on the preliminary review of latest unaudited consolidated management accounts of the Group for the year ended 31 December 2022, and such management accounts have not yet been reviewed or audited by the Company's auditors. Such data shall be subject to finalization and necessary adjustments (if any). Finalised annual results of the Group and other details will be disclosed in the 2022 annual results announcement to be published by the Company.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

The PRC, 30 January 2023

*As at the date of this announcement, the executive Directors are Mr. MA Fujiang, Mr. BAO Xiangyi, Mr. LU Ao, and Ms. XU Xing; and the independent non-executive Directors are Ms. LIU Wenji, Ms. LIU Yangfang and Mr. HO Hung Tim Chester.*