



GRAND BAOXIN AUTO GROUP LIMITED

廣匯寶信汽車集團有限公司

COMPLETION ANNOUNCEMENT

**MAJOR AND CONNECTED TRANSACTIONS
DISPOSALS OF THE ENTIRE EQUITY INTERESTS OF
THE DISPOSAL COMPANIES**

Reference is made to (i) the announcement of Grand Baoxin Auto Group Limited (the “**Company**”) dated 24 May 2017 released via The Stock Exchange of Hong Kong Limited and (ii) the circular of the Company dated 12 June 2017 (the “**Circular**”) in respect of the proposed disposal of the entire equity interests of the Disposal Companies. Reference is also made to the announcement dated 29 June 2017 released via The Stock Exchange of Hong Kong Limited in respect of the poll results of the EGM. At the EGM, the resolution in relation to the Disposals has been approved by the Independent Shareholders.

Unless otherwise defined, terms used in this announcement shall have the same meanings as those set out in the Circular.

On 24 May 2017, the Company and Shanghai Jida, a wholly-owned subsidiary of the Company, entered into the following agreements for the proposed disposal of the entire equity interests of the Disposal Companies:

1. the Company entered into the Baoxin Finance Disposal Agreement with CGA HK, pursuant to which the Company has conditionally agreed to sell, and CGA HK has conditionally agreed to purchase, the entire equity interest of Baoxin Finance;
2. the Company entered into the Dalian Huiyu Disposal Agreement I with CGA HK, pursuant to which the Company has conditionally agreed to sell, and CGA HK has conditionally agreed to purchase, 25.55% of the equity interest of Dalian Huiyu; and
3. Shanghai Jida entered into the Dalian Huiyu Disposal Agreement II with Shanghai Huiyong, pursuant to which Shanghai Jida has conditionally agreed to sell, and Shanghai Huiyong has conditionally agreed to purchase, 74.45% of the equity interest of Dalian Huiyu.

The aggregate consideration under the Disposal Agreements is approximately RMB5,250 million (equivalent to approximately HK\$5,899 million).

As a result of the Baoxin Finance Disposal, the Company expects to record a total gain of approximately RMB10 million (equivalent to approximately HK\$11 million). Such estimated gain on disposal is calculated by reference to the consideration for the Baoxin Finance Disposal of US\$1 (equivalent to approximately HK\$8), and the negative net asset value of Baoxin Finance as at 31 December 2016. This estimated gain is for illustration purpose only and is subject to the review by the Company’s independent auditors and will be reflected in

the annual report of the financial year in which the completion of the Baoxin Finance Disposal takes place.

As a result of the Dalian Huiyu Disposal, the Company expects to record a total gain of approximately RMB3 million (equivalent to approximately HK\$3 million). Such estimated gain on disposal is calculated by reference to the aggregate consideration for the Dalian Huiyu Disposal I and the Dalian Huiyu Disposal II of approximately RMB5,250 million (equivalent to approximately HK\$5,899 million), and the net asset value of Dalian Huiyu as at 31 December 2016. This estimated gain is for illustration purpose only and is subject to the review by the Company's independent auditors and will be reflected in the annual report of the financial year in which the completion of the Dalian Huiyu Disposal takes place.

Completion of the Baoxin Financial Disposal, the Dalian Huiyu Disposal I and the Dalian Huiyu Disposal II are inter-conditional to each other as to approval by the Independent Shareholders at the EGM.

It is noted that Baoxin Finance is the issuer of the US\$400,000,000 8.75% Senior Perpetual Securities unconditionally and irrevocably guaranteed by CGA and which are listed on The Singapore Exchange Securities Trading Limited.

The Board is pleased to announce that the Disposals were completed on 30 June 2017.

Following the completion of the Disposals, (i) each of Baoxin Finance and Dalian Huiyu has ceased to be a subsidiary of the Company and (ii) the 4S Store Loans will be amended to document the on-lending of the proceeds from the issuance of the Senior Perpetual Securities from Dalian Huiyu to such 4S stores of the Group, with the interest rate applicable to such loans being set with reference to the benchmark interest rate prescribed by the PBOC from time to time for the same type of loans, and which shall not be higher than the interest rates applicable to the same type of loans obtained by the Group from other domestic commercial banks in the PRC in the same period. No security over the assets of the Group will be required for such loans.

By order of the Board
Grand Baoxin Auto Group Limited
Mr. Li Jianping
Chairman

Shanghai, the PRC

30 June 2017

As at the date of this announcement, the executive Directors are Mr. LI Jianping, Mr. WANG Xinming, Mr. LU Ao and Mr. QI Junjie; the non-executive Directors are Mr. ZHOU Yu and Mr. LU Linkui; and the independent non-executive Directors are Mr. DIAO Jianshen, Mr. WANG Keyi and Mr. CHAN Wan Tsun Adrian Alan.