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)

POSITIVE PROFIT ALERT

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 wishes to inform the shareholders and potential investors of the Company that based on a preliminary review of the currently available financial information and the consolidated management accounts of the Company, it is expected that the Group will record a substantial increase in its unaudited consolidated profit for the six months ended 30 June 2017 (the "**Reporting Period**"), and the expected profit attributable to owners of the parent for the Reporting Period will represent an increase of no less than 500% as compared to that for the six months ended 30 June 2016, primarily attributable to (i) the stabilisation and steady growth of the revenue generated from the Group's automobile sales and after-sales businesses after its integration with China Grand Automotive Services Co., Ltd. (廣匯汽車服務股份公司) (SSE stock code: 600297) ("**CGA**") in 2016; (ii) the realisation of synergies after the Company's integration with the CGA group, in particular in the development of the Group's extended services, resulting in a significant increase in the Group's commission income; and (iii) the Group's rapid development through integration after acquiring six subsidiaries of Wenzhou Kaiyuan group in the first half of 2017, contributing to the Group's profits.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the consolidated management accounts of the Company and other information currently available to the Company, which have not been audited or reviewed by the Company's auditors. The Company is still in the process of preparing the consolidated financial statements of the Group for the Reporting Period. Details on the financial information for the Reporting Period to be disclosed in the interim results announcement (which is expected to be published by the end of August 2017) of the Company shall prevail.

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
Mr. Li Jianping
Chairman

Shanghai, the PRC, 17 July 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.