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潤東汽車

China Rundong Auto Group Limited

中國潤東汽車集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1365)

PROPOSED CHANGE OF AUDITORS

This announcement is made by the board of directors (the “**Board**”) of China Rundong Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board announces that, considering management cost control initiatives over professional fees, the Company has reached a mutual understanding with Ernst & Young (“**EY**”) on the non-renewal of its appointment and EY will thereby retire as auditors of the Company upon expiration of its current term of office at the conclusion of the forthcoming annual general meeting (the “**AGM**”) of the Company to be held on 31 July 2020.

The Board further announces that the Board had resolved with the recommendation from the audit committee of the Company (the “**Audit Committee**”) to propose the appointment of BDO Limited as the new auditors of the Company for the financial year ending 31 December 2020 following the retirement of EY and to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting of the Company after the AGM subject to the approval by the shareholders of the Company (the “**Shareholders**”) at the AGM.

EY has confirmed in writing that there are no matters connected with its retirement that need to be brought to the attention of the Shareholders.

The Board and the Audit Committee confirmed that there is no disagreement between EY and the Company, and there are no matters in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders. As EY has not yet commenced any audit work on the accounts of the Group for the year ending 31 December 2020, the Board expects that the proposed change of auditors of the Company will not have any impact on the annual audit of the Group for the financial year ending 31 December 2020.

The board would like to extend its sincere gratitude to EY for their quality services provided to the Company in the previous years.

A supplemental circular containing further details of the proposed appointment of BDO Limited as the Company's auditors, together with a supplemental notice of AGM, will be despatched to the Shareholders as soon as practicable.

By Order of the Board
China Rundong Auto Group Limited
Yang Peng
Chairman

Shanghai, the People's Republic of China, 16 July 2020

As at the date of this announcement, the executive Director is Mr. Yang Peng; and the independent non-executive Directors are Mr. Mei Jianping, Mr. Lee Conway Kong Wai, Mr. Xiao Zhengsan and Mr. Li Xin.