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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)**

**ANNOUNCEMENT IN RELATION TO  
(1) PUBLICATION OF UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2020  
AND  
(2) CONTINUED SUSPENSION OF TRADING IN SHARES**

This announcement is made by China Rundong Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.49(3) 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) (the “**SFO**”).

Reference is made to the announcement of the Company dated 28 March 2021 (the “**Announcement**”), relating to, among other things, the delay in publication of the 2020 Annual Results and delay in dispatch of the 2020 Annual Report. Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcement.

In order to keep the shareholders of the Company (the “**Shareholders**”) and the potential investors informed of the Group’s business operation and financial position, the Board would like to provide the Shareholders and the potential investors with the preliminary unaudited main financial information of the Group for the year ended 31 December 2020 as following:

## MAIN FINANCIAL INFORMATION IN 2020

<b>Items</b>	<b>2020</b> <b>(RMB'000)</b> <b>(unaudited)</b>	<b>2019</b> <b>(RMB'000)</b> <b>(audited)</b>
Revenue	2,101,599	7,635,941
Gross loss	(91,312)	(1,041,624)
Loss for the year	(751,097)	(5,845,080)
Loss for the year attributable to owners of the Company	(750,557)	(5,843,776)
Basic loss per share (RMB)	(0.79)	(6.17)

<b>Items</b>	<b>31 December 2020</b> <b>(RMB'000)</b> <b>(unaudited)</b>	<b>31 December 2019</b> <b>(RMB'000)</b> <b>(audited)</b>
Total assets	3,819,298	4,895,110
Total liabilities	7,316,080	8,648,962
Net liabilities	3,496,782	3,753,852
Equity attributable to owners of the Company	(4,522,630)	(3,754,117)
Share capital	5	5

*Note:* The above data is based on the data of the consolidated statements of the Company.

The Board wishes to emphasize that the preliminary unaudited financial information set out above is extracted directly from the latest unaudited management accounts of the Group and subject to, among others, further review by the Company and any potential adjustments that might be proposed by the auditor and has not been reviewed by the audit committee under the Board, nor has it been reviewed or audited by the auditor. The Board cannot guarantee the preliminary unaudited financial information set out above could truly reflect the financial performance and condition of the Group and such information might be misleading if any potential adjustments have not been taken into account.

Since the Company is still closely cooperating and actively communicating with the auditor to assist its completion of the audit of the consolidated financial information of the Group, it is expected that the publication of the 2020 Annual Results of the Company will be extended to by the end of May 2021.

### **RUNDONG AUTOMOBILE GROUP CO, LTD., (“RUNDONG AUTOMOBILE”) A WHOLLY-OWNED SUBSIDIARY, ENTERED INTO RESTRUCTURING**

On 24 August 2020, the Company was notified that an application for bankruptcy and restructuring (the “**Bankruptcy and Restructuring Application**”) against Rundong Automobile was filed with the Intermediate People’s Court of Xuzhou City, Jiangsu Province (the “**Court**”) in the PRC by a creditor on 20 August 2020. Rundong Automobile is a wholly owned subsidiary of the Company, which holds the majority of the operations/operational subsidiaries of the Company in the PRC.

On 24 December 2020, the Court issued the Civil Ruling to accept creditors application for restructuring against Rundong Automobile. On 14 January 2021, the Company received the decision that the Court designated Beijing Dentons Law Offices, LLP (北京大成律師事務所) as the manager (the “**Manager**”) of Rundong Automobile’s restructuring. On 25 January 2021, the Court decided to allow Rundong Automobile to manage property and business affairs on its own under the supervision of the Manager.

As disclosed in the announcements of the Company dated 13 September 2020 and 3 November 2020, the Group is in tight liquidity position with net liability. Considering that Rundong Automobile is in an insolvent state and is facing a number of lawsuits, Rundong Automobile agreed to the restructuring and considers that it is in the best interest of the Company and its stakeholders as a whole. The purpose of the restructuring is for Rundong Automobile and creditors to renegotiate and trade out the delinquent debts through a court-administered plan. Through settlement with the creditors, the restructuring aims to resolve the cash flow problems and financial distress of Rundong Automobile with a view to restore its liquidity, reshape its capital structures and resume continuous and viable operations.

During the restructuring period, Rundong Automobile will cooperate with the Court and the Manager and devote its best effort to reach a consensus with the creditors in formulating a restructuring proposal or solution acceptable to all stakeholders after balancing their legitimate rights and interests, and duly perform all its legal obligations under the law.

**Shareholders and potential investors are advised to exercise caution when considering the unaudited consolidated financial information disclosed above and when dealing in the shares of the Company.**

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

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

Shanghai, the People's Republic of China, 15 April 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Yang Peng and Mr. Pei Yuanhe; and the independent non-executive directors are Mr. Mei Jianping, Mr. Chow Ming Sang, Mr. Xiao Zhengsan and Mr. Li Xin.*