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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

(In Provisional Liquidation)

(For the Purposes of Presenting a Compromise or Arrangement to Creditors)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1365)

**QUARTERLY UPDATE ON RESUMPTION PROGRESS
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by China Rundong Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

References are made to (i) the announcement of the Company dated 28 March 2021 in relation to, among others, delay in publication of the annual results of the Group and delay in dispatch of the annual report for the year ended 31 December 2020; (ii) the announcement of the Company dated 18 May 2021 in relation to the guidance issued by the Stock Exchange on resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption Guidance**”); (iii) the two announcements of the Company dated 31 May 2021 in relation to, among others, further delay in publication of the annual results of the Group and delay in dispatch of annual report for the year ended 31 December 2020, and substantive consolidated restructuring of the PRC subsidiaries; (iv) the announcement dated 30 June 2021 in relation to quarterly update on resumption progress; (v) the announcement of the Company dated 21 July 2021 in relation to further delay in publication of the annual results of the Group and delay in dispatch of annual report for the year ended 31 December 2020; (vi) the announcement dated 13 August 2021 in relation to memorandum of understanding with potential investors; (vii) the announcements of the Company dated 16 August 2021 and 17 August 2021 in relation to winding-up petition and application for appointment of joint provisional liquidators for restructuring purposes; (viii) the announcement of the Company dated 20 August 2021 in relation to delay in publication of the interim results and dispatch of the interim report for the six months ended 30 June 2021; (ix) the two announcements of the Company dated 26 August 2021 in

relation to convening the first creditors' meeting for the restructuring of the PRC subsidiaries of the Company, and in relation to the update on the winding-up petition and application for appointment of joint provisional liquidators for restructuring purposes; (x) the announcement of the Company dated 21 October 2021 in relation to additional resumption guidance issued by the Stock Exchange; and (xi) the announcement of the Company dated 15 December 2021 in relation to expiry of memorandum of understanding with potential investors (together, the “**Announcements**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcements.

UPDATE ON BUSINESS OPERATION

The Company is an investment holding company, and the Group is mainly engaged in automobile sales and services in Mainland China.

As at the date of this announcement, the Group continues to carry on its daily operations. The detailed contents of the draft restructuring plan of the Group's PRC subsidiaries are still in the process of negotiation, and the formulation of the draft restructuring plan is at a critical stage. According to the application of the Manager, the Court has ruled to extend the deadline for submitting the draft restructuring plan by three months, until 28 February 2022.

As disclosed in the announcements of the Company dated 13 August 2021 and 15 December 2021, on 12 August 2021, the Company and Lanhai International Trading Limited entered into a memorandum of understanding (the “**MOU**”) on potential investment in the Company's shares and participation in the Group's affairs in relation to the restructuring and resumption of trading of the Company's shares (the “**Potential Transaction**”). The MOU has expired on 13 December 2021. The Company is discussing with Lanhai International regarding a potential transaction and will make further announcement(s) in due course in accordance with the applicable Listing Rules.

UPDATE ON RESUMPTION PROGRESS

The audit process to provide auditors with all necessary data and documents for the performance and completion of the 2020 annual results by the Company is still in progress. The Company continues to cooperate with the auditors to accelerate the publication of the 2020 annual results and the dispatch of the 2020 annual report. Meanwhile, the Company will continue to prepare for the compliance of Resumption Conditions.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

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
China Rundong Auto Group Limited
(In Provisional Liquidation)
(For the Purposes of Presenting a Compromise or Arrangement to Creditors)
Chairman
Yang Peng

Shanghai, the People's Republic of China, 31 December 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 of the Company are Mr. Mei Jianping, Mr. Chow Ming Sang, Mr. Xiao Zhengsan and Mr. Li Xin.