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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)

(1) QUARTERLY UPDATE ON RESUMPTION PROGRESS
(2) DELAY IN PUBLICATION OF ANNUAL RESULTS AND DELAY IN
DISPATCH OF ANNUAL REPORT FOR THE YEAR
ENDED 31 DECEMBER 2021
AND
(3) 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, 13.49(3) 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 of 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; (xi) the announcement of the Company dated 15 December 2021 in relation to expiry of memorandum of understanding with potential investors; and (xii) the announcement of the Company dated 31 December 2021 in relation to quarterly update on resumption progress (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.

The Group is actively exploring opportunities and strategies to revive its business, with an aim to improve the business operation and financial position of the Group. The Group has also been using its best endeavors to expand its source of income and increase return to the shareholders of the Company by liaising with potential business partners to seek for business and investment opportunities. As at the date of this announcement, no formal agreement has been entered into in relation to the cooperation.

UPDATE ON RESUMPTION PROGRESS

As at the date of this announcement, the details of the draft restructuring plan of the PRC subsidiaries of the Group are still under negotiation.

The Company is committed to working towards the resumption of trading in the shares and exploring and considering opportunities available to the Company, with an aim to improve the business operation and financial position of the Group to address matters set out in the Resumption Guidance. Further announcements will be made as and when appropriate should there be any material development on the Resumption Guidance.

DELAY IN PUBLICATION OF 2021 ANNUAL RESULTS AND DELAY IN DISPATCH OF 2021 ANNUAL REPORT; OUTSTANDING FINANCIAL RESULTS

The Board wishes to announce that as the publication of the 2020 Annual Results and 2021 Interim Results and the dispatch of the 2020 Annual Report and 2021 Interim Report are still delayed pending the completion of audit work in respect of the financial information of the Group for the year ended 31 December 2020, the announcement of the Company's annual results for year ended 31 December 2021 (the **"2021 Annual Results"**) could not be published by 31 March 2022 as required under the

Listing Rules, and it is expected that the dispatch of the Company's annual report for the year ended 31 December 2021 (the **"2021 Annual Report"**) will also not be ready by 30 April 2022 as required under the Listing Rules.

As the Company is in the provisional liquidation for restructuring purposes and the appointment of the JPLs; and 103 subsidiaries of the Group are also in the process of Substantive Consolidated Restructuring, the Company's current priority remains restructuring, which also facilitates the publication of the 2020 Annual Results, the 2021 Interim Results and the 2021 Annual Results. After careful consideration, the Board considers that the management accounts may not truly reflect of the financial performance and condition of the Group and such information may be misleading and/or confusing to shareholders and potential investors. It is not appropriate for the Company to publish the Group's financial results for the year ended 31 December 2020, the six months ended 30 June 2021 and the year ended 31 December 2021.

The Company will publish further announcements on the date of the Board meeting to approve the 2020 Annual Results, 2021 Interim Results and the 2021 Annual Report as and when appropriate.

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 March 2022

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.