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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)**

## **(1) APPOINTMENT OF DIRECTORS**

## **(2) CHANGES IN COMPOSITION OF THE AUDIT COMMITTEE AND THE RISK MANAGEMENT COMMITTEE**

The board (the “**Board**”) of directors (the “**Directors**”) of China Rundong Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that Mr. Pei Yuanhe has been appointed as an executive Director of the Company and Mr. Chow Ming Sang has been appointed as an independent non-executive Director of the Company with effect from 1 December 2020. The biographical details of the new Directors of the Company are as follows:

### **MR. PEI YUANHE (“MR. PEI”)**

Mr. Pei, aged 68, is the Director of the Asset Management Department of the Company. Mr. Pei joined the Group in March 2007 and has been responsible for asset operation and engineering project management. Mr. Pei also acts as supervisor of various subsidiaries of the Company. Before joining the Company, Mr. Pei served as the director of the building materials department in Xuzhou Zhongyuan Company (徐州市中原公司) from September 1984 to September 1987, served in Xuzhou Public Security Bureau from September 1987 to October 1999, and served as the administrative director of Jiangsu Hangao Information Industry Co., Ltd. (江蘇漢高資訊產業股份有限公司) from October 1999 to March 2007. Mr. Pei graduated from the Department of Architecture of Xuzhou Television University in 1984.

Save as disclosed above, as at the date of this announcement, Mr. Pei (i) has not held any directorship in any public companies listed in Hong Kong or other major exchanges in the past three years; (ii) did not have or was not deemed to have any interest or short position (within the meaning of Part XV of the Securities and Futures Ordinance) in any shares, underlying shares or debentures of the Company or its associated corporations; (iii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company; and (iv) did not hold other positions within the Group.

As at the date of this announcement, Mr. Pei has entered into a service contract with the Company in relation to his appointment as an executive Director. The service contract is for a term of three years commencing from 1 December 2020 which is terminable by either party serving on the other not less than three months' written notice. He is subject to retirement at the next annual general meeting of the Company, at which he will be eligible for re-election, and thereafter subject to retirement by rotation at least once every three years in accordance with the memorandum and articles of association of the Company.

Pursuant to the terms of the service contract entered into between the Company and Mr. Pei, his overall remuneration package will be determined by the Board based on recommendations by the Remuneration Committee of the Board (the “**Remuneration Committee**”) with reference to the remuneration policy of the Company, his duties and the prevailing market level of remuneration for executives of similar positions.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Pei that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter in relation to the appointment of Mr. Pei that needs to be brought to the attention of the Shareholders of the Company.

#### **MR. CHOW MING SANG (“MR. CHOW”)**

Mr. Chow, aged 47, obtained his bachelor degree in Business Administration (Accounting) from Hong Kong University of Science and Technology in 1995. Mr. Chow is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a Certified Internal Auditor. Mr. Chow has over 25 years working experience of various industries in auditing, corporate governance and risk management advisory. He was the advisory partner of Ernst & Young from 2007 to September 2018, and was responsible for managing the strategic growth and development of risk advisory sub-service line in various regions of Mainland China since 2011. From 2014 to 2016, Mr. Chow was the committee member of The Internal Controls General Standards Committee of The Ministry of Finance of the People's Republic of China (中國財政部內部控制標準委員會委員). Mr. Chow was the assistant to general manager of Tahoe Group (stock code: 000732, the shares of which are listed on the Shenzhen Stock Exchange) from October 2018 to May 2019, and was responsible for corporate risk management and corporate governance.

Mr. Chow has served as the managing director of Beijing Xinshi Anye Management Consulting Co., Ltd. since 2019. Mr. Chow is currently also an independent non-executive director of Teamway International Group Holdings Limited (stock code: 01239, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited), a founding director of Zhonglian Yi'an (Beijing) Technology Co., Ltd., the vice president and Beijing representative of the International Finance and Trade Association, and the co-founder and chief operating officer of Enable Foundation (啓民創社) (a non-profit institution in Hong Kong). Mr. Chow also involves in promoting innovation

where he acts as start-up coach of several incubators and accelerators in China and Hong Kong to assist young entrepreneurs in enhancing their business from financial and strategic development perspectives.

Save as disclosed above, as at the date of this announcement, Mr. Chow (i) has not held any directorship in any public companies listed in Hong Kong or other major exchanges in the past three years; (ii) did not have or was not deemed to have any interest or short position (within the meaning of Part XV of the Securities and Futures Ordinance) in any shares, underlying shares or debentures of the Company or its associated corporations; (iii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company; and (iv) did not hold other positions within the Group.

Mr. Chow meets the independence guidelines as set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As at the date of this announcement, Mr. Chow has entered into a letter of appointment with the Company in relation to his appointment as an independent non-executive Director. The letter of appointment for a term of one year commencing from 1 December 2020 is terminable by either party serving on the other not less than three months’ written notice. The letter of appointment could be renewed and extended automatically for one year upon the expiration of the then term of appointment, provided that Mr. Chow shall be subject to retirement at the next annual general meeting of the Company, at which he will be eligible for re-election, and thereafter subject to retirement by rotation at least once every three years in accordance with the memorandum and articles of association of the Company.

Pursuant to the terms of the letter of appointment entered into between the Company and Mr. Chow, he will be entitled to an annual remuneration of RMB220,000 which is determined by the Board by reference to his experience, duties and responsibilities with the Company, the Company’s remuneration policy as well as prevailing market rates and will be subject to review by the Remuneration Committee from time to time.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Chow that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter in relation to the appointment of Mr. Chow that needs to be brought to the attention of the shareholders of the Company.

## **CHANGES IN COMPOSITION OF THE AUDIT COMMITTEE AND THE RISK MANAGEMENT COMMITTEE**

The Board announces that upon the appointment of Mr. Chow, he was appointed as a member of the Audit Committee and the Risk Management Committee of the Board with effect from 1 December 2020.

The Board would like to take this opportunity to welcome Mr. Pei and Mr. Chow for joining the Board.

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

Shanghai, the People's Republic of China, 1 December 2020

*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. Lee Conway Kong Wai, Mr. Xiao Zhengsan, Mr. Li Xin and Mr. Chow Ming Sang.*