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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)**

**APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS  
AND  
UPDATE ON THE WINDING-UP PETITION OF THE COMPANY**

This announcement is made by China Rundong Auto Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.25(1) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 16 August 2021, 17 August 2021, 26 August 2021 and 30 September 2021 in relation to, amongst others, the filing of the winding-up petition in the Grand Court of the Cayman Islands (the “**Grand Court**”) by a creditor of the Company (the “**Petitioner**”) and the filing of a summons for the appointment of joint provisional liquidators by the Company (the “**Announcements**”). Unless otherwise defined, terms in this announcement shall have the same meaning as the Announcements.

**APPOINTMENT OF JPLS AND UPDATE ON THE WINDING-UP PETITION OF THE COMPANY**

On 29 September 2021 (Cayman Islands time), the Grand Court granted an order for the appointment of joint provisional liquidators pursuant to section 104(3) of the Companies Act (2021 Revision) (the “**Companies Act**”), pursuant to which Mr. Ho Kwok Leung Glen and Mr. Kam Chung Hang (Forrest) of Deloitte Touche Tohmatsu, and Mr. Michael Green of Deloitte & Touche were appointed as the joint provisional liquidators of the Company (collectively, the “**JPLs**”) with the power to act jointly and severally (the “**Order**”). The Company received the sealed Order on 4 October 2021 (Beijing time).

Pursuant to the Order, the hearing of the Petition shall be adjourned to a date to be fixed upon the application to the Grand Court by the JPLs, the Petitioner, the Company, or any creditor of the Company. The Company will make further announcement(s) to provide updates to the shareholders and potential investors of the Company on the development of the Petition as and when appropriate in accordance with the Listing Rules.

## **POWERS OF THE JPLS**

Under the Order, the JPLs are authorised to take all necessary steps with a view to developing and proposing a restructuring of the Company's financial indebtedness, with a view to making a compromise or arrangement with the Company's creditors or any class thereof including without limitation, by way of a scheme of arrangement between the Company and its creditors or any class thereof pursuant to section 86 of the Companies Act and/or by way of analogous process available in any other foreign jurisdiction.

The JPLs shall be empowered to carry out, among other things, the following functions:

- a. to monitor, oversee and supervise the Board in its management of the Company so as to develop and propose any compromise or arrangement with the Company's creditors;
- b. to monitor, consult with and otherwise liaise with the creditors and shareholders of the Company in determining whether the restructuring will be successfully approved and implemented;
- c. to do all acts, and execute, in the name and on behalf of the Company, all agreements, deeds, receipts and other documents and, for that purpose, use the Company seal when necessary;
- d. to attend any meeting of the Board so as to effect a maximisation of returns to the shareholders of the Company;
- e. to do all such things as may be necessary for the protection or recovery of the Company's property and assets and those of its subsidiaries at law or in equity in such jurisdictions as the JPLs may consider to be appropriate;
- f. to communicate with and carry out any necessary filing with regulatory bodies as appropriate, including, without limitation, the Stock Exchange, the Securities and Futures Commission of Hong Kong, the registry of companies of the Cayman Islands and of Hong Kong, in the name of and on behalf of the Company;
- g. to identify and approach potential investors and/or financiers for the purpose of facilitating the restructuring and do all necessary acts to implement the plan for the restructuring;

- h. to seek recognition of the provisional liquidation and/or the appointment of the JPLs in any jurisdiction that the JPLs consider necessary, including but not limited to Hong Kong, together with such other relief as they may consider necessary for the proper exercise of their functions within that jurisdiction; and
- i. to do all other things incidental to the exercise of the powers set out in the Order.

The JPLs shall submit a report to the Grand Court on the conduct of the provisional liquidation by no later than 16 weeks from the date of the Order and at such other intervals as the Grand Court may from time to time direct.

### **POWERS OF MANAGEMENT RETAINED BY THE BOARD FOLLOWING APPOINTMENT OF THE JPLS**

Save as specifically set out in the Order, the Board shall retain all powers of management conferred upon it by the Company immediately prior to the date of the Order with respect to matters related to the ordinary course of the Company's business. With respect to the matters outside the ordinary course of the Company's business, the Board shall obtain the JPL's prior consent to the exercise of such powers.

### **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 securities 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)**  
**Yang Peng**  
*Chairman*

Shanghai, the People's Republic of China, 4 October 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.*