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CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED

中國汽車新零售（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2021**

Reference is made to the annual report of China Automobile New Retail (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2021 (the “**2021 Annual Report**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the 2021 Annual Report.

The board of directors (“**Directors**”) of the Company (“**Board**”) wishes to provide the shareholders of the Company and potential investors with additional information of the Group for the year ended 31 March 2021 as follows:

SIGNIFICANT INVESTMENTS

As at 31 March 2021, the Group had the following significant investments held with a value of 5 per cent or more of the Group’s total assets which were classified as financial assets at fair value through profit or loss:

Description of investment	Investment costs <i>RMB'000</i>	As at 31 March 2021		For the year ended 31 March 2021	
		Fair value as at 31 March 2021 <i>RMB'000</i>	Size compared to the Group's total assets as at 31 March 2021	Change in fair value <i>RMB'000</i>	Unrealised gain (loss) recognized <i>RMB'000</i>
Investment in financial products offered by 國民信托有限公司 (National Trust Company Limited*) (“National Trust”)	800,000	802,314	15.6%	2,374	1,780

Details of the financial products offered by National Trust

According to the 2020 annual report of National Trust, National Trust was established in 1987 with the approval for establishment from the China Banking and Insurance Regulatory Commission. Pursuant to the terms of the relevant financial products, National Trust invests in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations.

Investment strategy

The Company's investment policies for the investments in financial products are formulated with reference to rating of the financial products and the facts that the underlying assets are state-owned enterprise with ultimate beneficial owners being governmental authorities of the PRC and the historic income of the financial products having been stable.

In respect of the underlying assets of the financial products, the Group's investment policies are to purchase those financial products investing only in national debts, financial debts, central bank bills, bank wealth management, deposits as well as state-owned enterprise bonds and trust products with higher ratings.

For details of the investment in financial products offered by National Trust, please refer to the announcement of the Company relating to the investment of financial products dated 9 June 2021.

RELATED PARTY TRANSACTIONS

As disclosed on page 46 of the Directors' Report as set out in the 2021 Annual Report, the related party transactions included in Note 28(a) to the consolidated financial statements of the 2021 Annual Report constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The Board would like to provide the supplemental information in relation to the above under Rule 14A.72 of the Listing Rules.

As disclosed on page 44 to 45 in the paragraph headed "Connected Transactions" of the Directors' Report as set out in the 2021 Annual Report, during the year ended 31 March 2021, the respective actual transaction amounts under the (i) export agency agreement dated 22 November 2018 between Ningbo Lisi and Lisi I&E ("**Export Agency Agreement**"); (ii) import agency agreement dated 22 November 2018 between Ningbo Lisi and Lisi I&E ("**Import Agency Agreement**"); and (iii) mutual supply framework agreement dated 22 November 2018 between New JoySun Corp. and Lisi Group Co. Ltd have exceeded their respective annual caps for the year ended 31 March 2021.

The Company has not complied with the announcement and shareholders' approval requirements (where applicable) before the relevant annual caps were exceeded in accordance with Rule 14A.54 of the Listing Rules. Subsequently, the Company has re-complied with the announcement requirement on 8 June 2021 to announce the exceeding of annual caps mentioned above and the revised annual caps. The Company has also obtained the shareholders' approval on 17 December 2021 for the ratification for transactions under the Import Agency Agreement and Export Agency Agreement that exceeded the respective original annual caps, as well as for the revised annual caps under Import Agency Agreement and Export Agency Agreement.

Save as disclosed above, during the year ended 31 March 2021, the Company has complied with the applicable requirements in accordance with Chapter 14A of the Listing Rules in respect of the related party transactions included in Note 28(a) to the consolidated financial statements of the 2021 Annual Report which constituted connected transactions or continuing connected transactions of the Company.

DEFINED CONTRIBUTION SCHEMES

In addition to the information provided in Note 6(b) of the Notes to the Financial Statements as set out in the 2021 Annual Report, the Company hereby provides supplemental information in respect of the Group's defined contribution retirement plan pursuant to Paragraph 26(2) of Appendix 16 to the Listing Rules as follows:

During the year ended 31 March 2021, there was no forfeiture of retirement contribution schemes contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) in the Group. As at 31 March 2021, no forfeited contribution under the retirement contribution schemes of the Group is available to reduce the contribution payable in future years.

The above supplemental information does not affect any other information contained in the 2021 Annual Report. Save as disclosed in this supplemental announcement, all other information contained in the 2021 Annual Report remains unchanged.

By order of the Board
CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
Cheng Jianhe
Director

Hong Kong, 15 February 2022

As at the date of this announcement, the Board comprises Mr Li Lixin, Mr Cheng Jianhe and Ms Jin Yaxue being executive directors, Ms Cheng Weihong being non-executive director, Mr He Chengying, Mr Shin Yick Fabian and Mr Kwong Kwan Tong being independent non-executive directors.