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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) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS
(2) NON-COMPLIANCE WITH THE LISTING RULES
AND
(3) CONTINUED SUSPENSION OF TRADING**

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of China Rundong Auto Group Limited (the “**Company**”) announces that all of the three independent non-executive Directors have tendered their resignation as follows:

- (i) Mr. Mei Jianping (“**Mr. Mei**”) resigned as an independent non-executive Director, the Chairman of the remuneration committee (the “**Remuneration Committee**”) and a member of the nomination committee (the “**Nomination Committee**”) with effect from 31 August 2022;
- (ii) Mr. Chow Ming Sang (“**Mr. Chow**”) resigned as an independent non-executive Director, the Chairman of the audit committee (the “**Audit Committee**”) and the risk management committee (the “**Risk Management Committee**”) with effect from 31 August 2022;
- (iii) Mr. Li Xin (“**Mr. Li**”) resigned as an independent non-executive Director, a member of each of the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Nomination Committee with effect from 31 August 2022.

Each of Mr. Mei, Mr. Chow and Mr. Li confirmed they have tendered their respective resignation in order to pursue other business and personal commitments. Further, each of Mr. Mei, Mr. Chow and Mr. Li has confirmed that there is no disagreement with the Board and there is not aware of any matters that need to be brought to the attention of the shareholders of the Company or the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to their respective resignations.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Mei, Mr. Chow and Mr. Li for their valuable contributions towards the Company during their tenure.

NON-COMPLIANCE WITH CERTAIN REQUIREMENTS UNDER THE LISTING RULES

Following the resignation of Mr. Mei, Mr. Chow and Mr. Li, the Company has no independent non-executive Director and the number and composition of the independent non-executive Directors will fail to meet the following requirements:

- (1) the requirement of at least three independent non-executive directors under Rule 3.10(1) of under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the requirement of the number of independent non-executive directors must be at least one-third of the board under Rule 3.10A of the Listing Rules;
- (2) the requirement of at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules;
- (3) the requirements of (a) at least three members in the Audit Committee whom must all be non-executive directors; (b) the majority must be independent non-executive directors; (c) at least one member is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise; and (d) the chairperson must be an independent director under Rule 3.21 of the Listing Rules and the terms of reference of the Audit Committee;
- (4) the requirements of (a) the majority members of the Remuneration Committee must be non-executive directors; (b) the chairperson must be an independent director under Rule 3.25 of the Listing Rules and (c) the requirement of not less than three members under the terms of reference of the Remuneration Committee;
- (5) (a) the requirements of the majority members of the Nomination Committee must be non-executive directors under Rule 3.27A of the Listing Rules; and (b) the requirement of not less than three members under the terms of reference of the Nomination Committee; and
- (6) the requirement of not less than three members in the Risk Management Committee under the terms of reference of the the Risk Management Committee.

In order to comply with the Listing Rules and each of the terms of reference of the Audit Committee, the Remuneration Committee, the Nomination Committee and the the Risk Management Committee, the Company is endeavoring to identify suitable candidate(s) to fill up the aforesaid vacancies as soon as practicable and, in any event, within three months from the effective date of the resignation of Mr. Mei, Mr. Chow and Mr. Li. The Company will make further announcement in accordance with the Listing Rules 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.

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 August 2022

As at the date of this announcement, the board of directors of the Company are Mr. Yang Peng and Mr. Pei Yuanhe.