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**中國汽車內飾集團有限公司**

**CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0048)**

## **INSIDE INFORMATION QUARTERLY UPDATE ON RESUMPTION PROGRESS**

This announcement is made by China Automotive Interior Decoration Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined in the Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). References are made to the announcements of the Company dated 31 March 2024, 2 April 2024, 3 June 2024 and 26 June 2024, in relation to, among others, (i) the Company’s auditor’s disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2023; (ii) the suspension of trading in the shares of the Company; (iii) the non-compliance of Rules 3.10, 3.21, 3.25 and 3.27A of the Rules and (iv) the Resumption Guidance for the Company (collectively, the “Announcements”). Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Announcements.

### **UPDATE INFORMATION**

As disclosed in the Announcements, the Stock Exchange has set out the Resumption Guidance for the Company. The Company has continuously been making efforts in taking steps to fulfill the Resumption Guidance. In compliance with Rule 13.24A of the Rules, the board (the “Board”) of directors (the “Director(s)”) of the Company would like to provide the Shareholders and potential investors of the Company with the following updates on the latest resumption progress as at the date of this announcement.

### **Business Operations**

The Group is principally engaged in the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts and trading of rubber in the People’s Republic of China. To the best knowledge of the Board, as at the date of this announcement, the suspension of trading in the shares of the Company has not resulted in any significant adverse impact on the business operations of the Group in any material respect and the Group continues to carry on with its normal day-to-day operations. The Board remains fully committed to the

Company and will continuously assess the impact on the business operations and financial position of the Group, take appropriate measures and make further announcement(s) as and when appropriate.

### **Resumption Plan**

As disclosed in the Announcements, the Stock Exchange has set out the Resumption Guidance for the Company, including:

- (i) address the issues giving rise to the Disclaimer of Opinion, provide comfort that the Disclaimer of Opinion would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 13.50A of the Rules; and
- (ii) re-comply with Rules 3.10, 3.21, 3.25 and 3.27A of the Rules

As disclosed under the section “Plans to address the modifications” in the annual report of the Company for its financial year ended 31 December 2023, the Board considered the Disclaimer of Opinion given by the auditors was based on loss of control of Loyal Brands International Limited and its subsidiaries (“Loyal Brands Group”) and was a non-recurrent event. Since the completion of the disposal of Loyal Brands Group in March 2024, Loyal Brands Group ceased to be subsidiaries of the Company and the Company ceased to have any interests in Loyal Brands Group. In addition, the financial impact of the deconsolidation of Loyal Brands Group was reflected in the consolidated financial statements in 2023. It is expected that there will not be any adverse change of the consolidated financial statements of the Group in the next financial year and the subsequent years.

In relation to the Disclaimer of Opinion, the Company has been in discussion with its professional parties to explore and consider options to address the issues giving rise to the Disclaimer of Opinion and in the process in providing comfort that the Disclaimer of Opinion would no longer be required.

In relation to re-comply with Rules 3.10, 3.21, 3.25 and 3.27A of the Rules, the Company is still in the process to identify a suitable candidate to act as an independent non-executive Director, the chairman of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee as soon as practicable, and in any event within three months as required under Rules 3.11, 3.23 and 3.27 of the Rules. In the case of the Company, the three month period expires on 2 September 2024.

The Company remains committed to the Resumption Guidance and will publish further announcement(s) to keep the Shareholders and potential investors of the Company informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development of the resumption status pursuant to Rule 13.24A of the Rules.

### **CONTINUED SUSPENSION OF TRADING**

Under Rules 13.50A of the Rules, in view of the Disclaimer of Opinion, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 and will remain suspended until further notice.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board  
**China Automotive Interior Decoration Holdings Limited**  
**Zhuang Yuejin**  
*Chairman*

Hong Kong, 2 July 2024

*As at the date hereof, the executive directors are Mr. Zhuang Yuejin, Mr. Ng Chung Ho and Ms. Xiao Suni, and the independent non-executive directors are Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.*