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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, 26 June 2024 and 2 July 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; (iv) the Resumption Guidance for the Company; and (v) the quarterly update on resumption progress (collectively, the “Announcements”). Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Announcements.

UPDATE INFORMATION

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 (the “Board”) of directors, 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.

Fulfilment of the Resumption Guidance

As disclosed in the Announcements, the Stock Exchange has set out the Resumption Guidance for the Company. The Company has made submissions to the Stock Exchange in relation to the fulfilment of the Resumption Guidance for resumption of trading in the shares of the Company.

In compliance with Rule 13.24A of the Rules, the Board would like to provide the Shareholders and potential investors of the Company on the progress of the Company's fulfilment of the Resumption Guidance as summarized below:

- (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***

The Company are of the opinion that, after taking into account that a) the Disclaimer of Opinion was based on loss of control of Loyal Brands International Limited and its subsidiaries ("LBG") and was a non-recurrent event; b) the financial impact of the loss of control of LBG was reflected in the 2023 Annual Results; and c) LBG ceased to be subsidiaries of the Company and the Company ceased to have any interests in LBG after its disposal on 14 March 2024 and there will not be any adverse change of the consolidated financial statements of the Group in the next financial year and the subsequent years, the issues giving rise to the Disclaimer of Opinion had been addressed and was resolved.

In addition, the Company's auditor has issued a comfort letter to the Company confirming that expect for the audit modifications on (a) the opening balances in relation to the Disclaimer of Opinion to be stated in the consolidated financial statements of the Group for the year ending 31 December 2024; and (b) the comparative figures to be stated in the consolidated financial statements of the Group for the year ending 31 December 2024, there would not be other audit modifications in respect of the matters. Accordingly, the Disclaimer of Opinion will not have any continuing effect on the consolidated financial statements of the Group for the year ending 31 December 2025 and the subsequent years.

- (ii) re-comply with Rules 3.10, 3.21, 3.25 and 3.27A of the Rules***

As disclosed in the announcement of the Company dated 15 July 2024 in relation to the change of director, the Company has re-complied with Rules 3.10, 3.21, 3.25 and 3.27A of the Rules.

- (iii) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.***

Since the suspension of trading in the shares of the Company on 2 April 2024, the Company has kept the Shareholders and potential investors of the Company informed of all material information in relation to the issues giving rise to the Disclaimer of Opinion, the Resumption Guidance and any relevant updates and progress by way of announcements.

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, 30 September 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 Mr. Yuen Wai Keung, Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.