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## **China MeiDong Auto Holdings Limited**

**中國美東汽車控股有限公司**

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

**(Stock code: 1268)**

### **PROFIT WARNING**

This announcement is made by China MeiDong Auto Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited 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).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Year 2024**”) and other relevant information currently available, it is expected that the Group will record a loss attributable to equity shareholders of the Company for the Year 2024, compared to a profit attributable to equity shareholders of the Company for the year ended 31 December 2023 (the “**Year 2023**”).

Based on the information currently available, the Board is of the view that the change from profit to loss of the Company for the Year 2024 was mainly attributable to the impact of the price war in the automobile market in the second half of the Year 2024 and macro-economic factors. The Company conducted impairment test with the assistance of an external valuer, and non-cash impairment on goodwill and dealership rights of approximately RMB2.8 billion was recognized for the second half of the Year 2024 in respect of certain under-performing cash generating units; together with the impairment of approximately RMB0.2 billion in the first half of the Year 2024, an impairment on goodwill and dealership rights of approximately RMB3 billion in total was recognized for the full Year 2024.

Affected mainly by the abovementioned factors, it is expected that the Group will record a loss attributable to equity shareholders of the Company for the Year 2024 of approximately RMB2.3 billion, compared to a profit of approximately RMB0.1 billion for the Year 2023.

Based on the assessment of the unaudited consolidated management accounts of the Group for the Year 2024, net cash and cash equivalents at the end of the Year 2024 increased compared to the end of the Year 2023, with a net inflow of cash generated from operating activities. The Group has a healthy cash flow and on 13 January 2025, has redeemed the HK\$2,750 million zero coupon guaranteed convertible bonds due 2027 issued by Sail Vantage Limited, a member of the Group before maturity. The Board considers that the overall financial position of the Group is sound and healthy and will continue to maintain a prudent and stable financial strategy. The Company will consider bringing returns and value to its shareholders by way of dividends, share repurchases or otherwise after giving due consideration to the dividend payout policy, capital requirements and other relevant circumstances. The Company will make an announcement in accordance with the Listing Rules in due course if any relevant action is taken.

As the Company is still in the course of preparing the financial results for the Year 2024, the information contained in this announcement is only a preliminary assessment by the Board based on the unaudited management accounts and the information currently available. Such information has neither been finalized nor reviewed by the auditor of the Company or the audit committee of the Company and may be subject to adjustments.

Details of the Group's financial results and performance for the Year 2024 will be set out in the forthcoming annual results announcement of the Company, which is expected to be published by the end of March 2025.

**Shareholders of the Company and potential investors shall exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**China MeiDong Auto Holdings Limited**  
**YE Fan**  
*Chairman*

Hong Kong, 3 March 2025

*As at the date of this announcement, the Board comprises:*

***Executive Directors:***

Mr. YE Fan (*Chairman*)  
Mr. YE Tao (*Chief Executive Officer*)  
Ms. LUO Liuyu

***Independent Non-executive Directors:***

Mr. CHEN Guiyi  
Mr. WANG, Micheal Chou  
Mr. TO Siu Lun