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 on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") 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 of directors (the "**Board**") of the Company hereby informs 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 six months ended 30 June 2025 (the "**2025 Interim Period**") and the information currently available, it is expected that a loss attributable to equity shareholders of the Company will be recorded for the 2025 Interim Period.

The Board considers that the loss attributable to equity shareholders of the Company for the 2025 Interim Period was mainly attributable to macroeconomic factors in the first half of 2025, continued weakening of domestic consumption power, imbalance in the supply and demand dynamics of passenger vehicles and the intensifying price wars, particularly for luxury vehicles. Based on the information currently available, in particular, considering the impact to future business performance of the ultra-luxury vehicles as a result of the increase in consumption tax on ultra-luxury vehicles and the expected decline of revenue from mortgage facilitation services resulting from the decline in the expected rate of commission rebates, the Company conducted impairment test with the assistance of an external valuer, and non-cash impairment on goodwill and dealership rights of not less than RMB0.8 billion in total is to be recognized for certain underperforming cash-generating units in the 2025 Interim Period, while impairment on non-cash goodwill and dealership rights was approximately RMB0.15 billion in total for the six months ended 30 June 2024 ("**2024 Interim Period**").

Affected mainly by the above factors, a loss attributable to equity shareholders of the Company for the 2025 Interim Period is expected to be not less than RMB0.8 billion, while loss attributable to equity shareholders was approximately RMB0.03 billion for the 2024 Interim Period.

The Board considers that the overall financial position of the Group is stable and in good condition, and that its cash flow from operating activities is healthy. The Group will continue to maintain a prudent and stable financial strategy.

As the Company is still in the course of preparing the financial results for the 2025 Interim Period, the information contained in this announcement is only based on the unaudited consolidated management accounts and information currently available. Such information is not finalised, has not been audited or reviewed by the Company's auditor or the audit committee and may be adjusted.

Details of the Group's unaudited financial results for the 2025 Interim Period will be set out in the interim results announcement of the Company, which is expected to be published by the end of August 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, 20 August 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, Michael Chou
Mr. TO Siu Lun