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CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED

中國汽車新零售（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE

This announcement is made by China Automobile New Retail (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to provide the shareholders of the Company and potential investors the information of the latest business development of the Group.

As disclosed in the Company’s announcement of interim results for the six months ended 30 September 2019, with collaboration with major e-commerce operators, the Group has been planning to launch virtual intelligent car-sale business portal, trading parallel imported cars and domestic manufactured cars concurrently. The board of the Company (the “**Board**”) is pleased to announce that Tianjin Binhai International Automobile City Company Ltd. (天津濱海國際汽車城有限公司), a wholly owned subsidiary of the Company will collaborate with Jingdong Automobile Mall (京東汽車商城) and launch the Group’s first virtual intelligent car-sale business portal on the platform of JD.com on 12 December 2019. Under the brand name “JD – Calistar (京東－開利星空)”, the Group will provide trading services relating to parallel imported cars from different parts of the world and domestic manufactured cars for consumers in five important cities including Tianjin, Changsha, Guangzhou, Wuxi and Urumqi. By integrating the “on-line” purchase/payment and “off-line” car delivery/after-sale services and establishing this platform for the consumers in the People’s Republic of China (the “**PRC**”), the Group aims at providing the consumers a new channel for the sales and purchase of parallel imported cars and domestic cars with ample choices and high quality services.

The launch of the virtual intelligent car-sale business portal demonstrates the Group's determination to actively expand its business into car-sale business market. The Group will actively expand its car business through pursuing acquisition and/or cooperation opportunities of domestic and overseas procurement/warehouse/logistic facilities, car-sale exhibition facilities and products delivery/after-sale services network. To strengthen its position for exploring opportunities in the car-sale business, the Group entered into a memorandum of understanding related to possible acquisition of Beijing Gunlie E-commerce Company Limited ("**Gunlie Co**"), the details of which are set out in the announcement of the Company dated 22 September 2019. Gunlie Co, having warehousing and logistics facilities in major overseas countries, will be a good match for the import of cars through the eight major ports in the PRC.

Through all such collaborations, the Board considers that the Group has well-positioned itself to strive to provide high quality services and effective solutions for different aspects of the sale process of cars in the PRC, including but not limited to information flow, logistics, trading and after-sale services so as to meet timely the needs and demands of the customers, which will contribute to sustainable growth of the Group's sales and financial performance for long term. The Group will also make use of the international capital market and international trading system of Hong Kong and Great Bay Area to enhance and support its business development in the future.

By order of the Board
CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
Tong Shiping
Chairman

Hong Kong, 3 December 2019

As at the date of this announcement, the Board comprises Mr Tong Shiping (Chairman), Mr Li Lixin, Mr Cheng Jianhe and Ms Jin Yaxue being executive Directors, Ms Cheng Weihong being non-executive Director, Mr He Chengying, Mr Cheung Kiu Cho Vincent, Mr Shin Yick Fabian and Mr Kwong Kwan Tong being independent non-executive Directors.