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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)

(1) PROFIT WARNING
AND
(2) INSIDE INFORMATION

This announcement is made by China Automobile New Retail (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 23 June 2021 (the “**Profit Warning Announcement**”) and 30 June 2021 relating to, among other things, a profit warning and the delay in the publication of the audited annual result announcement for the financial year ended 31 March 2021.

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available, the Group is expected to record a net loss of approximately RMB2.6 billion for the financial year ended 31 March 2021. The difference between the expected loss of not less than RMB700 million as stated in the Profit Warning Announcement and the expected net loss as stated above was mainly due to the ascertainment of impairment loss on financial assets and guarantee contracts. The impairment loss on financial assets and guarantee contracts is approximately RMB1.9 billion.

The Board was also informed that it is probable that the Auditor will not be able to express an opinion on the consolidated financial statements of the Group on the basis that there are multiple uncertainties relating to the going concern of the Group.

The Company is still in the process of finalising the results of the Group for the financial year ended 31 March 2021. The information contained in this announcement is only based on the preliminary review on the unaudited consolidated management accounts of the Group and other information currently available, which have not been finalised by the Company and may be subject to adjustments. For more details, including the plans and measures to be taken by the Group so as to improve the Group's liquidity and cash flow situation to sustain the Group as a going concern, Shareholders and potential investors should read the announcement of the Group's annual results for the year ended 31 March 2021, which is expected to be released in September 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
Cheng Jianhe
Director

Hong Kong, 2 September 2021

As at the date of this announcement, the Board comprises Mr Li Lixin, Mr Cheng Jianhe and Ms Jin Yaxue being executive directors, Ms Cheng Weihong being non-executive director, Mr He Chengying, Mr Shin Yick Fabian and Mr Kwong Kwan Tong being independent non-executive directors