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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)**

**SUPPLEMENTAL ANNOUNCEMENT OF  
2020 INTERIM RESULTS**

Reference is made to the announcement of interim results for the six months ended 30 September 2020 dated 30 November 2020 (the “**Results Announcement**”). All capitalised terms used in this announcement shall have the same meanings as those ascribed to them in the Results Announcement unless otherwise defined herein.

In the Results Announcement, it was stated that the Audit Committee had raised its concerns (the “**Concerns**”) over: (1) the recoverability of the trade and other receivables of approximately RMB1.63 billion of the Group; (2) the bank and other loans of approximately RMB1.35 billion of the Group (including loans overdue of approximately RMB429 millions); and (3) the valuation loss on the investment properties of approximately RMB58 millions of the Group. The Results Announcement was not approved by the Audit Committee and was approved by a resolution passed by majority of the board of directors of the Company.

In respect of the Concerns, certain members of the Audit Committee requested to have further information including:

- (a) the specific nature of the trade and other receivables and the likelihood of the recoverability of the outstanding receivable;
- (b) the change of the bank and other loans during the period commenced from 1 April 2020 to 30 September 2020, the breakdowns of such bank and other loans, the status of the loans overdue, the expected repayment date of the loans and details of the pledge of assets for such loan; and

- (c) the signed valuation report which shows the valuation loss on the investment properties of approximately RMB58 million of the Group.

In order to prepare the Results Announcement, the staff of the Company in Hong Kong requested breakdowns of various accounting items in late October 2020. However, in November 2020, there was a Coronavirus outbreak and a large scale Coronavirus test campaign commenced in Tianjin Binhai New Area (天津濱海新區), where the main office of the relevant members of the Group is located and where the whole area was enclosed and the staff of the relevant members of the Group were not able to return to the office and access the systems. As a result, the information collection process was seriously disrupted and delayed. The information collected up to the date of the board meeting held on 30 November 2020 was limited and was not sufficient to fully satisfy the queries of the Audit Committee. To ensure the Shareholders and/or potential investors are fully informed of the situation and as a matter of good corporate governance, the Concerns were therefore fully disclosed in the Results Announcement.

After the publication of the Results Announcement, the staff of the Group in Hong Kong continued to work together with the staff of the Group in the PRC and collected the information to address the Concerns. With the ease of the pandemic situation in the relevant areas where the Group's office located, the collection process resumed and relevant information was delivered and provided for the Audit Committee to review in early December. The Audit Committee is now satisfied that the Concerns have been addressed. The Company will continue to take steps to handle the subject matters under the Concerns and will update the Directors including the members of the Audit Committee periodically.

The Company confirms that no additional comment has been made by the Audit Committee on the Results Announcement since its publication and no change is needed to be made to the Results Announcement.

By order of the Board  
**CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED**  
**Li Lixin**  
*Executive Director*

Hong Kong, 18 December 2020

*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 Cheung Kiu Cho Vincent, Mr Shin Yick Fabian and Mr Kwong Kwan Tong being independent non-executive Directors.*