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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)

**ANNOUNCEMENT PURSUANT TO
RULES 13.51B(2) AND 13.51(2) OF THE LISTING RULES**

This announcement is made by China Automobile New Retail (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51B(2) and 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 16 September 2020, the board (the “**Board**”) of directors (the “**Directors**”) of the Company was informed by Mr. Shin Yick, Fabian (“**Mr. Shin**”), an independent non-executive Director, that public sanction has been made by the Securities and Futures Commission (the “**SFC**”) of Hong Kong against him. According to the announcement made by the SFC on 16 September 2020, it has prohibited Mr Shin, a former responsible officer and chief executive officer of a licensed corporation (the “**Licensed Corporation**”), from re-entering the industry for 20 months from 15 September 2020 to 14 May 2022 for breaching the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission and the Additional Fit and Proper Guidelines for Corporations and Authorized Financial Institutions applying or continuing to act as Sponsors and Compliance Advisers.

Mr. Shin was a sponsor principal in charge of supervision of the execution of a listing application in 2017 for which the Licensed Corporation was the sponsor.

The SFC found that Mr. Shin failed to discharge his duties as a sponsor principal, a responsible officer and a member of the senior management of the Licensed Corporation, in that he had failed to (1) exercise due skill, care and diligence in handling the listing application in question; (2) diligently supervise his subordinates to carry out the sponsor work undertaken by the Licensed Corporation; and (3) ensure the maintenance of appropriate standards of conduct by the Licensed Corporation.

The Board has considered the above sanction against Mr. Shin and taken into account the factors that: (i) Mr. Shin has been serving the Company for about seven years and the other members of the Board are satisfied with his performance and quality of works in discharging his obligations as an independent non-executive Director; (ii) Mr. Shin has solid experience in accounting and financial management of listed companies and serving as independent non-executive director of listed companies which enable him to continuously contribute to the Company; (iii) the Board does not find any strong evidence suggesting that Mr. Shin does not have the character, experience and integrity or is unable to demonstrate a standard of competence commensurate with his position as a Director. Accordingly, the Board believes that the continuous holding of office by Mr. Shin as an independent non-executive Director will not be inappropriate and the above incident will not have any material impact on the business operations and financial position of the Group.

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

Hong Kong, 17 September 2020

As at the date of this announcement, the Board comprises Mr Tong Shiping (Chairman and Chief Executive Officer), 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.