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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)

**EXCEEDING OF ANNUAL CAPS OF CONTINUING CONNECTED
TRANSACTIONS IN RELATION TO THE EXPORT AGENCY
AGREEMENT, MUTUAL SUPPLY AGREEMENT AND THE
IMPORT AGENCY AGREEMENT**

- (1) EXCEEDING OF ANNUAL CAPS FOR THE YEAR ENDED 31
MARCH 2021; AND**
**(2) REVISION OF ANNUAL CAPS FOR THE NINE MONTHS
ENDING 31 DECEMBER 2021**

Reference is made to the 2018 Announcement.

EXPORT AGENCY AGREEMENT

It has come to the attention of the Company that 2021 Export Service Fees for the year ended 31 March 2021 was approximately RMB6.79 million and therefore exceeds the original annual cap for Export Agency Services of RMB6.25 million. Accordingly, the Directors (including the independent non-executive Directors) have (i) ratified the transactions under the Export Agency Agreement that exceeds the original annual cap for Export Agency Services for the year ended 31 March 2021; and (ii) approved the Revised Export Annual Cap for period from 1 April 2021 and ending 31 December 2021.

MUTUAL SUPPLY AGREEMENT

It has come to the attention of the Company that 2021 Mutual Supply of Products from New JoySun Transaction Amount for the year ended 31 March 2021 was approximately RMB8.99 million and therefore exceeds the original annual cap for Mutual Supply of Products from New JoySun of RMB3.30 million. Accordingly, on 8 June 2021 the Group entered into a Supplemental Mutual Supply Agreement to (i) ratify the transactions under the Mutual Supply Agreement that exceeds the original annual cap for Mutual Supply of Products from New JoySun for the year ended 31 March 2021; and (ii) revise the Revised Annual Cap for Mutual Supply of Products from New JoySun, the Revised Annual Cap for Mutual Supply of Products from Lisi Group and Revised Annual Cap for Mutual Supply of Products for period from 1 April 2021 and ending 31 December 2021.

IMPORT AGENCY AGREEMENT

It has come to the attention of the Company that 2021 Import Transaction Amount for Import Agency Services for the year ended 31 March 2021 was approximately RMB98.66 million and therefore exceeds the original annual cap for Import Agency Services of RMB85.42 million for the year ended 31 March 2021. The Board will seek the approval of the Independent Shareholders, among other things, to approve the Ratification and the Revised Import Annual Cap at the SGM.

LISTING RULES IMPLICATIONS

Lisi Import & Export is a connected person of the Company.

As the relevant percentage ratios in respect of each of proposed Revised Export Annual Cap, the Revised Annual Cap for Mutual Supply of Products from New JoySun, the Revised Annual Cap for Mutual Supply of Products from Lisi Group and Revised Annual Cap for Mutual Supply of Products are more than 0.1% and less than 5%, each of the Export Agency Agreement and the Mutual Supply Agreement (as supplemented by the Supplemental Mutual Supply Agreement) constitutes a continuing connected transaction which is subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant percentage ratios in respect of the proposed Revised Import Annual Cap are more than 5%, the Import Agency Agreement constitutes a continuing connected transaction which is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board will seek the approval of the Independent Shareholders, among other things, to approve the Ratification and the Revised Import Annual Cap at the SGM.

As additional time is required by the Company to prepare the circular containing, among other things, (i) further details of the Ratification and Revised Import Annual Cap; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the SGM and a form of proxy, it is expected that the circular will be despatched to the Shareholders on or before 9 July 2021.

Reference is made to the 2018 Announcement. In the course of finalising the annual results of the Group for the year ended 31 March 2021, it has come to the attention of the Board that (i) the 2021 Export Service Fees for the year ended 31 March 2021 exceeds the original annual cap of RMB6.25 million; (ii) the 2021 Mutual Supply of Products from New JoySun Transaction Amount for the year ended 31 March 2021 exceeds the original cap of RMB3.30 million; and (iii) the 2021 Import Transaction Amount for the year ended 31 March 2021 exceeds the original annual cap of RMB85.42 million.

THE EXPORT AGENCY AGREEMENT

Exceeding the Annual Cap for the year ended 31 March 2021

It has come to the attention of the Company that 2021 Export Service Fees for Export Agency Services for the year ended 31 March 2021 was approximately RMB6.79 million and therefore exceeds the original annual cap for Export Agency Services of RMB6.25 million.

The exceeding of the annual cap for Export Agency Services for the year ended 31 March 2021 was mainly due to the increase in export volume. The global supply chain was suspended due to the novel coronavirus pandemic in 2020. Since the second quarter of 2020, alongside the effective control of the pandemic in China, Chinese production has recovered with growth of export volume. During the period of 1 April 2020 to 31 March 2021, the export volume of plastic and metal hardware products of the Group increased. The 2021 Export Service Fees therefore increased and exceeded the origin annual cap for Export Agency Services for the year ended 31 March 2021.

Revised Annual Cap

As stated in the 2018 Announcement, the annual cap of service fees payable to Lisi Import & Export for Export Agency Services for the period from 1 April 2021 to 31 December 2021 was RMB5.25 million. The annual cap for Export Agency Services was determined by the Directors with reference to, among others, (i) the amount of past transactions between Lisi Import & Export and Lisi Household and the actual service fees paid up to 31 March 2018; (ii) the estimated annual sales of Lisi Household of

approximately USD68 million for the calendar year of 2019; (iii) the expected growth of the business of Lisi Household at the rate of 10% per annum and the corresponding increase in the service fees payable for the calendar years of 2020 and 2021; and (iv) buffer for the annual growth and the impact of exchange rate fluctuation on export activities (assuming further depreciation of the RMB exchange rate for up to 5% per year).

The estimated growth rate of the business of Lisi Household of 10% per annum was based on, among others, the following assumptions: (i) the modest sales growth of Lisi Household supported by continuous exchange rate depreciation of RMB in coming years widely expected in the market; (ii) the strength of Lisi Household in maintaining and enlarging its customer base; and (iii) the continuous effort of the Group in cost control measures and business strategy of focusing on higher margin products and customers and development of new products and customers.

In addition to the above, taking into account of the amount of service fees paid to Lisi Import & Export for Export Agency Services for the year ended 31 March 2021, the expectation of increase in demand of export agency services and the increase in the volume of sales, the Company proposes Revised Export Annual Cap of service fees payable to Lisi Import & Export for Export Agency Services pursuant to the Export Agency Agreement for the period from 1 April 2021 and ending 31 December 2021 to RMB7.125 million.

Accordingly, the Directors (including the independent non-executive Directors) have (i) ratified the transactions under the Export Agency Agreement that exceeds the original annual cap for Export Agency Services for the year ended 31 March 2021, and (ii) approved the Revised Export Annual Cap for period from 1 April 2021 and ending 31 December 2021.

The terms and conditions, pricing basis and payment terms of the Export Agency Agreement, as detailed in the 2018 Announcement, remain unchanged.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Export Agency Agreement, the ratification of the transactions under the Export Agency Agreement for the year ended 31 March 2021 and Revised Export Annual Cap of the Export Agency Services for the year from 1 April 2021 and ending 31 December 2021, are fair and reasonable and on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole. Mr. Li, who is an executive Director and the controlling shareholder of the Company, has abstained from voting on the Board resolutions approving the ratification of the transactions under the Export Agency Agreement and the Revised Export Annual Cap.

THE MUTUAL SUPPLY AGREEMENT

Exceeding the Annual Caps for the year ended 31 March 2021

It has come to the attention of the Company that 2021 Mutual Supply of Products from New JoySun Transaction Amount for the year ended 31 March 2021 was approximately RMB8.99 million and therefore exceeds the original annual cap for Mutual Supply of Products from New JoySun of RMB3.30 million.

The exceeding of the annual cap for Mutual Supply of Products from New JoySun for the year ended 31 March 2021 was mainly due to the increase in purchase of goods by Lisi Group from New JoySun. In order to ensure the safety and hygiene of staff meals during the pandemic in 2020, goods were purchased by Lisi Group from New JoySun Supermarket at market price. Also while domestic factories suffered from labor shortage due to the novel coronavirus pandemic, the simultaneous surge of the Lisi Group orders required large-scale staff recruitment for new production lines. Lisi Group therefore enhanced numerous staff benefits for staff retention such as improvement in terms of catering standards of staff canteens. The increase in welfare expenditures by Lisi Group and, considerable inflation of staple-related commodities in 2021 led to the exceedance of the annual cap for Mutual Supply of Products from New JoySun for the year ended 31 March 2021.

Revised Annual Caps

As stated in the 2018 Announcement, (i) the original annual cap of gross transaction amounts payable to New JoySun for Mutual Supply of Products from New JoySun for the period from 1 April 2021 to 31 December 2021 was RMB2.772 million, and (ii) that payable to Lisi Group for supply of products from Lisi Group to New JoySun pursuant to the Mutual Supply Agreement for such period was RMB1.193 million. The original total annual caps for the total gross transaction amounts of Mutual Supply of Products for the period from 1 April 2021 to 31 December 2021 was therefore RMB3.965 million. The above annual caps for were determined by the Directors, after arm's length negotiations between the parties with reference to, among others (i) the historical transaction amount for similar transactions between New JoySun and Lisi Group; (ii) the price of comparable products sold to or purchased from independent third parties; and (iii) the expected growth in business between New JoySun and Lisi Group.

In addition to the above, taking into account of the gross transaction amounts payable to New JoySun for Mutual Supply of Products from New JoySun for the year ended 31 March 2021 and the continuous trend of the increase of the transaction volume due to the enhancement of the staff benefits by Lisi Group, the Company proposes to revise the (i) Revised Annual Cap for Mutual Supply of Products from New JoySun; (ii) the Revised Annual Cap for Mutual Supply of Products from Lisi Group; and (iii) Revised Annual Cap for Mutual Supply of Products pursuant to the Mutual Supply Agreement (as amended by the Supplemental Mutual Supply Agreement) for the period from 1 April 2021 and ending 31 December 2021 to RMB9 million, RMB1.55 million and RMB10.56 million, respectively.

Accordingly, the Group entered into a Supplemental Mutual Supply Agreement to (i) ratify the transactions under the Mutual Supply Agreement that exceeds the original annual caps for the Mutual Supply of Products from New JoySun and the Mutual Supply of Products, and (ii) revise the Revised Annual Cap for Mutual Supply of Products from New JoySun, Revised Annual Cap for Mutual Supply of Products from Lisi Group and Revised Annual Cap for Mutual Supply of Products for period from 1 April 2021 and ending 31 December 2021.

Save as the revision of annual caps, the terms and conditions, pricing basis and payment terms of the Mutual Supply Agreement, as detailed in the 2018 Announcement, remain unchanged.

The Directors (including the independent non-executive Directors) are of the view that (i) the terms of the Mutual Supply Agreement (as amended by the Supplemental Mutual Supply Agreement); (ii) the ratification of the transactions under the Mutual Supply Agreement (as amended by the Supplemental Mutual Supply Agreement) for the year ended 31 March 2021 that exceed the original annual cap for the Mutual Supply of Products from New JoySun and the Mutual Supply of Products; (iii) Revised Annual Cap for Mutual Supply of Products from New JoySun; (iv) Revised Annual Cap for Mutual Supply of Products from Lisi Group; and (v) Revised Annual Cap for Mutual Supply of Products for the year from 1 April 2021 and ending 31 December 2021, are fair and reasonable and on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole. Mr. Li, who is an executive Director and the controlling shareholder of the Company, has abstained from voting on the Board resolutions approving the ratification of the transactions under the Mutual Supply Agreement (as amended by the Supplemental Mutual of Products Agreement), Revised Annual Cap for Mutual Supply of Products from New JoySun, Revised Annual Cap for Mutual Supply of Products from Lisi Group and Revised Annual Cap for Mutual Supply of Products.

LISTING RULES IMPLICATIONS

Lisi Import & Export is owned as to 80% by Lisi Group and approximately 18.18% by a company wholly owned by Mr Li, an executive Director and controlling shareholder of the Company, and his son. Lisi Group is beneficially owned as to 98.18% by Mr. Li and his son. Therefore, Lisi Import & Export and Lisi Group are connected persons of the Company. As a result, each of the Export Agency Agreement and Mutual Supply Agreement constitutes continuing connected transactions for the Company.

As the relevant percentage ratios in respect of each of the Export Agency Agreement and Mutual Supply Agreement (as amended by the Supplemental Mutual Supply Agreement) with respect to the proposed Revised Export Annual Cap, the Revised Annual Cap for Mutual Supply of Products from New JoySun, Revised Annual Cap for Mutual Supply of Products from Lisi Group and Revised Annual Cap for Mutual Supply of Products are more than 0.1% and less than 5%, each of the Export Agency Agreement and Mutual Supply Agreement (as amended by the Supplemental Mutual Supply Agreement) constitutes a continuing connected transaction which is subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, as each of the 2021 Export Service Fees, 2021 Mutual Supply of Products from New JoySun Transaction Amount and 2021 Mutual Supply of Products Transaction Amount exceeds their respective annual cap for the year ended 31 March 2021, the Company is required to re-comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules, and in light of the proposed Revised Export Annual Cap, Revised Annual Cap for Mutual Supply of Products from New JoySun, Revised Annual Cap for Mutual Supply of Products from Lisi Group and Revised Annual Cap for Mutual Supply of Products for period from 1 April 2021 and ending 31 December 2021, the Company is required to comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules.

THE IMPORT AGENCY AGREEMENT

Exceeding the Annual Cap for the year ended 31 March 2021

It has come to the attention of the Company that 2021 Import Transaction Amount for Import Agency Services for the year ended 31 March 2021 was approximately RMB98.66 million and therefore exceeds the annual cap for Import Agency Services of RMB85.42 million.

The exceeding of the annual cap for Import Agency Services for the year ended 31 March 2021 was mainly due to the increase in import volume and the raw material and the inflation caused by the increase of the cost of the raw material. The global supply chain was suspended due to the novel coronavirus pandemic in 2020. Since the second quarter of 2020, alongside the effective control of the pandemic in China, Chinese production has recovered with growth of export volume. During the period of 1 April 2020 to 31 March 2021, the export volume of plastic and metal hardware products of the Group increased. In the meantime, starting from the second half of 2020, there has been an overall inflation of global commodities and the raw material. The 2021 Import Transaction Amount therefore increased and exceeded the original annual cap for Import Agency Services for the year ended 31 March 2021.

Revised Annual Cap

As stated in the 2018 Announcement, the annual cap of gross transaction amounts payable to Lisi Import & Export for Import Agency Services for the period from 1 April 2021 to 31 December 2021 was RMB68.75 million. The annual cap for Import Agency Services was determined by the Directors with reference to, among others, (i) the amount of past transactions between Lisi Import & Export and Lisi Household and the actual gross transaction amounts up to 31 March 2018, (ii) the estimated annual purchase of Lisi Household for calendar year of 2019, (iii) the expected growth of the business of Lisi Household at the rate of 10% per annum for the calendar years of 2020 and 2021, and (iv) buffer for the annual growth and the impact of exchange rate fluctuation on import activities (assuming further depreciation of the RMB exchange rate for 5% per year).

In addition to the above, taking into account of the 2021 Import Transaction Amount paid to Lisi Import & Export for Import Agency Services for the year ended 31 March 2021, the expectation of increase in demand of import agency services, increase of the costs of the raw material and the annual import volume, the Company proposes Revised Import Annual Cap of gross transaction amount payable to Lisi Import & Export for Import Agency Services pursuant to the Import Agency Agreement (i) for the year ended 31 March 2021 to an amount equal to the 2021 Import Transaction Amount, and (ii) for the period from 1 April 2021 and ending 31 December 2021 to RMB102.75 million.

The terms and conditions, pricing basis and payment terms of the Import Agency Agreement, as detailed in the 2018 Announcement, remain unchanged.

The Directors (excluding the independent non-executive Directors whose opinions will set out in the letter from the Independent Board Committee to be included in the circular) are of the view that the term of the Import Agency Agreement, the Ratification and the Revised Import Annual Cap of the Import Agency Services for the year from 1 April 2021 and ending 31 December 2021, are fair and reasonable and on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole. Mr. Li, who is an executive Director and the controlling shareholder of the Company, has abstained from voting on the Board resolutions approving the Ratification and the Revised Import Annual Cap.

LISTING RULES IMPLICATIONS

As stated above, Lisi Import & Export is connected person of the Company. As a result, the Import Agency Agreement constitutes a continuing connected transactions for the Company.

As the relevant percentage ratios in respect of the Import Agency Agreement with respect to the proposed Revised Import Annual Cap are more than 5%, the Import Agency Agreement constitutes a continuing connected transaction which is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, as the 2021 Import Transaction Amount exceeds the original annual cap for the Import Agency Services for the year ended 31 March 2021, the Company is in the process of re-complying with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and in light of the proposed Revised Export Annual Cap for period from 1 April 2021 and ending 31 December 2021, the Company is required to comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board will seek the approval of the Independent Shareholders, among other things, to approve the Ratification and the Revised Import Annual Cap at the SGM.

An Independent Board Committee will be established to advise the Independent Shareholders as to whether the Ratification and the Revised Import Annual Cap are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Independent Shareholders as a whole and on how to vote. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

MEASURES ADOPTED BY THE COMPANY FOR FUTURE COMPLIANCE

The Directors consider that the failure to re-comply with the requirements under Rule 14A.54(1) of the Listing Rules on a timely basis in respect of the transactions under the Export Agency Agreement, Mutual Supply Agreement and Import Agency Agreement for the year ended 31 March 2021 was an inadvertent oversight and an isolated event. At the time when the Company noted incidents, the Company immediately carried out some remedial measures such as immediately examined the coordination and reporting path for conducting all continuing connected transactions, and promptly assigned the finance manager in Hong Kong office to oversee all transactions to make sure all continuing connected transactions of the Company will comply with the Listing Rules and all other laws and regulations.

In order to avoid the occurrence of similar events in the future, the Company intends to adopt the following measures:

1. the Company will enhance the training provided to the Directors, the senior management and responsible finance staff, including requesting its legal advisers to give seminars on the compliance requirements and practical knowledge of notifiable transactions (including the continuing connected transactions) to its staff, so as to reinforce their understanding of and to emphasize the importance of compliance with the Listing Rules;
2. the Company will strengthen the implementation of its internal control system on transactions including but not limited to increasing the number of members of the team which has been designated to monitor and oversee all the on-going transactions (including the continuing connected transactions), and strengthening the coordination and reporting arrangements for notifiable transactions among the various departments of the Company, including the finance department, the business department and the Board. Before entering into each agreement, the finance department will coordinate those departments to review the relevant agreement to ensure compliance with the Listing Rules;
3. the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance; and
4. if the Company intends to conduct similar transactions, it will seek advice from its external legal advisers on whether this will trigger any disclosure or compliance requirements under the Listing Rules. If necessary, the Company will consult the Stock Exchange about the proper treatment of the proposed transaction.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the trading of imported cars. Together with subsidiaries, the Company operates business through six segments: (i) the Car Trading Platform segment is engaged in providing imported cars platform services and property rental services; (ii) the Car-sale segment is engaged in the trading of imported cars; (iii) the Manufacturing and Trading segment is engaged in the manufacture and trading of plastic and metallic household products; (iv) the Retail segment is engaged in the management of department stores and the operation of supermarket operation; (v) the Wholesale segment is engaged in the wholesales of wine and beverages and electrical appliances; and (vi) the Investments Holding segment is engaged in the debts management and the investment in equity securities.

INFORMATION ABOUT LISI IMPORT & EXPORT

Lisi Import & Export is principally engaged in import and export of goods and materials in the PRC.

GENERAL

The SGM will be convened and held for the independent Shareholders to consider, and if thought fit, to approve, among other matters, the Ratification and the Revised Import Annual Cap for the period from 1 April 2021 and ending 31 December 2021.

At the SGM, any Shareholder with a material interest in the relevant resolution(s) to be passed at the SGM is required to abstain from voting on the resolution to be put forward to the independent Shareholders for approving the Ratification and Revised Import Annual Caps. Mr. Li, Big-Max Manufacturing Co., Limited and Shi Hui Holdings Limited and their respective associates will abstain from voting on such resolution at the SGM.

As additional time is required by the Company to prepare a circular containing, among other things, (i) further details of the Ratification and Revised Import Annual Cap; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the SGM and a form of proxy, are expected to be despatched to the Shareholders on or before 9 July 2021.

DEFINITIONS

In this announcement, the following words and expressions shall have the meanings set out below, unless the context otherwise requires:

“2018 Announcement”	the announcement of the Company dated 22 November 2018, in relation to, among others, the continuing connected transactions of the Export Agency Agreement, the Mutual Supply Agreement and the Import Agency Agreement
“2021 Export Service Fees”	the aggregate amount of service fees paid to Lisi Import & Export by Lisi Household for Export Agency Services for the year end 31 March 2021 in a sum of approximately RMB6.79 million
“2021 Import Transaction Amount”	the aggregate amount of gross transaction amount paid to Lisi Import & Export for Import Agency Services for the year ended 31 March 2021 in a sum of approximately RMB98.66 million

“2021 Mutual Supply of Products from New JoySun Transaction Amount”	the aggregate amount of gross transaction amount paid to New JoySun for Mutual Supply of Products from New JoySun for the year ended 31 March 2021 in a sum of approximately RMB8.99 million
“2021 Mutual Supply of Products Transaction Amount”	the aggregate amount of total gross transaction amount for Mutual Supply of Products for the year ended 31 March 2021 in a sum of approximately RMB10.4 million
“Company”	China Automobile New Retail (Holdings) Limited (stock code: 526), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Export Agency Agreement”	the export agency agreement dated 22 November 2018 entered into between Lisi Import &Export and Lisi Household
“Export Agency Services”	the export agency services provided by Lisi Import &Export to Lisi Household pursuant to the Export Agency Agreement as set out in the 2018 Announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Import Agency Agreement”	the import agency agreement dated 22 November 2018 entered into between Lisi Import &Export and Lisi Household
“Import Agency Services”	the import agency services provided by Lisi Import &Export to Lisi Household pursuant to the Export Agency Agreement as set out in the 2018 Announcement

“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely Mr He Chengying, Mr Shin Yick Fabian and Mr Kwong Kwan Tong, to advise the Independent Shareholders on the Ratification and Revised Import Annual Cap
“Independent Shareholder(s)”	Shareholders other than Mr. Li, Big-Max Manufacturing Co., Limited and Shi Hui Holdings Limited, together with their respective associates (if any) who are required by the Listing Rules to abstain from voting on the resolutions approving the Ratification and Revised Import Annual Cap
“Lisi Group”	利時集團股份有限公司 (Lisi Group Co., Ltd*)
“Lisi Household”	寧波利時日用品有限公司 (Ningbo Lisi Household Products Company Limited*), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of the Company
“Lisi Import & Export”	寧波利時進出口有限公司 (Lisi Import and Export Company Limited*)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Lixin, an executive Director and a controlling shareholder of the Company
“Mutual Supply Agreement”	the mutual supply agreement dated 22 November 2018 entered into between Lisi Group and New JoySun
“Mutual Supply of Products”	the mutual supply of products to each other between Lisi Group and New JoySun pursuant to the Mutual Supply Agreement as set out in the 2018 Announcement
“Mutual Supply of Products from New JoySun”	the supply of products from New JoySun to Lisi Group pursuant to the Mutual Supply Agreement as set out in the 2018 Announcement

“New JoySun”	寧波新江廈股份有限公司 (New JoySun Corp.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“percentage ratios”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless context suggests otherwise, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Ratification”	the ratification of the transactions under the Import Agency Agreement for the year ended 31 March 2021 that exceeds the original annual cap
“Revised Annual Cap for Mutual Supply of Products from Lisi Group”	the revised maximum aggregated annual amount of gross transaction payable by New JoySun to Lisi Group for supply of products from Lisi Group to New JoySun under the Mutual Supply Agreement (as amended by Supplemental Mutual Supply Agreement) for the period from 1 April 2021 and ending 31 December 2021
“Revised Annual Cap for Mutual Supply of Products from New JoySun”	the revised maximum aggregated annual amount of gross transaction payable by Lisi Group to New JoySun for supply of products from New JoySun to Lisi Group under the Mutual Supply Agreement (as amended by the Supplemental Mutual Supply Agreement) for the period from 1 April 2021 and ending 31 December 2021
“Revised Annual Cap for Mutual Supply of Products”	the revised maximum aggregate annual amount of gross transaction between Lisi Group and New JoySun for mutual supply of products under the Mutual Supply Agreement for the period from 1 April 2021 and ending 31 December 2021
“Revised Export Annual Cap”	the revised maximum aggregate annual amount of gross transaction payable by Lisi Household to Lisi Import & Export for Export Agency Services under the Export Agency Agreement for the period from 1 April 2021 and ending 31 December 2021

“Revised Import Annual Cap”	the revised maximum aggregate annual amount of service fees payable by Lisi Household to Lisi Import & Export for Import Agency Services under the Import Agency Agreement for the period from 1 April 2021 and ending 31 December 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Supplemental Mutual Supply Agreement”	the supplemental mutual supply agreement dated 8 June 2021 entered into between Lisi Group and New JoySun
“SGM”	the special general meeting to be convened by the Company for the purposes of considering and, if thought fit, approving the Ratification and Revised Import Annual Cap
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	the United States dollar, the lawful currency of the United States of America
“%”	per cent.

In case of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.

* *for identification purpose only*

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

Hong Kong, 9 June 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.