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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
DISPOSAL OF PROPERTIES**

The Company announces that on 15 June 2021, the Seller, a non-wholly owned subsidiary of the Company and Buyer A, an Independent Third Party, entered into the 1st Sale and Purchase Agreement, pursuant to which the Seller agreed to sell and Buyer A agreed to purchase Property A at a consideration of RMB49 million (approximately HK\$59.29 million).

On the same date, the Seller and Buyer B, an Independent Third Party, entered into the 2nd Sale and Purchase Agreement pursuant to which the Seller agreed to sell and Buyer B agreed to purchase Property B at a consideration of RMB35 million (approximately HK\$42.35 million).

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

The Company announces that on 15 June 2021, the Seller, a non-wholly owned subsidiary of the Company and Buyer A, an Independent Third Party, entered into the 1st Sale and Purchase Agreement, pursuant to which the Seller agreed to sell and Buyer A agreed to purchase Property A at a consideration of RMB49 million (approximately HK\$59.29 million).

On the same date, the Seller and Buyer B, an Independent Third Party, entered into the 2nd Sale and Purchase Agreement pursuant to which the Seller agreed to sell and Buyer B agreed to purchase Property B at a consideration of RMB35 million (approximately HK\$42.35 million).

The principal terms of the Sale and Purchase Agreements are as follows:

THE 1ST SALE AND PURCHASE AGREEMENT

Date: 15 June 2021

Parties: Seller:
寧波新江厦股份有限公司 (Ningbo New JoySun Corp)*, a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

Buyer:
黃永光 (Huang Yong Guang)*, an individual who, to the best Directors' knowledge, information and belief having made all reasonable enquiry, is an Independent Third Party

Property: The site comprising the parcels of land at 寧波市鄞州區中山東路 301-305號 (No. 301-305, Zhongshan Dong Lu, Yin Zhou Qu, Ningbo Shi)* with a total site area of approximately 633.50 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 3,078.26 square metres

Consideration

The 1st Consideration is RMB49 million (approximately HK\$59.29 million), which will be paid by Buyer A in the following manner:

- (a) within three days from the signing of the 1st Sale and Purchase Agreement, Buyer A shall pay RMB3 million (approximately HK\$3.63 million) to the Seller as deposit; and
- (b) the remaining balance of the 1st Consideration shall be settled and paid by Buyer A after the completion of the transfer of the title and ownership of Property A.

The 1st Consideration was arrived at after arm's length negotiations between the Seller and Buyer A and was determined with reference to a preliminary valuation to Property A of approximately RMB37.9 million as of 31 March 2021 prepared under market approach by an independent valuer.

Completion: Upon signing of the 1st Sale and Purchase Agreement, the Seller and Buyer A shall commence to transfer of the title and ownership of Property A from the Seller to Buyer A or his nominees

THE 2ND SALE AND PURCHASE AGREEMENT

Date: 15 June 2021

Parties: Seller:
寧波新江廈股份有限公司 (Ningbo New JoySun Corp)*, a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

Buyer B:
周蕾 (Zhou Lei)*, an individual who, to the best Directors' knowledge, information and belief having made all reasonable enquiry, is an Independent Third Party

Property: The site comprising the parcels of land at 寧波市鄞州區中山東路 301-305號(No. 301-305, Zhongshan Dong Lu, Yin Zhou Qu, Ningno Shi)* with a total site area of approximately 554.50 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 2,694.4 square metres.

Consideration

The 2nd Consideration is RMB35 million (approximately HK\$42.35 million), which will be paid by Buyer B in the following manner:

- (a) within three days from the signing of the 2nd Sale and Purchase Agreement, Buyer B shall pay RMB3 million (approximately HK\$3.63 million) to the Seller as deposit; and
- (b) the remaining balance of the 2nd Consideration shall be settled and paid by Buyer B after the completion of the transfer of the title and ownership of Property B.

The 2nd Consideration was arrived at after arm's length negotiations between the Seller and Buyer B and was determined with reference to a preliminary valuation to Property B of approximately RMB30.2 million as of 31 March 2021 prepared under market approach by an independent valuer.

Completion: Upon signing of the 2nd Sale and Purchase Agreement, the Seller and Buyer B shall commence to transfer of the title and ownership of Property B from the Seller to Buyer B or her nominees

INFORMATION OF THE PROPERTIES

Property A was utilised by the Group as premise for lease. Since the lease was terminated by the former tenant due to difficult operating conditions, Property A is currently vacant. The net book values of Property A as at 31 March 2020 and 31 March 2021 were approximately RMB32.7 million and RMB37.9 million respectively.

Property B was utilised by the Group for as warehouse and rooms for rental. Since the lease was terminated by the former tenant due to difficult operating conditions, Property B is currently vacant. The net book values of Property B as at 31 March 2020 and 31 March 2021 were approximately RMB22.0 million and RMB30.2 million respectively.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Disposal is expected to enable the Group to recognise an unaudited gain of approximately RMB15.9 million, being the difference between the aggregate of 1st Consideration and 2nd Consideration over the carrying value of the Properties before any expenses and tax. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to audit and will be determined as at the date of the completions of the Sale & Purchase Agreements. The net proceeds from the Disposal after deducting relevant costs and expenses (before tax), estimated to be approximately RMB75.5 million, are intended to be applied for repayment of loans and general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

The Company is a company incorporated in Bermuda with limited liability. Its principal activity is investment holding. The Group is principally engaged in (i) car trading platform (ii) manufacturing and trading of plastic and metal household products; (iii) operation of department stores and supermarkets; (iv) wholesale of alcohol, wine, beverages and electrical appliances; (v) the trading and sales of imported cars; and (vi) investment holding.

The Directors are of the view that the Disposal would benefit the Group by realising its investment in the Properties and improving the liquidity and overall financial position of the Group.

The Directors consider the terms of the Sale and Purchase Agreements are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

GENERAL

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“1st Consideration”	RMB49 million (approximately HK\$59.29 million), being the consideration for the disposal of Property A
“2nd Consideration”	RMB35 million (approximately HK\$42.35 million), being the consideration for the disposal of Property B
“1st Sale and Purchase Agreement”	the sale and purchase agreement dated 15 June 2021 entered into between the Seller and Buyer A in respect of the disposal of Property A
“2nd Sale and Purchase Agreement”	the sale and purchase agreement dated 15 June 2021 entered into between the Seller and Buyer B in respect of the disposal of Property B
“Buyer A”	黃永光 (Huang Yong Guang)*, an individual who, to the best Directors’ knowledge, information and belief having made all reasonable enquiry, is an Independent Third Party
“Buyer B”	周蕾 (Zhou Lei)*, an individual who, to the best Directors’ knowledge, information and belief having made all reasonable enquiry, is an Independent Third Party
“Buyers”	collectively, Buyer A and Buyer B
“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
“Considerations”	The aggregation of 1st Consideration and 2nd Consideration, being, RMB84,000,000 (approximately HK\$101,640,000), being the total consideration of the Disposal
“Directors”	the directors of the Company

“Disposal”	the disposal of the Properties pursuant to the terms of the Sale and Purchase Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“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
“Properties”	collectively, (a) The site comprising the parcels of land at 寧波市鄞州區中山東路301-305號 (No. 301-305, Zhongshan Dong Lu, Yin Zhou Qu, Ningbo Shi)* with a total site area of approximately 633.50 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 3,078.26 square metres; and (b) The site comprising the parcels of land at 寧波市鄞州區中山東路301-305號 (No. 301-305, Zhongshan Dong Lu, Yin Zhou Qu, Ningbo Shi)* with a total site area of approximately 554.50 square metres, together with the commercial building complexes erected thereon with a total floor area of approximately 2,694.4 square metres
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	寧波新江厦股份有限公司 (Ningbo New JoySun Corp)*, a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Sale and Purchase Agreements”	the 1st Sale and Purchase Agreement and the 2nd Sale and Purchase Agreement

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

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

For the purpose of this announcement, the exchange rate of HK\$1.00 = RMB0.83 have been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such a rate.

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

Hong Kong, 15 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.

* *for identification purpose only*