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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;**
- (2) INSIDE INFORMATION;**
- (3) POSSIBLE DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021;**
- (4) POSTPONEMENT OF BOARD MEETING;**
- (5) PUBLICATION OF UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021; AND**
- (6) POSSIBLE DELAY IN PUBLICATION OF ANNUAL REPORT**

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).

PROFIT WARNING

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 preliminary review of the unaudited consolidated management accounts of the Group currently available to the Board, the Group is expected to record a loss of not less than RMB700 million for the financial year ended 31 March 2021 as compared to a loss of RMB155 million for the financial year ended 31 March 2020. The deterioration was mainly attributable to the following factors:

- (1) a one-off net income arising from the acquisition of Robust Cooperation Limited of approximately RMB258 million was recorded for the financial year ended 31 March 2020;
- (2) the impairment of goodwill for the financial year ended 31 March 2021 was approximately RMB396 million, representing an increase of approximately RMB113 million when compared with the impairment of goodwill of RMB283 million for the financial year ended 31 March 2020; and
- (3) the decrease in the gross profit of car trading platforms segment and car-sale segment from approximately RMB76 million for the financial year ended 31 March 2020 to a loss of approximately RMB155 million for the financial year ended 31 March 2021, representing a substantial reduction of approximately RMB231 million.

The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited management accounts of the Group and other information currently available to the Board which has not yet been reviewed by the audit committee of the Board. In particular, the unaudited management accounts of the Group as reviewed by the Board may not have taken into account the matters raised by the Auditors in the Letter (as defined below) and may not accurately reflect the financial performance and position of the Group, and the results of the Group for the financial year ended 31 March 2021 may be further affected by factors not disclosed above.

POSSIBLE DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

Reference is made to the announcement of the Company dated 17 June 2021 in relation to the board meeting of the Company to be held on 30 June 2021 to consider and approve, among other matters, the publication of the audited annual results of the Group for the year ended 31 March 2021 (the “**2021 Audited Annual Results**”).

The Board wishes to inform the Shareholders and potential investors of the Company that, in the course of the preparation of information to be provided to the auditors of the Company (the “**Auditors**”) for the audit works for the financial year ended 31 March 2021, the Board and the audited committee of the Board received a letter dated 21 June 2021 from the Auditors (the “**Letter**”), in which the Auditors requested further information from the Company.

The Auditors also indicated in the Letter that given it would take time for the Auditors to conduct further audit work after receiving the requested information from the Group, it would be unlikely that all audit work could be completed by 30 June 2021.

In view of the above, the Board wishes to inform the Shareholders and potential investors of the Company that it is unlikely that the Company will be able to publish the 2021 Audited Annual Results by 30 June 2021 in accordance with Rules 13.49(1) and 13.49(2) of the Listing Rules.

POSTPONEMENT OF BOARD MEETING

As explained above, the Board meeting to be held on 30 June 2021 to consider, and approve, among other matters, the publication of the 2021 Audited Annual Results will be postponed. Further announcement will be made as and when the proposed date of the Board meeting has been fixed.

PUBLICATION OF UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditors (so far as the information is available).

After due and careful consideration (including the matters raised by the Auditors in the Letter), the Board is of the view that it would not be appropriate for the Company to publish the unaudited financial results of the Group for the year ended 31 March 2021 at this stage as they may not accurately reflect the financial performance and position of the Group.

POSSIBLE DELAY IN PUBLICATION OF ANNUAL REPORT

Pursuant to Rule 13.46 of the Listing Rules, the Company is required to send to every Shareholder a copy of its annual report including its annual accounts not more than four months after the end of the financial year to which such annual accounts relate, being not more than 31 July 2021, in respect of the financial year ended 31 March 2021.

In light of the time required for the Company to provide further information to the Auditors, it is unlikely that the Company will be able to strictly comply with the aforesaid requirement under Rule 13.46 of the Listing Rules.

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, 23 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