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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)**

## **MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION**

This announcement is made by China Automobile New Retail (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to update the market about the business development of the Group.

### **THE MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 20 September 2019 (after trading hours), the Company and one of the existing shareholders (the “**Potential Vendor**”) of 北京滾雷電子商務有限公司 (literally translated as Beijing Gunlie E-commerce Company Limited) (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”), which is a company incorporated in the People’s Republic of China (the “**PRC**”), entered into a memorandum of understanding (the “**MOU**”). Pursuant to the MOU, the Company intends to acquire, and the Potential Vendor intends to sell, not less than 51 percent of the entire equity interest of the Target Company (the “**Possible Acquisition**”). The Potential Vendor is independent of the Company, its connected persons and their respective associates.

### **INFORMATION ON THE TARGET GROUP**

The Target Group is principally engaged in the business of procuring and importing foreign brand cars into the PRC automobile market. It provides a one-stop service package including car model selection, procurement, warehouse, logistics, financing, 3C certification, and customs clearance and inspection.

## **NON-LEGALLY BINDING EFFECT**

Save for certain provisions relating to confidentiality and governing law, the MOU is not legally binding.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

The Group is principally engaged in (i) manufacturing and trading of plastic and metal household products; (ii) operation of department stores and supermarkets; (iii) wholesale of alcohol, wine and beverages and electrical appliances; (iv) trading and sales of imported cars; and (v) investments holding. The Possible Acquisition, if materialised, would further expand the Company's business in trading and sales of imported cars and thereby enhance the competitive strength of the Group in the imported car industry in the PRC.

## **LISTING RULES IMPLICATIONS**

The Possible Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company will publish further announcement(s) in relation to the Possible Acquisition and comply with all other applicable requirements under the Listing Rules as and when appropriate.

**The Board wishes to emphasize that the MOU is not legally binding and the Possible Acquisition is subject to, among other things, due diligence review on the Target Company by the Company and negotiations on the relevant terms and conditions (including the consideration) which are yet to be finalised. The Possible Acquisition may or may not proceed and potential investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 22 September 2019

*As at the date of this announcement, the Board comprises Mr Li Lixin (Chairman), Mr Tong Shiping, 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.*