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China MeiDong Auto Holdings Limited

中國美東汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1268)

PROFIT WARNING

This announcement is made by China MeiDong Auto Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the profit attributable to equity shareholders of the Company for the six months ended 30 June 2023 (the “**2023 Interim Period**”) is expected to decrease, compared to the six months ended 30 June 2022 (the “**2022 Interim Period**”).

Based on the information currently available, the Board is of the view that the decrease in the profit attributable to equity shareholders of the Company is mainly attributable to (among others) the following factors:

- (1) The recovery in the macroeconomic environment and consumer spending was weaker than expected, gross profit for the 2023 Interim Period is expected to decrease by not more than 30%, compared to that for the 2022 Interim Period;
- (2) In relation to the acquisition of Starchase Motorsports Limited completed in 2022, an amortized cost of approximately RMB77 million for the 2023 Interim Period for the relevant dealership right was recorded, compared to RMB25 million for the 2022 Interim Period.

Affected mainly by the abovementioned factors, the profit attributable to equity shareholders of the Company of the 2023 Interim Period is expected to decrease by approximately 90%, compared to that of the 2022 Interim Period.

Based on the assessment of the unaudited consolidated management accounts of the Group for the 2023 Interim Period, the Board considers that the Group's overall financial position is sound and healthy. The Group will continue to maintain a prudent and stable financial strategy.

As the Company is still in the course of preparing the financial results for the 2023 Interim Period, the information contained in this announcement is only based on the preliminary review of the financial information currently available to the Board and is not based on any information or data that has been audited or reviewed by the auditors or the audit committee of the Company, and thus may be subject to amendments.

The Group's financial results and performance for the 2023 Interim Period will be disclosed in the forthcoming interim results announcement of the Company, which is expected to be published in late August 2023.

Shareholders of the Company and potential investors shall exercise caution when dealing in the securities of the Company.

By Order of the Board
China MeiDong Auto Holdings Limited
YE Fan
Chairman

Hong Kong, 21 August 2023

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. YE Fan (*Chairman*)
Mr. YE Tao (*Chief Executive Officer*)
Ms. LUO Liuyu

Independent Non-executive Directors:

Mr. CHEN Guiyi
Mr. WANG, Michael Chou
Mr. TO Siu Lun