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**潤東汽車**

**China Rundong Auto Group Limited**

**中國潤東汽車集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1365)**

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting of China Rundong Auto Group Limited (the “**Company**”) will be held at Multi-Function Hall, 2/F, G. Garden Hotel, No. 193, Xiehe Road, Changning District, Shanghai, PRC on Thursday, 7 June 2018 at 10:00 a.m. for the following purposes:

As ordinary business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditor of the Company for the year ended 31 December 2017.
2.
  - (a) To re-elect Mr. Mei Jianping as an independent non-executive director of the Company.
  - (b) To re-elect Mr. Lee Conway Kong Wai as an independent non-executive director of the Company.
  - (c) To re-elect Mr. Xiao Zhengsan as an independent non-executive director of the Company.
  - (d) To re-elect Mr. Li Xin as an independent non-executive director of the Company.
  - (e) To authorize the board of directors of the Company to fix the respective directors’ remuneration.
3. To re-appoint Messrs. Ernst & Young as the Company’s auditor and to authorize the board of directors of the Company to fix their remuneration.

4. **“THAT:**

- (a) subject to paragraph 4(b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined in paragraph 4(c) below) all the powers of the Company to repurchase its ordinary shares of US\$0.0000005 each in the capital of the Company (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on another stock exchange on which the shares of the Company may be listed and which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, in accordance with all applicable laws, rules and regulations;
- (b) the total number of the Shares to be repurchased pursuant to the mandate in paragraph 4(a) above shall not exceed 10% of the total number of the Shares in issue as at the date of passing of this resolution; and
- (c) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. **“THAT:**

- (a) subject to paragraph 5(c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined in paragraph 5(d) below) to allot, issue and deal with additional Shares, to grant rights to subscribe for or convert any security into, Shares (including the issue of any securities convertible into Shares, or options, or warrants, or bonds or notes, or debentures or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which would or might require the exercise of such power(s);
- (b) the approval in paragraph 5(a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate number of the Shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph 5(a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined in paragraph 5(d) below);
  - (ii) the exercise of options under a share option scheme of the Company;
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; and
  - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into the Shares, shall not exceed 20% of the total number of the Shares in issue as at the date of passing of this resolution; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares of the Company or an issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the directors to the holders of the Shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of the Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of the Shares representing the total number of the Shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the total number of the Shares in issue as at the date of passing of this resolution.”

By Order of the Board  
**China Rundong Auto Group Limited**  
**Yang Peng**  
*Chairman*

Hong Kong, 27 April 2018

*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more than one proxy to attend and vote for him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 10:00 a.m. (Hong Kong time) on Tuesday, 5 June 2018 or not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. For the purposes of determining shareholders' eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed. Details of such closure are set out below:

Latest time to lodge transfer documents  
for registration 4:30 p.m. on Friday, 1 June 2018

Closure of register of members Monday, 4 June 2018 to Thursday, 7 June 2018,  
both dates inclusive

Record date Thursday, 7 June 2018

During the above closure period, no transfer of Shares will be registered. To be eligible to attend and vote at the Annual General Meeting, all properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than the aforementioned latest time.

In the event that the Annual General Meeting is adjourned to a date later than 7 June 2018 because of bad weather or other reasons, the book closure period and record date for determination of entitlement to attend and vote at the above meeting will remain the same as stated above.

5. Where there are joint holders of any Shares carrying voting rights, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at any meeting the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names of the joint holders appear in the register of members of the Company in respect of the joint holding.
6. Further details concerning items 2, 4, 5 and 6 set out in this notice are set out in the accompanied circular which will be sent to all shareholders of the Company together with the 2017 Annual Report.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

*As at the date of this notice, the executive directors of the Company are Mr. Yang Peng and Mr. Zhao Zhongjie; and the independent non-executive directors are Mr. Mei Jianping, Mr. Lee Conway Kong Wai, Mr. Xiao Zhengsan and Mr. Li Xin.*