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China ZhengTong Auto Services Holdings Limited
中國正通汽車服務控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1728)

MAJOR AND CONNECTED TRANSACTION
THE DISPOSAL OF SHENZHENSHI HUANQI

Financial adviser



Independent financial adviser



DISPOSAL OF 100% OF THE EQUITY INTEREST IN SHENZHENSHE HUANQI AND THE RELATED DEBTS

On 7 January 2026 (after trading hours), the Vendor (an indirect wholly owned subsidiary of the Company) and Shenzhenshi Huianqi (an indirect wholly owned subsidiary of the Company) entered into the Equity Interest Transfer Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire equity interest of Shenzhenshi Huianqi, and the Purchaser also conditionally agreed to accept and bear the Related Debts, for the provisional Disposal Price of approximately RMB803.10 million which is payable by bank transfer. As at the date of this announcement, the Group holds 100% equity interest in Shenzhenshi Huianqi. The principal asset of the Disposal Group is the Shenzhen Property, a parcel of land located at Shenzhen, China.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, ITG Holding is a controlling shareholder of the Company, and Xinda Information is wholly owned by ITG Holding. Xinda Information, as its wholly owned subsidiary, is therefore an associate of ITG Holding and is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements.

FINANCIAL ADVISER AND INDEPENDENT BOARD COMMITTEE

The Company has appointed Huatai as its financial adviser in relation to the Disposal.

The Independent Board Committee comprising all of the Company's independent non-executive Directors has been established to advise on the terms of the Disposal. None of the members of the Independent Board Committee is directly or indirectly interested or involved in the Disposal.

The Company has appointed Somerley as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and Independent Shareholders on the terms of the Disposal and to make recommendation as to voting.

EGM

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the Equity Interest Transfer Agreement, Disposal and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal and valuation of the Shenzhen Property, a letter from the Independent Board Committee, a letter from Somerley to the Independent Board Committee, a notice of the EGM and other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before 25 January 2026.

Completion of the Disposal is subject to the fulfillment of the conditions precedent as set out under the section headed “Conditions Precedent” in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution in dealing in the securities of the Company.

DISPOSAL OF 100% OF THE EQUITY INTEREST IN SHENZHENSHI HUIANQI AND THE RELATED DEBTS

On 7 January 2026 (after trading hours), the Vendor (an indirect wholly owned subsidiary of the Company) and Shenzhenshi Huianqi (an indirect wholly owned subsidiary of the Company) entered into the Equity Interest Transfer Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire equity interest of Shenzhenshi Huianqi, and the Purchaser also conditionally agreed to accept and bear the Related Debts, for the provisional Disposal Price of approximately RMB803.10 million which is payable by bank transfer. As at the date of this announcement, the Group holds 100% equity interest in Shenzhenshi Huianqi. The principal asset of the Disposal Group is the Shenzhen Property, a parcel of land located at Longhua District, Shenzhen, China.

The Equity Interest Transfer Agreement

The principal terms of the Equity Interest Transfer Agreement are as follows:

Date: 7 January 2026

Parties: Xiamen Xinda Information Co., Ltd* (廈門信息信達有限公司)
(as Purchaser)

Goldrich Holdings Limited (as Vendor)

Shenzhenshi Huianqi Investment Advisory Co., Ltd.* (深圳市匯安啟投資諮詢有限公司) (as target company)

* *for identification purpose only*

Subject matter to be disposed:	100% of the equity interest of ShenzhenShi Huianqi and the Related Debts
Consideration:	The provisional Disposal Price is approximately RMB803.10 million.
	The provisional Disposal Price is inclusive of the Related Debts as at 31 March 2025 of approximately RMB353.25 million. The Purchaser agreed to accept and bear the Related Debts as at the end of the Transitional Period, and accordingly, the provisional Disposal Price will be subject to an upward adjustment to reflect any increase of the Related Debts from 31 March 2025 to the end of the Transitional Period.
	The Related Debts as at 30 November 2025 was approximately RMB370.32 million. Assuming Completion takes place on or before 31 March 2026, the Related Debts as at the end of the Transitional Period is not expected to exceed RMB420.00 million.
Payment terms:	<p>The Earnest Money of approximately RMB224.93 million shall be paid by the Purchaser to Xiamen ZhengTong as the Vendor's designated recipient within 10 days of the Board's approval of the Equity Interest Transfer Agreement.</p> <p>The Disposal Price will be payable in two tranches, on the same day, within 10 days of the fulfillment of all conditions precedent:</p> <ul style="list-style-type: none"> (i) a payment of approximately RMB449.85 million shall be paid by the Purchaser to the Vendor by bank transfer, and upon receiving such payment the Vendor shall procure Xiamen ZhengTong to return the Earnest Money to the Purchaser; and (ii) another payment representing the Related Debts, subject to the upward adjustment mentioned above, shall be paid by the Purchaser (on behalf of the Disposal Group) to Wuhan ZhengTong and Xiamen ZhengTong by bank transfer.

Conditions precedent: Completion of the Disposal will be subject to the fulfillment of all of the following conditions precedent:

- (i) the obtaining by the parties to the Equity Interest Transfer Agreement and the Company of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by the Listing Rules, applicable laws and regulations and their respective constitutional document to fulfill the Equity Interest Transfer Document and carry out the transactions contemplated thereunder; and
- (ii) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Equity Interest Transfer Agreement and the transactions contemplated thereunder.

Completion: Completion shall take place on the day the Purchaser completes payment of the full Disposal Price (or such other date as the Vendor and the Purchaser may agree in writing).

The consideration

The provisional Disposal Price of approximately RMB803.10 million was determined upon arm's length negotiations between the Group and Xinda Information. In agreeing to the provisional Disposal Price, the Group had made reference to (i) the consolidated net liability value of Shenzhenshi Huianqi as at 31 March 2025 of approximately RMB39.79 million, (ii) the increase in value of the Shenzhen Property of approximately RMB478.10 million based on the valuation of the Shenzhen Property as at 30 November 2025 at approximately RMB800.00 million as compared to its book value as at 30 November 2025, (iii) the Related Debts to be accepted and borne by the Purchaser, which as at 31 March 2025 was approximately RMB353.25 million, and (iv) the prevailing PRC property market conditions and benefits of the Disposal to the Company (as further elaborated below).

REASONS FOR AND BENEFITS OF THE DISPOSAL

As announced by the Company on 4 August 2023 and on 1 October 2024, the 2023 Disposal Plan did not proceed and the Company had been considering whether or not to undertake a further public tender to dispose of the Disposal Group. The Disposal represents a renewed attempt to dispose of the Disposal Group.

Considering the unprecedented adversity and challenges the traditional automobile dealership industry in China faced in recent years, the Group remains steadfast in its aims to focus on its automobile sales and automobile-related derivative business and has

made various efforts such as transitioning to new energy automobile sector and expanding its international automobile business, and property development is no longer a business the Company prioritises in developing. In addition, given the construction progress of the Shenzhen Property is still at its preliminary stage, it is expected that a material amount of additional development cost will be required. Taking into account the current market conditions and also the cash flow requirements of the Group, the Disposal will improve the Group's capital and debt structure and relieve the Group from the financial burden of incurring further capital expenditure on the development of the Shenzhen Property, so that the Group can focus its resources on the transition, upgrading and sustainable development of the automobile related business. Further, the Disposal will also allow the management to focus more of their time and effort on managing the principal business of the Group.

Having considered the above factors, in particular, the Group's business strategy and development plan and, the financial burden of further development of the Shenzhen Property, the Directors (other than members of the Independent Board Committee, whose view will be given in the letter from the Independent Board Committee to be included in the circular of the Company in respect of the Disposal, after considering the advice of Somerley) are of the view that it is an opportune time to proceed with the Disposal, and that the Disposal Price and other terms of the Equity Interest Transfer Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

Information of the Purchaser

Xinda Information is a company incorporated in PRC with limited liability and is principally engaged in real estate development, operation, services and investments in other industries. Xinda Information is wholly owned by ITG Holding.

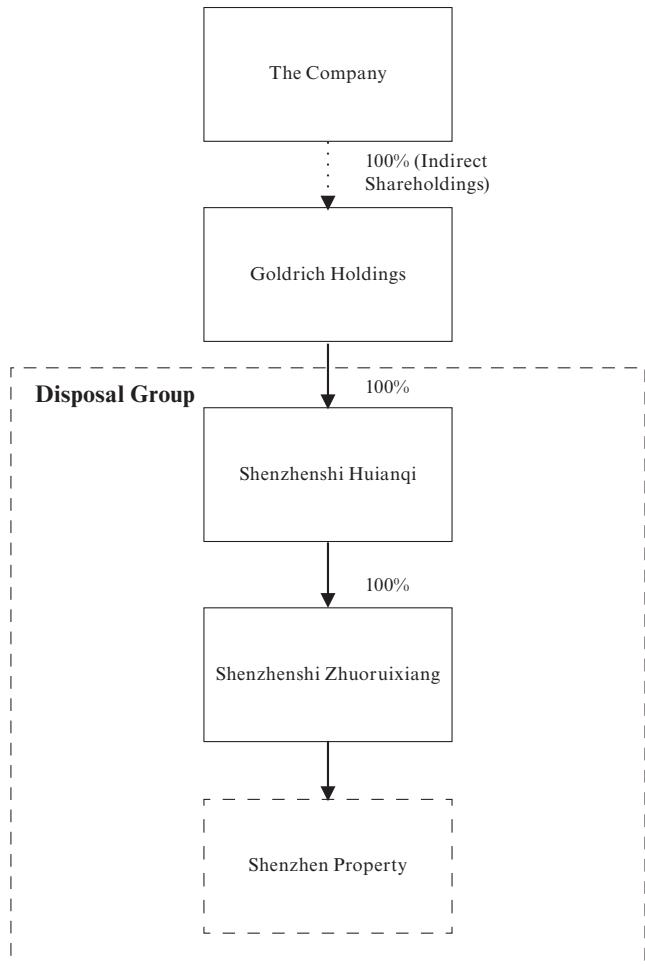
Information of the Group and the Vendor

The Group, comprising the Company and its subsidiaries, is principally engaged in 4S dealership business, automobile supply chain business and comprehensive properties business in the PRC.

Goldrich Holdings is a wholly owned subsidiary of the Company and a private limited company incorporated in Hong Kong. It is principally engaged in investment holding.

Information of the Disposal Group

A simplified shareholding chart of the Disposal Group as at the date of this announcement is as follows:



As at the date of this announcement, each of Shenzhenshi Huianqi and Shenzhenshi Zhuoruixiang is an indirectly wholly-owned subsidiary of the Company and a limited liability company incorporated in the PRC. Shenzhenshi Huianqi is legally registered to be engaged in consulting services. The principal activity of Shenzhenshi Zhuoruixiang is consulting services and it holds the Shenzhen Property, which is the principal asset of the Disposal Group.

The consolidated net liability value of Shenzhenshi Huianqi as at 31 March 2025 was approximately RMB39.79 million.

The consolidated financial information of Shenzhenshi Huianqi for the years ended 31 December 2023 and 2024 and the three months ended 31 March 2025 are set out in the following table:

	For the year ended		For the three months ended
	31 December		31 March
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Loss before tax	1.15	6.34	1.82
Loss after tax	2.33	6.34	1.82

The book value of the Shenzhen Property as at 30 November 2025 was approximately RMB321.90 million. According to the Valuation Report (Shenzhen Property), the valuation of the Shenzhen Property as at 30 November 2025, was approximately RMB800.00 million.

As at 30 November 2025, the Shenzhen Property comprised a parcel of land where the pile foundation construction had been basically completed, and most of the earthwork and foundation pit support engineering had also been finished.

Details of the valuation of the Shenzhen Property will be included in the circular to be despatched to the Shareholders.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

After Completion, the Company will not hold any interest in the Disposal Group, and the companies in the Disposal Group will cease to be subsidiaries of the Company.

The Group expects to record a gain on disposal of approximately RMB34.26 million. The expected gain above is calculated by deducting from provisional Disposal Price of approximately RMB803.10 million the followings: (i) the Related Debts of approximately RMB353.25 million as at 31 March 2025; (ii) the book value of the net assets of Shenzhenshi Huianqi in the Group's consolidated accounts of approximately RMB370.42 million as at 31 March 2025; and (iii) expected income tax and stamp duty expenses arising from the Disposal of approximately RMB45.17 million.

The Company intends to use 60% of the proceeds from the Disposal to repay bank loans of the Group and the remaining 40% of the proceeds to replenish the operation cash flow of the Group, focusing on the expansion of international automobile business and/or the transition to new energy automobile sector.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal is more than 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, ITG Holding is a controlling shareholder of the Company, and Xinda Information is wholly owned by ITG Holding. Xinda Information, as its wholly owned subsidiary, is therefore an associate of ITG Holding and is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements.

As Mr. WANG Mingcheng, Mr. WU Xiaoqiang and Ms. YU Lijie are currently serving roles within the ITG Group, they have abstained from voting on the relevant Board resolutions so as to avoid the perception of a conflict of interest.

FINANCIAL ADVISER AND INDEPENDENT BOARD COMMITTEE

The Company has appointed Huatai as its financial adviser in relation to the Disposal.

The Independent Board Committee comprising all of the Company's independent non-executive Directors has been established to advise on the terms of the Disposal.

The Company has appointed Somerley as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and Independent Shareholders on the terms of the Disposal and to make recommendation as to voting.

EGM

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the Equity Interest Transfer Agreement, Disposal and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal and valuation of the Shenzhen Property, a letter from the Independent Board Committee, a letter from Somerley to the Independent Board Committee, a notice of the EGM and other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before 25 January 2026.

Completion of the Disposal is subject to the fulfillment of the conditions precedent as set out under the section headed “Conditions Precedent” in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are reminded to exercise caution in dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“2023 Disposal Plan”	the original plan to dispose of the entire equity interest of Shenzhenshi Huianqi and the debts owed by the Disposal Group to the Group at the time by way of public tender that did not proceed as disclosed in the Company’s announcement dated 4 August 2023;
“Board”	the board of Directors;
“Company”	China ZhengTong Auto Services Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1728);
“Completion”	the completion of the Disposal pursuant to the terms and conditions under the Equity Interest Transfer Agreement;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of 100% of the equity interest in Shenzhenshi Huianqi by the Vendor to the Purchaser pursuant to the Equity Interest Transfer Agreement where the Purchaser is required to accept and bear the Related Debts;
“Disposal Group”	Shenzhenshi Huianqi and Shenzhenshi Zhuoruixiang;
“Disposal Price”	the provisional amount of RMB803,102,548.86, subject to the adjustment to reflect the increase to the Related Debts during the Transitional Period, payable by the Purchaser to the Group for the Disposal;

“Earnest Money”	the amount of approximately RMB224.93 million, payable by the Purchaser to Xiamen ZhengTong as the Vendor’s designated recipient, and which the Vendor shall procure Xiamen ZhengTong to return to the Purchaser upon receipt of part of the Disposal Price pursuant to the Equity Interest Transfer Agreement;
“EGM”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider, and if thought fit, approve the Disposal;
“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 7 January 2026 in relation to the Disposal entered into between the Vendor, the Purchaser and Shenzhen Huianqi;
“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;
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Company and a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO;
“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in relation to the Equity Interest Transfer Agreement and the Disposal;
“Independent Shareholders”	Shareholder(s) other than (i) ITG Holding and its associates and parties acting in concert with any of them and (ii) any other persons who are involved or interested in the Disposal;
“ITG Group”	ITG Holding and its subsidiaries (excluding the Group);
“ITG Holding”	Xiamen ITG Holding Group Co., Ltd.* (廈門國貿控股集團有限公司), a state-owned enterprise directly controlled by the State-owned Assets Supervision and Administration Commission of Xiamen Municipal People’s Government* (廈門市人民政府國有資產監督管理委員會) and a controlling shareholder of the Company;

“Listing Rules”	The Rules governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	Xinda Information;
“Related Debts”	the debts owed by the Disposal Group to the Group as at the end of the Transitional Period that will be accepted and borne by the Purchaser, and as at 31 March 2025 and 30 November 2025 was approximately RMB353.25 million and approximately RMB370.32 million, respectively;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holders of the ordinary share(s) of HK\$0.1 each in the issued share capital of the Company;
“Shenzhen Property”	the property interests located in Shenzhen held by Shenzhen Shizhong Zhiye with a site area of approximately 31,260.44 square metres for developing into an industrial park, further detail of which will be set out in the circular to be despatched to the Shareholders;
“Shenzhen Shizhong Zhiye”	Shenzhen Shizhong Zhiye Co., Ltd.* (深圳市匯安啟投資諮詢有限公司), a limited liability company incorporated in the PRC;
“Shenzhen Shizhong Zhiye”	Shenzhen Shizhong Zhiye Co., Ltd.* (深圳市匯安啟投資諮詢有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of Shenzhen Shizhong Zhiye;
“Somerley”	Somerley Capital Limited, licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser of the Company to advise the Independent Board Committee and Independent Shareholders on the terms of the Disposal, and to make recommendation as to voting;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transitional Period”	the period from 1 April 2025 and ending on the last day of the calendar month in which Completion takes place;

“Valuation Report (Shenzhen Property)”	the valuation report in respect of the Shenzhen Property prepared by the Valuer;
“Valuer”	Pinetree Advisory and Valuation Limited, an independent valuer with valuation qualifications;
“Vendor” or “Goldrich Holdings”	Goldrich Holdings Limited (啟富集團有限公司), a private limited company incorporated in Hong Kong;
“Wuhan ZhengTong”	Wuhan ZhengTong United Industrial Investment Group Co., Ltd.* (武漢正通聯合實業投資集團有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of the Company;
“Xiamen ZhengTong”	Xiamen ZhengTong Motors Group Co., Ltd.* (廈門正通汽車集團有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of the Company;
“Xinda Information”	Xiamen Xinda Information Co., Ltd.* (廈門信息信達有限公司), a company incorporated in the PRC with limited liability;
“%”	per cent.

* for identification purpose only

For and on behalf of the Board
China ZhengTong Auto Services Holdings Limited
 中國正通汽車服務控股有限公司
HUANG Junfeng
Chairman

7 January 2026

As at the date of this announcement, the Board comprises Mr. HUANG Junfeng (Chairman), Mr. WANG Mingcheng, Mr. SU Yi, Mr. WU Xiaoqiang and Ms. YU Lijie as executive Directors; and Dr. TSUI Wai Ling Carlye, Mr. SHEN Jinjun and Ms. YU Jianrong as independent non-executive Directors.