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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)

CONTINUING CONNECTED TRANSACTIONS IT SERVICES FRAMEWORK AGREEMENT

IT SERVICES FRAMEWORK AGREEMENT

On 1 June 2026, the Company entered into the IT Services Framework Agreement with Xindeco Digital, pursuant to which the Xindeco Digital Group will provide IT Services to the Group for a term commencing on 1 June 2026 until 31 December 2028 (both days inclusive).

LISTING RULES IMPLICATIONS

As at the date of this announcement, ITG Holding is a controlling shareholder of the Company and Xindeco Digital is an associate of ITG Holding by virtue of being a subsidiary of ITG Holding. Accordingly, Xindeco Digital is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the IT Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest annual cap for the transactions contemplated under the IT Services Framework Agreement exceeds HK\$3 million and the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, the transactions are subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Announcement made pursuant to Rule 14A.60(1) of the Listing Rules.

As disclosed in the Announcement, upon completion of the Acquisition (PRC), Xindeco ITG Automobile and its subsidiaries became members of the Group, and the pre-existing continuing transactions between Xindeco ITG Automobile Group, on the one hand, and certain subsidiaries of ITG Holding, on the other hand, have become continuing connected transactions of the Company. These include transactions conducted under the IT Resources Service Framework Agreement.

The Group has in the last financial year, in its ordinary and usual course of business and on normal commercial terms or better, procured IT Services from the ITG Holding Group. Each of these transactions entered into and subsisting immediately prior to the completion of the Acquisition (PRC), whether on a standalone basis or in aggregate over any 12-month period at the time of each transaction, was less than HK\$3 million and the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules were less than 5%. As a result, these transactions constituted de minimis continuing connected transactions under Rule 14A.76(1)(c) of the Listing Rules and were fully exempt from the requirement of reporting, announcement and independent shareholders' approval.

In order to better manage the continuing connected transactions in relation to IT Services between the Group and the ITG Holding Group (which the Group anticipates will exceed the de minimis threshold under the Listing Rules given, among other things, the additional members of the Group being increased after completion of the Acquisition (PRC)), the Company entered into the IT Services Framework Agreement with Xindeco Digital on 1 June 2026, pursuant to which the Xindeco Digital Group will provide IT Services to the Group for a term commencing on 1 June 2026 until 31 December 2028 (both days inclusive).

IT SERVICES FRAMEWORK AGREEMENT

Principal terms

The principal terms of the IT Services Framework Agreement are set out below:

Date

1 June 2026

Parties

- (1) the Company; and
- (2) Xindeco Digital.

Term

From 1 June 2026 to 31 December 2028 (both days inclusive).

Subject Matter

Pursuant to the IT Services Framework Agreement, Xindeco Digital Group shall provide IT Services to the Group. Relevant members of the Group and the Xindeco Digital Group will enter into separate individual agreements in respect of the IT Services in accordance with the terms of the IT Services Framework Agreement and applicable laws and regulations. The IT Services Framework Agreement will govern the IT Resources Service Framework Agreement and agreements relating to the provision of IT Services to the Group which may be entered into during the term of the IT Services Framework Agreement between members of the Xindeco Digital Group and members of the Group.

Pricing policy and other terms

The fees to be charged under the IT Services Framework Agreement shall be determined through arm's length negotiations with reference to the volume and duration of the services required, the manpower and software required by the Group in relation to the provision of the IT Services and the prevailing market prices of the same or similar services or products offered by Independent Third Parties.

The fees payable by the Group to Xindeco Digital Group shall be determined through arm's length negotiations between the relevant parties, taking into account the above factors, and shall not be higher than the fee quotations offered to the Group by Independent Third Parties for providing similar services. Accordingly, the pricing terms will be on normal commercial terms, in line with reasonable market pricing standards and no less favorable to the Group than those offered by Independent Third Parties.

Upon the IT Services Framework Agreement becoming effective, all transactions contemplated under the IT Resources Service Framework Agreement will be covered under the IT Services Framework Agreement, the principal terms of which shall apply to the extent practicable.

Historical Amounts

The total historical amounts of fees paid by the Group (as if the current members of the Group following the Acquisition (PRC) were members of the Group for the three years ended 31 December 2025) to ITG Holding Group for IT Services are set out as follows:

For the year ended	Amount <i>(RMB million)</i>
31 December 2023	0
31 December 2024	0.01
31 December 2025	3.43

Annual Caps

The proposed annual caps for the IT Services Framework Agreement (which include fees paid under the IT Resources Service Framework Agreement following the Acquisition (PRC)) for each of the three years ending 31 December 2028 are as follows:

For the year ending	Amount <i>(RMB million)</i>
31 December 2026	9*
31 December 2027	9*
31 December 2028	9*

* Among which, the maximum aggregate annual amount of fees to be paid for technical development services shall be capped at RMB4 million the maximum aggregate annual amount of fees to be paid for system maintenance services shall be capped at RMB4.5 million and the maximum aggregate annual amount of fees to be paid for procurement of other items shall be capped at RMB0.5 million.

The above annual caps were determined with reference to the historical transaction amounts in respect of the IT Services, estimated future demand taking into account the newly acquired Xindeco ITG Automobile Group, bases of charging for similar services by Independent Third Parties, the Group's need to upgrade and digitize its management and operational systems to enhance competitiveness in light of increasingly stringent PRC regulatory requirements on information security, inflation and prevailing market rates.

Internal Control Policy

To ensure that the transactions contemplated under the IT Services Framework Agreement adhere to normal commercial terms or better and that the transaction amounts do not exceed the annual caps, the Company has implemented the following internal control procedures:

1. Before entering into separate individual agreements under the IT Services Framework Agreement, the relevant personnel of the Group will review and assess the terms of the relevant agreements to ensure that they are consistent with the principles and provisions set out in the IT Services Framework Agreement. In addition, the Group will obtain fee quotations for the IT Services from Independent Third Parties to ensure that the fees to be charged by the Xindeco Digital Group are at reasonable market standards and will not be higher than the fee quotations offered to the Group by Independent Third Parties.
2. The finance department of the Group will consistently record and monitor the amounts of the transactions conducted under the IT Services Framework Agreement to ensure that the applicable annual caps are not exceeded.
3. The Company's external auditor, as well as the independent non-executive Directors, will perform an annual review of the continuing connected transactions for the preceding financial year in accordance with the Listing Rules.

GENERAL INFORMATION

The Group is principally engaged in 4S dealership business, automotive supply chain business and comprehensive properties business in the PRC.

ITG Holding is a state-owned enterprise directly controlled by the State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government and a controlling shareholder of the Company. It is a Fortune Global 500 Company with operations in commodity trading, circulation automobile trading, logistics business, commodity retail business and other businesses.

Xiamen Xindeco is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000701.SZ). It is principally engaged in digital technology, electronic technology and supply chain businesses. As at the date of this announcement, to the best knowledge, information and belief of the Company, Xiamen Xindeco is owned as to approximately 40.38% by ITG Holding.

Xindeco Digital is a wholly-owned subsidiary of Xiamen Xindeco and is primarily engaged in digital intelligence solutions, smart transportation, smart parks and data operation-related services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE IT SERVICES FRAMEWORK AGREEMENT

Following the Acquisition (PRC), the Group requires specialized IT services to integrate the business systems and data architecture of the Xindeco ITG Automobile Group and to support ongoing system migration and upgrades. With its strong expertise in digital intelligence solutions and data operations, Xindeco Digital is well-positioned to provide these services. Engaging Xindeco Digital will safeguard operational continuity, reduce transition risks, and strengthen the Group's internal technical capabilities.

In addition, the transactions contemplated under the IT Services Framework Agreement are expected to be recurrent in nature and to occur on a regular and continuing basis in the ordinary and usual course of business of both the Xindeco Digital Group and the Group. The IT Services Framework Agreement is intended to streamline the continuing connected transactions between members of the Xindeco Digital Group and members of the Group. It provides a single basis on which the Company will comply with the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules, thereby reducing the administrative burden and costs on the Company in relation to the execution of agreements for the provision of the IT Services.

The Directors (including the independent non-executive Directors) are of the view that the terms of the IT Services Framework Agreement and the annual caps are fair and reasonable, the transactions contemplated under the IT Services Framework Agreement are on normal commercial terms and the entering into of the IT Services Framework Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

As Mr. WANG Mingcheng, Mr. WU Xiaoqiang and Ms. YU Lijie are currently serving roles within the ITG Holding Group, and Mr. HUANG Junfeng and Mr. WANG Mingcheng have, respectively, a 0.02% and 0.03% shareholding interest in Xiamen Xindeco as at the date of this announcement, they have abstained from voting on the relevant Board resolutions so as to avoid the perception of a conflict of interest. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the IT Services Framework Agreement and no Director has abstained from voting on the relevant resolutions of the Board.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ITG Holding is a controlling shareholder of the Company and Xindeco Digital is an associate of ITG Holding by virtue of being a subsidiary of ITG Holding. Accordingly, Xindeco Digital is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the IT Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

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DEFINITIONS

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

“Acquisition (PRC)”	the acquisition of 100% of the equity interest of Xindeco ITG Automobile pursuant to the sale and purchase agreement dated 5 December 2025 entered into between Xiamen ZhengTong as purchaser and Xiamen Xindeco as seller
“Announcement”	the announcement of the Company dated 12 March 2026 made pursuant to Rule 14A.60(1) of the Listing Rules in relation to the continuing connected transactions between Xindeco ITG Automobile Group, on the one hand, and certain subsidiaries of ITG Holding, on the other hand
“Board”	the board of Directors
“Company”	China ZhengTong Auto Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1728.HK)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and is(are) not a connected person (connected persons) of the Company

“IT Resources Service Framework Agreement”	the agreement entered into between Xindeco ITG Automobile and Xindeco Digital on 1 December 2025, pursuant to which Xindeco Digital agreed to provide information technology-related services to Xindeco ITG Automobile Group, including but not limited to the supply of information technology equipment, the provision of information technology software and related services, and other information technology services
“IT Services”	information technology related services, comprising: <ul style="list-style-type: none"> (i) technical development services, including cloud office and AI security services; (ii) system maintenance services, covering basic information systems (EHR, case management, website portal) and system migration; and (iii) procurement of other items, including hardware such as office computers
“IT Services Framework Agreement”	the framework agreement entered into between the Company and Xindeco Digital on 1 June 2026 in relation to the provision of the IT Services by the Xindeco Digital Group to 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
“ITG Holding Group”	ITG Holding and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xiamen Xindeco”	Xiamen Xindeco Ltd.* (廈門信達股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000701.SZ)
“Xindeco Digital”	Xiamen Xindeco Digital Intelligence Technology Co., Ltd.* (廈門信達數智科技有限公司), a company incorporated in the PRC with limited liability
“Xindeco Digital Group”	Xindeco Digital and its subsidiaries
“Xindeco ITG Automobile”	Xiamen Xindeco ITG Automobile Group Co., Ltd.* (廈門信達國貿汽車集團股份有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of the Company
“Xindeco ITG Automobile Group”	Xindeco ITG Automobile and its subsidiaries
“%”	per cent

* *As at the date of this announcement, the English names of entities incorporated in the PRC are for identification purpose only.*

By order of the Board
China ZhengTong Auto Services Holdings Limited
HUANG Junfeng
Chairman

1 June 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.