

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

US DENOMINATED SENIOR NOTES DUE 2022

(Stock Code: 40132)

INSIDE INFORMATION ANNOUNCEMENT

DISPOSAL OF SHARES BY THE CONTROLLING SHAREHOLDER

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

The Company was informed by Joy Capital Holdings Limited (“**Joy Capital**”), the controlling shareholder of the Company (as defined under the Listing Rules), which holds 1,383,516,820 shares of the Company (the “**Shares**”) (representing approximately 51.29% of the total issued Shares as of the date of this announcement), that on 19 October 2020, Joy Capital and Mr. Wang Muqing entered into a sale and purchase agreement with Xiamen Xindeco Ltd. (廈門信達股份有限公司) (the “**Purchaser**”) (the “**SPA**”), pursuant to which Joy Capital conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, Shares carrying 29.9% of the voting rights of the total issued Shares, equivalent to 806,535,284 Shares as of the date of this announcement (the “**Transaction**”) at a consideration of HK\$1,403,371,394 (representing approximately HK\$1.74 per Share). The completion of the Transaction is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the SPA.

Upon completion of the Transaction, the Purchaser shall become the single largest shareholder of the Company. The Purchaser is a company established in the People's Republic of China with its shares listed on the Shenzhen Stock Exchange (Stock Code: 000701). The Purchaser is principally engaged in information technology, automobile trading and supply chain businesses. The Purchaser will become a strategic investor of the Company and the Company expects such relationship to provide synergies and significant opportunities for the Group to further develop the business of the Group.

The completion of the Transaction is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the SPA, and the Transaction may or may not proceed. Shareholders and other investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of the Board of Directors of
China ZhengTong Auto Services Holdings Limited
中國正通汽車服務控股有限公司
WANG Kunpeng
Chief Executive Officer and Executive Director

Hong Kong, 20 October 2020

As at the date of this announcement, the Board comprises Mr. WANG Muqing (Chairman), Mr. WANG Kunpeng, Mr. LI Zhubo and Mr. WAN To as executive Directors; and Dr. WONG Tin Yau, Kelvin, Dr. CAO Tong and Ms. WONG Tan Tan as independent non-executive Directors.