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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS AND CONTINUED SUSPENSION OF TRADING

This announcement is made by China ZhengTong Auto Services Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the composite offer and response document jointly issued by the Company and Xinda Motors Co., Limited (the "**Offeror**") dated 9 June 2025 in relation to, among others, the Offer (the "**Composite Document**"); (ii) the joint announcement of the Company and the Offeror dated 30 June 2025 in relation to, among others, the results of the Offer and the suspension of trading of the shares of the Company on the Stock Exchange; (iii) the announcement of the Company dated 1 August 2025 in relation to the resumption guidance from the Stock Exchange; (iv) the announcement of the Company dated 19 September 2025 in relation to the grant of waiver from strict compliance with the minimum public float requirement; (v) the announcement of the Company dated 30 September 2025 in relation to the quarterly update on resumption progress; (vi) the announcement of the Company dated 31 December 2025 in relation to the quarterly update on resumption progress and application for a further waiver from strict compliance with the minimum public float requirement (the "**December Quarterly Update Announcement**"); (vii) the announcement of the Company dated 13 March 2026 in relation to the grant of a further waiver from strict compliance with the minimum public float requirement (the "**Waiver Announcement**"); and (viii) the announcement of the Company dated 31 March 2026 in relation to the quarterly update on resumption progress (the "**March Quarterly Update Announcement**").

Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

UPDATE ON BUSINESS OPERATIONS

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

As at the date of this announcement, despite the suspension of trading of the shares of the Company on the Stock Exchange, the Group remains focused on the operation of mid-to-high-end automotive brands, and has comprehensively enhanced its operational quality by optimizing the management structure of its automobile dealership business, vigorously promoting the transformation to new energy brands, closing and restructuring underperforming stores, strengthening centralized procurement, and enhancing digital management capabilities.

The Company has completed the disposal of 100% of the equity interest in Shenzhenshi Huianqi Investment Advisory Co., Ltd.* (深圳市匯安啟投資諮詢有限公司) on 19 May 2026. The disposal improved the Group's capital and debt structure and relieved the Group from the financial burden of incurring further capital expenditure on a property development in Shenzhen. For further details, please refer to the Company's announcements dated 7 January 2026 and 19 May 2026, and the Company's circular dated 23 January 2026.

Further, on 22 June 2026, the Shareholders approved the commencement of the bulk commodity derivatives hedging business. It is expected that by implementing the bulk commodity derivatives hedging business, the Company can better manage and mitigate uncertainties of commodities trading fluctuations on the Group's operations, and in turn strengthen the Group's long-term strategic business objectives.

UPDATE ON RESUMPTION PROGRESS

As stated in the December Quarterly Update Announcement and March Quarterly Update Announcement, (i) the Company has been informed by the Offeror that it intends to place down and/or sell the shares it acquired from the Offer to selected independent third party(ies) in order to restore the minimum public float of the Company and has appointed China International Capital Corporation Hong Kong Securities Limited as its financial adviser to assist in this regard; and (ii) the Company has also been identifying opportunities to place out new shares with a view to restoring the minimum public float of the Company.

On 30 June 2026, the Company has entered into a placing agreement (the "**Placing Agreement**") with Fortune (HK) Securities Limited in relation to a placing to not less than six independent placees on a best effort basis of up to 2,203,531,500 new Shares (the "**Placing Shares**") (the "**Placing**"). Assuming all Placing Shares are fully placed, public shareholders will hold approximately 25.65% of the Company's total issued Shares (as enlarged by the allotment and issue of the Placing Shares and assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue of the Placing Shares). The Placing is therefore expected to facilitate the resumption of trading of Shares by increasing the public float of the Company, on top of increasing the financial flexibility of the Group by tapping the market for funds. For further details, please refer to the Company's announcement dated 30 June 2026 titled "Placing of New Shares under Specific Mandate".

For the reasons set out above, the Offeror and the Company require additional time to implement the proposed measures, including Placing which requires Shareholders' approval at an extraordinary general meeting, to restore the Company's public float. The Offeror and the Company remain committed to restoring the public float as soon as practicable.

EXPIRATION AND FURTHER APPLICATION OF WAIVER

As stated in the Waiver Announcement, the Stock Exchange has granted the Company a waiver from strict compliance with the minimum public float requirement under Rule 13.32B for the period from 1 January 2026 to 30 June 2026. In view of the execution of the Placing Agreement, the Company will make a further application to the Stock Exchange for a waiver from strict compliance with the minimum public float requirement under Rule 13.32B pending the restoration of public float.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 July 2025 and will remain suspended until further notice. Further announcement(s) will be made by the Company regarding the restoration of the public float as and when appropriate pursuant to the Listing Rules.

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

Hong Kong, 30 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.

* *For identification purposes only*