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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
PROPERTY LEASE AND SERVICES FRAMEWORK AGREEMENT

PROPERTY LEASE AND SERVICES FRAMEWORK AGREEMENT

On 16 July 2026, the Company entered into the Property Lease and Services Framework Agreement with ITG Holding, pursuant to which the ITG Holding Group agreed to lease the Properties and provide related Property Services to the Group for a term commencing on 16 July 2026 and ending on 15 July 2027 (both days inclusive).

LISTING RULES IMPLICATIONS

ITG Holding is the controlling shareholder of the Company, holding approximately 90.71% of the total number of issued shares of the Company as at the date of this announcement. Accordingly, ITG Holding is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Property Lease and Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Property Lease and Services Framework Agreement exceeds 0.1% but is less than 5%, the Property Lease and Services Framework Agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirement 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.

The Group has been leasing various premises and procuring related Property Services from the ITG Holding Group in its ordinary and usual course of business on normal commercial terms or better.

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 Lease Agreements, which have already expired or are due to expire imminently as at the date of this announcement.

As the Lease Agreements have already expired or are due to expire imminently and the number of premises to be leased by the Group and the associated rent/service fees payable are expected to increase (given, among other things, the addition of new members to the Group following completion of the Acquisition (PRC)), the Company entered into the Property Lease and Services Framework Agreement with ITG Holding on 16 July 2026 to govern the Property Lease and Services Transactions in relation to the Properties for a term of one year commencing from 16 July 2026 and ending on 15 July 2027 (both days inclusive).

PROPERTY LEASE AND SERVICES FRAMEWORK AGREEMENT

Principal terms

The principal terms of the Property Lease and Services Framework Agreement are set out below:

Date

16 July 2026

Parties

(1) the Company; and

(2) ITG Holding.

Term

The term of the Property Lease and Services Framework Agreement shall be one year commencing from 16 July 2026 and ending on 15 July 2027 (both days inclusive).

Subject Matter

Pursuant to the Property Lease and Services Framework Agreement, the ITG Holding Group agreed to lease the Properties and provide related Property Services to the Group.

Relevant members of the Group and relevant members of the ITG Holding Group shall enter into Specific Agreements in respect of each Property Lease and Services Transaction in accordance with the terms of the Property Lease and Services Framework Agreement, the Listing Rules and applicable laws.

Pricing Policy

The rent and service fees payable by the Group to the ITG Holding Group under each Specific Agreement shall be determined after arm's length negotiations, with reference to the following factors: (i) the nature and attributes of the relevant premises; (ii) the location of the relevant premises; (iii) the size of the relevant premises; (iv) the prevailing market rental rates and service fees for comparable premises with similar attributes in the surrounding areas, including those offered to the Group by Independent Third Parties; and (v) the business to be carried on at the premises and the renovation costs and other expenses already invested by the Group in the premises, if any.

To ensure that the rent and service fees payable under each Specific Agreement are on normal commercial terms and no less favorable to the Group than those offered by Independent Third Parties, taking into account the above factors, the Group will adopt the following procedures prior to entering into each Specific Agreement:

(i) conduct a market search for comparable rental transactions in respect of the same premises, premises in the same building, or premises in the neighboring area with similar attributes (and where such transaction data is not available, refer to real estate industry publications or publicly available data sources describing rental and service fee price trends in the relevant areas); and

(ii) compare such prevailing market rents and service fees (or, where applicable, rental and service fee price trends) with the rent and service fees payable under the relevant Specific Agreement to ensure that the terms offered by the ITG Holding Group are no less favorable than terms available from Independent Third Parties.

Historical Amounts

The total historical amounts of rent and service 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 the ITG Holding Group are set out as follows:

For the year ended	Amount *(RMB million)*
31 December 2023	8.3
31 December 2024	10.39
31 December 2025	12.6

Annual Cap

The proposed annual cap for the Property Lease and Services Transactions contemplated under the Property Lease and Services Framework Agreement for the period from 16 July 2026 to 15 July 2027 is RMB20 million.

As the Specific Agreements under the Property Lease and Services Framework Agreement are short-term leases with a lease term of 12 months or less, the Group has elected not to recognize right-of-use assets and lease liabilities for these leases. Instead, the lease payments associated with these leases will be recognized as expenses over the lease term.

The above annual cap was determined with reference to the historical transaction amounts between the Group and the ITG Holding Group in respect of the leasing of the Properties and the provision of related Property Services, the terms of the Existing Property Lease and Services Transactions, the expected prevailing market rentals and service fees at the time of renewal of the Existing Property Lease and Services Transactions and the estimated rentals and service fees for new Property Lease and Services Transactions to be entered into during the term of the Property Lease and Services Framework Agreement.

Internal Control Policy

In addition to the procedures described in the section headed Pricing Policy above, the Company has adopted the following internal control procedures to ensure that the Property Lease and Services Transactions contemplated under the Property Lease and Services Framework Agreement adhere to normal commercial terms or better and that the transaction amounts do not exceed the annual cap:

1. The administrative and finance department of the Group will consistently record and monitor the amounts of the Property Lease and Services Transactions conducted under the Property Lease and Services Framework Agreement to ensure that the applicable annual cap is not exceeded.

2. 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 the 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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY LEASE AND SERVICES FRAMEWORK AGREEMENT

The Group has been leasing various Properties and procuring Property Services from the ITG Holding Group in its ordinary and usual course of business. In particular, certain Properties are used by the Group as 4S store premises and office spaces. The entering into of the Property Lease and Services Framework Agreement will enable the Group to continue occupying and utilizing these premises and to procure Property Services from a reliable provider, thereby maintaining stable business operations and avoiding the relocation and renovation costs that would otherwise be incurred. Furthermore, following completion of the Acquisition (PRC), the number of premises to be leased by the Group and the corresponding rent and service fees payable are expected to increase. The Property Lease and Services Framework Agreement will accordingly provide a framework to regulate and facilitate the monitoring of Property Lease and Services Transactions between the Group and the ITG Holding Group, ensuring the fairness and reasonableness of such transactions.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Property Lease and Services Framework Agreement and the annual cap are fair and reasonable, the transactions contemplated under the Property Lease and Services Framework Agreement are on normal commercial terms and the entering into of the Property Lease and 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, 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 Property Lease and Services Framework Agreement and no Director has abstained from voting on the relevant resolutions of the Board.

LISTING RULES IMPLICATIONS

ITG Holding is the controlling shareholder of the Company, holding approximately 90.71% of the total number of issued shares of the Company as at the date of this announcement. Accordingly, ITG Holding is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Property Lease and Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Property Lease and Services Framework Agreement exceeds 0.1% but is less than 5%, the Property Lease and Services Framework Agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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
"Existing Property Lease and Services Transactions"	the Property Lease and Services Transactions in respect of the Properties entered into between the Group and the ITG Holding Group prior to the date of the Property Lease and Services Framework Agreement, the lease terms of which fall within the term of the Property Lease and Services Framework Agreement (but excluding those conducted under lease agreements disclosed in the Announcement that expire after 15 July 2027)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huadong Industrial (Xiamen)"	Huadong Industrial Xiamen Co., Ltd.* (華東實業(廈門)有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of ITG Holding
"Independent Third Party(ies)"	third party(ies) independent of the Company and is(are) not a connected person (connected persons) of the Company
"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 the 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
"Lease Agreements"	Property Lease Agreement A and Parking Space Lease Agreement A

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Parking Space Lease Agreement A"	the agreement entered into between Xindeco ITG Automobile and Xiamen Shuncheng on 21 July 2025, pursuant to which Xiamen Shuncheng agreed to lease to Xindeco ITG Automobile a total of 30 parking spaces on the second underground floor of No. 669 Sishui Road for a period from 21 July 2025 to 20 July 2026
"PRC"	the People's Republic of China
"Properties"	properties owned by the ITG Holding Group, including without limitation, 4S store premises, office premises and car parking spaces
"Property Lease Agreement A"	the agreement entered into between Xindeco ITG Automobile and Huadong Industrial (Xiamen) on 8 April 2019, pursuant to which Huadong Industrial (Xiamen) agreed to lease to Xindeco ITG Automobile the property located at No.610 Nanshan Road, Huli District, including the first-floor premises with an area of 670 square meters, the steel structure exhibition hall with a floor area of 2,750 square meters and the site with an area of 1,200 square meters, totaling 4,620 square meters, along with the ancillary facilities and equipment for a period from 1 January 2019 to 30 June 2026
"Property Lease and Services Framework Agreement"	the framework agreement dated 16 July 2026 entered into between the Company and ITG Holding in relation to the leasing of the Properties and the provision of related Property Services by the ITG Holding Group to the Group
"Property Lease and Services Transactions"	the property lease and services transactions contemplated under the Property Lease and Services Framework Agreement, including the Existing Property Lease and Services Transactions and any subsequent property lease and services transactions to be entered into between the Group and the ITG Holding Group during the term of the Property Lease and Services Framework Agreement
"Property Services"	property management and ancillary services in respect of the Properties, including without limitation, utilities support services, conference facility services and temporary car parking services
"RMB"	Renminbi, the lawful currency of the PRC

"Specific Agreements"	the specific individual agreements that have been or may be entered into between relevant members of the Group and relevant members of the ITG Holding Group in relation to the Property Lease and Services Transactions, in accordance with the terms of the Property Lease and Services Framework Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Xiamen Shuncheng"	Xiamen Shuncheng Asset Management Co., Ltd.* (廈門順承資產管理有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of ITG Holding
"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), and a subsidiary of ITG Holding
"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 subsidiary of the Company
"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 purposes only.*

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

16 July 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.