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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)

US\$ DENOMINATED SENIOR NOTES DUE 2022

(Stock Code: 40132)

TERMINATION OF THE SUBSCRIPTION AGREEMENT: DEEMED DISPOSAL OF INTEREST AT SUBSIDIARY LEVEL AND CONNECTED TRANSACTION

Reference is made to the announcements of China ZhengTong Auto Services Holdings Limited (“**Company**”) dated 1 July 2019 (“**July 2019 Announcement**”), 7 August 2019, 30 September 2019, 2 January 2020 and 30 June 2020 (“**June 2020 Announcement**”) respectively in connection with the deemed disposal of interest at subsidiary level and the related connected transaction.

Unless otherwise stated, capitalized terms in this announcement shall have the same meanings as those defined in the July 2019 Announcement.

Pursuant to the terms and conditions of the Subscription Agreement (as amended by three extension agreements entered into between the parties on 30 September 2019, 31 December 2019 and 30 June 2020 respectively), completion of the subscription is conditional upon fulfillment (or, where applicable, waiver by Subscriber B) of the Closing Conditions on or before 31 December 2020 (or such later date as may be agreed between the parties), failing which the Subscription Agreement shall lapse and be of no further effect.

As at 31 December 2020, certain Closing Conditions, including the demerger of Wuhan United (Old) and the Target Group Restructuring remained incomplete. Having taken into account the current market conditions and the announcements made by the company since July 2020, the Company considered that it would be in the interest of the Company to terminate the transactions contemplated under Subscription Agreement.

On 31 December 2020, Targetco, Subscriber A, Subscriber B and the Company entered into a termination agreement, pursuant to which the parties thereto agreed to terminate the Subscription Agreement with effect from 31 December 2020. The Subscription Agreement has accordingly lapsed and has no further effect (save for certain provisions under the Subscription Agreement), and no party to the Subscription Agreement shall have any claim against the other parties, save in respect of any antecedent breaches of the Subscription Agreement.

The Board considers that the termination of the Subscription Agreement has no material adverse impact on the existing business or financial position of the Group.

By order of the Board
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, 4 January 2021

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.