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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)

INSIDE INFORMATION ANNOUNCEMENT

UPDATE IN RESPECT OF ADMINISTRATIVE DECISION FROM SHANGHAI OFFICE OF CHINA BANKING AND INSURANCE REGULATORY COMMISSION

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 “**Stock Exchange**”) (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).

Reference is made to the announcements of the Company dated 7 December 2020 and 3 February 2021 in relation to, among others, the administrative decision from the Shanghai office of the CBIRC (the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Company has filed an application for administrative review of the CBIRC Decision on 18 December 2020. On 22 February 2021, the Company received the administrative review decision (the “**Review Decision**”) from the CBIRC and the CBIRC has upheld the CBIRC Shanghai Office’s Decision.

Under the applicable laws in the PRC, the Company is entitled to filing an application for an administrative lawsuit within 15 days upon receiving the Review Decision (i.e. no later than 9 March 2021). After seeking legal advice in relation to the CBIRC Decision and the Review Decision and having due and careful consideration, the Company has determined not to file an application for an administrative lawsuit on the following basis: (1) according to the PRC legal advisers, the chance of succeed in an administrative lawsuit against CBIRC is fundamentally low; (2) the Company has already fully stated its grounds in the application for administrative review of the CBIRC Decision, including, among others, the legality of the establishment of Dongzheng, the Application was in compliance with the relevant legal requirements, and all relevant administrative permissions were properly obtained, as mentioned in the Announcements; and (3) having an administrative lawsuit against CBIRC might affect the introduction of Xiamen Xinde Co. Ltd. (廈門信達股份有限公司) as strategic investor of the Company (details of which please refer to the announcement of the Company dated 20 October 2020). Accordingly, the Company will continue to proceed with the Potential Disposal. As at the date of this announcement, no definitive agreements have been entered by the Company in respect of the Potential Disposal, and the discussion and negotiation are still in progress. The Board will make further announcement as and when necessary in compliance with the Listing Rules and applicable laws.

Shareholders and potential 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, 9 March 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.