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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)

(1) CHANGE OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER; RESIGNATION OF VICE CHAIRMAN; AND APPOINTMENT OF MEMBER OF REMUNERATION COMMITTEE
(2) VOLUNTARY ANNOUNCEMENT IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE FROM A CONNECTED PERSON

CHANGE OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER; RESIGNATION OF VICE CHAIRMAN; AND APPOINTMENT OF MEMBER OF REMUNERATION COMMITTEE

The Board hereby announces that with effect from 17 September 2021 (after trading hours):

1. Mr. Wang Kunpeng has resigned as an executive Director, the chief executive officer and the vice chairman of the Board;
2. Mr. Wang Ming Cheng, the chairman of the Board and an executive Director, has been appointed as the chief executive officer of the Company; and
3. Mr. Li Zhi Huang has been appointed as an executive Director and a member of the Remuneration Committee.

PROVISION OF FINANCIAL ASSISTANCE BY ITG HOLDING, A CONNECTED PERSON

The Board would further announce that on 17 September 2021, the Company entered into a Financial Assistance Agreement with ITG Holding, pursuant to which ITG Holding will provide comprehensive financial support to the Company including liquidity fund of a certain amount, in accordance with the financial position of ITG Holding and upon application by the Company.

ITG Holding is the largest shareholder of the Company, holding about 29.9% of the total issued share capital of the Company as at the date of this announcement. As ITG Holding is a connected person of the Company under Chapter 14A of the Listing Rules, the Financial Assistance Agreement and the transactions contemplated thereunder constitute connected transactions for the Company. As the Financial Assistance is provided to the Group for its benefit and on normal commercial terms or better, and no security over assets of the Group is given in favour of ITG Holding in respect of the Financial Assistance, such connected transactions are exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

Reference is made to the announcements of China Zhengtong Auto Services Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in relation to, among others, the change of directors (the “**Directors**”) of the Company and change of composition of board committees dated 31 August 2021 (the “**August Announcement**”) and the change of chairman of the board (the “**Board**”) of Directors and various senior management members dated 9 September 2021. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the August Announcement.

CHANGE OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER AND RESIGNATION OF VICE CHAIRMAN

As disclosed in the August Announcement, Mr. Wang Kunpeng has submitted his resignation as an executive Director and a vice chairman of the Board and his position as an executive Director will be taken up by Mr. Li Zhi Huang.

Upon completion of the procedural requirements of the Company relating to the change of executive Director taken place in advance, the Board announces that Mr. Wang Kunpeng has resigned as an executive Director, the vice chairman of the Board and the chief executive officer of the Company; and Mr. Li Zhi Huang has been appointed as an executive Director, both with effect from 17 September 2021 (after trading hours). On the same date, Mr. Wang Ming Cheng, the chairman of the Board and an executive Director, has been appointed as the chief executive officer of the Company.

For the biographical details and other relevant information of Mr. Wang Ming Cheng and Mr. Li Zhi Huang, please refer to the August Announcement.

Mr. Wang Kunpeng has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited and/or the shareholders of the Company.

The Board would like to express its sincere gratitude to Mr. Wang Kunpeng for his major contribution to the Company since its listing. Since the pandemic outbreak last year, Mr. Wang Kunpeng effectively addressed various risks and successfully kept internal and external major stakeholders' confidence in the Company. As leader, he is perseverant and responsible, loyal and dedicated when facing the pandemic, which led to a significant improvement in the Company's operation results in the first half of the year. The Board would like to take this opportunity to express its gratitude to Mr. Wang Kunpeng for his major contribution to the Company during his tenure of office.

APPOINTMENT OF MEMBER OF REMUNERATION COMMITTEE

As disclosed in the August Announcement, Mr. Li Zhi Huang will be appointed as a member of the Remuneration Committee. Upon completion of the procedural requirements of the Company taken place in advance, the Board is pleased to announce that with effect from 17 September 2021 (after trading hours), Mr. Li Zhi Huang has been appointed as a member of the Remuneration Committee. Following the appointment of Mr. Li Zhi Huang as a member of the Remuneration Committee, the Remuneration Committee comprises three Directors in compliance with its terms of reference.

PROVISION OF FINANCIAL ASSISTANCE BY ITG HOLDING, A CONNECTED PERSON

The Board would further announce that on 17 September 2021, the Company entered into an agreement (“**Financial Assistance Agreement**”) with 廈門國貿控股集團有限公司 (ITG Holding Group Co., Ltd.) (“**ITG Holding**”), pursuant to which ITG Holding will provide comprehensive financial support (“**Financial Assistance**”) to the Company including liquidity fund of a certain amount, in accordance with the financial position of ITG Holding and upon application by the Company.

The Financial Assistance

The principal terms of the Financial Assistance Agreement are summarized below:

Date of the Financial Assistance Agreement: 17 September 2021

Provider of Financial Assistance: ITG Holding (for itself and on behalf of its subsidiaries)

Recipient of Financial Assistance:	the Company (for itself and on behalf of its subsidiaries)
Availability Period:	the period commencing on the date of the Financial Assistance Agreement and ending on the date falling 12 months thereafter
Purpose of the Financial Assistance:	Used for the construction of new stores of the Group, brand acquisition, optimizing financing structure and other business matters, strengthening the financial position and providing additional working capital
Pledge for the Financial Assistance:	No asset of the Group is provided as security

Reasons for and benefits of the Financial Assistance

As disclosed in the annual report for the year 2020 and the announcement for the interim results for the six months ended 30 June 2021, the Group has formulated short-term, medium-term and long-term and targeted development strategies based on the operational status, and will accelerate the process of transformation and upgrading, continue to optimize internal management, and to improve operational efficiency.

Following the completion of disposal of shares of the Company by Joy Capital to ITG Holding on 31 August 2021, ITG Holding has become the largest shareholder of the Company, and after the changes of various senior management members of the Company, strategic and operating supports from and synergy effects brought by ITG Holding will be given to the Group which are expected to strengthen the management of the Group and the development of the Group's businesses by leveraging on the market scale, network and financial strength of ITG Holding.

ITG Holding is a Fortune Global 500 Company with operations in commodity trading, circulation automobile trading, logistics business, commodity retail business and others.

The Directors (including the independent non-executive Directors) consider that the Financial Assistance is financial support from the largest shareholder of the Company, which will strengthen the financial position and provide additional working capital to the Group. The Financial Assistance Agreement are more favourable than those offered to the Group by independent third party banks and financial institutions in Mainland China and Hong Kong. The Financial Assistance Agreement has been entered into after arm's length negotiations between the Company and ITG Holding, which terms and conditions are on normal commercial terms or better and are fair and reasonable. In addition, the Financial Assistance is provided to the Group on an unsecured basis. For the above

reasons, the Directors (including the independent non-executive Directors) consider that the Financial Assistance Agreement and the transactions contemplated thereunder are in the best interests of the Company and its shareholders as a whole.

Listing Rules implication

ITG Holding is the largest shareholder of the Company holding about 29.9% of the total issued share capital of the Company as at the date of this announcement. As ITG Holding is a connected person of the Company under Chapter 14A of the Listing Rules, the Financial Assistance Agreement and the transactions contemplated thereunder constitute connected transactions for the Company. As the Financial Assistance is provided to the Group for its benefit and on normal commercial terms or better, and no security over assets of the Group is given in favour of ITG Holding in respect of the Financial Assistance, such connected transactions are exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

The above information on the Financial Assistance is given by the Company on a voluntary basis to update its shareholders and potential investors on the recent development of the Group.

By order of the Board
China ZhengTong Auto Services Holdings Limited
WANG Ming Cheng
Chairman

Hong Kong, 17 September 2021

As at the date of this announcement, the Board comprises Mr. WANG Ming Cheng (Chairman), Mr. WANG Muqing, Mr. Li Zhi Huang and Mr. ZENG Ting Yi as executive Directors; and Dr. WONG Tin Yau, Kelvin, Dr. CAO Tong and Ms. WONG Tan Tan as independent non-executive Directors.