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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)

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND RESIGNATION OF EXECUTIVE DIRECTOR

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 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 22 December 2021 and 31 December 2021 (the “**Announcements**”), in relation to legal proceedings involving a company owned by family members of Mr. WANG Muqing (“**Mr. WANG**”), a former executive director of the Company. As stated in the Announcements, transactions thereunder may have constituted undisclosed connected transactions of the Company at the relevant time (the “**Relevant Matters**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company issues this announcement to update shareholders of the Company (the “**Shareholders**”) and potential investors on the following matters.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

The Board convened a meeting (the “**Meeting**”) last Friday, 7 January 2022, to discuss and approve, among other things, the establishment of an independent board committee (the “**Independent Board Committee**”) comprising executive Directors who were not Directors at the relevant time (i.e. Mr. WANG Mingcheng, Mr. LI Zhihuang and Mr. ZENG Tingyi) to conduct an investigation into the Relevant Matters.

RESIGNATION OF EXECUTIVE DIRECTOR

The Company received a notice from Mr. WANG on 9 January 2022, stating that he had no connection with the Relevant Matters and had never been involved in any violation of laws and regulations, but as he felt that he might not have the trust of the Directors who attended the Meeting, and considering his age, he has decided to resign as an executive Director and a member of the remuneration committee of the Company from 10 January 2022.

Mr. WANG also confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the Stock Exchange and the Shareholders.

Following the resignation of Mr. WANG, the Company does not meet the requirement under paragraph 2.1 of the terms of reference of the remuneration committee of the Company, namely, that the remuneration committee shall consist of not less than three members. The Company will identify and appoint a suitable candidate as soon as practicable to fill the vacancy. The Company will make further announcement(s) as and when appropriate.

The Company will closely monitor any further information relating to the Relevant Matters and will keep the Shareholders and potential investors informed of any material development in this regard in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 10 January 2022

As at the date of this announcement, the Board comprises Mr. WANG Mingcheng (Chairman), Mr. LI Zhihuang and Mr. ZENG Tingyi as executive Directors; and Dr. WONG Tin Yau, Kelvin, Dr. CAO Tong and Ms. WONG Tan Tan as independent non-executive Directors.