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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)

SHARE PURCHASE AGREEMENT REGARDING AN ACQUISITION

THE SHARE PURCHASE AGREEMENT

The Board is pleased to announce that on 13 July 2014, the Group, through the Purchaser (an indirect wholly-owned subsidiary of the Company), entered into the Share Purchase Agreement with the Vendor for purchasing the entire equity and loan interests in the Target Company from the Vendor by the Purchaser. The Consideration for the Acquisition is approximately RMB550,000,000.

PRC Co-2, a member of the Target Group, owns the entire equity interest a parcel of land in Baoan District of Shenzhen. The site area of the SZ Land is approximately 41,000 square meters.

GENERAL

As the applicable percentage ratios are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of reporting and announcements but exempt from Shareholders' approval requirement pursuant to the Listing Rules.

THE SHARE PURCHASE AGREEMENT

The Board is pleased to announce that on 13 July 2014, the Group, through the Purchaser (an indirect wholly-owned subsidiary of the Company), entered into the Share Purchase Agreement with the Vendor for purchasing the entire equity interest in the Target Company from the Vendor by the Purchaser and assumption of the liability of the Loan from a third party (i.e. the Assignor).

The Purchaser is Cheng Tong Developments Limited (成通發展有限公司). The Vendor is Dawn Charm Holdings Limited (旭創控股有限公司). The Target Company is Landtime International Limited (裕泰國際有限公司).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, the Target Group and their ultimate beneficial owners are Independent Third Parties prior to the signing the Share Purchase Agreement.

Assets to be acquired

The Purchaser agreed to purchase, and the Vendor agreed to sell, the entire equity interest in the Target Company in the manner as set out in the Share Purchase Agreement. The Target Company holds the entire interest in the SZ Land. The Loan would also be assigned by the Assignor to the Assignee (an indirect wholly-owned subsidiary of the Company).

Consideration

The aggregate consideration for the Acquisition is approximately RMB550 million, comprising:

- (i) RMB528,103,800 being the acquisition of the entire equity interest in the Target Company, in which HK\$100,000,000 (equivalent to approximately RMB80,000,000) was paid by the Purchaser to the Vendor in cash prior to the signing of the Share Purchase Agreement. The remaining amount shall be paid by Purchaser to the Vendor in cash on the date of Completion; and
- (ii) RMB21,896,261 being the consideration for the assignment of the Loan from the Assignor to the Assignee.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms mainly with reference to a valuation of the SZ Land which was prepared by an independent valuer, according to which the SZ Land is valued at approximately RMB550 million. The Consideration was funded by the Group's internal resources and bank borrowings.

Completion

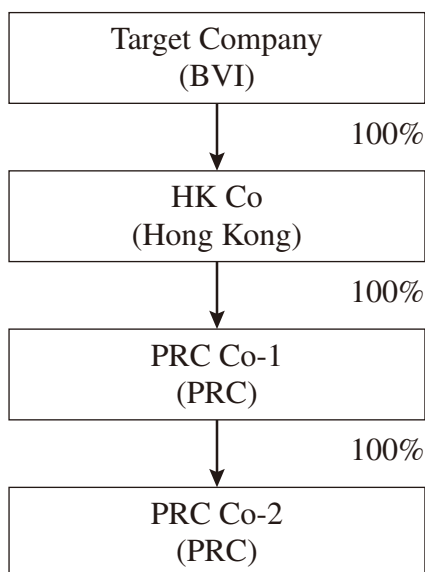
The completion of the Acquisition was taken place, and the Target Company together with other members of the Target Group are indirect wholly-owned subsidiaries of the Company. Accordingly, the financial information of the Target Group are consolidated into the accounts of the Group.

INFORMATION ABOUT THE VENDOR

The Vendor is a limited liability company incorporated in Cayman Islands on 2 January 2014. The Vendor's principal business is investment holding. The Vendor owned the entire equity interest in the Target Company as at the date of the Share Purchase Agreement and continued to own such interest prior to the Completion.

INFORMATION ABOUT THE TARGET GROUP

The following diagram illustrates the shareholding structure of the Target Group as of the date of this announcement:



Target Company

The Target Company is a limited liability company incorporated in BVI on 2 January 2014. The Target Company is principally engaged in investment holding.

HK Co

HK Co is a limited liability company incorporated in Hong Kong on 16 January 2014. HK Co is principally engaged in investment holding.

PRC Co-1

PRC Co-1 is a company established in the PRC on 13 May 2014. PRC Co-1 is principally engaged in project financing and information consulting, corporate management consulting and business information consulting.

PRC Co-2

PRC Co-2 is a company established in the PRC on 31 December 2013. PRC Co-2 is principally engaged in economic information consulting, corporate management consulting, business consulting and technical consulting.

SZ Land

PRC Co-2 owns the entire interest in the SZ Land located in Baoan District of Shenzhen. The site area of the SZ Land is approximately 41,000 square meters.

Since the Target Company, HK Co and PRC Co-1 were all incorporated in 2014 and PRC Co-2 was incorporated on the last date of 2013, the Target Group did not record any profit for the two financial years immediately preceding the Acquisition. Based on its unaudited financial statements prepared in accordance with the PRC accounting standards, the Target Group recorded a net loss of approximately RMB34,000 for the six months ended 30 June 2014 and a net assets value of approximately RMB22 million as at 30 June 2014.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the operation of 4S dealership business, motor-related logistics business and lubricant oil trading business. On the 4S dealership business, the Group is a leading premier car dealer in China with a nationwide distribution network primarily offering BMW/Mini, Jaguar & Land Rover, Volvo, Audi, Porsche, Mercedes Benz and other luxury brands.

It has been the Group's core strategy to develop a balanced national network and diversified luxury brand portfolio to provide enhanced customer experience on new car sales, after services, and extended services such as insurance & financing.

The Group already has established foot prints in the Shenzhen region and considers it a significant auto market in Guangdong Province given its matured customer base and steady future growth potential. After the SZ Land acquisition, the Group intends to build an auto plaza with an estimated gross floor area of around 100,000 square meters hosting multiple luxurious automobile brands and further substantiate its dominance across the region.

In consideration of the benefits of the Acquisition, the Directors (including the independent non-executive Directors) believe that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of reporting and announcement but exempt from Shareholders' approval requirement pursuant to the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the entire equity and loan interest in the Target Company by the Purchaser from the Vendor on the terms and conditions of the Share Purchase Agreement
“Assignee”	深圳恒毅盈通投資管理有限公司 (Shenzhen Hengyi Yingtong Investment Management Co. Ltd.*), a company incorporated in the PRC, being an indirect wholly-owned subsidiary of the Company
“Assignor”	深圳市德福泰安投資有限公司 (Shenzhen City Defu Taian Investment Co. Ltd.*), a company incorporated in China, being an Independent Third Party as at the date of this announcement
“associate(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01728)
“Completion”	completion of the Acquisition
“connected person(s)”	as such term is defined under Chapter 14A of the Listing Rules
“Consideration”	approximately RMB550,000,000, being the aggregate consideration for the Acquisition
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK Co”	Goldrich Holdings Limited (啟富集團有限公司), a limited liability company incorporated in Hong Kong, being a member of the Target Group

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party(ies) who is/are independent of and is/are not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in an amount of RMB21,896,261 owed by PRC Co-1 to the Assignor prior to the Completion
“PRC” or “China”	the People’s Republic of China but excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Co-1”	深圳市匯安啟投資諮詢有限公司 (Shenzhen City Hui An Qi Investment Consulting Co. Ltd.%), a company established in the PRC, being a member of the Target Group
“PRC Co-2”	深圳市卓瑞翔信息諮詢有限公司 (Shenzhen City Zhuo Rui Xiang Information Consulting Co. Ltd.*), a company established in the PRC, being a member of the Target Group
“Purchaser”	Cheng Tong Developments Limited (成通發展有限公司), a limited liability company incorporated in Hong Kong, an indirect wholly-owned subsidiary of the Company
“Shares”	the ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s) from time to time
“Share Purchase Agreement”	the share purchase agreement entered into between the Purchaser and the Vendor on 13 July 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Land”	a parcel of land numbered “A827-0007” located in Baoan District of Shenzhen, the PRC, which is wholly owned by PRC Co-2
“Target Company”	Landtime International Limited (裕泰國際有限公司), a limited liability company incorporated in BVI, a member of the Target Group

“Target Group”	the Target Company, HK Co, PRC Co-1 and PRC Co-2
“Vendor”	Dawn Charm Holdings Limited (旭創控股有限公司), a limited liability company incorporated in the Cayman Islands, being an Independent Third Party as at the date of this announcement
“%”	per cent.
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“4S dealership(s)”	a dealership authorized to sell the products of a single brand of automobiles. Such dealership integrates four standard automobile related business: sales, spare parts, service and survey

* *For identification purpose only*

For the purpose of this announcement, the exchange rate used for conversion between HK\$ and RMB is HK\$1.00 = RMB0.80.

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 Muqing
Chairman

14 July 2014

As at the date of this announcement, the Board comprises Mr. WANG Muqing (Chairman) as a non-executive Director; Mr. WANG Kunpeng (Chief Executive Officer), Mr. LI Zhubo, Mr. CHEN Tao and Mr. SHAO Yong Jun as executive Directors; and Dr. WONG Tin Yau, Kelvin, Mr. ZHAO Chunjun and Mr. Chang Xiuzhe as independent non-executive Directors.