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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)**

**MAJOR AND CONNECTED TRANSACTION**  
**ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND**  
**AUTOMOBILE SALES AND EXPORT BUSINESS**

**Financial adviser**



**Independent financial adviser**



**SOMERLEY CAPITAL LIMITED**

**ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND AUTOMOBILE**  
**SALES AND EXPORT BUSINESS**

The Board is pleased to announce that on 5 December 2025 (after trading hours), Xiamen ZhengTong (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (PRC) with the Xiamen Xindeco and Xindeco ITG Automobile for the acquisition of 100% of the equity interest of Xindeco ITG Automobile for the provisional Acquisition Price (PRC) of approximately RMB793.49 million. Xindeco ITG Automobile is the holding company of Xiamen Xindeco's 4S dealership and automobile sales and export business in the PRC.

On the same day, Tongda Group (a wholly-owned subsidiary of the Company) and Rising Wave (another wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (Thailand) with Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) for the acquisition of 100% of the issued share capital of ITG Auto (Thailand) for the provisional Acquisition Price (Thailand) of approximately RMB22.13 million. ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation.

Collectively, Xindeco ITG Automobile Group and ITG Auto (Thailand) represent the entire 4S dealership and automobile sales and export business of Xiamen Xindeco. The proposed Acquisition (PRC) and Acquisition (Thailand) will only be proceeded if all conditions precedent of the Acquisition (PRC) and Acquisition (Thailand) are fulfilled, including obtaining the approval of the Independent Shareholders.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (PRC) is more than 25% but less than 100%, the Acquisition (PRC) itself constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

While the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (Thailand) is less than 5%, given each of Sindanol and Xindeco (Singapore) is a wholly owned subsidiary of Xiamen Xindeco, and Acquisition (PRC) and Acquisition (Thailand) together constitute the Group's acquisition of the entire 4S dealership and automobile sales and export business of Xiamen Xindeco, Acquisition (Thailand) will be aggregated with Acquisition (PRC) and they will be treated as if they were one transaction.

Upon aggregation, the highest applicable percentage ratios calculated pursuant to the Listing Rules for the Acquisition (comprising Acquisition (PRC) and Acquisition (Thailand)) is more than 25% but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, ITG Holding is a controlling shareholder of the Company, and Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding. Xiamen Xindeco, and both Sindanol and Xindeco (Singapore) as its wholly owned subsidiaries, are therefore associates of ITG Holding and is each a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements.

## **FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Huatai has been appointed as the Company's financial adviser in relation to the Acquisition.

The Independent Board Committee comprising all of the Company's independent non-executive Directors has been formed to advise on the terms of the Acquisition and to make recommendation as to voting.

Somerley has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and Independent Shareholders on the terms of the Acquisition and to make recommendation as to voting.

## **EGM**

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details regarding the Acquisition and the valuation of Xindeco ITG Automobile and ITG Auto (Thailand), (ii) certain financial information of the Group, (iii) a letter from the Board, (iv) a letter from the Independent Board Committee, (v) a letter from Somerley to the Independent Board Committee and the Independent Shareholders, (vi) a notice of the EGM, and (vii) a form of proxy, is expected to be despatched to the Shareholders on or before 24 December 2025.

**The completion of each of Acquisition (PRC) and Acquisition (Thailand) is subject to the fulfilment of the conditions precedent under the Acquisition Agreement (PRC) and Acquisition Agreement (Thailand), respectively, including being approved by the Independent Shareholders, and each of them may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

## **ACQUISITION OF XIAMEN XINDECO'S 4S DEALERSHIP AND AUTOMOBILE SALES AND EXPORT BUSINESS**

The Board is pleased to announce that on 5 December 2025 (after trading hours), Xiamen ZhengTong (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (PRC) with the Xiamen Xindeco and Xindeco ITG Automobile for the acquisition of 100% of the equity interest of Xindeco ITG Automobile for the provisional Acquisition Price (PRC) of approximately RMB793.49 million. Xindeco ITG Automobile is the holding company of Xiamen Xindeco's 4S dealership and automobile sales and export business in the PRC.

On the same day, Tongda Group (a wholly-owned subsidiary of the Company) and Rising Wave (another wholly-owned subsidiary of the Company) entered into the Acquisition Agreement (Thailand) with Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) for the acquisition of 100% of the issued share capital of ITG Auto (Thailand) for the provisional Acquisition Price (Thailand) of approximately RMB22.13 million. ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation.

Collectively, Xindeco ITG Automobile Group and ITG Auto (Thailand) represent the entire 4S dealership and automobile sales and export business of Xiamen Xindeco. The proposed Acquisition (PRC) and Acquisition (Thailand) will only be proceeded if all conditions precedent of the Acquisition (PRC) and Acquisition (Thailand) are fulfilled, including obtaining the approval of the Independent Shareholders.

### **The Acquisition Agreement (PRC)**

Subject to the terms of the Acquisition Agreement (PRC), Xiamen ZhengTong has conditionally agreed to purchase, and Xiamen Xindeco has conditionally agreed to sell, 100% of the equity interest of Xindeco ITG Automobile.

The principal terms of the Acquisition Agreement (PRC) are as follows:

<b>Date:</b>	5 December 2025
<b>Parties:</b>	Xiamen ZhengTong (as purchaser) Xiamen Xindeco (as seller) Xindeco ITG Automobile (as target company)
<b>Subject matter to be acquired:</b>	100% of the equity interest of Xindeco ITG Automobile
<b>Consideration:</b>	The provisional Acquisition Price (PRC) is RMB793,493,700.

The parties agreed that any change to the consolidated total equity of Xindeco ITG Automobiles attributable to its equity shareholders for the Transitional Period (PRC) shall be apportioned as follows:

- (a) for the period from the commencement date of the Transitional Period (PRC) to 31 December 2025, be for the benefit of or borne by Xiamen Xindeco; and
- (b) for the remaining period of the Transitional Period (PRC) after 31 December 2025, be for the benefit of or borne by Xiamen ZhengTong as to 50% and by Xiamen Xindeco as to 50%.

Accordingly, the provisional Acquisition Price (PRC) shall be subject to an adjustment to reflect the above.

*Note:* As at 31 March 2025, the day immediately before the commencement of the Transitional Period (PRC), the audited total consolidated equity of Xindeco ITG Automobile attributable to its equity shareholders in the consolidated financial statements prepared in accordance with PRC GAAP was approximately RMB811.17 million.

**Payment terms:**

The Acquisition Price (PRC) is payable in two tranches and shall be settled in cash (by bank transfer) as follows:

- (a) 50% of the provisional Acquisition Price (PRC), i.e. RMB396,746,900, be payable within 15 calendar days upon the obtaining or completion of shareholders' approval by each of the Company and Xiamen Xindeco, and all necessary external approval, filings reporting, review, or other procedures for the transaction; and
- (b) the balance of the Acquisition Price (PRC) be payable within 90 calendar days of determining the adjustment to the Acquisition Price (PRC).

**Conditions precedent:** The Acquisition Agreement (PRC) will only become effective upon, and hence Completion (PRC) is conditional on the fulfilling of the following conditions precedent:

- (a) the obtaining by Xiamen Xindeco and the Company of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by applicable laws and regulations (including the Listing Rules) and their respective constitutional document to fulfill the Acquisition Agreement (PRC) and carry out the transactions contemplated thereunder; and
- (b) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Acquisition Agreement (PRC) and the transactions contemplated thereunder.

**Completion:** Completion (PRC) shall take place on the day Xiamen Xindeco receives the first tranche of payment, being 50% of the provisional Acquisition Price (PRC), from Xiamen ZhengTong (or such other date as the parties to the Acquisition Agreement (PRC) may agree in writing).

**Others:** Xiamen Xindeco and Xindeco ITG Automobile shall settle all non-operating payables and receivables between Xiamen Xindeco and Xindeco ITG Automobile Group by Completion (PRC). Xindeco ITG Automobile Group shall also settle all external liabilities, which Xiamen Xindeco has provided and owes guarantee liabilities to third parties, by Completion (PRC).

### **The Consideration**

The Acquisition Price (PRC) was determined upon arm's length negotiations. In agreeing to the Acquisition Price (PRC), the following factors had been taken into consideration: (i) the valuation of the entire equity interest of Xindeco ITG Automobile at approximately RMB793.49 million as at 31 March 2025 as appraised by the Valuer (as further detailed below), (ii) the financial results of Xindeco ITG Automobile for 2024 and first six months of 2025, and its total equity attributable to its equity shareholders as at 30 June 2025 in the consolidated financial statements prepared in accordance with PRC GAAP, and (iii) the benefits of the Acquisition to the Group (as further elaborated below).

The consideration will be funded by the Group's internal resources, including 20% of the net proceeds from the fund raised by way of the Connected Subscription set aside for strategic investments or merger and acquisition. As at the date of this announcement, the remaining net proceeds raised from the Connected Subscription set aside for strategic investments or merger and acquisition is approximately RMB183 million.

### **Information on the parties to the Acquisition Agreement (PRC)**

Xiamen ZhengTong is a company incorporated in PRC with limited liability and its principal activity is automobile dealership and sales of automobile parts.

Xiamen Xindeco is a joint stock company incorporated in PRC with limited liability and a company listed on the Shenzhen Stock Exchange (stock code: 000701.SZ) and is principally engaged in information technology, electronic technology, supply chain and automobile distribution businesses. Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding.

### **The Xindeco ITG Automobile Group**

Xindeco ITG Automobile was incorporated in the PRC and is wholly owned by Xiamen Xindeco. It is principally engaged in 4S traditional automobile dealership business which aims to create an automobile service ecosystem which is customer centric, and its operations also include servicing new energy vehicles, sale and export of second-hand vehicles, and sale of parallel import vehicles, etc.. As at 30 June 2025, Xindeco ITG Automobile Group operated nearly 50 automotive dealership 4S stores, new energy vehicles experience centres and body and paint centres, and distributed 29 brands including BMW, Audi, Lexus, Tesla, Maserati, Cadillac, Alfa Romeo, Hongqi, Volkswagen, Toyota, Honda, IM, brands under Huawei HIMA, EXEED, and Chery iCAR, and was one of the 4S dealership leaders in Fujian province of the PRC.

To the best knowledge, information and belief of the Company, the consolidated net profits before and after tax of Xindeco ITG Automobile and its subsidiaries for the years ended 31 December 2023 and 2024 and for the 6 months ended 30 June 2025 are set out below:

	<b>For the year ended 31 December</b>		<b>For the 6 months ended 30 June</b>
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>Profit/(loss) before tax</b>	(149.22)	(70.68)	3.10
<b>Profit/(loss) after tax</b>	(138.63)	(76.03)	(9.74)



To the best knowledge, information and belief of the Company, the consolidated total equity of Xindeco ITG Automobile attributable to its equity shareholders as at 30 June 2025 was approximately RMB803.88 million.

### **Valuation of the entire equity interest of Xindeco ITG Automobile**

The valuation of the entire equity interest of Xindeco ITG Automobile by the Valuer adopted the assets-based approach and made certain assumptions, including but not limited to the following principal assumptions:

#### ***General assumptions***

- (a) Transaction assumption: it is assumed that the subject to be appraised is in the process of transaction and the valuer makes estimations simulating the transaction conditions of the assets to be appraised.
- (b) Open market assumption: it is assumed that the subject to be appraised can be freely transacted in the market and the market is fully developed with willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and will conduct transaction in a voluntary and rational manner under no compulsion nor restrictions.
- (c) Going concern assumption: it is assumed that the appraised asset is and will be continuously used according to its current purpose and usage method.

#### ***Special assumptions***

- (d) No material change assumption: it is assumed that there will be no material change to the social, political, legal and regulatory and economic environment in which the Xindeco ITG Automobile Group operates. It is also assumed that there will be no material change to the fiscal policy, monetary policy, taxation policy, interest rates, exchange rates, governmental fees and charges, and industrial specific policies, entry barrier, regulatory requirements and competition environment in which the Xindeco ITG Automobile Group operates, and there will be no material change to the strategic positioning, scope of operation, business model and credit policy of the Xindeco ITG Automobile Group.
- (e) Compliant operation assumption: it is assumed that the operation of Xindeco ITG Automobile Group is in compliance with all applicable laws and regulations, its assets were obtained and used in compliance with all applicable laws and regulations, and the financial information provided to the valuer complies with relevant laws, regulations and accounting policies.



- (f) Continuing operation assumption: it is assumed that all leases for the premises used by Xindeco ITG Automobile Group, all governmental licences and permits required for its operation, and the relevant automobile brand distributorship reported by Xindeco ITG Automobile Group can and will be renewed.

In the course of considering the appropriate valuation approach and methodology adopted in the valuation of the entire equity interest of Xindeco ITG Automobile, the Valuer excluded the market approach as there are insufficient business in the market which are comparable to Xindeco ITG Automobile Group, taking into account, among others, its business structure and business model, such that there is insufficient information to adopt the market approach.

As to the income approach, the Valuer considered that given the automobile distribution business is heavily influenced and affected by, among others, policies of the automobile manufacturers, market environment and sentiment, changes in consumers' preference, and the quality of forecasting future income depends on macroeconomics factors, industry specific development situation, the methodology and assumptions used to forecast such income, and the judgment of and estimation made by individual appraiser, which cumulatively may bring adverse effects on the reliability to the valuation result using the income approach. Accordingly, the Valuer decided not to adopt the valuation result appraised by the income approach.

Given the above and as the Valuer is able to appraise the assets and liabilities of the Xindeco ITG Automobile Group as shown in its financial statements, and has not identified any material asset nor liability which it is not able to appraise, the Valuer decided to adopt the asset-based approach.

#### **The Acquisition Agreement (Thailand)**

Subject to the terms of the Acquisition Agreement (Thailand), Tongda Group and Rising Wave have conditionally agreed to purchase, and Sindanol and Xindeco (Singapore) have conditionally agreed to sell, 100% of the issued share capital of ITG Auto (Thailand).

The principal terms of the Acquisition Agreement (Thailand) are as follows:

**Date:** 5 December 2025

**Parties:** Tongda Group (as purchaser of 90% of the issued share capital of ITG Auto (Thailand))

Rising Wave (as purchaser of 10% of the issued share capital of ITG Auto (Thailand))

Sindanol (as seller of 90% of the issued share capital of ITG Auto (Thailand))

Xindeco (Singapore) (as seller of 10% of the issued share capital of ITG Auto (Thailand))

ITG Auto (Thailand) (as target company)

**Subject matter to be acquired:** 100% of the issued share capital of ITG Auto (Thailand)

**Consideration:** The provisional Acquisition Price (Thailand) is RMB22,134,900, of which RMB19,921,400 is payable by Tongda Group to Sindanol and RMB2,213,500 is payable by Rising Wave to Xindeco (Singapore).

The parties agreed that any change to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand) shall be apportioned as follows:

- (a) for the period from the commencement date of the Transitional Period (Thailand) to 31 December 2025, be for the benefit of or borne by Sindanol and Xindeco (Singapore); and
- (b) for the remaining period of the Transitional Period (Thailand) after 31 December 2025, be for the benefit of or borne by Tongda Group and Rising Wave as to 50%, and by Sindanol and Xindeco (Singapore) as to 50%.

Accordingly, the provisional Acquisition Price (Thailand) shall be subject to an adjustment to reflect the above.

*Note:* As at 30 June 2025, the day immediately before the commencement of the Transitional Period (Thailand), the audited net asset value of ITG Auto (Thailand) in the financial statements prepared in accordance with PRC GAAP was approximately RMB22.13 million.

**Payment terms:** The Acquisition Price (Thailand) is payable in two tranches by each of Tongda Group and Rising Wave and shall be settled in cash (by bank transfer) as follows:

- (a) 50% of the provisional Acquisition Price (Thailand), i.e. RMB11,067,450, be payable within 15 calendar days upon the obtaining or completion of shareholders' approval by each of the Company and Xiamen Xindeco, and all necessary external approval, filings, reporting, review, or other procedures for the transaction; and

- (b) the balance of the Acquisition Price (Thailand) be payable within 90 calendar days of determining the adjustment to the Acquisition Price (Thailand).

**Conditions precedent:** The Acquisition Agreement (Thailand) will only become effective upon, and hence Completion (Thailand) is conditional on the fulfilling of the following conditions precedent:

- (a) the obtaining by each of Xiamen Xindeco, the Company, Sindanol, Xindeco (Singapore), Tongda Group and Rising Wave of their respective board of directors, shareholders and relevant governmental authorisation and/or permission as required by applicable laws and regulations (including the Listing Rules) and their respective constitutional document to fulfil the Acquisition Agreement (Thailand) and carry out the transactions contemplated thereunder; and
- (b) the fulfilment of the necessary State-owned Assets Supervision and Administration procedures in respect of the Acquisition Agreement (Thailand) and the transactions contemplated thereunder.

**Completion:** Completion (Thailand) shall take place on the day both Sindanol and Xindeco (Singapore) receive the first tranche of payment, being 50% of the provisional Acquisition Price (Thailand), from Tongda Group and Rising Wave, respectively (or such other date as the parties to the Acquisition Agreement (Thailand) may agree).

**Others:** Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) shall settle all non-operating payables and receivables between Sindanol and Xindeco (Singapore) and ITG Auto (Thailand) by Completion (Thailand). ITG Auto (Thailand) shall also settle all external liabilities, which Sindanol or Xindeco (Singapore) has provided and owes guarantee liabilities to third parties, by Completion (Thailand).

## **The Consideration**

The Acquisition Price (Thailand) was determined upon arm's length negotiations. In agreeing to the Acquisition Price (Thailand), the following factors had been taken into consideration: (i) the valuation of the entire issued share capital of ITG Auto (Thailand) at approximately RMB22.13 million as at 30 June 2025 as appraised by the Valuer (as further detailed below), (ii) the net asset value of ITG Auto (Thailand) of approximately RMB22.13 million as at 30 June 2025 in the financial statements prepared in accordance with PRC GAAP, (iii) the fact that ITG Auto (Thailand) has not commenced substantive operation, and (iv) the benefits of the Acquisition to the Company (as further elaborated below).

The consideration will be funded by the Group's internal resources.

## **Information on the parties to the Acquisition Agreement (Thailand)**

Tongda Group is a company incorporated in Hong Kong with limited liability and its principal activity is trading, investment and car rental.

Rising Wave is a company incorporated in Hong Kong with limited liability and its principal activity is trading and investment.

Sindanol is a company incorporated in Hong Kong with limited liability and its principal activity is international trade of bulk commodities such as coal, iron and steel and other metals and export and re-export of automobile.

Xindeco (Singapore) is a company incorporated in Singapore with limited liability and its principal activity is international trade of bulk commodities including coal, iron and steel and other metals.

## **ITG Auto (Thailand)**

ITG Auto (Thailand) was incorporated in Thailand in May 2025 and, as at the date of this announcement, is owned as to 90% by Sindanol and 10% by Xindeco (Singapore). ITG Auto (Thailand) is at the start up stage of setting up an outlet for sale of automobiles in Thailand and has not commenced substantive operation.

To the best knowledge, information and belief of the Company, the net profits before and after tax of ITG Auto (Thailand) for the period from 14 May 2025 (date of incorporation) to 30 June 2025 are set out below:

**For the period  
from 14 May 2025  
(date of incorporation)  
to 30 June 2025  
RMB'000**

<b>Profit before tax</b>	207
<b>Profit after tax</b>	166

To the best knowledge, information and belief of the Company, the net asset value of ITG Auto (Thailand) as at 30 June 2025 was approximately RMB22.13 million.

#### **Valuation of the entire issued share capital of ITG Auto (Thailand)**

The valuation of the issued share capital of ITG Auto (Thailand) by the Valuer adopted the assets-based approach and made certain assumptions, including but not limited to the following principal assumptions:

##### ***General assumptions***

- (a) Transaction assumption: it is assumed that the subject to be appraised is in the process of transaction and the valuer makes estimations simulating the transaction conditions of the assets to be appraised.
- (b) Open market assumption: it is assumed that the subject to be appraised can be freely transacted in the market and the market is fully developed with willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and will conduct transaction in a voluntary and rational manner under no compulsion nor restrictions.
- (c) Going concern assumption: it is assumed that the appraised asset is and will be continuously used according to its current purpose and usage method.

##### ***Special assumption***

- (d) No material change assumption: it is assumed that there will be no material change to the social, political, legal and regulatory and economic environment in which the ITG Auto (Thailand) operates.

In the course of considering the appropriate valuation approach and methodology adopted in the valuation of the entire issued share capital of ITG Auto (Thailand) and in view of the fact that it has not commenced substantive operation, the Valuer excluded the market approach as there are insufficient business in the market which are comparable, taking into account, among others, its business structure and business model, and as a result there is insufficient information to adopt the market approach.

As to the income approach, given ITG Auto (Thailand) has not commenced substantive operation, its future revenue cannot be reasonably forecasted and Valuer therefore considered inappropriate to adopt the income approach.

Given the above and as the Valuer is able to appraise the assets and liabilities of ITG Auto (Thailand), and has not identified any material asset nor liability which it is not able to appraise, the Valuer decided to adopt the asset-based approach.

### **Reasons for and benefits of the Acquisition**

The Acquisition is in line with the Company's strategy of focusing on its principal and core business of 4S dealership and automobile sales business in the PRC. In the Company's circular dated 31 March 2025, it was stated that the Group continues to seek strategic investments or mergers and acquisitions (M&A) opportunities that may arise in the future to improve economies of scale.

Xindeco ITG Automobile Group primarily engages in 4S dealership of traditional automobiles and new energy vehicles, as well as import and export of automobile (including used cars), and is one of the 4S dealership leaders in Fujian province of the PRC. Xindeco ITG Automobile Group made early strategic moves in new energy vehicles and international operations, and it distributes multiple new energy brands such as HIMA, and is accelerating its automobile export supply chain and local distribution networks overseas, resulting in its core advantage of having self-operated overseas warehouses and deep involvement in local market distribution, which significantly contributes to its competitive edge. Established in May 2025, ITG Auto (Thailand) represents the first overseas 4S dealership network established by Xiamen Xindeco's 4S dealership business, marking a breakthrough in its international distribution footprint. Upon completion of the Acquisition, the Group will be able to rapidly expand its regional coverage, operational scale, and market share, and achieve complementary advantages in its new energy brand portfolio and international business expansion. At the same time, the Group will be able to fully integrate Xindeco ITG Automobile Group's overseas channels, customer networks, and operational capabilities, and leverage on the platform of ITG Auto (Thailand) to enter international markets quickly. This will drive the development of the Group's new business such as used car exports and new vehicle transshipment, and accelerate the Group's internationalisation.

The Directors (excluding the members of the Independent Board Committee, whose view will be given in the letter from the Independent Board Committee to be included in the circular of the Company in respect of the Acquisition, after considering the advice of the independent financial adviser) consider that the terms and conditions of the Acquisition (including both Acquisition (PRC) and Acquisition (Thailand)) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

As (1) Mr. WANG Mingcheng, Mr. SU Yi, Mr. Zhuang Zhibo and Mr. WU Xiaoqiang are currently serving roles within the ITG Group and/or the Xiamen Xindeco Group and (2) each of Mr. HUANG Junfeng and Mr. WANG Mingcheng is beneficially interested in 0.05% and 0.06% shares, respectively, of Xiamen Xindeco, they have abstained from voting on the relevant Board resolutions so as to avoid the perception of a conflict of interest.

## **INFORMATION OF THE GROUP**

The Group, comprising the Company and its subsidiaries, is principally engaged in 4S dealership business, automobile supply chain business and comprehensive properties business in the PRC.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (PRC) is more than 25% but less than 100%, the Acquisition (PRC) itself constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

While the highest applicable percentage ratios calculated pursuant to the Listing Rules for Acquisition (Thailand) is less than 5%, given each of Sindanol and Xindeco (Singapore) is a wholly owned subsidiary of Xiamen Xindeco, and Acquisition (PRC) and Acquisition (Thailand) together constitute the Group's acquisition of the entire 4S dealership and automobile sales and export business of Xiamen Xindeco, Acquisition (Thailand) will be aggregated with Acquisition (PRC) and they will be treated as if they were one transaction.

Upon aggregation, the highest applicable percentage ratios calculated pursuant to the Listing Rules for the Acquisition (comprising Acquisition (PRC) and Acquisition (Thailand)) is more than 25% but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.



As at the date of this announcement, ITG Holding is a controlling shareholder of the Company, and Xiamen Xindeco is owned as to approximately 39.93% by ITG Holding. Xiamen Xindeco, and both Sindanol and Xindeco (Singapore) as its wholly owned subsidiaries, are therefore associates of ITG Holding and is each a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements.

#### **FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Huatai has been appointed as the Company's financial adviser in relation to the Acquisition.

The Independent Board Committee comprising all of the Company's independent non-executive Directors has been formed to advise on the terms of the Acquisition and to make recommendation as to voting.

Somerley has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and Independent Shareholders on the terms of the Acquisition and to make recommendation as to voting.

#### **EGM**

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details regarding the Acquisition and the valuation of Xindeco ITG Automobile and ITG Auto (Thailand), (ii) certain financial information of the Group, (iii) a letter from the Board, (iv) a letter from the Independent Board Committee, (v) a letter from Somerley to the Independent Board Committee and the Independent Shareholders, (vi) a notice of the EGM, and (vii) a form of proxy, is expected to be despatched to the Shareholders on or before 24 December 2025.

**The completion of each of Acquisition (PRC) and Acquisition (Thailand) is subject to the fulfilment of the conditions precedent under the Acquisition Agreement (PRC) and the Acquisition Agreement (Thailand), respectively, including being approved by the Independent Shareholders, and each of them may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

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

“Acquisition”	Acquisition (PRC) and Acquisition (Thailand);
“Acquisition (PRC)”	the proposed acquisition of 100% of the equity interest of Xindeco ITG Automobile pursuant to the terms and conditions of the Acquisition Agreement (PRC);
“Acquisition (Thailand)”	the proposed acquisition of 100% of the issued share capital of ITG Auto (Thailand) pursuant to the terms and conditions of the Acquisition Agreement (Thailand);
“Acquisition Agreement (PRC)”	the sale and purchase agreement dated 5 December 2025 entered into between Xiamen ZhengTong as purchaser, Xiamen Xindeco as seller and Xindeco ITG Automobile as target company in relation to the Acquisition (PRC);
“Acquisition Agreement (Thailand)”	the sale and purchase agreement dated 5 December 2025 entered into between Tongda Group and Rising Wave as purchasers and Sindanol and Xindeco (Singapore) as sellers and ITG Auto (Thailand) as target company in relation to the Acquisition (Thailand);
“Acquisition Price (PRC)”	the provisional amount of approximately RMB793.49 million, subject to the adjustment to reflect the changes to the consolidated total equity of Xindeco ITG Automobile attributable to its equity shareholders for the Transitional Period (PRC), payable by Xiamen ZhengTong to Xiamen Xindeco under the Acquisition Agreement (PRC) for the Acquisition (PRC);
“Acquisition Price (Thailand)”	the provisional amount of approximately RMB22.13 million, subject to the adjustment to reflect the changes to the net asset value of ITG Auto (Thailand) for the Transitional Period (Thailand), payable by Tongda Group and Rising Wave to Sindanol and Xindeco (Singapore) under the Acquisition Agreement (Thailand) for the Acquisition (Thailand);
“Board”	the board of Directors;
“Company”	China ZhengTong Auto Services Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1728.HK);

“Completion (PRC)”	the completion of the transfer (including all governmental and regulatory registration thereof) of 100% equity interest of Xindeco ITG Automobile from Xiamen Xindeco to Xiamen ZhengTong;
“Completion (Thailand)”	the completion of the transfer (including all governmental and regulatory registration thereof) of 100% of the issued share capital of ITG Auto (Thailand) from Sindanol and Xindeco (Singapore) to Tongda Group and Rising Wave;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Shareholders to be convened by the Company to consider, and if thought fit, to approve the Acquisition;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Company and a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO;
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, which has been formed to advise the Independent Shareholders on the Acquisition, and to make recommendation as to voting;
“Independent Shareholders”	Shareholders other than Shareholders who are interested or involved in the Acquisition, including but not limited to ITG Holding, Sindanol and Xinda Motors;
“ITG Auto (Thailand)”	ITG Auto (Thailand) Co., Ltd. a company incorporated in Thailand with limited liability;
“ITG Group”	ITG Holding and its subsidiaries (excluding the Group);

“ITG Holding”	Xiamen ITG Holding Group Co., Ltd.* (廈門國貿控股集團有限公司), a state-owned enterprise directly controlled by the State-owned Assets Supervision and Administration Commission of Xiamen Municipal People’s Government (廈門市人民政府國有資產監督管理委員會) and a controlling shareholder of the Company;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region, and Taiwan Region;
“PRC GAAP”	PRC Generally Accepted Accounting Principles;
“Rising Wave”	Rising Wave Development Limited, a company incorporated in Hong Kong with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	Shareholder(s) of the Company;
“Sindanol”	Hong Kong Sindanol Limited, a company incorporated in Hong Kong with limited liability;
“Somerley”	Somerley Capital Limited, licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser of the Company to advise the Independent Board Committee and Independent Shareholders on the terms of the Acquisition, and to make recommendation as to voting;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tongda Group”	Tongda Group (China) Co., Ltd., a company incorporated in Hong Kong with limited liability;

“Transitional Period (PRC)”	the period from 1 April 2025 and ending on (a) the last day of the calendar month immediately preceding the date of Completion (PRC), if Completion (PRC) takes place on the first 15 days of a calendar month; or (b) the last day of the calendar month in the calendar month the Completion (PRC) takes place, if Completion (PRC) takes place on or after the 16th day of a calendar month;
“Transitional Period (Thailand)”	the period from 1 July 2025 and ending on (a) the last day of the calendar month immediately preceding the date of Completion (Thailand), if Completion (Thailand) takes place on the first 15 days of a calendar month; or (b) the last day of the calendar month in the calendar month the Completion (Thailand) takes place if Completion (Thailand) takes place on or after the 16th day of a calendar month;
“Valuer”	Xiamen Academic Practice Valuer Co., Ltd.* (廈門嘉學資產評估房地產估價有限公司), an independent qualified valuer, is a professional firm providing valuation services in the PRC;
“Xiamen Xindeco”	Xiamen Xindeco Ltd.* (廈門信達股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000701.SZ);
“Xiamen Xindeco Group”	Xiamen Xindeco and its subsidiaries;
“Xiamen ZhengTong”	Xiamen ZhengTong Motors Group Co., Ltd.* (廈門正通汽車集團有限公司), a company incorporated in the PRC with limited liability;
“Xinda Motors”	Xinda Motors Co., Limited (信達汽車(香港)有限公司), a company incorporated in Hong Kong with limited liability, and a wholly owned subsidiary of ITG Holding;
“Xindeco ITG Automobile”	Xiamen Xindeco ITG Automobile Group Co., Ltd.* (廈門信達國貿汽車集團股份有限公司), a joint stock company incorporated in the PRC with limited liability;
“Xindeco ITG Automobile Group”	Xindeco ITG Automobile and its subsidiaries;
“Xindeco (Singapore)”	Xindeco Resources (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability;

“0%” per cent.

\* *for identification purpose only*

For and on behalf of the Board  
**China ZhengTong Auto Services Holdings Limited**  
**中國正通汽車服務控股有限公司**  
**HUANG Junfeng**  
*Chairman*

5 December 2025

*As at the date of this announcement, the Board comprises Mr. HUANG Junfeng (Chairman), Mr. WANG Mingcheng, Mr. SU Yi, Mr. ZHUANG Zhibo and Mr. WU Xiaoqiang as executive Directors; and Dr. TSUI Wai Ling Carlye, Mr. SHEN Jinjun and Ms. YU Jianrong as independent non-executive Directors.*