

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

UPDATES RELATING TO THE RELEVANT MATTERS IN RESPECT OF MAJOR AND CONNECTED TRANSACTIONS

Reference is made to the announcement of the China ZhengTong Auto Services Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 20 July 2022 (the “**Announcement**”) in relation to, among other things, matters that may have constituted undisclosed major and connected transactions of the Company at the relevant time (the “**Relevant Matters**”). Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement unless otherwise specified.

THE STATEMENT OF DISCIPLINARY ACTION AND ELABORATION

On 10 September 2024, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) issued a Statement of Disciplinary Action (the “**SDA**”) in respect of the Relevant Matters. Certain previous directors of the Company have received penalties ranging from public censures to being subject to director unsuitability statements issued by the Stock Exchange.

The Stock Exchange has also criticized the Company for its previous breach of the requirements under Chapters 14 and 14A of the Listing Rules as the Undertaking and the Shortfall Agreements (collectively, the “**Transactions**”) constituted major and connected transactions.

The Stock Exchange has also confirmed that, other than Wang Muqing, Shao Yong Jun, Wang Kunpeng, Koh Tee Choong and Li Zhubo (collectively, the “**Directors Involved**”), the sanctions and directions in the SDA do not apply to any other past or present directors of the Company.

The Board asks all shareholders and potential investors to note that, as stated in the Announcement by the Company, the Undertaking and Shortfall Agreements were entered into in 2016 and 2020 respectively. Those events took place before Xiamen ITG Holding Group Co., Ltd.* (“Xiamen ITG”) acquired 29.9% shareholding of the Company in August 2021 and become the largest shareholder of the Company. In addition, the SDA only targeted the Directors Involved (all of which were not Directors appointed on or after September 2021) for breaches when the Transactions were entered into and/or for failure to cooperate with regulatory investigation. The SDA did not sanction any Director who was appointed after Xiamen ITG became the Company’s largest shareholder.

THE ENHANCEMENT TO INTERNAL CONTROLS OF THE COMPANY

The Company accepts the criticism meted out by the Stock Exchange. The Company has, since Xiamen ITG become the Company’s largest shareholder, taken measures to improve internal control and is committed to enhance good corporate governance, details of such improvement measures were set out in the Management Discussion and Analysis section of the Company’s Annual Report from 2021 to 2023 and in the Announcement.

While the SDA confirmed that the Relevant Matters and the Transactions only related to certain Directors Involved of the Company, the Company is aware of the importance of compliance with all applicable laws and regulations that have a significant impact on the business and operation of the Group, and will continue to place priority, emphasis and attention, and direct resources, to internal control and corporate governance, to ensure compliance with these laws and regulations.

By order 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

Hong Kong, 11 September 2024

As at the date of this announcement, the Board comprises Mr. HUANG Junfeng (Chairman), Mr. ZENG Tingyi, Mr. WANG Mingcheng, and Mr. CHEN Hong as executive Directors; and Dr. WONG Tin Yau Kelvin, Ms. YU Jianrong and Mr. SONG Tao as independent non-executive Directors.

** for identification only*