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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)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

THE ACQUISITION

On 23 August 2011, the Company, the Vendor and the Guarantor entered into the SP Agreement under which the Company has conditionally agreed to purchase (by itself or through one of its wholly-owned subsidiaries) from the Vendor the Sale Shares, being the entire issued share capital in the Target.

The Consideration payable by the Company to the Vendor for the Sale Shares is RMB5.5 billion (equivalent to approximately HK\$6.707 billion) which is to be paid at the times and in the manner set forth in the section headed “Consideration” in this announcement.

Completion is subject to fulfillment or waiver of the Conditions Precedent as summarized in the section headed “Conditions Precedent” in this announcement. Upon Completion, members of the Target Group will become subsidiaries of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Acquisition is therefore subject to the Shareholders’ approval at the EGM.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition. Such approval shall be obtained by way of a poll. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and therefore no Shareholder is required to abstain from voting for the resolutions to approve the Acquisition at the EGM.

A circular containing, among other things, details of the Acquisition and the notice of the EGM is expected to be dispatched to the Shareholders on or before 19 September 2011 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and investors should note that the SP Agreement is subject to various conditions as stated in the section headed “Conditions Precedent” in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 1:30 p.m. on 23 August 2011 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 30 August 2011.

INTRODUCTION

The Board is pleased to announce that, on 23 August 2011, the Company, the Vendor and the Guarantor entered into the SP Agreement under which the Company has conditionally agreed to purchase (by itself or through one of its wholly-owned subsidiaries) from the Vendor the Sale Shares, being the entire issued share capital in the Target.

THE SP AGREEMENT

Date

23 August 2011

Parties

- (i) the Company (as purchaser);
- (ii) the Vendor (as vendor); and
- (iii) the Guarantor (as guarantor for the Vendor’s obligations under the SP Agreement)

The Guarantor is the beneficially owner of the Vendor.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendor and the Guarantor are independent of and are not connected with the Company and its connected persons.

Assets to be acquired

Subject to the terms of the SP Agreement, the Company or its wholly owned subsidiary shall purchase and the Vendor shall sell the Sale Shares, being the entire issued share capital in the Target.

Consideration

The Consideration payable by the Company to the Vendor for the Sale Shares is RMB5.5 billion (equivalent to approximately HK\$6.707 billion) which is to be paid at the times and in the manner set forth below:

- (a) As to RMB550 million (equivalent to approximately HK\$670.7 million), being the Deposit, already paid in cash by the Company to the Vendor upon signing of the SP Agreement as deposit for and part payment of the Consideration if Completion occurs.
- (b) As to RMB300 million (equivalent to approximately HK\$365.9 million), being the Reserved Amount, to be paid in cash by the Company to the Escrow Agent on the Completion Date, as part payment of the Consideration, to be held by the Escrow Agent on the terms of the Escrow Agreement.
- (c) As to the remainder of the Consideration, after deduction of the Deposit and the Reserved Amount, to be paid in cash by the Company to the Vendor on the Completion Date.

The Consideration was determined after arm's length negotiations between the Company and the Vendor with reference to, among other things, (i) the geographical span and size of the business operation carried out by the Target Group; and (ii) the revenue generating capacity of the Target Group.

The Consideration will be funded in part by the Group's internal resources including proceeds arose from (i) to the extent of about RMB2.1 billion (equivalent to approximately HK\$2.6 billion), the Group's initial public offering consummated in December 2010; and (ii) to the extent of about RMB1.6 billion (equivalent to approximately HK\$2.0 billion), the placing of new Shares effected in July 2011. Remaining balance of the Consideration is intended to be funded by external borrowings.

After the Acquisition, remainder of proceeds arose from the Group's initial public offering is expected to be about RMB150 million (equivalent to approximately HK\$182.9 million). The Directors confirm that usage of such proceeds in the Acquisition is in line with the intended usage as stated in the initial public offering prospectus.

Deposit and Reserved Amount

The Vendor shall refund the Deposit (without interest) to the Company if the SP Agreement is unilaterally terminated by the Vendor. Save as aforesaid and in all other circumstances, irrespective of whether Completion occurs or whether the SP Agreement is terminated and irrespective of whether such occurrence or termination shall be due non-fulfillment of the Conditions Precedent or any other reasons, the Deposit is non-refundable and constitute compensation for losses suffered by the Vendor as a result of having initiated its sale of the Sale Shares.

All claims by the Company on the Vendor for breaches of the SP Agreement shall be satisfied first by deductions from the Reserved Amount. Payment of compensation out of the Reserved Amount shall be made by the Escrow Agent based on joint instruction given by the Company and the Vendor. If dispute shall arise on the amount of compensation payable from the Reserved Amount, any such dispute shall be resolved by court proceedings. The Reserved Amount (or the balance whereof) or the balance whereof that is not subject to dispute shall be released to the Vendor on 22 August 2012.

Completion Accounts and Vendor's Obligation to Eliminate Shortfall and Debts

Following execution of the SP Agreement the Vendor shall appoint the Designated Auditor to audit the accounts of the Target Group and the Completion Accounts from 1 January 2008 to 31 December 2010 in accordance with the applicable PRC financial reporting standards and to issue an unqualified audit report on the Completion Accounts.

The amount of Consideration for the Acquisition was agreed with the Vendor on the basis, among others, that the consolidated net asset value of the Domestic Holdco as at 30 June 2011 was not less than RMB500 million (equivalent to approximately HK\$609.8 million).

If according to the audited Completion Accounts (i) the consolidated net asset value of the Domestic Holdco as at 30 June 2011 is less than RMB500 million (equivalent to approximately HK\$609.8 million), the Vendor shall eliminate the shortfall by making cash payment to the Domestic Holdco; or (ii) the Target, the HK Holdco or the WFOE has any indebtedness in excess of RMB50,000 (equivalent to approximately HK\$60,976), the Vendor shall eliminate such indebtedness free of claims on the Target, the HK Holdco or the WFOE.

Conditions Precedent

Completion of the Acquisition is subject to satisfaction of the following Conditions Precedent on or before the Longstop Day:

- (1) the Company having completed its due diligence review of the Target Group, its business, assets debts and operations and being reasonably satisfied with the results of such review;
- (2) the Acquisition having been approved by the Shareholders at the EGM in accordance with the Company's articles of association and the Listing Rules; and
- (3) the Designated Auditor having completed its audit of the Completion Accounts in accordance with the applicable PRC financial reporting standards and issued an unqualified report thereon.

The Company may unilaterally waive the Condition Precedent stated in paragraph (1) above by written notice to the Vendor, and such Condition Precedent can be waived by the Company only. The Directors consider this enables the Company to consummate the Acquisition in a more flexible manner. The Directors confirm that the Company currently does not intend to waive such Condition Precedent. The other Conditions Precedent cannot be waived unilaterally by any party to the SP Agreement.

The unqualified audit report on the Completion Accounts, as issued by the Designated Auditor, shall be provided to the Company within 60 days from date of the SP Agreement. If not, the Longstop Day shall be extended to 30 days after issue of the unqualified audit report on the Completion Accounts by the Designated Auditor.

If the Conditions Precedents are not wholly satisfied on or before the Longstop Date (save waived by the Company), the SP Agreement shall be terminated. Upon such termination, the obligations of the Company and the Vendor under the SP Agreement shall cease and the Vendor shall be entitled to retain the Deposit and interest accrued thereon. Unless otherwise stated in the SP Agreement and save for antecedent breach of the SP Agreement, no party to the SP Agreement may make any claims against the other party.

Restructuring and Payment of Retained Profits

Before the Restructuring, the Target indirectly holds approximately 90.7% equity interest in the Domestic Holdco, which in turn holds the entire equity interest in the Operating Entities as well as certain assets which do not form part of the Acquisition. The main reason for excluding such disposal assets in the Acquisition is that they involve a vehicle brand which is not the target brand and several dormant companies. It is a term of the SP Agreement that the Vendor will, before Completion, acquire the minority equity interest (approximately 9.3%) in the Domestic Holdco at the Vendor's own costs and expenses and procure the Target Group to undergo the Restructuring for the purpose of carving out from the Target Group the operating entities, related assets and infrastructure that are not related to target brand business, which are not intended to be acquired by the Group.

At time of signing of the SP Agreement, the Target Group has 11 dealership brands, including Jaguar, Land Rover, Volvo, Mercedes-Benz, Infiniti, Acura, Faw Mazda, Faw Volkswagen, Ford, and Faw Toyota, where the remaining one dealership brand, which is a non-premium vehicle brand and whose sales and operation have not been commenced by the Target Group, is not intended to be acquired by the Group and will be carved out in the Target Group under the Restructuring. A substantial part of the Restructuring is expected to be completed before Completion of the Acquisition. The Restructuring involves deregistration of the aforesaid dormant companies of the Domestic Holdco. Corporate deregistration may require a longer time to effectuate and may not be fully implemented until after Completion of the Acquisition. However, upon Completion, the Company will indirectly hold the entire equity interest in the Domestic Holdco and the Operating Entities (save for one of them which is 90% owned) through its wholly owned subsidiaries. Since the revenue contribution from the non-acquired assets of the Target Group is relatively small, the Restructuring will not have a significant effect to the size of operation of the Target Group. The Consideration will not be adjusted according to the Restructuring since determination of the Consideration was based on the post-Restructuring value of the Target Group.

No distribution of profits shall be made by any of the Operating Entities between 30 June 2011 and the Completion Date.

Any transfer or disposal of assets by the Target Group under the Restructuring shall be carried out at consideration equal to book value.

Consummation of the Restructuring is not a Condition Precedent of the Completion and the disposal of non-acquired assets of the Target Group will continue after Completion.

Limitation on Liabilities of the Vendor and the Guarantor

The maximum liabilities of the Vendor and the Guarantor under and following Completion of the SP Agreement, including for breach of warranties, are limited to the amount of RMB1 billion (equivalent to approximately HK\$1.22 billion) in aggregate. If Completion does not occur, the liabilities of the Vendor and the Guarantor under the SP Agreement are limited to the refund of the Deposit, to the extent that such refund obligation falls to be performed.

Claims by the Company on the Vendor or the Guarantor for breach of the SP Agreement, including for breach of warranties, are limited to those notified to the Vendor and the Guarantor in writing on or before 22 August 2012.

Financial Supports to the Target Group

After signing of the SP Agreement, the Company shall liaise and coordinate with bankers of the Operating Entities to continue the provision of bank loans to the Operating Entities or procure other bankers to provide loans to the Operating Entities. If, despite the making of such arrangement by the Company, working capital available to the Operating Entities is not sufficient to maintain their pre-existing level of operations, the Company shall, through such methods as are legal and in compliance with applicable rules, resolve for the provision of funding to the Operating Entities in amount not less than RMB800 million but not more than RMB1.5 billion (equivalent to approximately HK\$976 million to HK\$1.8 billion) to finance the working capital requirements of the Operating Entities. Interest on such funding shall be charged at rates equal to those charged by the People's Bank of China for loans of compatible maturity.

The reason for the above arrangement is that bank lenders of the Target Group may terminate or reduce banking facilities granted to the Target Group once they become aware of the possible change of ownership of the Target Group as a result of the Acquisition. It is estimated that the Target Group will require financial support to the extent of approximately RMB800 million to RMB1.5 billion (equivalent to approximately HK\$976 million to HK\$1.8 billion) for the purpose of maintaining its existing level of operation if such banking facilities are terminated. The Directors confirm that the above arrangement will comply with the relevant Listing Rules requirement.

Completion

Completion of the Acquisition shall take place on the third business day immediately following satisfaction or waiver in full of the Conditions Precedent or such later day as the parties to the SP Agreement may agree.

Upon Completion, members of the Target Group will become subsidiaries of the Group.

Non-compete Undertaking by the Vendor and the Guarantor

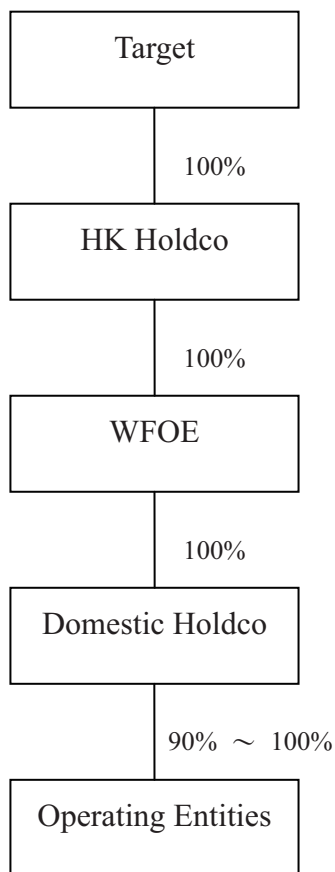
Pursuant to the SP Agreement the Vendor and the Guarantor have undertaken to the Company that, for a period of 5 years after Completion, they will not carry on in the PRC the automobile dealership business of the same brands as those carried on by the Target Group on the Completion Date.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated as an investment holding company under the laws of BVI and is the holding company of the Target Subsidiaries.

The Target Group is a major 4S dealership group in the PRC whose principal business is the retail sale of premium branded automobiles, and the structure of premium brand mainly focuses on Jaguar, Land Rover and Volvo. The Target Group has automobile dealership outlets spread over Beijing, Tianjin, Fujian, Hunan, Guangdong and Hainan. There is a total of 31 automobile operation points authorized by manufacturers, of which, 3 are under construction. The length of the dealership agreements obtained by the Target Group ranges from 1 to 3 years.

The following chart depicts a simplified corporate structure of the Target Group, after completion of the Restructuring:



The names and dates of incorporation of the Operating Entities are as follow:

Name	Date of incorporation
深圳市中汽南方機電設備有限公司 (Shenzhen Zhongqi Nanfang M&E Equipment Limited*)	1996-11
深圳市中汽南方汽車維修有限公司 (Shenzhen Zhongqi Nanfang Automobile Repair Limited*)	2000-8
廣東中汽南方汽車銷售服務有限公司 (Guangdong Zhongqi Nanfang Automobile Sales Services Limited*)	2004-7
東莞中汽南方汽車銷售服務有限公司 (Dongguan Zhongqi Nanfang Automobile Sales Services Limited*)	2004-7
中山中汽南方汽車銷售服務有限公司 (Zhongshan Zhongqi Nanfang Automobile Sales Services Limited*)	2011-4
珠海中汽南方汽車銷售服務有限公司 (Zhuhai Zhongqi Nanfang Automobile Sales Services Limited*)	2005-3

Name	Date of incorporation
湖南中汽南方汽車銷售服務有限公司 (Hunan Zhongqi Nanfang Automobile Sales Services Limited*)	2005-5
海南中汽南方汽車銷售服務有限公司 (Hainan Zhongqi Nanfang Automobile Sales Services Limited*)	2008-5
福建中汽南方汽車銷售服務有限公司 (Fujian Zhongqi Nanfang Automobile Sales Services Limited*)	2005-4
深圳野馬汽車貿易有限公司 (Shenzhen Yama Auto Trading Limited*)	1993-6
北京中汽南方華北汽車服務有限公司 (Beijing Zhongqi Nanfang Huabei Automobile Services Limited*)	2011-7
北京百旺沃瑞汽車銷售服務有限公司 (Beijing Baiwang Worui Automobile Sales Services Limited*)	2008-3
北京德萬隆經貿有限公司 (Beijing Dewanlong Trading Limited*)	1999-9
北京中汽南方中關汽車銷售有限公司 (Beijing Zhongqi Nanfang Zhongguan Automobile Sales Limited*)	2010-3
天津中汽南方汽車銷售服務有限公司 (Tianjin Zhongqi Nanfang Automobile Sales Services Limited*)	2004-5
天津汽車工業銷售深圳南方有限公司 (Tianjin Automobile Industry Sales Shenzhen Nanfang Limited*)	1995-11
深圳市南方騰星汽車銷售服務有限公司 (Shenzhen Nanfang Tengxing Automobile Sales Services Limited*)	2006-5
深圳市南方英菲尼迪汽車銷售服務有限公司 (Shenzhen Nanfang Infiniti Automobile Sales Services Limited*)	2006-10
深圳市中汽南方長福汽車銷售有限公司 (Shenzhen Zhongqi Nanfang Changfu Automobile Sales Services Limited*)	2004-12
深圳市南方騰田汽車銷售服務有限公司 (Shenzhen Nanfang Tengtian Automobile Sales Services Limited*)	2006-3
深圳市南方騰龍汽車銷售服務有限公司 (Shenzhen Nanfang Tenglong Automobile Sales Services Limited*)	2005-12
深圳南方豐田汽車銷售服務有限公司 (Shenzhen Nanfang Toyota Automobile Sales Services Limited*)	2002-4
清遠南方合眾汽車銷售服務有限公司 (Qingyuan Nanfang Triangle Motors Sales Services Limited*)	2009-12

Name	Date of incorporation
清遠南方合達汽車銷售服務有限公司 (Qingyuan Nanfang Heda Motors Sales Service Limited*)	2010-10
清遠南方豐田汽車銷售服務有限公司 (Qingyuan Nanfang Toyota Automobile Sales Services Limited*)	2008-10

Based on the unaudited financial statements of the Target (assuming completion of the Restructuring) prepared in accordance with PRC accounting standards, the net asset value of the Target as at 31 December 2009, 31 December 2010 and 30 June 2011 were approximately RMB1,024 million (equivalent to approximately HK\$1,249 million), RMB445 million (equivalent to approximately HK\$543 million) and RMB611 million (equivalent to approximately HK\$745 million) respectively, and set out below is the financial information of the Target for the two financial years ended 31 December 2010 and the six months ended 30 June 2011:

	For the year ended 31 December 2009 (unaudited) <i>RMB'000</i>	For the year ended 31 December 2010 (unaudited) <i>RMB'000</i>	For the six months ended 30 June 2011 (unaudited) <i>RMB'000</i>
Profit Before Taxation	438,289	706,761	356,902
Profit After Taxation	392,315	614,552	267,977

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Group is a major 4S dealership group in China focused on premium brands such as BMW, MINI and Audi, with a dealership network covering those cities with increasingly affluent populations in the Yangtze River Delta, Pearl River Delta Region, Bohai Economic Circle as well as selected inland areas of China.

The Acquisition constitutes part of strategic investments of the Group as proposed during its listing exercise. Completion of the Acquisition will significantly expand the Group's network for dealing in premium vehicle brands, contribute to the Group becoming a core dealer in premium branded vehicles in China, consolidate the Group's leadership position in the premium vehicle dealership sector in the PRC. The dealership network of the Target Group will also compliment the Group's existing network and give rise to synergy effects. The revenue generating capacity and growth potential of the Target Group will contribute to the Group's growth.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Acquisition is therefore subject to the Shareholders' approval at the EGM.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition. Such approval shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and therefore no Shareholder is required to abstain from voting for the resolutions to approve the Acquisition at the EGM.

A circular containing, among other things, details of the Acquisition and the notice of the EGM is expected to be dispatched to the Shareholders on or before 19 September 2011 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Shareholders and investors should note that completion of the SP Agreement is subject to various conditions as stated in the section headed "Conditions Precedent" in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 1:30 p.m. on 23 August 2011 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 30 August 2011.

DEFINITIONS

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

"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
"Acquisition"	the proposed acquisition of the entire issued share capital in the Target by the Company (or one of its wholly-owned subsidiaries) from the Vendor pursuant to the terms of the SP Agreement, including the entering into and performance by the Company of the SP Agreement and consummation of the transactions contemplated thereunder
"Board"	the board of Directors
"BVI"	British Virgin Islands
"Company"	China ZhengTong Auto Services Holdings Limited, 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: 1728)
"Completion"	completion of the Acquisition

“Completion Accounts”	the accounts of the Target Group, assuming the Restructuring was completed before 1 January 2011, from 1 January 2011 to 30 June 2011 prepared by the Designated Auditor under the accounting standards of the PRC and audited financial statements of the Target Group as at 30 June 2011
“Completion Date”	the third business day immediately following the day on which all the Conditions Precedent shall have been satisfied or waived or such later day as the parties to the SP Agreement may agree
“Conditions Precedent”	the conditions precedent to which the Acquisition is subject, as specified in the SP Agreement and summarized in the section headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the sum of RMB5.5 billion (equivalent to approximately HK\$6.707 billion), being the amount of consideration payable by the Company to the Vendor for the Sale Shares under the SP Agreement
“Deposit”	the cash sum of RMB550 million (equivalent to approximately HK\$670.7 million) paid by the Company to the Vendor upon signing of the SP Agreement, as deposit for and part payment of the Consideration
“Designated Auditor”	the auditor designated under the SP Agreement and to be engaged by the Target Group to audit the Completion Accounts
“Director(s)”	director(s) of the Company
“Domestic Holdco”	深圳市中汽南方投資集團有限公司 (Shenzhen City Zhongqi Nanfang Investment Group Co. Ltd.*), a domestic company incorporated in the PRC in May 2001, whose approximately 90.7% of its equity interest is owned by the WFOE and is the intermediate holding company owning the Target Group’s interest in the Operating Entities
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition
“Escrow Agent”	the Hong Kong licensed bank named in the SP Agreement as the escrow agent or such other Hong Kong licensed bank as may be nominated by the Vendor to take up such appointment
“Escrow Agreement”	an escrow agreement to be entered into by the Company, the Vendor and the Escrow Agent on or before the Completion Date regulating treatment and disposal of the Reserved Amount, substantially in the form annexed to the SP Agreement

“Group”	the Company and its subsidiaries from time to time
“Guarantor”	an individual, being the beneficial owner of the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK Holdco”	Wealth Fame Holdings Limited (佳名集團有限公司), a company incorporated in Hong Kong in July 2007 which is 100% owned by the Target and is the intermediate holding company owning the Target Group’s interest in the WFOE
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Day”	21 November 2011 (subject to extension in manner specified in the SP Agreement) or such later day as may be agreed by the Company and the Vendor
“Operating Entities”	a total of 25 domestic companies incorporated in the PRC, all of which are 100% owned by the Domestic Holdco (save for one of them which is 90% owned) after the completion of the Restructuring and are the operating entities of the Target Group’s automobile dealership and related business in the PRC
“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
“Reserved Amount”	the cash sum of RMB300 million (equivalent to approximately HK\$365.9 million) to be paid by the Company to the Escrow Agent on the Completion Date, as part payment of the Consideration
“Restructuring”	disposals of certain companies and assets, which are excluded from the Acquisition, of the Target Group in the manner as agreed under the SP Agreement
“Sale Shares”	100 ordinary shares of par value US\$1 each in the issued capital of the Target beneficially owned by the Vendor, being the entire issued share capital of the Target
“Share(s)”	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
“SP Agreement”	the conditional share purchase agreement dated 23 August 2011, entered into between the Company, the Vendor and the Guarantor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Top Globe Limited (同方有限公司), a company incorporated in BVI which owns 100% of the HK Holdco
“Target Group”	the Target and the Target Subsidiaries
“Target Subsidiaries”	namely the HK Holdco, WFOE, the Domestic Holdco and the Operating Entities
“Vendor”	Exactwin Limited (確成有限公司), a company incorporated in BVI
“WFOE”	深圳路美特科技有限公司 (Shenzhen Lumeite Technology Co. Ltd.*), a wholly foreign owned enterprise incorporated in the PRC in March 2004, which is 100% owned by the HK Holdco and is the intermediate holding company owning the Target Group’s interest in the Domestic Holdco
“%”	per cent.
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollar, the lawful currency of the United States of America

* For identification purpose only

For the purpose of this announcement, the exchange rate used for conversion between HK\$ and RMB is HK\$1.00 = RMB0.82.

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 Kunpeng
Chief Executive Officer and Executive Director

29 August 2011

As at the date of this announcement, the Board comprises Mr. WANG Kunpeng (Chief Executive Officer), Mr. LI Zhubo, Mr. LIU Dongli, Mr. CHEN Tao and Mr. SHAO Yong Jun as Executive Directors; Mr. WANG Muqing as Non-Executive Director; and Dr. WONG Tin Yau, Kelvin, Mr. TAN Xiangyong and Mr. ZHANG Yansheng as Independent Non-Executive Directors.

This announcement is also available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.zhengtongaoto.com.