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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)**

**UPDATE IN RESPECT OF WITHDRAWAL OF INTERESTS IN  
SHANGHAI DONGZHENG AUTOMOTIVE FINANCE CO., LTD.\*  
AND  
RESUMPTION OF TRADING IN THE SHARES**

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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**UPDATE IN RESPECT OF WITHDRAWAL OF INTERESTS IN SHANGHAI  
DONGZHENG AUTOMOTIVE FINANCE CO., LTD.\***

Reference is made to the announcements of the Company dated 7 December 2020, 3 February 2021, 9 March 2021 and 8 February 2022 (the “**Announcements**”) in relation to, among other things, the enforcement of the Administrative Decision to liquidate the equity interest held by the Company in Shanghai Dongzheng Automotive Finance Co., Ltd.\* (“**Dongzheng AFC**”) by way of auction (the “**Auction**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those used in the Announcements.

## I. Background of the Auction

Reference is made to the Announcements in relation to the application made by Shanghai CBIRC to the Shanghai Financial Court for the enforcement of the Administrative Decision, pursuant to which the 1.52 billion shares held by the Company in Dongzheng AFC under the custody of China Securities Depository and Clearing Corporation Limited shall be liquidated by way of Auction in accordance with the applicable PRC laws and regulations.

## II. Details of the Auction

On 16 April 2022, the Company was made aware of an auction announcement (the “**Auction Announcement**”) issued by the Shanghai Financial Court on the judicial auction online platform on JD.com in relation to the Auction of the shares held by the Company in Dongzheng AFC, details of which are (among others) as follows:

Subject of Auction: 1.52 billion shares held by the Company in Dongzheng AFC (representing all the issued unlisted foreign shares of Dongzheng AFC and approximately 71.04% of the total issued ordinary shares of Dongzheng AFC).

Base bid price: RMB1,606,812,970.00; deposit: RMB160,000,000; increment interval of bid: RMB5,000,000 or in multiples thereof.

Time of Auction: 10:00 a.m., 18 May 2022 to 10:00 a.m., 19 May 2022 (excluding extensions of time).

Qualification of the bidder: The bidder shall be a corporate legal person in compliance with PRC laws and regulations as well as the regulations and requirements of the CBIRC and other relevant regulatory authorities in relation to any changes in the controlling shareholder of an automotive finance company. The bidder shall also be aware of the relevant Hong Kong regulatory requirements.

For further details of the Auction, please refer to the Auction Announcement on the judicial auction online platform on JD.com at: (<https://paimai.jd.com/287421325>).

## III. Impact on the Company

As stated in the announcement of annual results for the year ended 31 December 2021 of the Company, in view of the developments in the withdrawal of interests in Dongzheng AFC as stated in the Announcements, the Company has concluded that at the end of 2021 there was a significant change in circumstances around how power can be exercised over Dongzheng AFC and that the Company lost control over

Dongzheng AFC. Consequently, from then the Company has ceased to consolidate the assets, liabilities and activities of Dongzheng AFC and has recognised its interests in Dongzheng AFC as a financial asset at fair value through profit or loss and, accordingly, the assets and liabilities in the disposal group held for sale as at 31 December 2020 has become one single financial asset held for sale as at 31 December 2021. In accordance with the valuation report issued by an external valuer on 24 March 2022, the fair value of the equity interests held by the Company in Dongzheng AFC as whole at the date of loss of control was RMB1,400,714,000. Accordingly, upon the loss of control the Company has recognised a remeasurement loss of RMB1,200,197,000 being the difference between the fair value of the overall interest and the Group's share of the carrying amounts of the underlying assets and liabilities of Dongzheng AFC.

As at the date of this announcement, the Auction is still in the publication stage. It is uncertain whether any party will successfully acquire the equity interests held by the Company in Dongzheng AFC and the Company is unable to ascertain the final price of the disposal at this stage. However, given that the Company must comply with the court order for the disposal by way of auction of the equity interest held in Dongzheng AFC, and has no discretion otherwise, such disposal will not constitute a transaction under Chapter 14 of the Listing Rules, and therefore the requirements for notifiable transactions, including shareholders' approval and the dispatch of a circular to shareholders, will not apply to such disposal. The Company will continue to assess and pay close attention to any material development of the Auction and will make further announcement in accordance with the Listing Rules and applicable laws and regulations as and when appropriate.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 19 April 2022 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 22 April 2022.

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

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  
**Wang Mingcheng**  
*Chairman*

Hong Kong, 21 April 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.*

*\* for identification purpose only*