

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of China ZhengTong Auto Services Holdings Limited.



XINDA MOTORS CO., LIMITED

信達汽車(香港)有限公司

(Incorporated in Hong Kong with limited liability)

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)

JOINT ANNOUNCEMENT

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;

(2) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;

(3) APPLICATION FOR WHITEWASH WAIVER

AND

(4) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY CLSA LIMITED FOR AND ON BEHALF OF XINDA MOTORS CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF CHINA ZHENG TONG AUTO SERVICES HOLDINGS LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY XINDA MOTORS CO., LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

Financial Adviser to the Subscriber



Financial Adviser to the Company



Independent Financial Adviser to Independent Board Committee and the Independent Shareholders



THE CONNECTED SUBSCRIPTION — CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE

On 25 January 2025, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 6,669,060,524 Subscription Shares at the Subscription Price of HK\$0.15 per Subscription Share for a total consideration of HK\$1,000,359,078.60 in cash.

6,669,060,524 Shares will be issued at the Subscription Price per Subscription Share under the Connected Subscription, which represents:

- (a) approximately 199.26% of the existing issued share capital of the Company as at the date of this joint announcement; and
- (b) approximately 66.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Connected Subscription Completion.

The Subscription Shares for the Connected Subscription shall be allotted and issued pursuant to the specific mandate to be sought from the Independent Shareholders at the EGM.

APPLICATION FOR LISTING

If the Independent Shareholders approve the Connected Subscription, an application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares before the Connected Subscription Completion.

IMPLICATION UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this joint announcement, the Subscriber and the parties acting in concert with it hold 842,977,684 Shares, representing approximately 25.19% of the issued share capital of the Company. Upon the Connected Subscription Completion, the shareholding of the Subscriber and the parties acting in concert with it will increase to approximately, and not more than, 75.00% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders.

The Subscriber has made an application to the Executive for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Connected Subscription, respectively, at the EGM.

The Subscriber, its associates, and any parties acting in concert with it, and the Shareholders who are involved in or interested in the Connected Subscription and/or the Whitewash Waiver, will be required to abstain from voting in respect of the resolution(s) to approve the Connected Subscription and the Whitewash Waiver at the EGM.

The Executive may or may not grant the Whitewash Waiver. Where the Connected Subscription is approved by the Independent Shareholders but the Whitewash Waiver is not granted by the Executive and/or is not approved by the Independent Shareholders, the Subscriber reserves the right to waive the condition precedent relating to the Whitewash Waiver. If the Subscriber proceeds to waive such condition precedent, then the Company and the Subscriber will proceed with the completion of the Connected Subscription in accordance with the terms of the Subscription Agreement. If the Subscriber does not waive the condition precedent in these circumstances, then the Connected Subscription will not proceed. Where the Whitewash Waiver is not granted by the Executive and/or is not approved by the Independent Shareholders and the Connected Subscription Completion takes place, immediately following the Connected Subscription Completion, the Subscriber and the parties acting in concert with it will increase its shareholding in the Company to approximately, and not more than, 75.00% of the issued share capital of the Company. Consequently, the Subscriber will, in those circumstances, comply with Rule 26.1 of the Takeovers Code and make an unconditional mandatory cash offer to acquire all the issued Shares (other than those Shares agreed to be acquired by the Subscriber and the parties acting in concert with it). Further announcements in compliance with the Takeovers Code and the Listing Rules (see section headed “THE POSSIBLE UNCONDITIONAL MANDATORY OFFER” below) will be made.

Where both the Connected Subscription and the Whitewash Waiver are approved by the Independent Shareholders, the Subscriber will proceed with the Connected Subscription without undertaking a mandatory general offer under the Takeovers Code.

POSSIBLE UNCONDITIONAL MANDATORY OFFER

Under the Subscription Agreement, the grant of Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders is a condition precedent of the Connected Subscription which the Subscriber reserved the right to waive. Accordingly, the offer period has commenced as at the date of this joint announcement. The results of the EGM will be announced in accordance with the Listing Rules and the Takeovers Code following conclusion of the EGM. If the Whitewash Waiver is not granted by the Executive and/or not approved by the Independent Shareholders at the EGM, the Subscriber may decide whether or not to waive the condition precedent relating to the Whitewash Waiver and proceed with the Connected Subscription and make a general offer, which will be solely in cash, for all the issued Shares in accordance with Rule 26.1 of the Takeovers Code, and the offer period will continue until such offer completes or lapses. If the Subscriber decides not to waive the condition precedent relating to the Whitewash Waiver in such circumstances, the offer period will end when such an announcement is made. If the Independent Shareholders approve the Whitewash Waiver at the EGM, the offer period will end when an announcement is made that the mandatory general offer will not proceed.

LISTING RULES IMPLICATIONS

The Subscriber is indirectly wholly owned by ITG Holding, a substantial shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the Connected Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to joint announcement, reporting and the Independent Shareholders' approval requirements.

FINANCIAL ADVISERS, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has appointed Huatai as its financial adviser. The Subscriber has appointed CITICS HK as its financial adviser.

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Connected Subscription, the Whitewash Waiver and, if proceeded with, the Offer, namely Dr. TSUI Wai Ling, Carlyn, Mr. SHEN Jinjun and Ms. YU Jianrong) has been formed to advise the Independent Shareholders on the terms of the Connected Subscription, the Whitewash Waiver and the Offer.

Gram Capital, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Connected Subscription, the Whitewash Waiver and the Offer and to make recommendation as to voting.

GENERAL

The EGM will be convened to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Subscription Agreement (including the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares); and (ii) the Whitewash Waiver.

Resolutions approving the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares) and the Whitewash Waiver will be proposed at the EGM to be approved by the Independent Shareholders. The Whitewash Waiver will be proposed by way of a resolution to be passed by at least 75%, and the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the related specific mandate) will be proposed by way of resolution(s) to be passed by more than 50%, of the votes cast by the Independent Shareholders that are cast either in person or by proxy, respectively, at the EGM.

The voting at the EGM will be conducted by way of poll.

DESPATCH OF DOCUMENTS

A circular containing, among other things, (i) details of the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares); (ii) the Whitewash Waiver; (iii) a letter of advice from the Independent Board Committee on the Connected Subscription (including the Subscription Agreement and the specific mandate to allot and issue the Subscription Shares) and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares) and the Whitewash Waiver; and (v) a notice of EGM together with the form of proxy, is expected to be despatched to Shareholders no later than 15 Business Days after the date of this joint announcement pursuant to Rule 14A.68 of the Listing Rules or 21 days after the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

Since the Connected Subscription Completion is subject to the fulfilment or waiver (as applicable) of the conditions precedent as set out in the Subscription Agreement, the Connected Subscription may or may not proceed.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Connected Subscription, respectively, at the EGM.

The making of the Offer is subject to the (1) the Whitewash Waiver not being granted by the Executive and/or is not approved by the Independent Shareholders and the Subscriber decides to waive the condition precedent relating to the Whitewash Waiver and proceed with the Connected Subscription in such circumstances, and (2) the Connected Subscription Completion having taken place. Accordingly, the Offer may or may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

THE CONNECTED SUBSCRIPTION — CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE

On 25 January 2025, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 6,669,060,524 Subscription Shares at the Subscription Price of HK\$0.15 per Subscription Share for a total consideration of HK\$1,000,359,078.60 in cash. The principal terms of the Subscription Agreement are set out below.

Principal terms of the Subscription Agreement

Date

25 January 2025

Parties Involved

- (a) the Company (as issuer)
- (b) the Subscriber (as subscriber)

As at the date of this joint announcement, the Subscriber is a connected person of the Company.

Total Subscription consideration

HK\$1,000,359,078.60

Subscription Price per Subscription Share

HK\$0.15

The Subscription Shares

6,669,060,524 Shares will be issued at the Subscription Price per Subscription Share under the Connected Subscription, which represents:

- (a) approximately 199.26% of the existing issued share capital of the Company as at the date of this joint announcement; and
- (b) approximately 66.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Connected Subscription Completion.

The Subscription Shares for the Connected Subscription shall be allotted and issued pursuant to the specific mandate to be sought from the Independent Shareholders at the EGM.

Ranking

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue. There is no restriction which applies to the subsequent sale of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$0.15 per Subscription Share represents:

- (a) a premium of approximately 36.36% over the closing price of HK\$0.1100 per Share as quoted on the Stock Exchange on the last trading date immediately prior to the date of the Subscription Agreement;
- (b) a premium of approximately 42.59% over the average closing price of HK\$0.1052 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (c) a premium of approximately 83.67% over the average closing price of HK\$0.0817 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the date of the Subscription Agreement;

- (d) a premium of approximately 44.65% over the average closing price of HK\$0.1037 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to the date of the Subscription Agreement;
- (e) a premium of approximately 29.68% over the audited consolidated net asset value per Share as at 31 December 2023 of approximately RMB0.1081 (equivalent to approximately HK\$0.1157¹) calculated based on the audited net asset of the Group attributable to the equity holders as at 31 December 2023 of approximately RMB361,830,000 and 3,346,990,420 Shares in issue as at the date of this joint announcement; and
- (f) a discount of approximately 8.95% to the unaudited consolidated net asset value per Share as at 30 June 2024 of approximately RMB0.1540 (equivalent to approximately HK\$0.1647¹) calculated based on the unaudited net asset of the Group attributable to the equity holders as at 30 June 2024 of approximately RMB515,321,000 and 3,346,990,420 Shares in issue as at the date of this joint announcement.

Note 1: based on an exchange rate of RMB1 = HK\$1.07

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to (i) the recent and historical market prices of the Shares; (ii) the trading liquidity of the Shares; (iii) the recent financial position of the Group; and (iv) the amount of funds that the Company intends to raise under the Connected Subscription.

Taking into account that the Subscriber is willing to inject large amount of capital into the Company to maintain its operation, and to support its future operation, 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 Connected Subscription and the Whitewash Waiver, after considering the advice of the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and in the interest of the Company, and the Shareholders as a whole.

Conditions precedent

The Connected Subscription Completion is conditional upon satisfaction or (if applicable) waiver of the following conditions:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares for the Connected Subscription and such approval and permission remaining in full force and effect;

- (b) the approval by more than 50% of the votes cast by the Independent Shareholders at the EGM in respect of the Subscription Agreement and the transactions contemplated thereunder and the related specific mandate to allot and issue Subscription Shares;
- (c) the Subscriber having obtained all necessary approval, consents, filings or registration from applicable regulatory authorities in respect of the Connected Subscription, including the approval, consents, filings or registration from the National Development and Reform Commission, Ministry of Commerce, and State Administration of Foreign Exchange or the respective competent local authorities (as applicable) in the PRC, and such approval, consents, filings or registration remaining in full force and effect;
- (d) there having been no breach of any terms of the Subscription Agreement by the Company in any material respects;
- (e) the representations and warranties given by the Company under the Subscription Agreement remaining true, complete and accurate in all material respects and not misleading as at the Connected Subscription Completion;
- (f) the representations and warranties given by the Subscriber under the Subscription Agreement remaining true, complete and accurate in all material respects and not misleading as at the Connected Subscription Completion;
- (g) there having been no event which may lead to material adverse change to the business, assets, financial conditions and profits of any member of the Group since the date the Subscription Agreement was entered into;
- (h) no regulatory authority having implemented or enacted any legislation, regulations or decrees to prohibit the Connected Subscription, and no courts with competent jurisdiction having issued any order or injunction prohibiting or preventing the Connected Subscription;
- (i) no dividend or other distribution (whether in cash or in kind) having been declared, made or paid by the Company to the Shareholders between the date of this joint announcement and the Connected Subscription Completion Date without prior written consent of the Subscriber; and
- (j) the Whitewash Waiver being granted by the Executive and approved by at least 75% of the votes cast by the Independent Shareholders at the EGM.

As at the date of this joint announcement, the Company does not intend to declare, pay and/or make any dividend or other distribution between the date of this joint announcement up to the Connected Subscription Completion Date.

The Subscriber shall be entitled to waive any of the conditions as set out in paragraphs (d), (e), (g), (i) and (j) above. The Company shall be entitled to waive the condition as set out in paragraph (f) above. The conditions as set out in paragraphs (a), (b), (c) and (h) are non-waivable. As at the date of this joint announcement, none of the conditions as set out above has been satisfied or (if applicable) waived.

In the event the Connected Subscription Completion does not take place on or before the Long Stop Date (or such other time and date as may be agreed by the Company and the Subscriber in writing), the Company and the Subscriber shall discuss with a view to agree on a subsequent date for the Connected Subscription Completion. If the Company and the Subscriber are unable to agree on a subsequent date for the Connected Subscription Completion within 30 days after the Long Stop Date, either the Company or the Subscriber shall be entitled to terminate the Subscription Agreement by written notice to the other party, upon which all rights and obligations of the parties to the Subscription Agreement shall terminate, save for any rights and obligations accrued prior to such termination.

Completion of the Connected Subscription

The Connected Subscription Completion shall take place within 10 Business Days (or such other date and time as may be agreed by the Company and the Subscriber) upon the satisfaction or (if applicable) waiver of the conditions under the Subscription Agreement, upon which the Company shall allot and issue the Subscription Shares to the Subscriber and the Subscriber shall pay to the Company the total consideration for the Subscription Shares.

Termination of the Subscription Agreement

The Subscription Agreement may be terminated:

- (a) by any party upon the material breach of the Subscription Agreement by the other party;
- (b) by the Subscriber, if:
 - (i) the trading in the Shares on the Stock Exchange is suspended by any competent regulatory authorities for 10 trading days or more (except for any trading halt or suspension pending the approval of this joint announcement or the circular of the Company in respect of the Subscription Agreement and the Whitewash Waiver) or for any period which extends to the Connected Subscription Completion Date, or the listing status of the Company on the Stock Exchange is revoked;

- (ii) there exists any material adverse effect on the financial position or operational results of the Group as a result of sanctions imposed by any applicable regulatory authorities on the Company or any senior management members of the Group (other than any senior management members of the Group which were sanctioned prior to the date of the Subscription Agreement), as a result of any material fraudulent or inappropriate behaviour conducted by any member of the Group being discovered or alleged and proven by any applicable regulatory authorities; or
 - (iii) there exists any material adverse effect on the financial position or operational results of the Group as a result of any change in applicable laws since the date of the Subscription Agreement; and
- (c) if the conditions precedent to the Subscription Agreement are not fulfilled or (if applicable) waived as the case may be on or before the Long Stop Date (or such other date as the parties agree).

Information on the Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding. As at the date of this joint announcement, the Subscriber is indirectly wholly owned by ITG Holding, a substantial shareholder of the Company, and is therefore a connected person of the Company.

ITG Holding is a Fortune Global 500 Company with operations in commodity trading, circulation automobile trading, logistics business, commodity retail business and other businesses. ITG Holding is a state-owned enterprise directly controlled by Xiamen State-owned Assets Supervision and Administration Commission. As at the date of this joint announcement, ITG Holding's board of directors comprises 9 directors, namely, Mr. XU Xiaoxi (許曉曦), Mr. GAO Shaoyong (高少鏞), Mr. MA Chenhua (馬陳華), Mr. CHEN Dingyu (陳鼎瑜), Mr. CHEN Fang (陳方), Mr. YANG Qingrong (楊清榕), Mr. WU Shinong (吳世農), Mr. CHEN Cangxing (陳蒼星) and Mr. CAI Yingbin (蔡瑩彬).

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this joint announcement, the Subscriber confirms that:

- (a) save for the Subscription Agreement, none of the Subscriber or parties acting in concert with it has dealt in any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights in the Company within the six months immediately prior to and including the date of this joint announcement;

- (b) other than the Connected Subscription, none of the Subscriber or parties acting in concert with it will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of this joint announcement and the Connected Subscription Completion;
- (c) save as disclosed in the section headed “EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY” in this joint announcement, there is no holding of voting rights in the Company or rights over any Shares which is owned, controlled or directed by the Subscriber or parties acting in concert with it;
- (d) none of the Subscriber or parties acting in concert with it holds any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;
- (e) there is no outstanding derivative in respect of the securities of the Company which has been entered into by any of the Subscriber or parties acting in concert with it;
- (f) save for the Subscription Agreement, there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the Shares or shares of the Subscriber and which might be material to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;
- (g) none of the Subscriber or parties acting in concert with it has received any irrevocable commitment from any person as to whether they will vote for or against the resolution approving the Subscription Agreement and the transactions contemplated thereunder, the related specific mandate to allot and issue Subscription Shares for the Connected Subscription and/or the Whitewash Waiver;
- (h) save for the Subscription Agreement, there are no agreements or arrangements to which the Subscriber is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Connected Subscription or the Whitewash Waiver;
- (i) none of the Subscriber or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (j) save for the subscription price for the Subscription Shares payable under the Subscription Agreement, none of the Subscriber or parties acting in concert with it has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any of the parties acting in concert with it in relation to the Connected Subscription or the Whitewash Waiver; and

- (k) there is no understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber or parties acting in concert with it on the one hand and any of the Shareholders on the other hand.

There is no understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) between the Company, its subsidiaries or associated companies on the one hand and any of the Shareholders on the other hand.

FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

Upon the Connected Subscription Completion, the Subscriber will become a controlling shareholder of the Company. The Subscriber considers and confirms that:

- (a) it is intended that the Group will continue its existing business following the Connected Subscription Completion;
- (b) it shares the view of the Company that the Connected Subscription is in the interests of the Group, as disclosed in the section headed “REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTION AND USE OF PROCEEDS” below; and
- (c) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group’s employees, and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business.

REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in 4S dealership business, automotive supply chain business and comprehensive properties business in PRC.

The maximum gross proceeds from the Connected Subscription will be HK\$1,000,359,078.60. The maximum net proceeds (after deducting relevant costs and expenses) from the Connected Subscription will be approximately HK\$997.5 million.

The net proceeds from the Connected Subscription are intended to be used (i) for increasing working capital and supporting the Group’s business operation, (ii) to capitalise on market opportunities for strategic investments or merger and acquisition as and when they arise, and (iii) repayment of existing debts to lower finance costs and to facilitate the development of the Company’s core business.

With the advent of electric vehicles, which has heralded a paradigm shift towards sustainability and environmental consciousness, away from traditional internal combustion engine (ICE) vehicles, the 4S dealership businesses in the PRC are at a crossroads in market development and subject to intense market competition. The Connected Subscription will supplement the Company's working capital requirements, enable to the Company to better meet its operation cash flow needs during such time of market transition, optimise its distribution footprint, adjust its brand portfolio, increase its inventory turnover and overall operational efficiency. All these factors will strengthen the Group's core business and better equip it to meet such market challenges. Whilst the Company is reviewing its plans for its non-core businesses, the Company expects to focus more on merger and acquisition opportunities in this industry, be it upstream or downstream, and to increase its international presence as it expects market consolidation opportunities to present themselves.

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 Connected Subscription and the Whitewash Waiver, after considering the advice of the Independent Financial Adviser) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

As the executive Directors Mr. WANG Mingcheng and Mr. SU Yi are currently serving roles within the ITG Group, they have abstained from voting on the relevant Board resolutions so as to avoid the perception of a conflict of interest.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Save as mentioned below, the Company has not raised any fund on any issue of equity securities in the 12 months immediately preceding the date of this joint announcement:

Date	Event	Net proceeds (HK\$ million)	Intended usage of the proceeds	Actual usage as at the date of this joint announcement for repayment of bank loans (HK\$ million)	Unutilised net proceeds as of the date of this joint announcement (HK\$ million)
2 August 2024	Subscription of an aggregate of 479,888,000 new Shares under general mandate at the subscription price of HK\$0.125 per subscription share	59.33	Repayment of bank loans	59.33	0

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of this joint announcement; and (b) immediately after the Connected Subscription Completion, assuming that there is no other change to the share capital and shareholding structure of the Company from the date of this joint announcement up to the Connected Subscription Completion Date, is set out below:

	As at the date of this joint announcement		Immediately after the Connected Subscription Completion	
	<i>Number of Shares</i>	<i>% of issued Shares</i>	<i>Number of Shares</i>	<i>% of issued Shares</i>
The Subscriber	820,618,184	24.52	7,489,678,708	74.78
Hong Kong Sindanol	22,359,500	0.67	22,359,500	0.22
The Subscriber and parties acting in concert with it⁽¹⁾	842,977,684	25.19	7,512,038,208	75.00
Non-public Shareholders				
Cheung Mui ⁽²⁾	336,682,500	10.06	—	—
Public Shareholders				
Cheung Mui ⁽²⁾	—	—	336,682,500	3.36
Other public Shareholders	<u>2,167,330,236</u>	<u>64.75</u>	<u>2,167,330,236</u>	<u>21.64</u>
Total	<u><u>3,346,990,420</u></u>	<u><u>100.00</u></u>	<u><u>10,016,050,944</u></u>	<u><u>100.00</u></u>

Notes:

- (1) ITG Holding is deemed to be interested in 22,359,500 Shares held by Hong Kong Sindanol, as ITG Holding was beneficially interested in approximately 39.93% of the issued share capital of Xiamen Xindeco according to the 2024 third quarterly report of Xiamen Xindeco, and Xiamen Xindeco was beneficially interested in the entire issued share capital of Hong Kong Sindanol. ITG Holding is also deemed to be interested in 820,618,184 Shares held by the Subscriber as the Subscriber is an indirectly wholly owned subsidiary of ITG Holding. Therefore, ITG Holding was indirectly interested in 842,977,684 Shares.
- (2) Cheung Mui is not considered a member of the public (within the meaning of Rule 8.24 of the Listing Rules) given that she holds more than 10% shareholding at the Company as at the date of this joint announcement. Immediately after the Connected Subscription Completion and assuming no other dealings in the Shares after the date of this joint announcement, her shareholding interest in the Company will be diluted and her shares will be considered to be in public hands (within the meaning of Rule 8.24 of the Listing Rules).
- (3) The percentage figures as set out above are subject to rounding adjustments.

(4) As at the date of this joint announcement, none of the Directors held any Shares in the Company.

As at the date of this joint announcement, other than the 3,346,990,420 Shares in issue, the Company has no other convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

INFORMATION ON THE COMPANY AND THE GROUP

The Group is principally engaged in 4S dealership business, automotive supply chain business and comprehensive properties business in the PRC. Set out below is a summary of certain financial information of the Group for the two years ended 31 December 2023 (audited) and for the 6 months ended 30 June 2024 (unaudited):

	Year ended 31 December 2022 <i>RMB'000</i>	Year ended 31 December 2023 <i>RMB'000</i>	6 months ended 30 June 2024 <i>RMB'000</i>
Revenue	22,606,790	24,131,975	9,875,622
Loss for the period	(297,421)	(820,480)	(634,840)
Net asset value attributable to the Shareholders	193,389	361,830	515,321

APPLICATION FOR LISTING

If the Independent Shareholders approve the Connected Subscription, an application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares before the Connected Subscription Completion.

IMPLICATION UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this joint announcement, the Subscriber and the parties acting in concert with it hold 842,977,684 Shares, representing approximately 25.19% of the issued share capital of the Company. Upon the Connected Subscription Completion, the shareholding of the Subscriber and the parties acting in concert with it will increase to approximately, and not more than, 75.00% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it), unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders.

The Subscriber has made an application to the Executive for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Connected Subscription, respectively, at the EGM.

The Subscriber, its associates, and any parties acting in concert with it, and the Shareholders who are involved in or interested in the Connected Subscription and/or the Whitewash Waiver, will be required to abstain from voting in respect of the resolution(s) to approve the Connected Subscription and the Whitewash Waiver at the EGM.

The Executive may or may not grant the Whitewash Waiver. Where the Connected Subscription is approved by the Independent Shareholders but the Whitewash Waiver is not granted by the Executive and/or is not approved by the Independent Shareholders, the Subscriber reserves the right to waive the condition precedent relating to the Whitewash Waiver. If the Subscriber proceeds to waive such condition precedent, then the Company and the Subscriber will proceed with the completion of the Connected Subscription in accordance with the terms of the Subscription Agreement. If the Subscriber does not waive the condition precedent in these circumstances, then the Connected Subscription will not proceed. Where the Whitewash Waiver is not granted by the Executive and/or is not approved by the Independent Shareholders and the Connected Subscription Completion takes place, immediately following the Connected Subscription Completion, the Subscriber and the parties acting in concert with it will increase its shareholding in the Company to approximately, and not more than, 75.00% of the issued share capital of the Company. Consequently, the Subscriber will, in those circumstances, comply with Rule 26.1 of the Takeovers Code and make an unconditional mandatory cash offer to acquire all the issued Shares (other than those Shares agreed to be acquired by the Subscriber and the parties acting in concert with it). Further announcements in compliance with the Takeovers Code and the Listing Rules (see section headed "THE POSSIBLE UNCONDITIONAL MANDATORY OFFER" below) will be made.

Where both the Connected Subscription and the Whitewash Waiver are approved by the Independent Shareholders, the Subscriber will proceed with the Connected Subscription without undertaking a mandatory general offer under the Takeovers Code.

As at the date of this joint announcement, the Company does not believe that the Connected Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this joint announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in respect of the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Connected Subscription does not comply with other applicable rules and regulations.

POSSIBLE UNCONDITIONAL MANDATORY OFFER

Under the Subscription Agreement, the grant of Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders is a condition precedent of the Connected Subscription which the Subscriber reserved the right to waive. Accordingly, the offer period has commenced as at the date of this joint announcement. The results of the EGM will be announced in accordance with the Listing Rules and the Takeovers Code following conclusion of the EGM. If the Whitewash Waiver is not granted by the Executive and/or not approved by the Independent Shareholders at the EGM, the Subscriber may decide whether or not to waive the condition precedent relating to the Whitewash Waiver and proceed with the Connected Subscription and make a general offer, which will be solely in cash, for all the issued Shares in accordance with Rule 26.1 of the Takeovers Code, and the offer period will continue until such offer completes or lapses. If the Subscriber decides not to waive the condition precedent relating to the Whitewash Waiver in such circumstances, the offer period will end when such an announcement is made. If the Independent Shareholders approve the Whitewash Waiver at the EGM, the offer period will end when an announcement is made that the mandatory general offer will not proceed.

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this joint announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company comprise 3,346,990,420 Shares in issue. Save for the aforesaid, the Company has no other outstanding relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced as at the date of this joint announcement. In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Company and the Subscriber (including persons owning or controlling 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber) are hereby reminded to disclose their dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company pursuant to Rule 22 of the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of the Subscriber or the Company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant requirements under the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

LISTING RULES IMPLICATIONS

As described in the section headed “Information on the Subscriber” in this joint announcement, the Subscriber is indirectly wholly owned by ITG Holding, a substantial shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the Connected Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to joint announcement, reporting and the Independent Shareholders’ approval requirements.

FINANCIAL ADVISERS, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has appointed Huatai as its financial adviser. The Subscriber has appointed CITICS HK as its financial adviser.

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Connected Subscription, the Whitewash Waiver and, if proceeded with, the Offer, namely Dr. TSUI Wai Ling, Carlyn, Mr. SHEN Jinjun and Ms. YU Jianrong) has been formed to advise the Independent Shareholders on the terms of the Connected Subscription, the Whitewash Waiver and the Offer.

Gram Capital, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Connected Subscription, the Whitewash Waiver and the Offer and to make recommendation as to voting.

GENERAL

The EGM will be convened to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Subscription Agreement (including the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares); and (ii) the Whitewash Waiver.

Resolutions approving the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares) and the Whitewash Waiver will be proposed at the EGM to be approved by the Independent Shareholders. The Whitewash Waiver will be proposed by way of a resolution to be passed by at least 75%, and the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the related specific mandate) will be proposed by way of resolution(s) to be passed by more than 50%, of the votes cast by the Independent Shareholders that are cast either in person or by proxy, respectively, at the EGM.

The voting at the EGM will be conducted by way of poll.

DESPATCH OF DOCUMENTS

A circular containing, among other things, (i) details of the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares); (ii) the Whitewash Waiver; (iii) a letter of advice from the Independent Board Committee on the Connected Subscription (including the Subscription Agreement and the specific mandate to allot and issue the Subscription Shares) and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Connected Subscription (including the Subscription Agreement, the transactions contemplated thereunder and the specific mandate to allot and issue the Subscription Shares) and the Whitewash Waiver; and (v) a notice of EGM together with the form of proxy, is expected to be despatched to Shareholders no later than 15 Business Days after the date of this joint announcement pursuant to Rule 14A.68 of the Listing Rules or 21 days after the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

Since the Connected Subscription Completion is subject to the fulfilment or waiver (as applicable) of the conditions precedent as set out in the Subscription Agreement, the Connected Subscription may or may not proceed.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Connected Subscription, respectively, at the EGM.

The making of the Offer is subject to the (1) the Whitewash Waiver not being granted by the Executive and/or is not approved by the Independent Shareholders and the Subscriber decides to waive the condition precedent relating to the Whitewash Waiver and proceed with the Connected Subscription in such circumstances, and (2) the Connected Subscription Completion having taken place. Accordingly, the Offer may or may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Circular”	the shareholders’ circular to be issued by the Company in relation to the Connected Subscription and Whitewash Waiver together with the notice of EGM
“CITICS HK”	CITIC Securities (Hong Kong) Limited, the financial adviser to the Subscriber and a corporation licensed to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)

“CLSA Limited”	CLSA Limited, the agent of the Subscriber in relation to the possible Offer and a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO, being, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)
“Company”	China ZhengTong Auto Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1728)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Connected Subscription”	the subscription of 6,669,060,524 Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Connected Subscription Completion”	the completion of the Connected Subscription pursuant to the Subscription Agreement
“Connected Subscription Completion Date”	the date on which the Connected Subscription Completion takes place pursuant to the Subscription Agreement
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to seek the approval of the Independent Shareholders in respect of the Connected Subscription and Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Sindanol”	Hong Kong Sindanol Limited, a company incorporated in Hong Kong with limited liability

“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 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 Committees”	the independent committee of the Board, comprising Dr. TSUI Wai Ling, Carlyn, Mr. SHEN Jinjun and Ms. YU Jianrong, the independent non-executive Directors, which has been established to advise the Independent Shareholders on the terms of the Connected Subscription, the Whitewash Waiver and the Offer
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the terms of the Connected Subscription, the Whitewash Waiver and the Offer and to make recommendation as to voting
“Independent Shareholders”	Shareholders other than (i) the Subscriber, its associates, and any parties acting in concert with it, including but not limited to ITG Holding and Hong Kong Sindanol, and (ii) other Shareholders who are interested or involved in the Connected Subscription and/or the Whitewash Waiver (if any)
“ITG Group”	ITG Holding and its subsidiaries
“ITG Holding”	Xiamen ITG Holding Group Co., Ltd.* (廈門國貿控股集團有限公司), a company incorporated in PRC with limited liability and a substantial shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 August 2025 (or any later date as the Company may agree with the Subscriber)
“Offer”	the possible unconditional mandatory offer to be made by CLSA Limited on behalf of the Subscriber to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it)

“PRC”	the People’s Republic of China, excluding, for the purpose of this joint announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	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 connected person of the Company as at the date of this joint announcement
“Subscription Agreement”	the subscription agreement dated 25 January 2025 entered into between the Company and the Subscriber in relation to the Connected Subscription
“Subscription Price”	HK\$0.15 per Subscription Share
“Subscription Shares”	6,669,060,524 new Shares to be issue by the Company to the Subscriber pursuant to the Connected Subscription
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	the whitewash waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) which might otherwise arise as a result of the Subscriber subscribing for the 6,669,060,524 Subscription Shares under the Subscription Agreement

“Xiamen Xindeco” Xiamen Xindeco Ltd.* (廈門信達股份有限公司), a company incorporated in PRC with limited liability and a company listed on the Shenzhen Stock Exchange (stock code: 000701.SZ)

“%” per cent.

By order of the board of
CHINA ZHENG TONG AUTO SERVICES HOLDINGS LIMITED
HUANG Junfeng
Chairman

Hong Kong, 26 January 2025

As at the date of this joint announcement, the Board comprises Mr. HUANG Junfeng (Chairman), Mr. WANG Mingcheng, Mr. CHEN Hong and Mr. SU Yi as executive Directors; and Dr. TSUI Wai Ling, Carlyn, Mr. SHEN Jinjun and Ms. YU Jianrong as independent non-executive Directors.

As at the date of this joint announcement, the sole director of the Subscriber is Mr. WANG Mingcheng. As at the date of this joint announcement, the ultimate parent company of the Subscriber is ITG Holding, also the single largest Shareholder of the Company, and the directors of ITG Holding are Mr. XU Xiaoxi, Mr. GAO Shaoyong, Mr. MA Chenhua, Mr. CHEN Dingyu, Mr. CHEN Fang, Mr. YANG Qingrong, Mr. WU Shinong, Mr. CHEN Cangxing and CAI Yingbin.

Each of the directors of the Subscriber and ITG Holding jointly and severally accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Subscriber and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by each of the directors of the Subscriber and ITG Holding in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.