



**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)**

*Executive Directors:*

Mr. HUANG Junfeng (黃俊鋒) (*Chairman*)  
Mr. WANG Mingcheng (王明成)  
Mr. CHEN Hong (陳弘)  
Mr. SU Yi (蘇毅)

*Independent Non-Executive Directors:*

Dr. TSUI Wai Ling Carlye (徐尉玲)  
Mr. SHEN Jinjun (沈進軍)  
Ms. YU Jianrong (于建榕)

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY 1-1111  
Cayman Islands

*Principal Place of business  
in Hong Kong:*

Flat C, 32/F  
Lippo Centre Tower 1  
89 Queensway  
Hong Kong

9 June 2025

*To the Independent Shareholders*

Dear Sir/Madam,

**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/OR  
PARTIES ACTING IN CONCERT WITH IT)**

## **INTRODUCTION**

On 28 May 2025, the Company and the Offeror jointly announced in the Joint Announcement dated 28 May 2025 the waiver of the condition precedent relating to the Whitewash Waiver under the Subscription Agreement. On 2 June 2025, the Company and the Offeror jointly announced in the Joint Announcement dated 2 June 2025 that the Connected Subscription Completion has taken place on 2 June 2025. Pursuant to the Connected Subscription, the Company allotted and issued, and the Offeror subscribed 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 Subscription Shares represent approximately 66.58% of the Shares in issue as at the Latest Practicable Date. For details of the Connected Subscription, please refer to the Circular.

The Offeror has confirmed that immediately prior to the Connected Subscription Completion, the Offeror and parties acting in concert with it held 842,977,684 Shares, representing approximately 25.19% of the Shares in issue of the Company. The Offeror has further confirmed that upon the Connected Subscription Completion, the shareholding of the Offeror and the parties acting in concert with it increased to approximately, and not more than, 75.00% of the Shares in issue of the Company (as enlarged by the allotment and issue of the Subscription Shares).

Accordingly, and given the fact that the Whitewash Waiver was not approved at the EGM, upon the Connected Subscription Completion, the Offeror is required to make a mandatory general offer for all the Offer Shares.

This letter forms part of this Composite Document and sets out, among other things, the details of the Offer, information on the Offeror and its intentions in relation to the Company. Further details of the terms of the Offer and the procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

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

The Company has appointed Huatai as its financial adviser.

The Independent Board Committee (comprising all the independent non-executive Directors, namely, Dr. TSUI Wai Ling Carlye, Mr. SHEN Jinjun and Ms. YU Jianrong) has been formed to advise the Independent Shareholders in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, in particular as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offer. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

## THE OFFER

As stated in the Letter from CLSA Limited, CLSA Limited, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

**For each Offer Share . . . . . HK\$0.15 in cash**

The Offer Price of HK\$0.15 per Offer Share is the same as the Subscription Price per Subscription Share paid by the Offeror to the Company under the Connected Subscription.

As at the Latest Practicable Date, the Company had 10,016,050,944 Shares in issue. The Company did not have in issue any other outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

As stated in the Letter from CLSA Limited, the Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the “Letter from CLSA Limited” and Appendix I to this Composite Document and the accompanying Form of Acceptance.

## INFORMATION ON 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 audited financial information of the Group for the two years ended 31 December 2024:

	<b>Year ended 31 December 2023 RMB'000</b>	<b>Year ended 31 December 2024 RMB'000</b>
<b>Revenue</b>	24,131,975	20,746,774
<b>Loss for the period</b>	(820,480)	(1,529,086)
<b>Net asset (liability) value attributable to the Shareholders</b>	361,830	(356,683)

The audited consolidated net liabilities of the Group attributable to owners of the Company as at 31 December 2024 were approximately RMB357 million, and based on a total of 10,016,050,944 Shares in issue as at the Latest Practicable Date, equivalent to approximately HK\$0.0383<sup>1</sup> per Share.

*Note 1:* for the purpose of illustration, based on an exchange rate of RMB1 = HK\$1.0756 as at the Last Trading Day extracted from Bloomberg

## Shareholding Structure of the Company

The shareholding structure of the Company (a) immediately prior to the Connected Subscription Completion; and (b) after the Connected Subscription Completion and as at the Latest Practicable Date, is set out below:

	Immediately before the Connected Subscription Completion		After the Connected Subscription Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>% of issued Shares</i>	<i>Number of Shares</i>	<i>% of issued Shares</i>
The Offeror	820,618,184	24.52	7,489,678,708	74.78
Hong Kong Sindanol	22,359,500	0.67	22,359,500	0.22
<b>The Offeror and parties acting in concert with it<sup>(1)</sup></b>	842,977,684	25.19	7,512,038,208	75.00
<b>Non-public Shareholders</b>				
Cheung Mui <sup>(2)</sup>	369,127,500	11.03	—	—
<b>Public Shareholders</b>				
Cheung Mui <sup>(2)</sup>	—	—	381,227,500	3.81
Other public Shareholders	<u>2,134,885,236</u>	<u>63.78</u>	<u>2,122,785,236</u>	<u>21.19</u>
<b>Total</b>	<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 the 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 2025 first quarterly report of Xiamen Xindeco, and Xiamen Xindeco was beneficially interested in the entire issued share capital of Hong Kong Sindanol. As the Offeror is an indirectly wholly owned subsidiary of ITG Holding, (a) ITG Holding was deemed to be interested in the 820,618,184 Shares held by the Offeror immediately before the Connected Subscription Completion, and (b) ITG Holding was deemed to be interested in the 7,489,678,708 Shares held by the Offeror after the Connected Subscription Completion and as at the Latest Practicable Date. Therefore, ITG Holding was indirectly interested in 7,512,038,208 Shares as at the Latest Practicable Date.

- (2) Cheung Mui was not considered a public shareholder given her more than 10% shareholding in the Company immediately before the Connected Subscription Completion. Immediately after the Connected Subscription Completion, she is considered a public shareholder.
- (3) The percentage figures as set out above are subject to rounding adjustments.
- (4) As at the Latest Practicable Date, none of the Directors held any Shares in the Company.

Your attention is drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the Group.

## **INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “Information on the Offeror” in the letter from CLSA Limited as set out in this Composite Document for further information about the Offeror.

## **INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP**

Your attention is drawn to the section headed “Intentions of the Offeror in relation to the Group” in the letter from CLSA Limited set out in this Composite Document.

The Offeror has stated that it intends to continue the existing businesses of the Group and has no intention to introduce major changes to the business of the Group or the continued employment of the Group’s employees, including any redeployment of fixed assets other than those in its ordinary course of business.

## **MAINTAINING THE LISTING STATUS OF THE COMPANY AND SUFFICIENT PUBLIC FLOAT**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares, if any), are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
  - (b) that there are insufficient Shares in public hands to maintain an orderly market,
- it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. Such steps may include, without limitation, the Offeror directly disposing of or engaging a placing agent to place down the Shares held by the Offeror or its concert parties. The Company may also issue additional Shares by the Company for this purpose. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

## RECOMMENDATION AND ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 19 to 21 of this Composite Document and the letter from Gram Capital set out on pages 22 to 39 of this Composite Document, which contain, among other things, their advice in relation to the Offer and the principal factors considered by them in arriving at their recommendations.

Your attention is also drawn to the additional information contained in the Appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for the acceptance of the Offer.

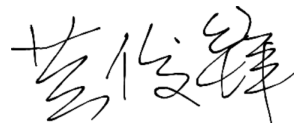
The Independent Shareholders are strongly recommended to read and carefully consider the letter from the Independent Board Committee, the letter from Gram Capital, the Letter from CLSA Limited and the additional information contained in the Appendices to this Composite Document.

**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.**

Yours faithfully,

By order of the Board

**China ZhengTong Auto Services Holdings Limited**  
中國正通汽車服務控股有限公司



**HUANG Junfeng**  
*Chairman*