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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)**

**US DENOMINATED SENIOR NOTES DUE 2022**

**(Stock Code: 40132)**

**PROFIT WARNING**

This announcement is made by China ZhengTong Auto Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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).

The board (the “**Board**”) of directors of the Company wishes to inform shareholders and potential investors of the Company that, based on a preliminary review by the management of the Company of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the information currently available to the Board, it is expected that the Group would record a loss attributable to the shareholders of the Company ranging from RMB8 billion to RMB9 billion for the year ended 31 December 2020 as compared to the profit attributable to the shareholders of the Company of approximately RMB664 million for the corresponding period in 2019.

Based on the information currently available to the Board, the Board considers that the loss was mainly attributable to: (1) the impact of the Novel Coronavirus (COVID-19) pandemic in the first half of the year and the increased strain over the Group’s liquidity position resulted to continual decline in the Group’s financial performance in the second half of the year; (2) the situation led to significant deterioration in performance metrics under dealership agreements between the Group and automakers, which resulted to the

termination or suspension of certain dealership authorizations, and certain vendor rebate entitlements were claw back and reversed; (3) the termination or suspension of certain dealership authorizations and the Group's reposition over some of its underperforming 4S stores lead to impairment provision of various assets, including goodwill, intangible assets and property, plant and equipment.

The information contained in this announcement is only based on a preliminary assessment performed by the management of the Company with reference to the Group's management accounts and information currently available to the Company and has not been reviewed by the Company's auditor and the audit committee, and therefore may be subject to amendments.

The annual results announcement of the Company for the year ended 31 December 2020 is expected to be published on 31 March 2021.

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

By order of the Board  
**China ZhengTong Auto Services Holdings Limited**  
**WANG Muqing**  
*Chairman*

Hong Kong, 28 March 2021

*As at the date of this announcement, the Board comprises Mr. WANG Muqing (Chairman), Mr. WANG Kunpeng, Mr. LI Zhubo and Mr. WAN To as executive Directors; and Dr. WONG Tin Yau, Kelvin, Dr. CAO Tong and Ms. WONG Tan Tan as independent non-executive Directors.*