

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



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)

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(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (the “**2023 Interim Period**”) and the information currently available to the Board, the 2023 Interim Period, when compared with the six months ended 30 June 2022 (the “**2022 Interim Period**”), is expected to turn from profit to loss, and the estimated loss attributable to equity shareholders is estimated to be no more than RMB396 million.

Based on the information currently available, the Board is of the view that the loss attributable to equity shareholders of the Company is mainly attributable to the impact of the macroeconomic environment, competition in the automobile dealership industry and the recovery trend of the Chinese consumer market. During the 2023 Interim Period, the Group’s turnover from automobile sales grew steadily, but the average selling price and gross profit margin of automobiles were lower than those in the past, resulting in a loss attributable to equity shareholders for the Group.

Based on the long-term strategic support of the Group's single largest shareholder, Xiamen ITG Holdings Group Co., Ltd., and based on the assessment of the Group's unaudited consolidated management accounts for the 2023 Interim Period, the Board believes that the Group can adapt to industry changes and continue to maintain financial stability.

As the Company is still in the course of preparing the financial results for the 2023 Interim Period, the information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts and the financial information currently available to the Board. Such information has not been audited nor reviewed by the auditors or the audit committee of the Company, and thus may be subject to adjustments.

The Group's financial results and performance for the 2023 Interim Period will be set out in the forthcoming interim results announcement of the Company, which is expected to be published in late August 2023.

Shareholders and potential investors of the Company shall exercise caution when dealing in the securities of the Company.

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

Hong Kong, 24 August 2023

As at the date of this announcement, the Board comprises Mr. WANG Mingcheng (Chairman), Mr. LI Zhihuang and Mr. HUANG Junfeng as executive Directors; and Dr. WONG Tin Yau, Kelvin, Dr. CAO Tong and Ms. WONG Tan Tan as independent non-executive Directors.