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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 of directors of the Company (the “**Board**”) wishes to inform shareholders and potential investors of the Company that, based on management’s preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Board, it is expected that the Group would record a loss attributable to the shareholders of the Company of not less than RMB1,331 million for the six months ended 30 June 2020 as compared to the profit attributable to the shareholders of the Company of approximately RMB471 million for the corresponding period in 2019.

Based on information currently available to the Board, the loss was mainly attributable to an impairment loss of the Group’s goodwill and intangible assets amounting to RMB1,465 million as well as decreases in operation profits caused by the outbreak of the Novel Coronavirus (COVID-19) since early 2020.

The information contained in this announcement is only based on preliminary assessment performed by the management 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 interim results announcement of the Company for the six months ended 30 June 2020 is expected to be published before the end of August 2020.

Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company.

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

Hong Kong, 25 August 2020

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.