

*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)**

**INSIDE INFORMATION**  
**UPDATE ON LEGAL PROCEEDINGS**

This announcement is made by China ZhengTong Auto Services Holdings Limited (the “**Company**”) 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).

Reference is made to the announcement of the Company dated 22 December 2021 (the “**Announcement**”) in relation to legal proceedings involving the Plaintiff, Beijing Guangze and Wuhan Zhengtong, and the Company’s announcement of annual results for the year ended 31 December 2021 (the “**Results Announcement**”). Unless otherwise specified, capitalized terms used herein shall have the same meanings as those used in the Announcement.

As stated in the Announcement, pursuant to the First Instance Judgement, Beijing Guangze shall pay to the Plaintiff a principal amount of RMB420 million together with interest, comprising, among others, the redemption price for the equity investment made by the Plaintiff in Beijing Zunbaocheng and Beijing Baoze. Wuhan Zhengtong was ordered by the first instance court to be jointly and severally liable for the same amount. As stated in the Results Announcement, Wuhan Zhengtong has filed an appeal against the First Instance Judgement through Zhejiang Higher People’s Court (the “**Higher Court**”), and an initial court hearing was held in February 2022.

The Company received the second instance judgement in respect of the above legal proceedings (the “**Judgement**”) from the Higher Court on 23 June 2022. Pursuant to the Judgement, the Higher Court upheld the amounts Beijing Guangze was ordered to pay under the First Instance Judgement and stated that Beijing Guangze shall pay the investment return, perform its equity redemption obligations, and remain liable to the Plaintiff for any consequences that may accrue as a result of its breach in accordance with the relevant agreements until the aforesaid obligations are fulfilled.

Pursuant to the Judgement, the Higher Court disagreed with and overturned the first instance finding that Wuhan Zhengtong was jointly and severally liable for the amounts involved. Pursuant to the Judgement, the guarantee given by Wuhan Zhengtong in respect of the amounts owed by Beijing Guangze was held to be a general guarantee instead of a joint liability guarantee (i.e. Wuhan Zhengtong shall only be responsible for any shortfalls if Beijing Guangze fails to fulfill its repayment obligations), and after having assumed its general guarantee liability, Wuhan Zhengtong shall be entitled to claim repayment from Beijing Guangze to the extent of the guarantee obligation it has performed.

The Judgement is final. If Beijing Guangze fails to pay the amounts owed by it, Wuhan Zhengtong will proceed in accordance with the court’s instructions and reserves its right to claim repayment from Beijing Guangze.

As stated in the Results Announcement, Wuhan Zhengtong has also filed an appeal through Jiangsu Higher People’s Court. As of the date of this announcement, the appeal in respect of the Other Proceeding has not reached conclusion. The Company will continue to assess and monitor any material developments in the legal proceedings, and will make further announcement in accordance with the Listing Rules and applicable laws and regulations as and when appropriate.

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

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  
**WANG Mingcheng**  
*Chairman*

Hong Kong, 24 June 2022

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