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China Yongda Automobiles Services Holdings Limited

(中國永達汽車服務控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03669)

VOLUNTARY ANNOUNCEMENT POSSIBLE DISPOSAL OF CERTAIN SUBSIDIARIES OF THE GROUP

This is a voluntary announcement made by China Yongda Automobiles Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform its shareholders and potential investors that it is in preliminary discussions with a consortium of investors (the “**Consortium**”) in relation to a possible transaction which may lead to the Company disposing of possibly more than 50% of its equity interest in its automobile finance business.

POSSIBLE DISPOSAL

The board of directors of the Company (the “**Board**”) announces that the Company is in discussions with the Consortium in relation to a potential transaction which may lead to the Company disposing of possibly more than 50% of its equity interest in its automobile finance business, comprising of certain of its subsidiaries (the “**Possible Disposal**”) including Shanghai Yongda Information Technology Group Co., Ltd. (上海永達信息技術集團有限公司) and other subsidiaries of the Group that engage in automobile finance business of the Group (collectively, the “**Target Companies**”) to the Consortium.

Whilst these discussions are preliminary in nature, if the Possible Disposal proceeds, it will likely take the form of a capital increase and a subscription of possibly more than 50% of equity interests in each of the Target Companies by the Consortium.

Currently, the Group is in preliminary discussion with the Consortium regarding the Possible Disposal and has not entered into any binding agreements with the Consortium regarding the Possible Disposal.

In the event that definitive agreement(s) is entered into, the Possible Disposal is expected to constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Further announcement(s) and circular (if applicable) will be published by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

INFORMATION ON THE CONSORTIUM

To the best of the Board’s knowledge, information and belief having made all reasonable enquiries, the Consortium (which consists of a number of leading private equity investors), its ultimate beneficial owners and their respective associates as defined in the Listing Rules, is not a connected person of the Company and is an independent third party.

WARNING

The discussions between the Company and the Consortium are preliminary in nature and may or may not lead to the entering into of any definitive agreement and the Possible Disposal may or may not proceed as contemplated or at all, shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By order of the Board
China Yongda Automobiles Services Holdings Limited
Cheung Tak On
Chairman

The PRC, 20 February 2019

As at the date of this announcement, the Board comprises (i) five executive directors, namely Mr. Cheung Tak On, Mr. Cai Yingjie, Mr. Wang Zhigao, Mr. Xu Yue and Ms. Chen Yi; (ii) one non-executive director, namely Mr. Wang Liquan; and (iii) three independent non-executive directors, namely Ms. Zhu Anna Dezhen, Mr. Lyu Wei and Mr. Mu Binrui.

** The English names of the subsidiaries of the Group are translated for identification purposes only.*