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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)

INSIDE INFORMATION

This announcement is made by China Yongda Automobiles Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcement of the Company dated January 18, 2016 (the “**Announcement**”) in relation to the entering into of the Framework Agreement between Yongda Investment and the A-share Listco. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would wish to inform the Shareholders and potential investors that, as Yongda Investment and the A-share Listco have not been able to reach any definitive agreement in relation to the Proposed Spin-off, on April 6, 2016, Yongda Investment and the A-share Listco agreed to suspend negotiation in relation to the Proposed Spin-off, and the parties agreed that Yongda Investment may approach and negotiate with other companies in relation to spin-off proposals.

The Board would also wish to inform the Shareholders and potential investors that Yongda Investment has commenced discussions with another company whose shares are listed on the Shenzhen Stock Exchange of the PRC (the “**New A-share Listco**”) in respect of a proposed transfer of certain assets by the Group in exchange for certain equity interests in the New A-share Listco (the “**Revised Proposed Spin-off**”). As at the date of this announcement, Yongda Investment and the New A-share Listco have not entered into any definitive agreement and the Revised Proposed Spin-off is expected to be subject to relevant regulatory approvals in Hong Kong and the PRC as well as corporate approvals for the Company and the New A-share Listco. The Company currently expects that, upon completion of the Revised Proposed Spin-off, the New A-share Listco will become an indirect non-wholly owned subsidiary of the Company.

IMPLICATION UNDER THE LISTING RULES

If the Revised Proposed Spin-off proceeds and materializes, it may constitute a spin-off and separate listing of the Group's assets on the Shenzhen Stock Exchange of the PRC. The Company will comply with applicable requirements under Practice Note 15 of the Listing Rules, including submission of a spin-off proposal to the Stock Exchange in due course.

As at the date hereof, the Company has not entered into any definitive agreement in relation to the Revised Proposed Spin-off. The Company will make further announcement(s) in relation to the Revised Proposed Spin-off as and when appropriate and/or required pursuant to the Listing Rules and the SFO.

Shareholders and potential investors should note that the Revised Proposed Spin-off may or may not proceed and are subject to the entering into of definitive agreements and various regulatory and corporate approvals. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

The PRC, April 7, 2016

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 Mr. Lyu Wei, Mr. Chen Xianglin and Ms. Zhu Anna Dezhen.