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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: 3669)**

**VOLUNTARY ANNOUNCEMENT**  
**RESOLVING OF HIGH SHAREHOLDING CONCENTRATION**

This is a voluntary announcement made by China Yongda Automobiles Services Holdings Limited (the “**Company**”).

References are made to the announcement of the Securities and Futures Commission (the “**SFC**”) dated 15 July 2013 (the “**SFC Announcement**”) and the announcement of the Company dated 15 July 2013 (the “**Company Announcement**”) (collectively, the “**Announcements**”) in relation to high concentration of shareholding of the Company as at 14 June 2013.

**Background**

According to the SFC Announcement, as at 14 June 2013, there were 8 shareholders which held an aggregate of 292,650,500 shares of the Company (“**Shares**”), representing 19.77% of the then total issued share capital of the Company. Such shareholding, together with 1,121,961,000 Shares (representing 75.81% of the then total issued share capital of the Company) held in aggregate by 3 directors (namely, Mr. Cheung Tak On, Mr. Cai Yingjie and Mr. Wang Zhigao) and 3 substantial shareholders of the Company at that time (namely Mr. Wan Zhanggen, Baring Private Equity Asia V Holding (7) Limited and Runda Holdings Limited (“**Runda Holdings**”)), represented approximately 95.58% of the then total issued share capital of the Company.

It was further disclosed in the SFC Announcement that on 27 June 2013, Runda Holdings transferred its entire issued share capital to another shareholder of the Company, Sun Moon China Investment Company Limited (“**Sun Moon**”). The total number of Shares held directly by Sun Moon increased from approximately 3.00% to approximately 8.19% of the then total issued share capital of the Company. As a result, as at 27 June 2013, the total number of Shares held by 3 directors and 3 substantial shareholders of the Company at that time amounted to approximately 78.81% of the then total issued share capital of the Company.

As the 8 unnamed shareholders disclosed in the SFC Announcement were not identified by the SFC, the Company was not in a position to confirm the identities and respective shareholdings of such shareholders. As set out in the Company Announcement, the Company believes the group of 8 shareholders included Sun Moon, Brother International Investment Company Limited (“**Brother International**”) and Yongda Employee Incentive Company Limited (“**Yongda Employee**”), which respectively held approximately 3.00%, 2.44% and 4.76% of the then total issued share capital of the Company as at 14 June 2013.

In the SFC Announcement, the SFC cautioned investors to be aware of the Company’s high concentration of shareholding and to exercise extreme caution when dealing in the Shares.

## **Actions taken since the date of the Announcements**

Since the date of the Announcements, the Company has taken active steps with an aim to resolving the Company’s high concentration of shareholding. In particular, the Company has successfully completed a top-up placing in mid-May 2017 (“**Top-Up Placing**”) whereby the Company placed a total of 135,000,000 Shares representing approximately 8.32% of the total issued share capital of the Company as at 22 May 2017 (being the completion date of the Top-Up Placing) to 40 places who and whose ultimate beneficial owners are third parties independent of and not acting in concert (as defined under The Codes on Takeovers and Mergers and Share Buy-backs) with Asset Link Investment Limited (a wholly-owned subsidiary of Mr. Cheung Tak On, a director and a substantial shareholder of the Company) (“**Asset Link**”), the Company and their respective associates and connected persons. Subsequent to the completion of the Top-Up Placing, the public float of the Company has increased from approximately 31.75% (immediately before the Top-Up Placing) to 37.42% (immediately after the completion of the Top-Up Placing).

The Company has also been notified that since the date of the Announcements, a number of directors and shareholders of the Company, namely Mr. Cheung Tak On, Mr. Wang Zhigao, Mr. Wan Zhanggen and Sun Moon, have reduced their shareholding in the Company, aside from the respective shareholding being diluted as a result of the Top-Up Placing.

## **The board’s own inquiries**

To enhance greater transparency on the Company’s shareholding structure, the board of directors of the Company (the “**Board**”) has conducted inquiries into the Company’s shareholding structure through an independent third party service provider (the “**Inquiries**”).

## Shareholding Structure of the Company as at 31 May 2017

To the best knowledge of the directors of the Company and based on the results of the Inquiries, as at 31 May 2017 (which is the latest practicable date of the Inquiries), the shareholding structure of the Company is set out below:

	Number of Shares held as at 14 June 2013	% of total number of issued Shares as at 13 June 2013	Number of Shares held as at 31 May 2017 (Shares)	% of total number of issued Shares as at 31 May 2017 (%)
<b>Directors and substantial shareholders</b>				
Mr. Cheung Tak On (Note 1)	686,146,000	46.36	657,183,000	40.48
Mr. Cai Yingjie (Note 2)	108,762,500	7.35	108,962,500	6.71
Mr. Wan Zhanggen (Note 3)	95,045,500	6.42	66,769,000	4.11
Baring Private Equity Asia V Holding (7) Limited (Note 4)	94,136,500	6.36	94,136,500	5.80
Runda Holdings (Note 5)	76,800,000	5.19	76,800,000	4.73
Mr. Wang Zhigao (Note 6)	61,070,500	4.13	58,070,500	3.58
Mr. Xu Yue (Note 9)	—	—	920,000	0.06
Ms. Chen Yi (Note 10)	—	—	900,000	0.06
Sub-total	<u>1,121,961,000</u>	<u>75.81</u>	<u>1,063,741,500</u>	<u>65.52</u>
<b>A group of 8 shareholders</b>				
	<i>As identified in the SFC Announcement</i>		<i>3 out of a group of 8 shareholders as identified in the Company Announcement</i>	
Yongda Employee (Note 7)	—	—	48,300,400	2.98
Brother International (Note 8)	—	—	33,395,000	2.06
Sun Moon (Note 5)	—	—	14,379,000	0.89
Sub-total	<u>292,650,500</u>	<u>19.77</u>	<u>96,074,400</u>	<u>5.92</u>
<b>Other public shareholders (Note 11)</b>	<u>65,410,500</u>	<u>4.42</u>	<u>463,603,878</u>	<u>28.56</u>
<b>Total</b>	<u><u>1,480,022,000</u></u>	<u><u>100.00</u></u>	<u><u>1,623,419,778</u></u>	<u><u>100.00</u></u>

- Note 1: Mr. Cheung Tak On is the chairman and an executive director of the Company. Palace Wonder Company Limited held 384,000,000 Shares. Palace Wonder Company Limited is wholly-owned by Regency Valley Company Limited, which is in turn wholly-owned by HSBC International Trustee Limited, as the trustee of a family trust. The family trust is a discretionary trust established by Mr. Cheung as settlor and protector, and he is also one of the beneficiary objects of the family trust. Accordingly, Mr. Cheung is deemed to be interested in the 384,000,000 Shares held by Palace Wonder Company Limited. Mr. Cheung also held 267,080,000 Shares through his wholly-owned company, Asset Link Investment Limited, and 6,103,000 Shares as a beneficial owner.*
- Note 2: Mr. Cai Yingjie is the vice-chairman and an executive director of the Company. Mr. Cai held 108,288,000 Shares through his wholly-owned company, Ample Glory International Investment Company Limited, and 674,500 Shares as a beneficial owner.*
- Note 3: Mr. Wan Zhanggen held 57,211,500 Shares through his wholly-owned company, Eternal Wealth Global Investment Company Limited, and 9,557,500 Shares as a beneficial owner.*
- Note 4: The Baring Asia Private Equity Fund V, L.P. approximately owns 99.35% of Baring Private Equity Asia V Holding (7) Limited. Baring Private Equity Asia GP V, L.P. is the general partner of The Baring Asia Private Equity Fund V, L.P.. Jean Eric SALATA is the sole shareholder of Baring Private Equity Asia GP V Limited (the general partner of Baring Private Equity Asia GP V, L.P.). Each of Baring Private Equity Asia GP V Limited and Jean Eric SALATA is therefore deemed to be interested in 94,136,500 Shares held by Baring Private Equity Asia V Holding (7) Limited. Jean Eric SALATA disclaims beneficial ownership of such Shares, other than to the extent of his economic interest in such entities.*
- Note 5: Runda Holdings held 76,800,000 Shares. It is wholly-owned by Sun Moon and Sun Moon is deemed to be interested in the 76,800,000 Shares held by Runda Holdings. Sun Moon is in turn wholly-owned by Mr. Gu Mingchang, the brother of Ms. Gu Lifang (being the wife of Mr. Cheung Tak On) and held 14,379,000 Shares. Accordingly, Mr. Gu is deemed to be interested in 14,379,000 Shares held by Sun Moon as well as 76,800,000 Shares held by Runda Holdings. The Company believes that Sun Moon is one of the 8 shareholders referred to by the SFC in the Announcements. Due to the relationship between Mr. Gu and Mr. Cheung, the Shares of Runda Holdings and Sun Moon are not regarded as being held in public hands.*
- Note 6: Mr. Wang Zhigao is the vice-chairman and non-executive director of the Company. Mr. Wang held 57,160,000 Shares through his wholly-owned company, Golden Rock Global Investment Company Limited, and 910,500 Shares as a beneficial owner.*
- Note 7: The Shares held by Yongda Employee are not regarded as being held in public hands as the Shares were transferred by way of gift at no consideration from Asset Link Investment Limited, which is wholly-owned by Mr. Cheung. The Company believes that Yongda Employee is one of the 8 shareholders referred to by the SFC in the Announcements.*
- Note 8: Brother International is wholly-owned by Mr. Qiao Suixiang. Mr. Qiao was one of the shareholders of Shanghai Yongda Group Company Limited by Shares which held the onshore operating subsidiaries of the Company prior to the reorganization arrangements undergone by the Company in preparation for its listing back in 2012. Due to the relationship set out above, the Shares held by Brother International are not regarded as being held in public hands. The Company believes that Brother International is one of the 8 shareholders referred to by the SFC in the Announcements.*
- Note 9: Mr. Xu Yue is the president and an executive director of the Company with effect from 23 March 2015. He held 920,000 Shares as a beneficial owner.*
- Note 10: Ms. Chen Yi is an executive director of the Company with effect from 23 March 2015. She held 900,000 Shares as a beneficial owner.*
- Note 11: In calculating the shareholding structure in the SFC Announcement, the SFC excluded the Shares held by “A group of 8 shareholders” from the “Other shareholders”. As the 8 unnamed shareholders disclosed in the SFC Announcement were not identified by the SFC, the Company was not in the position to confirm the identities and respective shareholdings of such shareholders. However, the Company believes that the group of 8 shareholders included Sun Moon, Brother International and Yongda Employee and the Company set out in this announcement their respectively shareholding as at the date of this announcement.*

To further demonstrate that the Company's shareholding is no longer highly concentrated, the Company summarized, based on the Inquiries, the percentage shareholdings by its top shareholders as at and since 14 June 2013 as follows:

	<b>31 May 2013</b>	<b>31 July 2015</b>	<b>30 October 2015</b>	<b>29 July 2016</b>	<b>2 November 2016</b>	<b>31 March 2017</b>	<b>31 May 2017</b>
Top 10 shareholders	88.39%	86.94%	85.56%	84.16%	84.32%	82.63%	74.75%
Top 20 shareholders	97.96%	95.19%	93.86%	90.60%	90.90%	89.57%	84.16%

Accordingly, the number of Shares held by shareholders other than the 20 shareholders with the largest shareholdings in the Company increased from 2.04% of the total issued share capital of the Company as at 31 May 2013, to 15.84% as at 31 May 2017.

Reference is also made to the announcement of the Company dated 22 June 2017 in relation to a proposed share transaction (the "**Share Transaction Announcement**"). As disclosed in the Share Transaction Announcement, subject to the fulfillment (or waiver) of the conditions precedent in respect of the Proposed Acquisition (as defined in the Share Transaction Announcement), the Company may issue up to 48,690,305 Shares to the seller of the Proposed Acquisition, which will represent approximately 2.90% of the enlarged share capital of the Company (assuming there is no other change in the issued share capital of the Company from the date of this announcement to the date of issuance). As a result, the percentage of shareholding of the top 10 shareholders and top 20 shareholders of the Company will further be decreased to 73.71% and 83.81% respectively.

In light of the above, the Company is of the view that the concern over its shareholding concentration as at the date of the Announcements (namely, 15 July 2013) has been materially resolved and the high concentration of shareholding in the Company as at 14 June 2014 as stated in the SFC Announcement should not be used as a basis to evaluate the current status of the shareholding structure of the Company.

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

PRC, 23 June 2017

*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.*